

FINAL ENVIRONMENTAL ASSESSMENT

DOCKET NO. FD 36847

Laredo Gateway Industrial Railway, LLC – Construction and Operation of a Line of
Railroad in Webb County, Texas



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Introduction to Final EA

1.1 Background

On December 12, 2025, Laredo Gateway Industrial Railway, LLC (LGIR) filed a petition in Docket No. FD 36847 seeking authorization from the Surface Transportation Board (Board) for an exemption under 49 U.S.C. § 10502 to construct and operate approximately 2.6 miles (13,707 feet) of common carrier rail line in Webb County, Texas.¹ The proposed line would connect to the existing Union Pacific Railroad Company mainline via a switch at its eastern end and would be stub-ended at its northern end. The proposed line would serve a new industrial park under development, known as the Gateway Industrial Park.

LGIR is a Limited Liability Company established in 2025 by its parent company, Kraus Development (Kraus), to construct the proposed line. Kraus is in the process of developing the Gateway Industrial Park on 3,300 acres of land approximately 15 miles north of the city of Laredo, Texas, with the intent of leveraging the property's location near the United States border with Mexico to serve the needs of cross-border logistics. The Gateway Industrial Park is located on both sides of Interstate 35 (I-35) near its intersection with State Highway 255 but the proposed line would only serve the west side. Kraus intends for the Gateway Industrial Park to accommodate warehousing that would serve the logistics industry by attracting commodities by truck, as well as by rail if the proposed line is authorized. If authorized, as noted above, the proposed line would serve part of the Gateway Industrial Park that is located to the west of I-35 and allow for rail/truck transloading at this location.² LGIR has entered into an agreement with Iron Horse Resources, Inc. to be the common carrier operator of the proposed line. On average, one train per day, 5 days per week, would use the proposed line. Commodities that would be transported and transloaded could include agricultural products, bulk commodities (e.g., aggregates), automotive components and finished vehicles, plastics, and refined fuels (July 25, 2025, and August 8, 2025, letters from LGIR to the Office of Environmental Analysis (OEA)).

¹ Additional background information can be found in the Board's decisions in Docket No. FD 36847. This decision and related filings can be found on the Board's website at www.stb.gov.

² Kraus is currently developing the part of the Gateway Industrial Park located east of I-35 as a truck-only warehouse complex.

1.2 Environmental Review

The Board is required to examine the potential environmental impacts of actions subject to its licensing authority under the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-11), the National Historic Preservation Act (54 U.S.C. § 306108), the Endangered Species Act (16 U.S.C. § 1536) and other related environmental laws. OEA is responsible for ensuring the Board's compliance with these statutes.

The environmental review process assists the Board in identifying and assessing the potential environmental consequences of a proposed action before the Board makes a decision on that proposal. In conducting this environmental review, OEA has complied with NEPA's statutory requirements; the Board's environmental regulations (49 C.F.R. Part 1105); and related environmental laws and regulations, as applicable.

OEA issued a Draft Environmental Assessment (Draft EA) in this proceeding on April 10, 2026, for a 30-day public comment period. OEA received a total of three comments on the Draft EA from the U.S. Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and the U.S. Army Corps of Engineers (USACE). EPA stated that it had reviewed the Draft EA and had no comments to provide. TCEQ indicated that Clean Air Act general conformity requirements do not apply, that the applicant should follow best management practices for runoff, and requested that waste be disposed of at appropriate disposal facilities. USACE stated that the project would require permitting under Section 404 of the Clean Water Act. Because these comments do not require any changes to the analysis in the Draft EA or the recommended mitigation, this Final EA incorporates by reference the Draft EA and includes OEA's final recommended mitigation and responses to the three comments.

Issuance of this Final EA completes the environmental review for this proceeding. The Board will now issue a final decision on whether to grant authority for the construction, lease, and operation of the proposed rail line. In making its final decision, the Board will consider the entire record, including the information presented on the transportation merits, the Draft EA, Final EA, and all public and agency comments received. If the Board decides to authorize the construction and operation, the Board may impose environmental and historic conditions on LGIR as part of its decision.

Final Recommended Mitigation

OEA’s final recommended mitigation set forth below is based on information available to date, consultation with appropriate agencies, and the environmental analysis presented in the Draft EA. The mitigation, if imposed by the Board, would avoid, minimize, or mitigate potential environmental and historic impacts associated with the construction and operation of the proposed line. The comments received on the Draft EA did not result in any changes to the recommended mitigation.

OEA recommends that if the Board grants authority to construct and operate the proposed line, such authority should be subject to the mitigation measures below. If a resource area is not listed, OEA did not identify any adverse impacts that warrant mitigation and has therefore not proposed mitigation measures for this resource area.

2.1 Conditioning Power of the Board

The Board has the authority to impose conditions to mitigate environmental impacts, but that authority is not limitless. Any mitigation measure the Board imposes must relate directly to the action before the Board, must be reasonable, and must be supported by the record. OEA’s consistent practice has been to recommend mitigation only for those impacts that would result directly from a proposed action. The Board does not require mitigation for pre-existing environmental conditions.

2.2 OEA’s Final Mitigation Measures

2.2.1 Biological Resources

MM-Biological-01. To ensure compliance with the Migratory Bird Treaty Act (16 U.S.C. § 703-712), LGIR shall clear vegetation in preparation for construction of the rail line before or after the breeding bird nesting season to avoid inadvertent removal of active nests (i.e., nesting adults, young, or eggs). If clearing is required during nesting season, LGIR shall consult with USFWS on appropriate nest survey methods prior to any clearing or construction activities.

2.2.2 Cultural Resources

MM-Cultural-01. LGIR shall comply with the “Unanticipated Discoveries Statement: Provisions for the Unanticipated Discovery of Archaeological Sites, Associated Artifacts, and/or Human Remains During Construction Activities” in the *Phase I Cultural Resources Survey for the Laredo Gateway Industrial Railway, LLC – Construction and Operation Exemption – Line of Railroad, Webb County Texas*. The statement includes a plan for the unanticipated discovery of archaeological sites or associated artifacts during construction activities, including procedures for notifying OEA and the appropriate SHPO or THPO, pursuant to 36 C.F.R. § 800.13(b) in the event of an unanticipated discovery.

Response to Comments on the Draft EA

3.1 Introduction

OEA received a total of three comments on the Draft EA from the EPA, TCEQ, and USACE. The comments did not result in any revisions (additions, deletions, corrections, etc.) to the Draft EA. Therefore, no changes were made to the Draft EA.

The full text of the three comments can be found on the Board’s website (www.stb.gov) by searching “Environmental Comments” for the docket numbers of LGIR’s petition (Docket No. FD 36847).

3.2 Comment and Response

3.2.1 Letter from U.S. Environmental Protection Agency (EI-34239):

EPA’s comment letter states, “[EPA has] has reviewed the Surface Transportation Board’s Draft Environmental Assessment for the above referenced project. EPA’s comment is provided pursuant to the National Environmental Policy Act and our NEPA review authority under Section 309 of the Clean Air Act.

The Draft Environmental Assessment proposes construction and operation of a new rail line in Webb County, Texas. EPA has no comments to provide on this document.”

3.2.2 Comment Response

Comment noted.

3.2.3 Letter from Texas Commission on Environmental Quality (EI-34235):

TCEQ’s comment letter states, “[TCEQ] has reviewed the above-referenced project and offers the following comments:

The proposed action is located in Webb County, which is currently designated attainment/unclassifiable for the National Ambient Air Quality Standards for all six criteria air pollutants. Federal Clean Air Act, §176(c) general conformity requirements do not apply for this action.

The Office of Water does not anticipate significant long term environmental impacts from this project as long as construction and waste disposal activities associated with it are completed in accordance with applicable local, state, and federal environmental permits, statutes, and regulations. We recommend that the applicant take necessary steps to ensure that best management practices are used to control runoff from construction sites to prevent detrimental impact to surface and ground water.

Any debris or waste disposal should be at an appropriately authorized disposal facility.”

3.2.4 Comment Response

Comment noted. As explained in *Chapter 3, Section 3.1, Water Resources*, of the Draft EA, LGIR would be required to obtain a Texas Pollutant Discharge Elimination System (TPDES) permit pursuant to Section 402 of the Clean Water Act. The TPDES permit requires the development of a stormwater pollution prevention plan, which would include construction best management practices to control erosion and reduce the amount of sediment and pollutants entering surface waters and waters of the U.S.

3.2.5 Letter from U.S. Army Corps of Engineers (EI-34221):

USACE's comment states "...the delineation report encompasses only the footprint of the project (which appears to be void of aquatic resources)... so this can be a "no permit required" letter based on a dry land approved jurisdictional determination for the footprint of the project only."

3.2.6 Comment Response

Comment noted.