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Sent: Wednesday, February 20, 2019 3:22 PM
To: Wayland, Joshua
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Subject: Seven County Infrastructure Coalition - Uinta Basin Railway Information Paper
Attachments: Uinta Basin Railway Information Paper.pdf

Josh,

Please find attached an information paper regarding the Uinta Basin Railway that is being proposed by our client, the Seven County Infrastructure Coalition. This information should assist your office as you begin the environmental review process for the project. Note that we will follow up separately with a summary of the Coalition's alternatives evaluation in the near future. Please do not hesitate to contact us if you should have any questions.

Best,

Maggie

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Information Paper

Uinta Basin Railway

Seven County Infrastructure Coalition

February 20, 2019

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1.0 Introduction

The Uinta Basin Railway (“UBR”) is being proposed by the Seven County Infrastructure Coalition (the “Coalition”). The Coalition is established under an inter-local agreement by the following seven counties: Carbon, Daggett, Duchesne, Emery, San Juan, Sevier, and Uintah counties. The Coalition is an independent political subdivision of the State of Utah, separate and apart from its creating counties. All seven counties are located in Utah, and the Uinta Basin is mostly within the boundaries of these seven counties. The purposes of the Coalition are to (1) balance environmental value and sensitive natural features with access, use, and development of natural resources, and geographic features, including their economic benefits in accordance with applicable laws, rules, and regulations; (2) foster communication, coordination, and planning; (3) promote resource utilization and protection; and (4) identify and secure funding for and ownership and control of projects, infrastructure, facilities, and improvements. The Coalition’s overall mission is to improve the quality of life through cooperative regional planning, increased economic opportunity and public service, and sustainable implementation. The Utah Permanent Community Impact Fund Board has provided funding to the Coalition for the UBR.

2.0 Background

The Uinta Basin is sometimes referred to as the “Isolated Empire” due to its geographic isolation within the mountain ranges and plateaus of the surrounding Rocky Mountain West. The Basin is a geographical area approximately 12,000 square miles in size, lying in northeastern Utah and extending into northwestern Colorado. The Uinta Basin’s elevation ranges between 5,000 and 10,000 feet above sea level. Most of the population and field-crop agriculture in the Uinta Basin are located in the central portion of the Basin, at elevations ranging from 5,000 to 6,500 feet. The Basin is surrounded by high mountains or plateaus rising to as much as 13,500 feet in elevation.

The Uinta Basin has limited access by all transportation modes. The existing surface transportation infrastructure consists of two-lane rural highways connecting the Basin to the national highway network. The principal truck route connecting the Uinta Basin to the rest of the country is U.S. 40, a two-lane rural highway that provides access to Salt Lake City to the west and rural northwestern Colorado to the east. In addition, U.S. Highway 191 (U.S. 191), a rural two-lane highway, traverses the basin from north to south. The major watercourse of the Uinta Basin, the Green River, enters and exits the Basin through deep canyons that are passable only by small rafts or kayaks. Commercial air service consists of two round-trip flights daily between Vernal, Utah, and Denver, Colorado, each operated with a 50-seat regional jet. The Basin has no railway lines connecting it to the national railway network.

The national railway network is separated from the Uinta Basin by mountain ranges to the north, west, and south. To the east, the national railway network approaches but does not enter the Basin. The distance between population centers and industries located within the Uinta Basin and the national railway network varies from 50 to 200 highway miles. Regional geography is the principal contributor to this separation of the Uinta Basin from the national railway network. In the 19th and early 20th centuries, the construction of the transcontinental main lines passed to the north and south of the Basin, skirting the mountains and plateaus that ring the Basin, which resulted in much lower construction and operating costs.

To address the limited transportation options available to shippers of commodities and products produced and consumed in the Basin, the Coalition is proposing to build a railway that would provide rail service between the Basin and the national common-carrier rail network.

Figure 1 below illustrates the location and extent of the Uinta Basin. Figure 1 also illustrates the national railway network in relationship to the Uinta Basin, as well as the principal highways that serve the Uinta Basin.

Figure 1: Location and Extent of the Uinta Basin, with Highways and Existing Railways



Source: HDR

3.0 Purpose and Need

3.1 Project Purpose

The purpose of the proposed rail line is to provide common-carrier rail service connecting the Uinta Basin to the national rail network using a route that allows the Coalition to economically attract shippers.

3.2 Project Need

The Uinta Basin contains extensive deposits of economically valuable minerals, including large deposits of soda ash and phosphate. Also found within the region are substantial deposits of crude oil, natural gas, oil shale, oil sands, gilsonite, natural asphalt, limestone, bentonite, heavy clay, aggregate materials, bauxite, and low-sulfur coal. Agriculture is also an important part of the Uinta Basin's economy and includes cattle, alfalfa, corn, and other field crops. The Uinta Basin is bounded on all sides by high mountains or plateaus and has limited access by all transportation modes. There is no freeway in or out of the Uinta Basin. There is one east-west paved highway (U.S. Highway 40) and one north-south paved highway (U.S. Highway 191), both of which are two-lane highways except for infrequent passing lanes. Exiting the Basin, these highways cross high mountain passes that during the winter months are prone to closure from snow and ice. The mixture of heavy truck traffic and passenger cars is a safety issue, especially during winter and inclement conditions.

Because the Uinta Basin is not served by the national railway network, trucking on the area's limited highway network is the only available mode of surface transportation for the goods and commodities produced or consumed in the Uinta Basin. Trucks, as compared to rail, are less cost-effective for heavy and bulk commodity movements and generally are used for short-haul movements of these commodities. By providing direct rail service to the Uinta Basin, the proposed project would:

- provide customers in the Uinta Basin with multi-modal options for the movement of freight to and from Uinta Basin;
- promote a safe and efficient system of freight transportation in and out of the Uinta Basin;
- further the development of a sound rail transportation system with effective competition among differing modes of transportation; and
- foster sound economic conditions in transportation and effective competition and coordination between differing modes of transportation.

Because direct rail service is a cost-effective transportation option, many heavy and bulk commodity movements to and from the Uinta Basin would transport by rail, if such an option were available. The proposed project also would provide needed job opportunities for those that reside within or near the Basin.

4.0 Proposed Routes

The Coalition hired HDR Engineering, Inc. to conduct an evaluation of potential routes connecting the Uinta Basin to the national rail network. Based on this evaluation, the Coalition is proposing three routes.¹ These routes include:

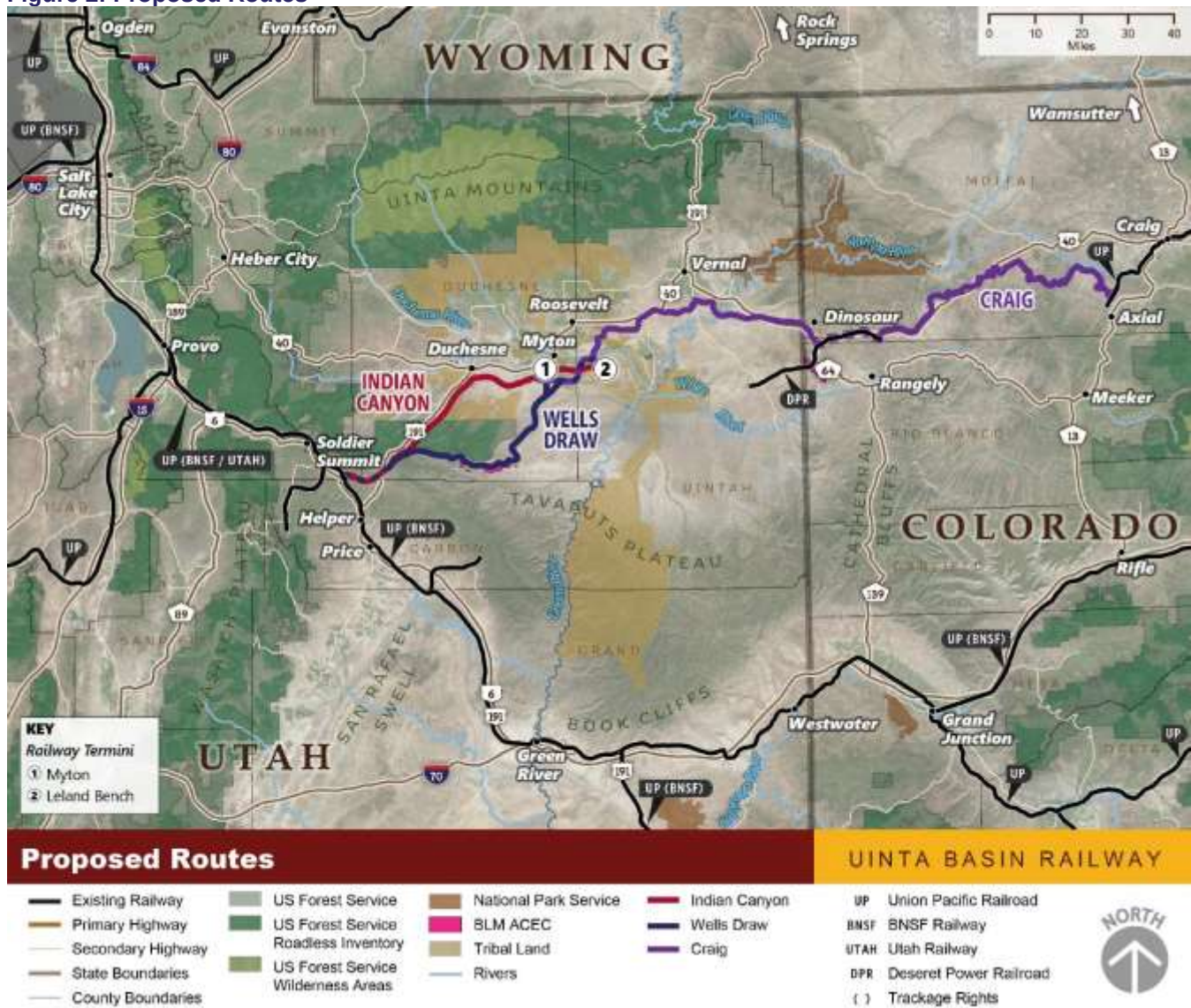
- **Indian Canyon Route** – This route runs from a connection to the national railway network near Kyune, Utah, to termini within the Uinta Basin near Myton and Leland Bench, Utah, and is approximately 80 miles long. Starting at the UP Provo Subdivision main line near Kyune, this route heads easterly through Emma Park. After tunneling through the West Tavaputs Plateau, it descends northward in Indian Canyon to reach termini within the Uinta Basin near Myton and Leland Bench. Portions of this route were identified and selected as the preferred alternative in the 2015 UDOT Uinta Basin Railway Feasibility Study, though the route crossing the West Tavaputs Plateau and through Indian Canyon was substantially modified to reduce construction costs. This route crosses Tribal lands. At this time, the Indian Canyon route is the Coalition's preferred alternative.
- **Craig Route** - This route runs from a connection to the national railway network near Axial, Colorado, to termini within the Uinta Basin near Myton and Leland Bench, Utah, and is approximately 185 miles long. Starting at the UP Craig Subdivision main line near Axial, this route heads westerly to connect to the Deseret Power Railroad (DPR)² near 2 miles west of the Deserado Mine, utilizes the DPR for approximately 13 miles, and continues west to termini within the Uinta Basin near Myton and Leland Bench, Utah. This route does not cross Tribal lands.
- **Wells Draw Route** - This route runs from a connection to the national railway network near Kyune, Utah, to termini within the Uinta Basin near Myton and Leland Bench, Utah, and is approximately 105 miles long. Starting at the UP Provo Subdivision main line near Kyune, this route heads northeasterly through Emma Park. After tunneling through the West Tavaputs Plateau into upper Argyle Canyon, it gradually climbs the north slope of Argyle Canyon to the canyon rim in an eastward direction, then turns north and descends following Wells Draw to reach termini within the Uinta Basin near Myton and Leland Bench. This route does not cross Tribal lands.

The three proposed routes are illustrated in Figure 2 below.

¹ The Coalition will submit a summary of the route evaluation process in the near future.

² The DPR is located within the Basin between the Deserado Coal Mine in northwestern Colorado and the Bonanza Power Plant in northeastern Utah. The DPR exists solely to transport coal from the mine to the power plant and does not connect to the national railway network, nor does DPR hold itself out as a common-carrier.

Figure 2: Proposed Routes



Source: HDR

5.0 Permits and Approvals

At present, the Coalition anticipates obtaining the following permits and authorizations during the regulatory approval process for the UBR:

- Authorization to construct a new rail line from the Surface Transportation Board;
- An individual permit under section 404 of the Clean Water Act from the U.S. Army Corps of Engineers;
- An easement from the Bureau of Land Management;
- A special use lease permit from the U.S. Forest Service;

- Authorization to construct and operate on tribal lands from the Bureau of Indian Affairs;
- State permits and approvals from the Utah Department of Environmental Quality and Utah Department of Natural Resources; and
- State permits and approvals from the Colorado Department of Public Health and the Environment.