



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

April 21, 2022

Tanya Spratt
Union Pacific Railroad Company
1400 Douglass Street, 15th Floor
Omaha, NE 68179

Re: Docket No. FD 36501, Union Pacific Railroad - Construction and
Operation Exemption - in Maricopa County, Arizona; Grant of EIS
Waiver Request

Dear Ms. Spratt:

Thank you for your March 24, 2022, letter regarding the Union Pacific Railroad Company's (UP) proposed construction and operation of the Pecos Industrial Rail Access and Train Extension Project (PIRATE) in Maricopa County, Arizona. The proposed rail line would extend approximately six miles from UP's main line, located just west of the project area through the Pecos Advanced Manufacturing Zone (PAMZ), ending with a connection to the Commercial Metals Company (CMC) steel mill and would be maintained and operated by UP. The purpose of the new line would be to provide rail service to the CMC steel mill and rail development opportunities to industrial-zoned land in and near the PAMZ.

In your letter, you provide information about the level of potential environmental impacts that may be associated with the proposed construction and operation and request a waiver of the preparation of an environmental impact statement (EIS). Pursuant to 49 C.F.R. § 1105.6(d), the Board's Office of Environmental Analysis (OEA) is granting your request for a waiver of 49 C.F.R. § 1105.6(a), which normally provides for the preparation of an EIS for rail line construction proposals.

Based on the information available to date, OEA believes that the potential environmental impacts of this project would not be significant, and any impacts could most likely be addressed through appropriate mitigation measures. Therefore, OEA has determined that the preparation of an environmental assessment (EA) is appropriate in this case for the following reasons:

1. Since initiating outreach with a wide variety of federal, state, and local agencies and organizations, to date, no group contacted has expressed opposition to the proposed rail line; even groups identifying potential concerns regarding traffic, noise, or other local

impacts still appear to support the PIRATE project and OEA's efforts to identify and mitigate such potential issues.

- During an OEA virtual meeting with local, regional, and state agencies on March 29, 2022, the Town of Queen Creek expressed concern about traffic and noise impacts but noted that it recognizes the importance of the proposed rail line for economic development in the area and therefore supports the project.
 - In a comment submitted to OEA on January 12, 2022, the City of Mesa indicated that UP must obtain right-of-way and building permits from the City of Mesa to construct the project and that acquisition of City-owned property would require approval from Mesa City Council but expressed overall support for the project.
 - Heritage Academy Gateway, a local school near the project area, initially expressed concerns about traffic impacts from at-grade train crossings in a comment submitted to OEA on January 3, 2022. However, after receiving further information, Heritage Academy Gateway expressed support for the project during an OEA-hosted meeting with local schools on March 28, 2022.
2. After consulting with multiple federal agencies with potential interests in the PIRATE project due to jurisdiction or special expertise, none found the PIRATE project to be of sufficient size, scope, complexity, or interest to warrant participating in the environmental review as a cooperating agency, opting instead to remain consulting parties.
- During an OEA-hosted interagency meeting on March 29, 2022, both the U.S. Environmental Protection Agency (USEPA) and U.S. Air Force (USAF) declined to participate as cooperating agencies for the environmental review of the PIRATE project. USEPA and USAF requested information coordination only.
 - On December 15, 2021, the Western Area Power Administration (WAPA) requested cooperating agency status if the project were to impact the Rogers to Coolidge 230-kV transmission line. The transmission line would be avoided. Therefore, WAPA is not participating as a cooperating agency.
 - No other federal agencies with jurisdiction or other interests in the project have been identified by OEA.
3. Based on OEA's consultation with various agencies, the potential rail line alternatives appear to be aligned with planned land use. OEA anticipates that any environmental issues identified through the EA process could be addressed by reasonable mitigation measures.
- No wildlife sanctuaries or refuges, national or state parks, or forests should be affected by the proposed PIRATE project.
 - On February 25, 2022, the U.S. Fish and Wildlife Service (USFWS) provided OEA with a list of threatened and endangered species that may occur in the project area or may be affected by the proposed project. No critical habitats are present. There is no

- riparian habitat within or adjacent to the project area. In its transmittal email to OEA, USFWS highlighted information related to migratory birds and bald eagles and recommended coordination with the Arizona Game and Fish Department (AZGFD) regarding species of greatest conservation need, such as the western burrowing owl and the Sonoran desert tortoise. To the extent that any sensitive species would be adversely affected by the proposed project, appropriate mitigation measures would be developed in coordination with USFWS and AZGFD.
- OEA's cultural resource surveys will identify cultural and historic properties that are present within the project area. Tribes and agencies will be consulted throughout the Section 106 process to develop any appropriate mitigation measures for potential impacts to cultural resources.
4. The potential for significant negative regional or national impacts associated with the PIRATE project appears to be negligible.
- UP does not propose to add additional trains to its main line traffic. Railcars destined to or originating from the proposed PIRATE project would be delivered and collected by existing main line trains. Although these new operating procedures would result in a couple of longer trains per day on UP's main line, little to no impact on regional rail traffic is anticipated.
 - Providing rail service to the PAMZ would remove trucks from local and regional roadways which would have secondary benefits to air quality, traffic, noise, and climate change. No diversion of rail traffic to trucking is associated with the proposed PIRATE project.
 - The entire PAMZ is designated for industrial and commercial development, so providing rail service to this area would not be expected to result in significant adverse cumulative or indirect land use impacts.

After the Draft EA is prepared, OEA will make the document available for public review and comment. OEA will then prepare a Final EA that responds to the substantive comments received and includes any appropriate modifications to its existing analysis or additional analysis. The Final EA will also set forth OEA's final recommended mitigation measures to the Board. The Board will then consider the entire environmental record, including the Draft EA, public comments on the Draft EA, and the Final EA, when making its final decision in this proceeding. However, should the EA process disclose unanticipated impacts that are significant, OEA would require the preparation of an EIS at that time.

If we can be of further assistance, please do not hesitate to contact me or Adam Assenza at 202-245-0301.

Sincerely,

A handwritten signature in cursive script, appearing to read "Danielle Gosselin".

Danielle Gosselin
Director
Office of Environmental Analysis

cc: Kevin Rice