



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

EO-2168
vjr

Office of Environmental Analysis

September 20, 2013

David Coburn, Esq.
Steptoe & Johnson
1330 Connecticut Avenue, NW
Washington, DC 20036-1795

Re: Docket No. FD 30186, Tongue River Railroad Company, Inc.—Rail
Construction and Operation—In Custer, Powder River and Rosebud
Counties, MT

Dear Mr. Coburn:

I am writing this letter as follow-up to a conference call on July 8, 2013 and a meeting held on July 23, 2013 among Surface Transportation Board (Board) staff, ICF International (our third-party consultant), and representatives of Tongue River Railroad Company (TRRC). The purpose of the call and meeting was to discuss TRRC's concerns over ICF's increasing 2013 forecast of costs related to the preparation of the Environmental Impact Statement (EIS) by the Board's Office of Environmental Analysis (OEA) and the difficulty of completing the necessary process for obtaining approval for these costs in time to permit all the work to be completed in 2013. During the July 23rd meeting, OEA concurred with the railroad's request to continue moving forward with the Draft EIS but defer some environmental work originally scheduled for 2013 to 2014 in order to give TRRC time to obtain approval for the revised cost forecasts.

Accordingly, I am sending you this letter to clarify that it is my understanding that (1) TRRC remains committed to moving forward with the environmental review process and that TRRC's concerns are limited to the budgetary issues noted above, (2) TRRC therefore asked OEA to defer some environmental work until 2014, and (3) TRRC accepts that this deferral will result in OEA missing the Fall/Winter 2013 issuance timeframe for the Draft EIS that was originally projected.

A copy of this letter will be placed on the Board's website and the Tongue River project website (www.TongueRiverEIS.com). Please feel free to contact me if you have any questions.

Sincerely,

Victoria Rutson
Director

Office of Environmental Analysis