



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Alisha Bell
Commission Chair
Wayne County Commission
500 Griswold
Detroit, MI 48226

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Alisha Bell:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁶⁹ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁷⁰ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁷¹ Should the Board authorize both the

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⁴⁷⁰ Other responsive applications are pending before the Board in Docket No. FD 36500 (Sub-Nos. 2-4) but are not discussed here because those applications are exempt from environmental review.

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall projects and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the

projected increase in rail traffic and has sufficiently identified the location and general layout of the planned capital improvements to support an environmental review. Therefore, OEA will assess the potential impacts of the planned capital improvements as part of the NEPA review of the Proposed Divestiture.

Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

Alternatively, comments submitted by mail should be addressed to: Diana Wood, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, Attention: Environmental Filing, Docket No. FD 36500 (Sub-No. 1). You may also submit comments to OEA's third-party consultant Burns & McDonnell at:

Diana Wood

c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



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Washington, DC 20423

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October 20, 2022

Andy Levin
U.S. Representative - District 9
U.S. House of Representatives
312 Cannon HOB
Washington, DC 20515

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Andy Levin:

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Project Description

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CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

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Map Attachments



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Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Dana Nessel
Attorney General
Michigan Attorney General's Office
525 W. Ottawa St.
Po Box 30212
Lansing, MI 48909

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Dana Nessel:

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Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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Environmental Filing, Docket No. FD 36500 (Sub-No. 1). You may also submit comments to OEA's third-party consultant Burns & McDonnell at:

Diana Wood
c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

David Woodward
Board Chairman
Oakland County Board of Commissioners
1200 N Telegraph Rd
Pontiac, MI 48341

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. David Woodward:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁶⁶ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁶⁷ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁶⁸ Should the Board authorize both the

⁴⁶⁶ CN had filed a responsive application on February 28, 2022. However, in response to an apparent inconsistency in certain data filed in Docket No. 36500, the Board provided time for CP and KCS to address the inconsistency and for all interested parties to refile their respective applications.

⁴⁶⁷ Other responsive applications are pending before the Board in Docket No. FD 36500 (Sub-Nos. 2-4) but are not discussed here because those applications are exempt from environmental review.

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall projects and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the

projected increase in rail traffic and has sufficiently identified the location and general layout of the planned capital improvements to support an environmental review. Therefore, OEA will assess the potential impacts of the planned capital improvements as part of the NEPA review of the Proposed Divestiture.

Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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Diana Wood

c/o Stephen Thornhill
Burns & McDonnell
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Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Dayna Polehanki
Michigan Senator - District 7
Michigan Senate
201 Townsend St
Suite #5400
Lansing, MI 48933

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Dayna Polehanki:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁶⁰ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁶¹ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁶² Should the Board authorize both the

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

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would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Debbie Stabenow
U.S. Senator
U.S. Senate
731 Hart Senate Office Building
Washington, DC 0

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Debbie Stabenow:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴³³ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴³⁴ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴³⁵ Should the Board authorize both the

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To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the

projected increase in rail traffic and has sufficiently identified the location and general layout of the planned capital improvements to support an environmental review. Therefore, OEA will assess the potential impacts of the planned capital improvements as part of the NEPA review of the Proposed Divestiture.

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CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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Diana Wood

c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Doug Wozniak
Michigan Senator - District 8
Michigan Senate
201 Townsend St
Suite #5200
Lansing, MI 48933

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Doug Wozniak:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁶³ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁶⁴ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁶⁵ Should the Board authorize both the

⁴⁶³ CN had filed a responsive application on February 28, 2022. However, in response to an apparent inconsistency in certain data filed in Docket No. 36500, the Board provided time for CP and KCS to address the inconsistency and for all interested parties to refile their respective applications.

⁴⁶⁴ Other responsive applications are pending before the Board in Docket No. FD 36500 (Sub-Nos. 2-4) but are not discussed here because those applications are exempt from environmental review.

⁴⁶⁵ The Board issued a Draft Environmental Impact Statement (EIS) on the primary application in Docket No. FD 36500 on August 5, 2022, and requested public comments on the Draft EIS by October 14, 2022. More information regarding the environmental review of the proposed acquisition of KCS by CP can be found on the project-specific website (www.CP-KCSMergerEIS.com) or on the Board’s website at www.stb.gov by conducting a search for

primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that

would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

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Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Gary Peters
U.S. Senator
U.S. Senate
Hart Senate Office Building
Suite 724
Washington, DC 20510

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Gary Peters:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴³⁶ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴³⁷ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴³⁸ Should the Board authorize both the

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Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

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Project Description

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Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Gretchen Whitmer
Governor
Office of the Governor
111 S Capitol Ave
Lansing, MI 48933

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Gretchen Whitmer:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁴⁵ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁴⁶ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁴⁷ Should the Board authorize both the

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Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall projects and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the

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Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

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In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

Alternatively, comments submitted by mail should be addressed to: Diana Wood, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, Attention: Environmental Filing, Docket No. FD 36500 (Sub-No. 1). You may also submit comments to OEA's third-party consultant Burns & McDonnell at:

Diana Wood

c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Haley Stevens
U.S. Representative - District 11
U.S. House of Representatives
1510 Longworth HOB
Washington, DC 20515

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Haley Stevens:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁴² CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁴³ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁴⁴ Should the Board authorize both the

⁴⁴² CN had filed a responsive application on February 28, 2022. However, in response to an apparent inconsistency in certain data filed in Docket No. 36500, the Board provided time for CP and KCS to address the inconsistency and for all interested parties to refile their respective applications.

⁴⁴³ Other responsive applications are pending before the Board in Docket No. FD 36500 (Sub-Nos. 2-4) but are not discussed here because those applications are exempt from environmental review.

⁴⁴⁴ The Board issued a Draft Environmental Impact Statement (EIS) on the primary application in Docket No. FD 36500 on August 5, 2022, and requested public comments on the Draft EIS by October 14, 2022. More information regarding the environmental review of the proposed acquisition of KCS by CP can be found on the project-specific website (www.CP-KCSMergerEIS.com) or on the Board’s website at www.stb.gov by conducting a search for Docket No. FD 36500.

primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

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If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Helena Scott
Michigan Representative - District 7
Michigan House of Representatives
124 N Capitol Ave
S-686
Lansing, MI 48933

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Helena Scott:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁵⁴ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁵⁵ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁵⁶ Should the Board authorize both the

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Please send your responses by December 2, 2022.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Janice Winfrey
City Clerk
City of Detroit - Office of the City Clerk
2 Woodward Ave
Suite 200
Detroit, MI 48226

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Janice Winfrey:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁷⁵ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁷⁶ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁷⁷ Should the Board authorize both the

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The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that

would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall projects and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a

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Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

Alternatively, comments submitted by mail should be addressed to: Diana Wood, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, Attention:

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Diana Wood
c/o Stephen Thornhill
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If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Mike Duggan
Mayor
City of Detroit - Office of the Mayor
2 Woodward Ave
Suite 1126
Detroit, MI 48226

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Mike Duggan:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁷² CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁷³ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁷⁴ Should the Board authorize both the

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Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

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Please send your responses by December 2, 2022.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Stephanie Young
Michigan Representative - District 8
Michigan House of Representatives
124 N Capitol Ave
S-687
Lansing, MI 48933

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Ms. Stephanie Young:

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Director
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Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Yousef Rabhi
Michigan Representative - District 53
Michigan House of Representatives
110 N Capitol Ave
C-141
Lansing, MI 48933

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Yousef Rabhi:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁵¹ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁵² The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁵³ Should the Board authorize both the

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to formally announce that OEA is in the process of preparing the NEPA document and to request any comments or concerns you may have on the Proposed Divestiture. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that

would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall projects and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a

proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the projected increase in rail traffic and has sufficiently identified the location and general layout of the planned capital improvements to support an environmental review. Therefore, OEA will assess the potential impacts of the planned capital improvements as part of the NEPA review of the Proposed Divestiture.

Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

Alternatively, comments submitted by mail should be addressed to: Diana Wood, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, Attention:

Environmental Filing, Docket No. FD 36500 (Sub-No. 1). You may also submit comments to OEA's third-party consultant Burns & McDonnell at:

Diana Wood
c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle Gosselin". The signature is fluid and cursive, with the first name "Danielle" being more prominent than the last name "Gosselin".

Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Daniel Eichinger
Director
Michigan Department of Natural Resources
530 W Allegan St
6th floor - PO Box 30028
Lansing, MI 48909

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Eichinger:

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The purpose of this letter is to advise you of the Proposed Divestiture and request information from your agency on the environmental resources under your jurisdiction that could be affected by the Proposed Divestiture and permits and approvals that could be required. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

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Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Garry Lee
State Conservationist
Natural Resources Conservation Service - MI Office
3001 Coolidge Road, Suite 250 East
Lansing, MI 48823

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

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Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

Alternatively, comments submitted by mail should be addressed to: Diana Wood, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, Attention: Environmental Filing, Docket No. FD 36500 (Sub-No. 1). You may also submit comments to OEA's third-party consultant Burns & McDonnell at:

Diana Wood
c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Gary McDowell
Director
Michigan Department of Agriculture and Rural Development
525 W. Allegan St.
6th Floor - Po Box 30017
Lansing, MI 48909

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. McDowell:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁵⁸ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁵⁹ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁶⁰ Should the Board authorize both the

⁵⁸ CN had filed a responsive application on February 28, 2022. However, in response to an apparent inconsistency in certain data filed in Docket No. 36500, the Board provided time for CP and KCS to address the inconsistency and for all interested parties to refile their respective applications.

⁵⁹ Other responsive applications are pending before the Board in Docket No. FD 36500 (Sub-Nos. 2-4) but are not discussed here because those applications are exempt from environmental review.

⁶⁰ The Board issued a Draft Environmental Impact Statement (EIS) on the primary application in Docket No. FD 36500 on August 5, 2022, and requested public comments on the Draft EIS by October 14, 2022. More information regarding the environmental review of the proposed acquisition of KCS by CP can be found on the project-specific website (www.CP-KCSMergerEIS.com) or on the Board’s website at www.stb.gov by conducting a search for

primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to advise you of the Proposed Divestiture and request information from your agency on the environmental resources under your jurisdiction that could be affected by the Proposed Divestiture and permits and approvals that could be required. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that

would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall projects and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a

proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the projected increase in rail traffic and has sufficiently identified the location and general layout of the planned capital improvements to support an environmental review. Therefore, OEA will assess the potential impacts of the planned capital improvements as part of the NEPA review of the Proposed Divestiture.

Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

John Yellich
Director
Michigan Geological Survey
1903 W Michigan Ave
Kalamazoo, MI 49008-5241

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Yellich:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁵² CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁵³ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁵⁴ Should the Board authorize both the

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to advise you of the Proposed Divestiture and request information from your agency on the environmental resources under your jurisdiction that could be affected by the Proposed Divestiture and permits and approvals that could be required. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

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Diana Wood
c/o Stephen Thornhill
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Please send your responses by December 2, 2022.

Sincerely,

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Liesl Clark
Director
Michigan Department of Environment, Great Lakes, and Energy
525 West Allegan St
PO Box 30473
Lansing, MI 48909

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Clark:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁵⁵ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁵⁶ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁵⁷ Should the Board authorize both the

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To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one siding passing on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a

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Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Robert Ranck
Region Engineer
Michigan Department of Transportation - Bay Region
5859 Sherman Rd.
Saginaw, MI 48604

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Ranck:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,⁴⁶ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.⁴⁷ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.⁴⁸ Should the Board authorize both the

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to advise you of the Proposed Divestiture and request information from your agency on the environmental resources under your jurisdiction that could be affected by the Proposed Divestiture and permits and approvals that could be required. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

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Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

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If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov.
Please send your responses by December 2, 2022.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Brett Boyle

Lt. Col.

U.S. Army Corps of Engineers - Detroit District, Great Lakes and Ohio River Division

477 Michigan Ave

Room 603

Detroit, MI 48226-2550

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Lt. Col. Boyle:

This letter requests comments on the amended “responsive” application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN), on June 9, 2022, in Docket No. FD 36500 (Sub-No. 1). In that application,¹³ CN requests that the Surface Transportation Board (Board) order the sale of the Kansas City Southern Railway Company’s (KCS) rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture). See attached maps. CN’s filing was submitted in response to a primary application filed jointly by Canadian Pacific et al. (CP) and KCS in Docket No. FD 36500, seeking Board authority for CP to acquire KCS.¹⁴ The proposed acquisition of KCS by CP is the subject of a separate ongoing environmental review by the Board.¹⁵ Should the Board authorize both the

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primary application and the Proposed Divestiture, then CP would be ordered to sell the Springfield Line to CN upon completion of CP's acquisition of KCS.

Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to advise you of the Proposed Divestiture and request information from USACE on the environmental resources under your jurisdiction, such Waters of the United States, that could be affected by the proposed Divestiture as well as permits and approvals that could be required. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

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Danielle Gosselin
Director
Office of Environmental Analysis

Map Attachments



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 20, 2022

Scott Hicks
Field Supervisor
U.S. Fish and Wildlife Service - Michigan Ecological Service Field Office
2651 Coolidge Rd
Suite 101
East Lansing, MI 48823-6360

Re: FD 36500 (Sub-No. 1), Illinois Central Railroad Company – Acquisition of a Line of Railroad Between Kansas City, Mo., and Springfield and East St. Louis, Ill. – Kansas City Southern Railway Company; **Request for Comments**

Dear Mr. Hicks:

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Before deciding whether to authorize the Proposed Divestiture, the Board must first evaluate the potential environmental impacts of CN's proposal in accordance with the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-12) and the Board's environmental regulations at 49 C.F.R. Part 1105. To comply with NEPA, the Board's Office of Environmental Analysis (OEA) is conducting an environmental review of the Proposed Divestiture separately from, but concurrently with, the ongoing environmental review of the proposed acquisition of KCS by CP. Although the Proposed Divestiture could only occur if CP is authorized to acquire KCS, the environmental reviews for the two proposals are being conducted separately because they involve different railroad applicants and largely distinct sets of potential environmental impacts that would occur in different geographic areas.

The purpose of this letter is to advise you of the Proposed Divestiture and request information from your agency on the environmental resources under your jurisdiction that could be affected by the Proposed Divestiture and permits and approvals that could be required. The environmental review of the Proposed Divestiture will help inform the Board in making its decision about whether to approve CN's proposal and, if so, whether and what environmental mitigation conditions to impose. OEA will be conducting field work to confirm the IPaC findings of no effects on the identified species and other biological resources.

Table 1 shows the potential threatened and endangered species as identified by the U.S. Fish & Wildlife Service (USFWS) Information for Planning and Consultation (IPaC) tool for all the components of the Proposed Divestiture. As well as identifying species which may be affected by ROW construction or increases in train volume by the Proposed Divestiture. All construction related activities would be confined to existing rail rights-of-way. See attached maps. The Ferndale yard is located in a heavily developed area, with adjacent residential and light industrial businesses. No activities outside the existing rail yard would be required.

Table 1: ESA-listed species

Common and Scientific Name	Federal Status	Habitat Description
Indiana Bat (<i>Myotis sodalis</i>)	Endangered	Hibernates in caves, cave like structures such as mines, and karst. In summer, they roost in forested areas, under bark that receives direct sunlight, in riparian zones, floodplains, wooded wetlands and upland communities.
Northern Long-eared Bat (<i>Myotis septentrionalis</i>)	Threatened	Hibernates in caves or mines; in summer, found under tree bark, in tree cavities, in caves/mines, or sometimes in manmade structures.
Tricolored Bat (<i>Perimyotis subflavus</i>)	Threatened (Proposed Endangered)	Live and dead leaf clusters of live ore recently dead deciduous hardwood trees, in the non-hibernating seasons. For

Common and Scientific Name	Federal Status	Habitat Description
		hibernation they prefer caves and mines but can also be found in road-associated culverts, tree cavities, and abandoned water wells.
Piping Plover (<i>Charadrius melodus</i>)	Endangered	Wintering piping plovers use a variety of habitats and move based on weather and tidal conditions. Widely they use coastal, lake, and river/stream for habitat. Such as sand spits, small islands, tidal flats, alkaline lakes, reservoirs, river sandbars.
Red Knot (<i>Calidris canutus rufa</i>)	Threatened	Generally coastal marine and estuarine habitats with large areas of exposed intertidal sediments. Winter habitats include both high-energy ocean or bay-front areas, as well as tidal flats in more sheltered bays or lagoons. Coastal, tundra, river/stream, and wetlands are their general habitat.
Eastern Massasauga (<i>Sistrurus catenatus</i>)	Threatened	Shallow wetlands and surrounding upland areas as habitat
Northern Riffleshell (<i>Epioblasma rangiana</i>)	Endangered	Fine to coarse gravel areas of swift current and runs.
Rayed Bean (<i>Villosa fabalis</i>)	Endangered	Generally found in small headwater creeks but can occasionally be found in large rivers and wave-washed areas of glacial lakes.
Snuffbox Mussel (<i>Epioblasma triquetra</i>)	Endangered	River/Stream
Karner Blue Butterfly (<i>Lycæides melissa samuelis</i>)	Endangered	Grassland (large, flat areas of grass), Rural
Monarch Butterfly (<i>Danaus plexippus</i>)	Candidate	Fields containing milkweed and nectar-bearing plants.
Poweshiek Skipperling (<i>Oarisma poweshiek</i>)	Endangered	Wetland, Grasslands, Rural. This includes grassy lake and stream margins, moist meadows, sedge meadows, wet-to dry native prairie.
Eastern Prairie Fringed Orchid (<i>Platanthera leucophaea</i>)	Threatened	Wide variety of habitat, from wet to mesic prairie, to wetlands, marsh. Generally moist or moderately moist is preferred habitat. Requires full sun for optimal growth.

Project Description

The Proposed Divestiture proceeding requests that the Board order the sale of approximately 370 miles of KCS's Springfield Line in Missouri and Illinois. In connection with the sale of the Springfield Line, CN also seeks a 50% equity interest in KCS's International Freight Gateway terminal (IFG Terminal) south of Kansas City. See attached maps.

CN states that its proposal to acquire the Springfield Line if the Board authorizes CP to acquire KCS would preserve and enhance competition between Kansas City and Chicago; introduce new single-line rail automotive and intermodal service between Michigan/Eastern Canada and Kansas City; and establish a more direct route for rail traffic between Canada and the Midwest and East St. Louis. CN estimates that more than 80,000 long-haul trucks would be removed from the highways each year as a result of the Proposed Divestiture and that this would generate public benefits by reducing greenhouse gas emissions, highway congestion and maintenance.

According to CN, the Proposed Divestiture would involve (1) operational changes (e.g., an increase in average trains per day) on certain segments of the Springfield Line as well as some contiguous segments of CN's Gilman Line and CN's St. Louis Line that would exceed the Board's thresholds for environmental review at 49 C.F.R. § 1105.7(e) (see further discussion below); (2) changes in activity at some rail yards and intermodal facilities that would exceed the Board's thresholds for environmental review; (3) capital improvements within the existing rail right-of-way and at yards/intermodal facilities; and (4) changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on affected road segments.

Environmental Review

The Board's 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 as measured in gross ton-miles annually (GTM) or an increase in rail traffic of at least eight trains per day in areas classified as being in attainment under the Clean Air Act. For rail lines located in nonattainment areas, environmental impacts are assessed if they would experience an increase in rail traffic of at least 50 percent as measured in GTMs or an increase of at least three trains per day. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). For the Proposed Divestiture, CN projects that the Board's environmental thresholds for GTM (but not for trains per day) would be met or exceeded along 11 rail line segments, including four segments of the KCS Springfield Line, four segments of the CN Gilman Line, and three segments of the CN St. Louis Line. See attached maps showing the overall project and more detailed state-level maps. If you require additional or more detailed maps, please contact us. Of these line segments, CN estimates that seven are located in attainment areas and four are located in non-attainment areas. Therefore, OEA will evaluate the potential environmental impacts that could result from increased rail traffic on those 11 rail line segments.

At rail yards and intermodal facilities, the air quality thresholds include an increase of at least 100% in rail carload activity for areas classified as being in attainment or 20% in rail

carload activity for areas in nonattainment. 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). CN projects that the Proposed Divestiture would result in increases in operational activity that would exceed the Board's thresholds at the East St. Louis Yard/Intermodal Terminal in Illinois and at CN's Detroit Intermodal Yard in Michigan. See attached maps. Therefore, OEA will evaluate the potential environmental impacts that could result from increased operational activity at those facilities.

To support the projected increases in rail traffic, CN plans to make eight capital improvements within the existing rail right-of-way (ROW). These would include extending six existing passing sidings, adding one new siding passing, and relocating one passing siding on the Springfield Line. In Missouri, the improvements would occur at Grain Valley, Harmony, Mexico West, Bowling Green, and Blackburn; and in Illinois, improvements would occur at Pleasant Hill, Roodhouse and Cockrell. In addition, CN plans to make capital improvements at the East St. Louis Yard/Intermodal Terminal in Illinois by constructing 6,000 track feet with intermodal pads and accompanying pavement and 5,000 track feet for loading/unloading and car storage; and developing approximately 25 acres of land for necessary roadways, parking, and truck areas. At IFG Terminal in Missouri, CN proposes to construct 20,000 track feet with pad, storage and accompanying pavement, and 6,600 track feet for loading/unloading and storage, roadways and railhead parking and truck areas. At Roodhouse Yard in Illinois, CN would construct 5,000 feet of new yard track. Railroads have the right to increase efficiency by improving their rail lines and rerouting their traffic without seeking authority from the Board. Therefore, railroad capital improvements that are designed to improve operational efficiency (such as sidings, double tracking, and industry track) typically do not require Board authorization or environmental review by OEA. Where, as here, planned capital improvements are related to a proposal requiring Board approval, however, OEA considers, as appropriate, the potential environmental impacts from such planned capital improvements on a case-by-case basis. In this case, CN has stated that the planned capital improvements are necessary to accommodate the projected increase in rail traffic and has sufficiently identified the location and general layout of the planned capital improvements to support an environmental review. Therefore, OEA will assess the potential impacts of the planned capital improvements as part of the NEPA review of the Proposed Divestiture.

Lastly, OEA will evaluate changes at intermodal facilities that would result in an average increase of truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(5)(i)-(ii). These include: IFG Terminal in Missouri; East St. Louis Intermodal Terminal in Illinois; and Detroit Intermodal Yard in Michigan.

CN projects that transaction-related rail traffic would primarily consist of intermodal containers, assembled automobiles, and carloads of grain. CN does not anticipate any transaction-related shipments of hazardous materials. Nor is CN aware of any current or foreseeable passenger rail service, including Amtrak service, on any of the 11 rail line segments to be evaluated.

In short, based on the information available to date, OEA will evaluate the potential environmental impacts associated with the increased rail traffic, increased operational activity, and capital improvements described above and compare these impacts to the No-Action Alternative, which would occur if the Board were to authorize CP to acquire KCS in Finance

Docket No. 36500 but deny CN's amended responsive application for the Proposed Divestiture of the Springfield Line from CP to CN in Finance Docket No. 36500 (Sub-No. 1). OEA's environmental review will evaluate impacts from the Proposed Divestiture related to freight rail safety; rail/roadway at-grade crossing (grade crossing) safety; grade crossing delay; truck-to-rail diversions; intermodal facility traffic; noise and vibration; air quality and climate change; energy; cultural resources; hazardous materials releases sites; biological resources; water resources; environmental justice; and cumulative impacts.

Request for Comments

We appreciate your assistance in identifying whether any resources of concern to your agency may be affected by the Proposed Divestiture and welcome any additional issues or concerns that you consider appropriate. To submit comments electronically through the Board's website at <https://www.stb.gov>, select "File an Environmental Comment" below the "Need Assistance?" button. Be sure to include the docket number "Docket No. FD 36500 (Sub-No. 1)." Log-in accounts are not needed to file environmental comments electronically, and brief comments can be typed in the comment field, and lengthier comments can be attached as Word, Adobe Acrobat, or other file formats.

Alternatively, comments submitted by mail should be addressed to: Diana Wood, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, Attention: Environmental Filing, Docket No. FD 36500 (Sub-No. 1). You may also submit comments to OEA's third-party consultant Burns & McDonnell at:

Diana Wood
c/o Stephen Thornhill
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

If you have any questions, please feel free to contact Diana Wood, OEA's Project Manager for the environmental review, at 202-245-0302 or by email at Diana.Wood@stb.gov. **Please send your responses by December 2, 2022.**

Sincerely,

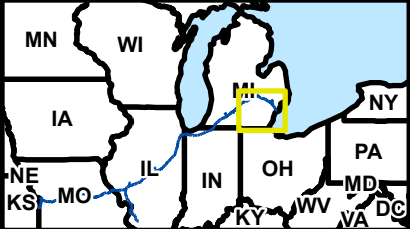
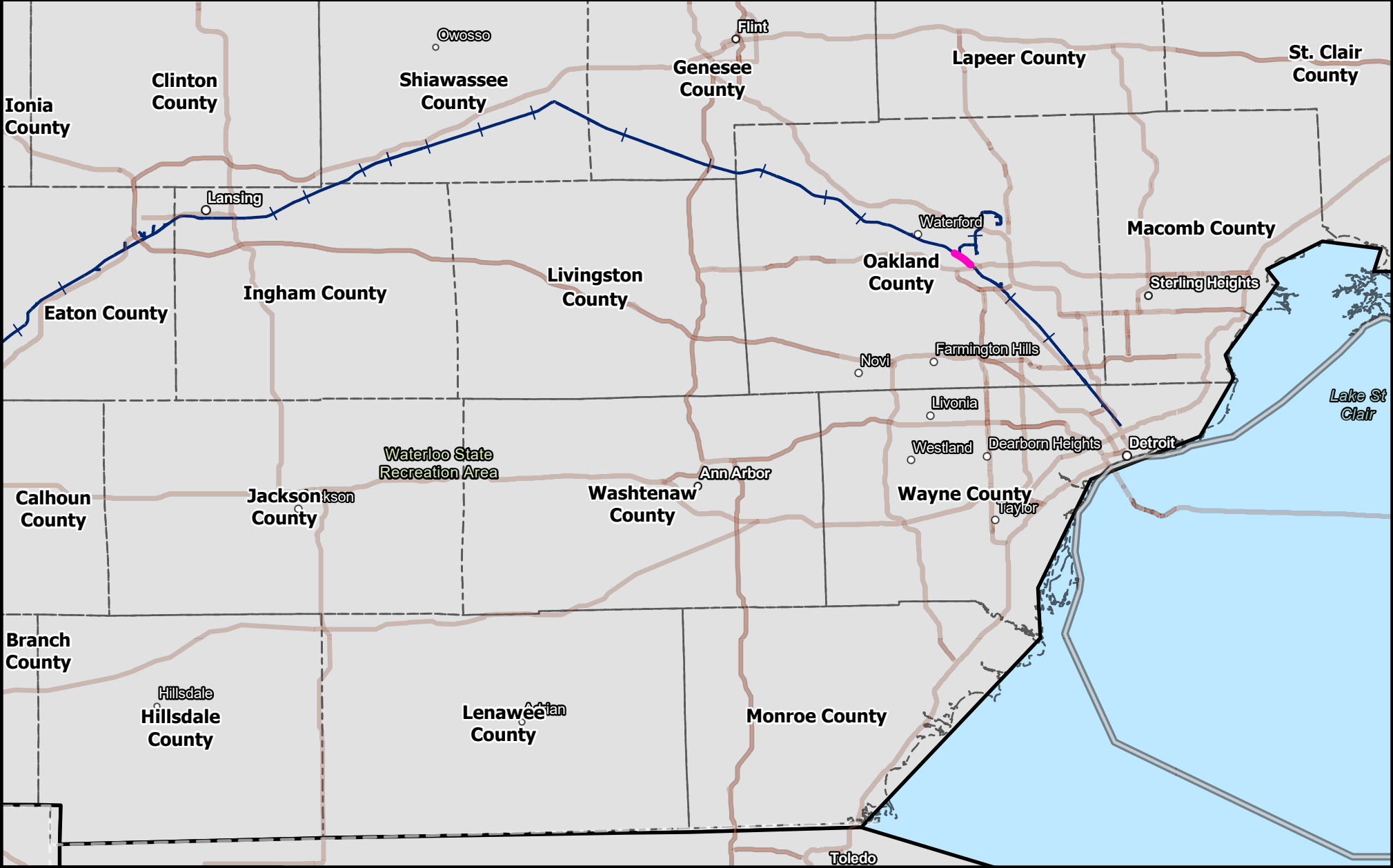


Danielle Gosselin
Director
Office of Environmental Analysis



Figure 1:
KCS Divestiture to CN
Line Segments and
Facility Improvement Projects
for EA Evaluation





- States
- County
- Yard Tack

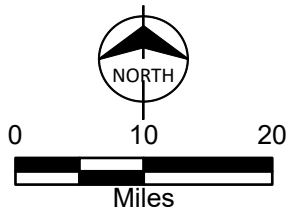
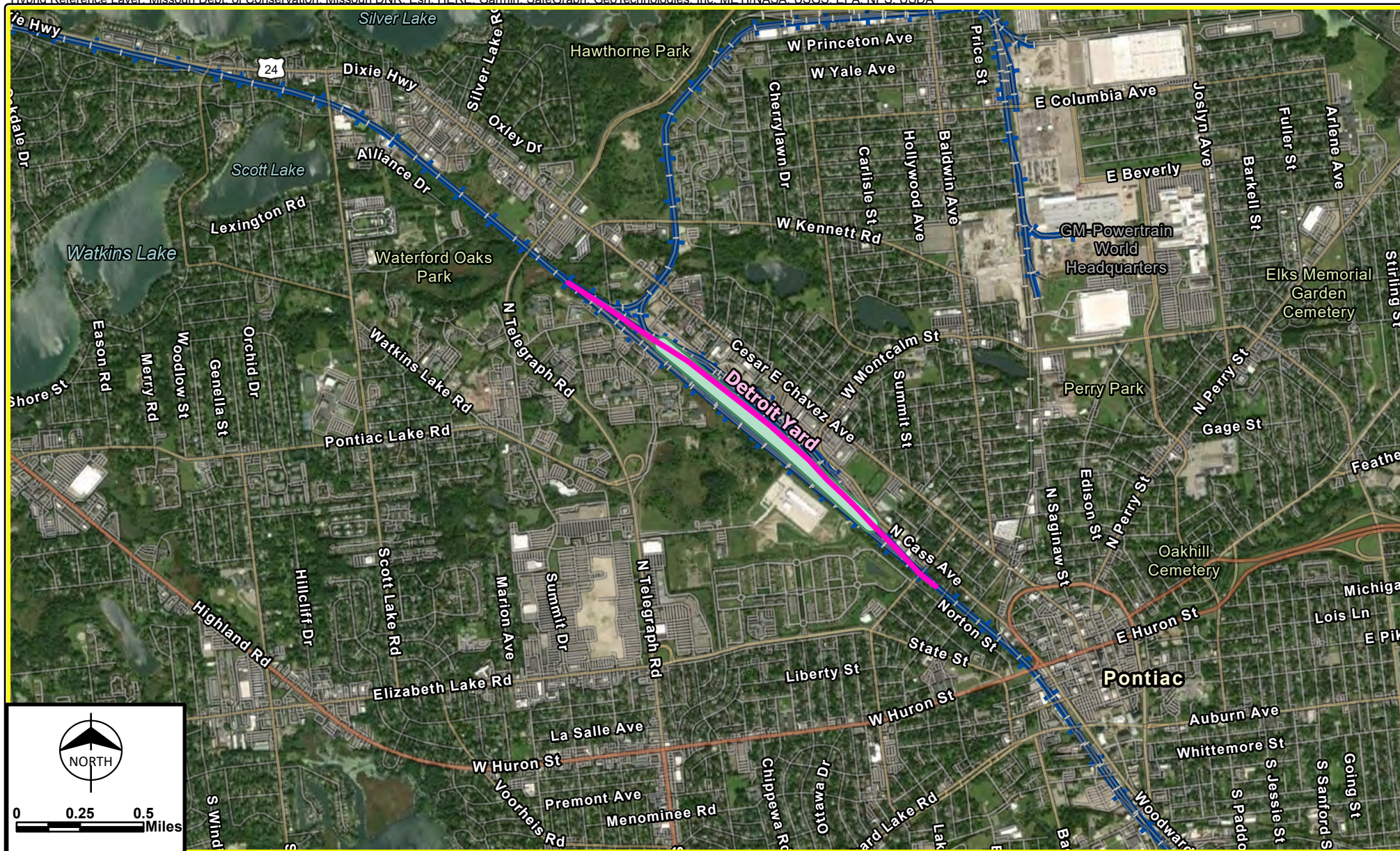


Figure 2:
KCS Divestiture to CN
Facility Improvement Projects
for EA Evaluation
Michigan (Overview)
Page 1 of 2



- + Existing Rail Line
- ▬ Rail Yard With Increased Carload Switching Activities
- ▬ Yard Tack



Figure 2:
 KCS Divestiture to CN EA
 Facility Improvement Project
 Detroit Intermodal Yard
 Michigan
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