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OEA

SERVICE DATE – June 15, 2012

**SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423**

ENVIRONMENTAL ASSESSMENT

Docket No. AB-1072X

**Iowa River Railroad, Inc., — Abandonment Exemption —
in Marshall and Hardin Counties, Iowa**

BACKGROUND

On April 17, 2012, Iowa River Railroad, Inc. (IRR) filed a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to abandon an approximately 34.35 miles of rail line in Iowa between milepost 209.00 in Steamboat Rock and milepost 243.35 in Marshalltown, in Marshall and Hardin Counties (the Line). A map depicting the Line in relationship to the area served is attached to this Environmental Assessment (EA).

As described below, the Line has an extensive history dating back to the mid-1800's. The IRR's ownership of the Line, however, dates back only a few years. In 2006, the newly-formed IRR, consisting of a group of shippers on the Line interested in preserving rail service, purchased the Line from the Union Pacific Railroad. Two years later, in 2008, historic flooding damaged IRR's track infrastructure and forced the railroad to curtail operations for several months. IRR estimates that it spent approximately \$250,000 to repair the flood-damaged track. These costs, combined with the loss of revenue from IRR's inability to operate over its damaged track, resulting in financial hardship from which IRR states it has been unable to recover. The Line was subsequently embargoed due to unsafe track conditions effective December 27, 2011.

According to IRR, four shippers have used the Line in the past four years (2008-2011): the following shippers have used the Line: United Suppliers, Inc.; Prairie Land Cooperative; Quality Products; and New Century Farm Service. IRR states that each of these shippers has access to other transportation alternatives to move their goods. If the abandonment is approved, IRR states that it would salvage the track and ties and leave existing box culverts in place. If the Line should become a trail¹, IRR would leave the four bridges on the Line in place.

¹ On May 17, 2012, the Marshall and Hardin County Conservation Boards, the Cities of Marshalltown, Union, Steamboat Rock, Liscomb, Eldora, and Albion, and the Iowa Natural Heritage Foundation filed a comment seeking issuance of a Public Use Condition and a Certificate of Interim Trail Use for the Line.

DESCRIPTION OF THE RAIL LINE

The Line runs roughly north to south, passing through the communities of Marshalltown, Albion, Liscomb, Union, Gifford, Eldora and Steamboat Rock. The area surrounding the Line is generally level rural farmland. At times, the Line runs parallel to the Iowa River. The northern end of the Line at milepost 209.0 is located just north of Steamboat Rock, while the southern end of the Line at milepost 243.35 ends just south of Marshalltown. The right-of-way is approximately 100 feet wide and traverses United States Postal Service Zip Codes 50005, 50158, 50627, 50258 and 50259. According to IRR, the Line does not contain any federally granted rights-of-way.

ENVIRONMENTAL REVIEW

IRR submitted an Environmental Report that concludes that the quality of the human environment will not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. IRR served the Environmental Report on a number of appropriate federal, state, and local agencies as required by the Board's environmental rules (49 C.F.R. § 1105.7(b)).² The Board's Office of Environmental Analysis (OEA) has reviewed and investigated the record in this proceeding.

Diversion of Traffic

As noted above, the Line has been embargoed since December 27, 2011. Consequently, the rail traffic on the Line has already been diverted to truck. But given the fact that rail traffic (consisting of approximately 210 carloads from four shippers) moved over the Line as recently as last year, OEA has assessed the potential environmental impact of diversion of those 210 carloads on roadways.

Beginning with the 210 carloads moved by the four shippers on the Line in 2011, OEA assumed that one rail carload would equate to 4.5 trucks. The 210 rail cars, therefore, would generate 945 additional trucks or 1,890 additional truck trips annually. OEA then calculated how many additional trucks would move on roads each day, and determined that an estimated 3.9 trucks (7.9 truck trips) per day would result during a 240 day year.³ In analyzing transportation impacts, OEA assumed a worst case scenario—that all the trucks generated by the 210 rail cars would either travel north through Steamboat Rock or south through Marshalltown. Trucks

² The Environmental and Historic Reports are available for viewing on the Board's website at www.stb.dot.gov by going to "E-Library," selecting "Filings," and then conducting a search for AB 1072X.

³ When weekends and holidays are subtracted from a 365 day year, the resulting number of workdays totals 240.

traveling north would access U.S. Route 20 via County Road D35 or County Road D56. Those traveling south would access U.S. Route 30 via Marshalltown Boulevard. In addition, both U.S. Route's 20 and 30 connect to U.S. Interstate 35, which is located about 25 miles west of either Steamboat Rock or Marshalltown.

As seen in Table 1 below, even when assuming a worst case scenario, the percent increase in Average Annual Daily Traffic (AADT)⁴ on the roads listed below would be less than 1 percent, which OEA does not consider significant.

Table 1: Percent Increase in AADT from Diversion of Rail Traffic to Truck

Community	Roadway	2009 AADT	Estimated New Truck Trips	Percent Increase in AADT
Steamboat Rock	County Rd D35	1,140	7.9	0.69
Steamboat Rock	County Rd D56	1,340	7.9	0.60
Steamboat Rock	U.S. Hwy 20	8,000	7.9	0.10
Marshalltown	Marshalltown Blvd	3,920	7.9	0.20
Marshalltown	U.S. Hwy 30	8,600	7.9	0.10

In addition, other transportation alternatives exist for all shippers. IRR states that in addition to the extensive roadway system present in the area surrounding the Line, a transload facility at Steamboat Rock interchanges traffic with the Canadian National Railway east-west main line and the Union Pacific Railroad east-west transcontinental rail line passes through Marshalltown.

Salvage Activities

If the Board should approve the proposed abandonment, IRR states that it would salvage the Line. Additionally, if IRR should successfully negotiate a Trails Use Agreement with a trails user, it would leave the four bridges on the Line in place. If the abandonment is approved, IRR states that salvage would occur as follows:

All remaining track structures would be removed from the existing railbed, including rails, ties, bridge decking and track fastenings. Material that cannot be reused would be sold for scrap. All at-grade crossings would be restored pursuant to local highway jurisdictional

⁴ OEA used the most recent AADT data available from the Iowa Department of Transportation: <http://www.iowadot.gov/maps/msp/traffic/aadtpdf.html>

requirements and all box culverts would be left in place to facilitate drainage.

The Hardin County Supervisors and the Hardin County Conservation Board have commented that they do not anticipate that abandonment of the Line would result in any adverse environmental effects. The Hardin County Supervisors also note that the corridor travels through the Iowa River Greenbelt and is consistent with conservation plans for public use as a recreational trail.

According to the Natural Resources Conservation Service, the proposed abandonment would not result in the conversion of prime farmland or adverse effect on agricultural wetlands.

IRR has consulted with the State of Iowa, Water Quality, and based on these consultations, states that there are no designated wetlands or 100-year floodplains that would be affected by the proposed abandonment. The proposed abandonment is consistent with applicable federal, state and local water quality standards.

The State of Iowa, Department of Natural Resources (IADNR) comments that it has searched its records of rare species and significant natural communities and found no site-specific records that would be impacted by the proposed abandonment. The IADNR notes that storm water discharge and fugitive dust permits may be required from its office.

The Army Corps of Engineers, Rock Island District (Corps), states that the abandonment, as proposed, would not require a Department of Army Section 404 permit. However, the Corps has requested that IRR contact the following project leaders and agencies to determine if the proposed abandonment could impact specific projects currently underway:

1. Marshalltown Local Flood Protect Project (Sarah Jones (309)794-5206)
2. Federal Emergency Management Agency ((816) 283-7061), and
3. Iowa Emergency Management Division regarding impact areas designated as floodways (John Wagman (515)725-3231).

OEA does not believe that the salvage activities that would occur if the Board should approve this abandonment would result in any adverse impacts to the projects listed above. Nevertheless, in response to the Corps' comment, OEA will recommend a condition requiring IRR to consult with IADNR and to contact the resources suggested by the Corps before conducting any salvage activities on the Line.

IRR states that there are no known hazardous waste sites or sites where hazardous material spills have occurred on or along the right-of-way.

IRR states that based on its consultations with the U.S. Fish and Wildlife Service (FWS), no adverse effects on endangered species or critical habitats would result and that no wildlife sanctuaries, state parks, or refuges would be adversely affected by the proposed abandonment. However, OEA's own research finds that the Line is located adjacent to or runs near the Lepley County Park, the Hartman Wildlife Area and the Steamboat Rock Tower County Park.

However, OEA does not believe that salvage, as described above, would result in any adverse impacts to the above mentioned county parks or wildlife area.

The U.S. Department of Interior, Fish and Wildlife Service states that it does not own any lands or interest in land in the vicinity of the proposed abandonment and has no concerns regarding real estate matters.

In an email dated February, 23, 2011, the U.S. Department of Commerce, National Geodetic Survey (NGS) states that one geodetic survey marker may be located in the area of the proposed abandonment. Therefore, OEA will recommend that IRR consult with the NGS prior to the commencement of any salvage activities to allow for relocation of any affected survey markers.

Based on all information available to date, and if the Board imposes the recommended mitigation, OEA does not believe that salvage activities would cause significant environmental impacts.

HISTORIC REVIEW

In its Historic Report, IRR states that the right-of-way is approximately 100 feet wide and includes four bridges that are 50 years old or older. IRR notes that the Line does not include any stations or sidings where historically or architecturally significant company constructed buildings exist.

The Line's history begins with the Eldora Railroad and Coal Company. The Line was constructed in 1866 connecting Eldora, IA to Ackley, IA, for the purpose of transporting coal from the Coal Bank Hill area of the Iowa River valley, near Eldora to the connection at Ackley. At Ackley, the Line connected to the Dubuque & Sioux City Railroad, which later became part of the Illinois Central Railroad.

Between 1868 and 1870, the Line was extended north to Northwood, IA and south to Marshalltown, IA. At Marshalltown, the Line connected with the Chicago & North Western Railroad (CNW). It was also during this time period that the name changed several times before eventually being purchased by the CNW on November 1, 1960.

In 1983, the CNW acquired a parallel line, the 'Spine Line', from the Chicago, Rock Island and Pacific Company. Following the purchase of the Spine Line, CNW rerouted its Minneapolis-Kansas City rail traffic over this line reducing the Line to only local rail traffic. Later, CNW abandoned and/or railbanked much of the Line.

In 1995, the CNW was acquired by Union Pacific Railroad Corporation (UP). On March 3, 2006, the IRR was organized by shippers located along the Line. IRR purchased the Line from UP on June 16, 2006.⁵

IRR served the Historic Report as required by the Board's environmental rules (49 C.F.R. § 1105.8(a)) and served the report on the Iowa Department of Cultural Affairs, State Historical Society (SHPO) pursuant to 49 C.F.R. § 1105.8(c).⁶ The SHPO, in an email dated February 3, 2011, states that it is unable to determine if the Line is historically significant or whether any other types of historic properties such as railroad bridges might be present that could be potentially eligible for listing on the National Register of Historic Places (National Register). In response, IRR provided additional information to the SHPO on January 17, 2012. In a letter dated June 12, 2012, the SHPO states that the Line and 4 bridges do not meet any of the eligibility requirements for listing in the National Register. The SHPO also states that due to the lack of information regarding archaeological sites that it is unable to offer an opinion whether National Register eligible sites would adversely impacted. However, the SHPO also notes that if the Line is converted into a recreational trail and earth disturbance activities are restricted to areas associated with the construction and maintenance of the Line that any archaeological sites that may exist would not be adversely affected.

Pursuant to the Section 106 regulations of the National Historic Preservation Act at 36 C.F.R. § 800.4(d)(1), and following consultation with the SHPO and the public, we have determined that the proposed abandonment would not affect historic properties listed in or eligible for inclusion in the National Register. The documentation for this finding, as specified at 36 C.F.R. § 800.11(d), consists of the railroad's historic report, all relevant correspondence, and this EA, which have been provided to the SHPO and made available to the public through posting on the Board's Web site at www.stb.dot.gov.

Pursuant to 36 C.F.R. § 800.2, OEA conducted a search of the Native American Consultation Database to identify federally-recognized tribes that may have ancestral connections to the project area.⁷ The database indicated that the following 6 tribes may have knowledge regarding properties of traditional religious and cultural significance within the right-of-way (the APE) of the proposed abandonment:

⁵ Iowa River Railroad, Inc. – Acquisition and Operating Exemption – Rail Lines of North Central Railway Association, Inc., and Union Pacific Railroad Company – STB Finance Docket No. 34877 (Decision served July 5, 2006).

⁶ Guidance regarding the Board's historic preservation review process is available on the Board's Web site at <http://www.stb.dot.gov/stb/environment/preservation.html>.

⁷ Native American Consultation Database, <http://grants.cr.nps.gov/nacd/index.cfm> (last visited June 11, 2012).

1. Lower Sioux Indian Community in the State of Minnesota
2. Prairie Island Indian Community in the State of Minnesota
3. Sac and Fox Nation of Missouri in Kansas and Nebraska
4. Sac and Fox Nation, Oklahoma
5. Sac and Fox Tribe of the Mississippi in Iowa
6. Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota

Accordingly, OEA is sending a copy of this EA to the above-listed tribes for review and comment.

CONDITIONS

We recommend that the following conditions be imposed on any decision granting abandonment authority:

1. **Iowa River Railroad, Inc., shall consult with the National Geodetic Survey at least 90 days prior to the beginning of salvage activities that will disturb or destroy any geodetic station markers.**
2. **Iowa River Railroad, Inc., shall contact the Marshalltown Local Flood Protect Project (Sarah Jones (309)794-5206), the Federal Emergency Management Agency ((816) 283-7061), and the Iowa Emergency Management Division (John Wagman (515) 725-3231).**

CONCLUSIONS

Based on the information provided from all sources to date, OEA concludes that, as currently proposed, and if the recommended conditions are imposed, that abandonment of the line will not significantly affect the quality of the human environment. Therefore, the environmental impact statement process is unnecessary.

Alternatives to the proposed abandonment would include denial (and therefore no change in operations), discontinuance of service without abandonment, and continued operation by another operator. In any of these cases, the existing quality of the human environment and energy consumption should not be affected.

PUBLIC USE

Following abandonment and salvage of the rail line, the right-of-way may be suitable for other public use. A request containing the requisite 4-part showing for imposition of a public use condition (49 C.F.R. § 1152.28) must be filed with the Board and served on the railroad within the time specified in the Federal Register notice.

TRAILS USE

A request for a notice of interim trail use (NITU) is due to the Board, with a copy to the railroad, within 10 days of publication of the notice of exemption in the Federal Register. Nevertheless, the Board will accept late-filed requests as long as it retains jurisdiction to do so in a particular case. This request must comply with the Board's rules for use of rights-of-way as trails (49 C.F.R. § 1152.29).

PUBLIC ASSISTANCE

The Board's Office of Public Assistance, Governmental Affairs, and Compliance responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact this office directly at (202) 245-0238, or mail inquiries to Surface Transportation Board, Office of Public Assistance, Governmental Affairs, and Compliance, Washington, DC 20423.

COMMENTS

If you wish to file comments regarding this Environmental Assessment, send original and 2 copies to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Troy Brady, who prepared this Environmental Assessment. Environmental comments may also be filed electronically on the Board's website, www.stb.dot.gov, by clicking on the "E-FILING" link. **Please refer to Docket No. AB 1072X) in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this Environmental Assessment, please contact Troy Brady, the environmental contact for this case, by phone at (202) 245-0301, fax at (202) 245-0454, or e-mail at Troy.Brady@stb.dot.gov.

Date made available to the public: June 15, 2012.

Comment due date: July 13, 2012.

By the Board, Victoria Rutson, Director, Office of Environmental Analysis.

Attachment