



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

May 29, 2026

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

By email at tspratt@up.com

RE: Docket No. FD 36854, Union Pacific Railroad Company – Construction and Operation Exemption – in Matagorda County, Texas; **Grant of EIS Waiver Request**

Dear Ms. Spratt:

Thank you for your May 4, 2026 letter regarding Union Pacific Railroad Company's (UP) proposal to construct and operate approximately five miles of new rail line in Matagorda County, Texas (the Line). UP is seeking approval from the Surface Transportation Board (Board) to construct and operate the Line to connect LyondellBasell's polymer plant near Wadsworth, Texas to UP's Angleton Subdivision. According to your letter, a waiver of the requirements of 49 C.F.R. § 1105.6(a), which generally provides for the preparation of an Environmental Impact Statement (EIS) for rail line construction proposals, should be granted because the proposed project is limited in scope and an Environmental Assessment (EA) is the appropriate level of environmental review.

Pursuant to 49 C.F.R. § 1105.6(d), the Board's Office of Environmental Analysis (OEA) is granting your request. Based on the information available to date, OEA believes the potential environmental impacts 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 EA is appropriate in this proceeding for the following reasons:

1. OEA conducted preliminary agency and tribal consultation and requested formal comments by March 16, 2026, during which minimal concerns regarding the project were raised from relevant agencies and Tribes.
2. OEA visited the project site on April 7, 2026 to understand the existing conditions. The Line is located within a primarily agricultural area containing mostly pastureland, forage fields, and row crops with scattered homesites. Because there are few residences located near the Line, the project is unlikely to adversely affect sensitive noise or vibration receptors.
3. Because the area is principally used for agricultural production, the potential for adverse impacts to federally listed species, would likely be low.

4. OEA understands that on average approximately two trains per day, one in each direction, is expected to move on the Line. Due to the small volume of expected rail traffic, the potential for impacts related to air quality and safety during rail operations is expected to be low.

OEA will now prepare an EA and make it available for public review and comment for a period of 30 days. Comments received on the EA will be addressed in the Board's final decision. OEA will not prepare and publish a Draft EA in this proceeding, as has been OEA's past practice. Publication of a single EA is consistent with the Board's current NEPA implementing regulations, which do not require publication of a Draft EA. Rather, the applicable provision provides that "OEA will serve copies of the Environmental Assessment on all parties to the proceeding and appropriate federal, state, and local agencies, and will announce its availability to the public through a notice in the Federal Register." 49 C.F.R. § 1105.10(b). This provision further provides that the "deadline for submission of comments on the Environmental Assessment will generally be within 30 days of its service," but it is silent as to the preparation of a *Draft* EA. *Id.*

OEA will follow this process and prepare a single EA in this proceeding. A single EA (followed by a public comment period) is appropriate for two reasons.

First, publication of a single EA is consistent with NEPA. In 2023, Congress amended NEPA to clarify and streamline the environmental review process. *See* Pub. L. No. 118-5, § 321. Prior to this, the statute did not address EAs, which were established in the Council of Environmental Quality's (CEQ) NEPA implementing regulations in 1978. *See* 40 C.F.R. § 1508.9 (1978). The revised statute recognizes the EA as a level of NEPA review but does not mandate the publication of a Draft EA. *See* 42 U.S.C. 4336(b)(2).

Second, OEA's prior practice of publishing both a Draft and a Final EA was, in part, conducted in furtherance of CEQ's NEPA implementing regulations. CEQ rescinded those regulations effective April 11, 2025. 90 Fed. Reg. 10,610 (Feb. 25, 2025). The CEQ regulations did not require publication of a Draft EA in all instances, but they had always required agencies to involve the public in the preparation of EAs "to the extent practicable." *See* 40 C.F.R. § 1501.4(b) (1978). Following the rescission of its regulations, CEQ published NEPA implementation guidance envisioning a streamlined EA process, focused on the statutory requirements. *See* Memorandum for Heads of Departments and Agencies: Implementation of the National Environmental Policy Act (Sept. 29, 2025).¹ CEQ's actions were directed by Executive Order (E.O.) 14154, Unleashing American Energy, 90 Fed. Reg. 8353 (Jan. 20, 2025), which also directed that revisions to individual agencies' NEPA implementing regulations must be consistent with NEPA as amended.²

¹ Available at <https://ceq.doe.gov/guidance/guidance.html>.

² The Board has proposed to amend its NEPA implementing regulations to explicitly provide for the publication of a single EA while retaining OEA's discretion to publish and seek comment on draft or preliminary documents on a case-by-case basis. *Permitting Reform—Env'tl. Rev. Process*, EP 779 (STB served Mar. 25, 2026), Slip Op. at 33-34.

Preparing and publishing a single EA in this proceeding will bring the EA process in line with the current statutory requirements, CEQ guidance, and E.O. 14154. Nevertheless, public participation is an integral part of the environmental review process, and the 30-day comment period on the EA will provide an opportunity for meaningful public involvement.

The EA will analyze the potential environmental effects of the Line's construction and operation and set forth OEA's recommended mitigation measures to the Board. The Board will then consider the entire environmental record including the EA and all comments received when making its final decision in this proceeding. However, should the EA process reveal reasonably foreseeable significant environmental effects that cannot be mitigated, OEA would require the preparation of an EIS.

If we can be of further assistance, please contact Karen Stevens of my staff at 202-245-0304 or by email at Karen.Stevens@stb.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Danielle Gosselin". The signature is fluid and cursive, with the first name "Danielle" written in a larger, more prominent script than the last name "Gosselin".

Danielle Gosselin
Director
Office of Environmental Analysis