



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

EO-3590

Name
Title
Region
Address Line 1
Address Line 2
City, State, Zip Code

November 12, 2021

Email Address

Re: Docket No. FD 36500, Canadian Pacific Railway Limited, et al.—Control of—
Kansas City Southern, et al.; **Notice of Intent to Prepare an Environmental
Impact Statement**

Dear Environmental Protection Agency Official:

On October 29, 2021, Canadian Pacific Railway Limited, et al. (CP) and Kansas City Southern, et al. (KCS) (collectively, Applicants) filed an application with the Surface Transportation Board (Board) seeking authorization for CP to acquire KCS. This acquisition would create the first railroad to connect Canada, the United States, and Mexico. CP's system currently runs east to west across Canada, connecting east and west coast ports. CP's rail lines also run south into the U.S. Midwest and connects with the KCS system in Kansas City. The KCS rail lines run from Kansas City to the Gulf Coast and into Mexico. The combination of these two railroads would be an 'end-to-end' merger because the CP and KCS railroad networks do not overlap (see the interactive map on the Board-sponsored project website here: <https://cp-kcsmergereis.com/maps.htm>).

As part of the approval process, the Board must evaluate the potential impacts of the proposed acquisition on the environment, in accordance with the National Environmental Policy Act of 1969 (NEPA) and the Board's environmental regulations (49 C.F.R. Part 1105). To comply with NEPA, the Board's Office of Environmental Analysis (OEA) initiated preparation of an Environmental Impact Statement (EIS) by issuing a Notice of Intent to Prepare an EIS (NOI) in the *Federal Register* on November 12, 2021. The issuance of the NOI began the scoping period, the first step in the environmental review process. A copy of the NOI can be found here <https://cp-kcsmergereis.com/docs/cp-kcs-noi.pdf>.

The EIS will describe the potential environmental impacts of the proposed acquisition and assist the Board with making its decision about whether to approve, approve with conditions,

or deny the application. The statute setting forth the procedures for Board review of acquisitions at 49 U.S.C. § 11325 and the Board's implementing regulations at 49 C.F.R. § 1180.4 (2000) require that the Board complete its review within approximately 15 months after the application is accepted for a "major" transaction such as this, and OEA must complete the environmental process before the Board issues a final decision.

Description of the Proposed Action

According to the Applicants, the purpose of the proposed acquisition is to combine America's two smallest but fastest-growing Class I railroads to build a more efficient and more competitive rail network. The Applicants state that the proposed acquisition would further the need for expanded and more capable and efficient transportation infrastructure while simultaneously advancing the interests of current and future customers in more reliable and economical rail transportation options serving important North-South trade flows. The Applicants also state that the proposed acquisition would generate environmental benefits by reducing truck transportation on highways in North America by more than 60,000 trucks annually, resulting in less congestion, less maintenance, and improved safety on those roads, as well as less noise pollution in the places where those trucks would have driven, and lowered air emissions, including greenhouse gas emissions.

The proposed acquisition would involve (1) changes in level of operations (e.g., an increase in average trains per day) on certain segments of the combined rail network that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental analysis; and (3) capital improvements within the existing rail right-of-way. The thresholds for assessing environmental impacts from increased rail traffic on rail lines in railroad acquisition proceedings are an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase in rail traffic of at least eight trains per day. For air quality impacts, rail lines located in areas classified as being in nonattainment under the Clean Air Act are also assessed if they would experience an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains per day. Based on our preliminary review, we have identified rail lines in Illinois, Iowa, Missouri, Kansas, Oklahoma, Arkansas, Louisiana, and Texas that could experience increases in rail traffic that would exceed our analysis thresholds as a result of the proposed acquisition. The EIS will analyze the potential environmental impacts of increased rail traffic along those rail lines, as appropriate.

To support increased rail traffic on the combined network, the Applicants propose to add new passing sidings or extend existing passing sidings at 24 locations within the rail right-of-way as part of the proposed acquisition. Sidings would be added or extended at locations in Louisiana, Oklahoma, Arkansas, Kansas, Minnesota, Illinois, Iowa, and Missouri. The Applicants also propose to add approximately four miles of double track within the right-of-way along the KCS Pittsburg Subdivision in Missouri and to add approximately five miles of facility working track within the right-of-way adjacent to the International Freight Gateway intermodal terminal in Missouri. The EIS will analyze potential environmental impacts, as appropriate, from these capital improvement projects.

The interactive map on the Board-sponsored project website here: <https://cp-kcsmergereis.com/maps.htm> shows the locations of the rail lines, rail yards, and intermodal facilities that would experience operational changes that would exceed the Board's environmental analysis threshold, as well as the locations of proposed capital improvements within the rail right-of-way.

Request for Comments and Consultation

OEA requests your comments on the potential impacts of the proposed acquisition. We propose a conference call with the EPA on **Monday, December 6^h at 10:00 a.m. CST** to discuss this with all potentially impacted EPA Regions (letters have been sent to EPA Regions 5, 6, and 7).

How to Comment

We encourage you to file your written comments electronically through the Board-sponsored project website at www.CP-KCSMergerEIS.com. Written comments can also be submitted electronically on the Board's website, www.stb.gov, by clicking on the "E_FILING" link, then clicking on "Environmental Comments." Alternatively, your written comments may be sent by mail to:

Joshua Wayland, Surface Transportation Board, c/o VHB
Attention: Environmental Filing, Docket No. FD 36500
940 Main Campus Dr., Suite 500
Raleigh, NC 27606

Please make sure to refer to Docket No. FD 36500 in all correspondence, including e-filings, addressed to the Board. **All scoping comments must be sent no later than December 17, 2021.**

Public Scoping Meetings

Additionally, to provide an opportunity for the public to provide oral comments, OEA will hold six online public scoping meetings. We invite you to attend those meetings if you are interested. You can attend the online public scoping meetings in one of two ways:

- Join online at: <https://bit.ly/cp-kcs>.
 - Project information will be available for review at this link prior to the public meeting dates.
- Join by phone by calling (888) 788-0099 (Toll Free) and using the call-in information below:

Date	Time	Meeting ID	Passcode
Tuesday, November 30, 2021	6-8 PM	899 9411 9431	336859
Wednesday, December 1, 2021	2-4 PM	834 1445 3134	140066
Thursday, December 2, 2021	6-8 PM	860 6003 9544	510488
Tuesday, December 7, 2021	6-8 PM	891 6903 1796	598592
Wednesday, December 8, 2021	2-4 PM	884 5338 0280	470936
Thursday, December 9, 2021	6-8 PM	899 8627 2409	227867

Next Steps

Following the end of the scoping period on December 17, 2021, OEA will review the comments and issue a Final Scope of Study for the EIS. OEA will then proceed with the preparation of the Draft EIS. You will be notified of the publication of the Draft EIS and will have the opportunity to review and comment on it. At this time, OEA anticipates issuing the Draft EIS in the spring of 2022. In the meantime, OEA may contact you with questions pertaining to the resources under your jurisdiction or purview.

Additional information on this project and the Board's environmental review process is available on the Board-sponsored project website at www.CP-KCSMergerEIS.com. If you have any questions or would like to discuss the proposal in more detail, please contact Joshua Wayland at 202-245-0330 (e-mail address: Joshua.Wayland@stb.gov). We look forward to your participation in the Board's environmental review process.

Sincerely,



Danielle Gosselin
Acting Director
Office of Environmental Analysis

FIRST-NAME	LAST-NAME	TITLE	ORGANIZATION/AGENCY
Ken	Westlake	Deputy Director	EPA Region 5
Cheryl	Newton	Acting Regional Administrator	EPA Region 5
Cheryl	Seager	Director	EPA Region 6
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DEPARTMENT

Region 5

Office of the Regional Administrator

Enforcement and Compliance Assurance Division

Region 7, Enforcement and Compliance Assurance Division