



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 18, 2012

David H. Coburn
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036

Re: Docket No. FD 30186, Tongue River Railroad Company, Inc.—Rail
Construction and Operation—in Custer, Powder River and Rosebud
Counties, Mont.; Waiver of Six-Month Prefiling Notice

Dear Mr. Coburn:

Pursuant to 49 C.F.R. § 1105.10(c), we are granting your request of October 9, 2012 for a waiver of the six month prefiling notice generally required for construction projects under 49 C.F.R. § 1105.10(a)(1).

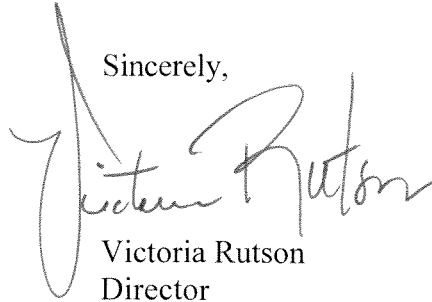
On October 3, 2012, the Surface Transportation Board's (Board) Office of Environmental Analysis (OEA) met with you regarding the proposed construction and operation of a rail line in Custer, Powder River, and Rosebud Counties, Montana. At the meeting, you provided OEA with an overview of the proposed project, and we outlined the general requirements of the environmental review process.

On October 16, 2012, your client, the Tongue River Railroad Corporation (TRRC), filed a revised application with the Board pursuant to 49 U.S.C. § 10901. In the application, TRRC states that it is seeking to construct and operate an approximately 80-mile rail line between Miles City and Ashland, Montana. The proposed rail line's northern terminus would be located just west of Miles City, Montana, and the rail line would split into two branches near its southern end in Ashland, Montana. The purpose of the new rail line would be to serve coal mines in the Otter Creek area.

Based on information from the initial meeting, the history of this proceeding, and TRRC's application, OEA believes that it has adequate information and that the applicant is sufficiently aware of the environmental process to grant this waiver request.

If you have any questions, please feel free to contact me or Ken Blodgett of my staff at (202) 245-0305.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is fluid and cursive, with a large initial "V" and "R".

Victoria Rutson
Director
Office of Environmental Analysis