



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

April 25, 2018

Marlys Osterhues
Chief, Environmental and Corridor Planning
Federal Railroad Administration
Office of Program Delivery
1200 New Jersey Avenue SE
W36-317
Washington DC 20590

**Re: STB Docket No. FD 36095, Palmetto Railways – Construction Exemption –
In Berkeley County, South Carolina; Cooperating Agency Invitation**

Dear Ms. Osterhues:

On August 3, 2017, Palmetto Railways (Palmetto) filed an exemption petition with the Surface Transportation Board (Board) under 49 U.S.C. § 10502 to construct and operate a 22.7-mile rail line between the A-Line of CSX Transportation, Inc. (CSXT) near Santee Cooper's Cross Generating Station (through the CSXT Cross Subdivision connection) and the Camp Hall Commerce Park (Proposed Route) in Berkeley County, South Carolina (see attached Project Map). The Board's Office of Environmental Analysis (OEA) along with the Charleston District United States Army Corps of Engineers (Corps), as joint lead agencies, and the United States Coast Guard (USCG) as a cooperating agency, are evaluating the potential environmental effects of the proposed project, pursuant to the National Environmental Policy Act of 1969 (NEPA).¹

The Camp Hall Commerce Park comprises approximately 6,781 acres, of which 2,880 acres have been permitted for development of the Volvo Cars of North America facility in Berkeley County. An additional 1,387 acres of the Camp Hall Commerce Park has been permitted for industrial development by the South Carolina Public Service Authority (Santee Cooper). The Line is intended to bring industrial rail service to the Volvo Cars facility, as well as the areas being developed by Santee Cooper. In addition, the Line would support the State of South Carolina and Berkeley County's infrastructure needs and help reduce large commercial

¹ A project specific website was created to provide information pertaining to the project and the environmental review process – <http://www.camphallrailnepa.com/>

truck traffic on area highways. Palmetto estimates its projected train traffic at five round trips (a total of ten trains) per week.

On November 2, 2017, Palmetto submitted an application to the United States Department of Transportation for an Infrastructure for Rebuilding America (INFRA) grant to construct the Line.² If the grant is awarded, we believe the project would fall under your jurisdictional authority. Therefore, consistent with 40 C.F.R. § 1501.6, we are inviting the Federal Railroad Administration to be a cooperating agency on the basis of your special expertise and jurisdiction by law.

Background

As background, in August 2017, Palmetto submitted an Environmental Report that analyzed six alternative routes to determine its preferred alternative. Palmetto evaluated each alternative using criteria such as: direct access to the Camp Hall and Volvo Cars facility and accompanying freight railyard; efficient direct access to the Port of Charleston; engineering and construction costs; potential impacts to properties; potential environmental impacts to relevant environmental resource areas including land use, safety, water resources, air quality, biological resources, traffic and transportation, and cultural resources, and; the ability to mitigate potential environmental impacts. After applying the criteria and receiving public comments, Palmetto determined that the Cross Route would be the applicant's Proposed Route.

In August of 2017, OEA, working with the Corps and USCG, began consultation with approximately 55 tribes and federal, state and local agencies. OEA sent each entity a letter that described the project area and requested information on environmental resources that could be affected by the proposal, as well as what approvals and permits might be required. Commenters indicated that construction of Palmetto's Proposed Route had the potential to impact federally threatened and endangered species and state species of concern; prime agricultural farmland; wetlands; floodplains; water quality; and cultural resources.

After considering the responses to the consultation letters, OEA, the Corps, USCG, and OEA and the Corps' third-party consultant for this project, ICF Jones and Stokes, Inc. (ICF), conducted a site visit to the project area on October 24, 2017. Palmetto also attended the site visit. The site visit participants were able to observe area geomorphology; topography; vegetation; wildlife; water resources; traffic and land use in the project area.

On March 7, 2018, the Corps hosted an interagency meeting in Charleston to allow Palmetto to present an overview of the proposed project to a number of federal and state

² The application filing is for the Camp Hall Industrial Corridor, opportunity number NSFHP-17-18-INFRA, and requests \$55,000,000.00 as a federal share of the total project costs for the development of an industrial rail corridor to create access and serve the Camp Hall Commerce Park.

agencies. OEA, USCG, and ICF also participated in the meeting. Agencies were able to become familiar with the project, ask questions, and explain their review processes.

Based on the information available to date—Palmetto's Environmental Report, responses to the consultation letters, the site visit, OEA and the Corps' independent review of Palmetto's six alternative routes, and the interagency meeting—OEA and the Corps believe that the construction and operation of the Proposed Route would not likely result in significant environmental impacts and that potential environmental impacts most likely could be minimized below significance through appropriate mitigation measures. Therefore, we have concluded at the present time that preparation of an Environmental Assessment (EA) is the appropriate level of environmental documentation.

On April 4, 2018, the Corps issued a Public Notice in response to an application submitted by Palmetto to discharge fill material into waters of the United States and wetlands associated with Bulltown Ditch, the Diversion Canal (between Lake Marion and Lake Moultrie), and tributaries to Caton Creek and Black Creek for the purpose of constructing the proposed rail line.³ The Public Notice comment period ends May 4, 2018.

The Draft EA will be prepared following the close of the Public Notice comment period. The Draft EA will examine existing social, economic, and environmental conditions to serve as the baseline for comparing the potential impacts that construction and operation of the Proposed Route versus the No-Action Alternative would have on the area, consistent with NEPA and other relevant statutes and regulations. OEA and the Corps will make it available for public review and comment.

Once the comment period for the Draft EA has concluded, OEA, the Corps, and cooperating agencies, will prepare a Final EA discussing the comments received on the Draft EA and including any appropriate modifications to its existing analysis or additional analysis. The Final EA will also set forth final recommended mitigation measures. The Board will then consider both the Draft EA and Final EA, the public comments, Palmetto's voluntary mitigation measures, OEA's mitigation recommendations, and the Corps' compensatory mitigation requirements before making its final decision in this proceeding. Should the process disclose unanticipated impacts that are significant and cannot be adequately mitigated, the Board and the Corps will require the preparation of an EIS.

³ Public Notice P/N SAC 2016-1395 for Clean Water Act Section 404 permit and 401 Water Quality Certification; and Rivers and Harbors Act Section 10 Permit. Available: http://www.sac.usace.army.mil/Portals/43/docs/regulatory/publicnotices/April2018_PN/SAC-2016-1395_Camp_Hall_Rail_Berkeley_County.pdf?ver=2018-04-04-083256-310

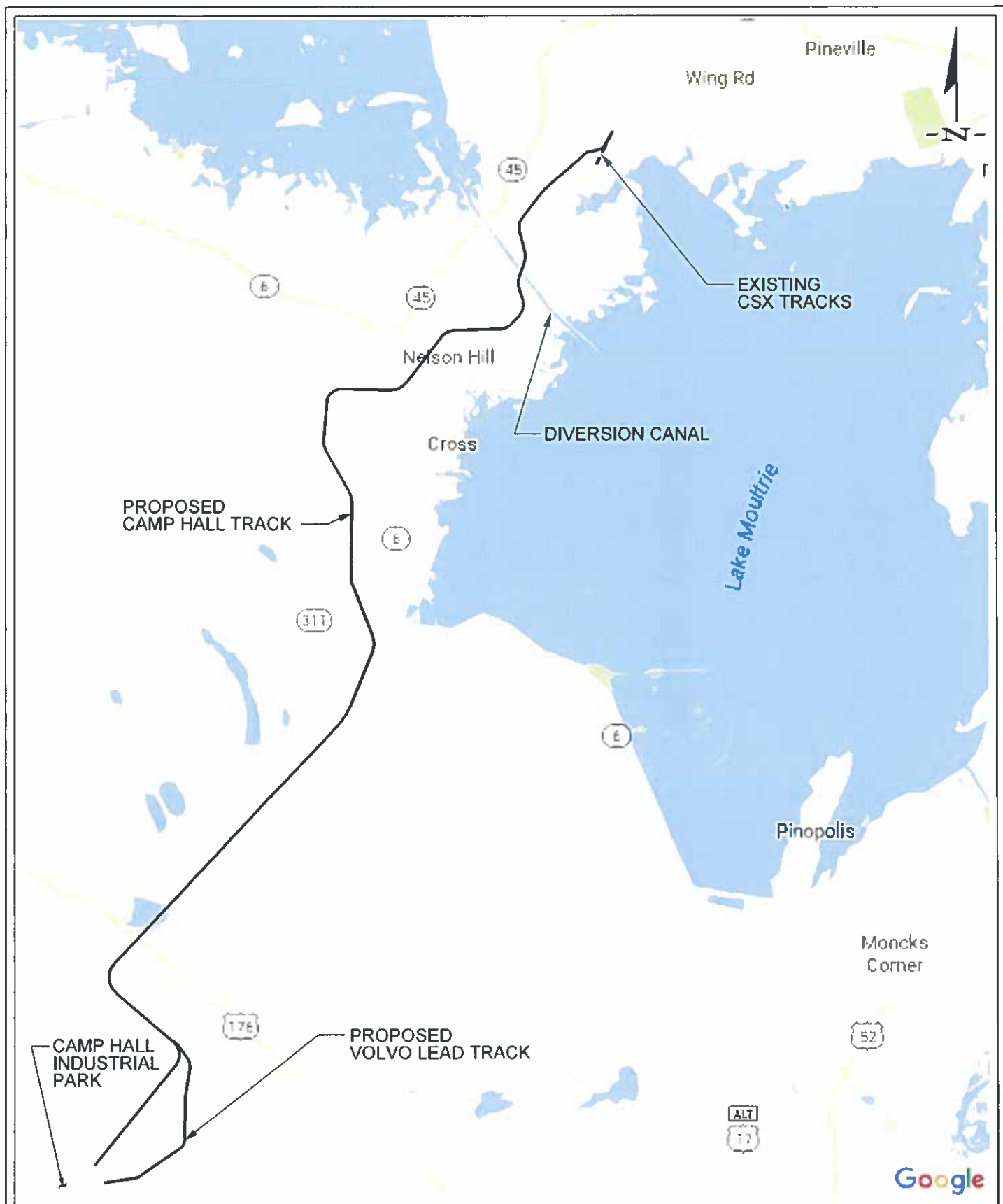
We look forward to hearing from you within the next 30 days regarding FRA's participation in this project as a cooperating agency. If you have any questions, please do not hesitate to contact me or Diana Wood, OEA Project Manager at 202-245-0302 or by email at diana.wood@stb.gov.

Sincerely,



Victoria Rutson
Director, Office of Environmental Analysis

cc: Elizabeth G. Williams, U.S. Army Corps of Engineers
William G. Tate, U.S. Coast Guard



APPLICANT: PALMETTO RAILWAYS



LOCATION MAP

**PALMETTO RAILWAYS
CAMP HALL RAIL PROJECT**
BERKELEY COUNTY, SOUTH CAROLINA
APPLICATION FOR DEPARTMENT OF ARMY 404 PERMIT
APPLICATION # SAC-2016-01395
DATE: MARCH 2018

