



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

March 21, 2014

Re: STB Docket No. FD 35523, CSX Transportation, Inc. – Joint Use – Louisville and Indiana Railroad Company, Inc.: Consultation on Scope of Supplemental Environmental Assessment

Dear Interested Party:

The purpose of this letter is to request your input on the scope of a Supplemental EA, described below. We appreciate receiving any scoping comments you may have by **April 22, 2014**.

CSX Transportation, Inc. (CSXT) and Louisville & Indiana Railroad, Inc. (L&I) submitted an application to the Surface Transportation Board (Board) in 2013 seeking approval for joint use by CSXT and L&I of L&I's 106.5-mile rail line between Indianapolis, Indiana and Louisville, Kentucky (see attached figure). The proposed joint use would result in an increase in train traffic on the L&I line and changes in train movements on CSXT's own rail line network. Before deciding on whether to approve this "Proposed Transaction," the Board must consider the potential environmental effects of its decision.

Representing the first step in the environmental review process, the Board's Office of Environmental Analysis (OEA) issued a Draft Environmental Assessment (EA) in August 2013. Some of the comments received on the document raise environmental concerns not assessed in the Draft EA. Consequently, OEA determined that additional environmental analysis is necessary and will prepare a Supplemental EA.

Description of the Proposed Transaction

CSXT and L&I (together known as Applicants) are seeking the Board's permission for CSXT to acquire an operating easement that would allow additional CSXT trains to operate over the L&I rail line, along with L&I trains that are already operating over L&I's rail line. CSXT would pay L&I \$10 million dollars for the operating easement. CSXT would also spend between \$70 and \$90 million to improve L&I's rail line to allow CSXT to move trains that are longer (from current 5,100-foot long trains to proposed 7,500-foot long trains), faster (from the current 15 to 25 miles per hour to proposed 49 miles per hour), and heavier (from current railcars that can carry 263,000 pounds of freight to proposed railcars that can carry 286,000 pounds of freight) than what the L&I rail line can currently accommodate.

Proposed Improvements to the L&I Line. The CSXT-proposed improvements to the L&I rail line include installing heavier-weight and continuously welded rail over the entire 106.5-mile rail line, adding “hot box” detectors (i.e., track-side devices that can detect overheated axel bearings on passing railcars), replacing older cross-ties, adding new ballast, and replacing the Flatrock River Railroad Bridge (an existing bridge with height and weight restrictions), located in Columbus, Indiana. CSXT could also increase the length of rail sidings at Elvin and Brook, Indiana, and build new sidings at Crothersville and Underwood, Indiana to make it easier for trains to pass one another on the L&I rail line. All these changes would allow CSXT to move freight more quickly and more economically than it can today. ***The Proposed Transaction would not include any construction on or physical improvements to any of CSXT’s rail lines.***¹

CSXT states that if the Board approves the proposal, it would take approximately seven years for CSXT to complete the planned improvements and it would not materially increase its train traffic on the L&I rail line until it has completed the proposed rail line improvements. Once completed, CSXT would shift some its trains, mostly carrying automobiles and automobile parts, to the L&I rail line.

Proposed Changes in Train Traffic. Today, between two and seven trains (mostly L&I but a few CSXT) operate on L&I’s rail line between Indianapolis and Louisville. The L&I trains serve rail customers along the 106.5-mile rail line and transport a variety of commodities, including cement, chemicals, food products, grain, lumber, manufactured goods, paper, plastics, scrap and steel. The few CSXT trains currently operating over the L&I rail line do not serve shippers located on the L&I rail line; rather, they move over the rail line to other destinations (called “through traffic”).

If the Board should approve the Applicants’ Proposed Transaction, CSXT would shift between 13 and 15 trains per day to the L&I rail line (see attached table). Most of these trains would come from CSXT’s Louisville to Sydney rail line (consisting of all or portions of CSXT’s LCL, Cincinnati Terminal, Toledo subdivisions). The rerouted CSXT trains would also add to existing traffic on CSXT’s rail line between Indianapolis and Sydney (i.e., the Indianapolis Line Subdivision).

Previous Environmental Review

OEA issued a Draft EA on August 30, 2013 for a one month public review and comment period.² The Draft EA examines the potential impacts of the Proposed Transaction and the No-Action Alternative and the need to mitigate potential adverse environmental impacts. As part of

¹ The CSXT trains would mostly be rerouted from its Louisville, Kentucky to Sidney, Ohio rail line. CSXT explains that this rail line is close to operating capacity and that because of its steep grades and tight curves, CSXT must restrict both the length and speeds of its trains. These steep grades and tight curves also make the physical rail line improvements needed to increase train speeds and operating capacity uneconomically.

² Comments are not being requested on the Draft EA. However, if you would like to peruse the contents of the document, it is available on the Board’s website at www.stb.dot.gov. From the home page, click on “Decision” in the Quick Links box; click on the “Search” button; enter “43214” in the “Search ID” box; and finally click on the date of “8/30/2013.”

its environmental evaluation, OEA staff made a site visit of the area on May 27, 2011. OEA staff was accompanied by CSXT and L&I staff, who provided information on the transaction, operations, and adjoining areas. This site visit allowed OEA to inspect the L&I Rail line and adjoining areas first-hand.

The Draft EA examines the following areas: traffic and grade crossing delay, rail safety and operations, emergency response, community resources and land use, socioeconomics, geology and soils, water resources, biological resources, air quality and climate, noise and vibration, energy, cultural resources, and environmental justice. Additionally, the Draft EA focuses on the potential operational impacts of adding 13 to 15 trains per day to the L&I rail line. The Draft EA analyses indicate that, without mitigation, adverse impacts could occur along the L&I rail line in the subject areas of grade crossing delay and emergency response, noise and vibration, water resources, and biological resources. However, Applicants propose voluntary mitigation and OEA recommends additional mitigation measures that are designed to minimize potential adverse impacts from the Proposed Transaction to below significant levels.

Scope of the Supplemental EA

The Supplemental EA will focus on the potential operational impacts of moving an additional 11 trains per day between Indianapolis, Indiana and Sydney, Ohio on CSXT's Indianapolis Line Subdivision. Potential operational impacts of interchanging the rerouted CSXT trains between the L&I rail line and CSXT's LCL and Indianapolis Line subdivisions will also be considered. Key potential operational impact categories to be addressed will include grade-crossing safety and vehicle delay, emergency response, and noise and vibration. However, other areas such as land use, community resources, water resources, biological resources and air quality and environmental justice will be evaluated. Potential construction-related impacts from extending two existing L&I rail sidings and constructing up to two new rail sidings on the L&I rail line will also be addressed. However, as noted previously, the Proposed Transaction would not include any construction or ground-disturbing activities on any of the CSXT rail lines.

We encourage you to send us written comments on the scope of the Supplemental EA. Comments may be submitted by mail or electronically using "E-Filing" button on the Board's website (www.stb.dot.gov). ***However, OEA strongly encourages the submittal of comments electronically to ensure receipt by April 22, 2014.***

- **Electronically:** For electronic comments, simply click on E-filing and then "Environmental Comments" from the E-Filing button on the Board's website at www.stb.dot.gov. The next web page will be formatted to allow you to fill in your information and comment directly or you can provide your comments in a file attachment.
- **By Mail:** If you are sending your comment by mail, please be aware that there may be up to a week delay in the delivery of mail to federal agencies. Mail written comments to:

Dave Navecky
Surface Transportation Board

395 E Street, SW
Room 1104
Washington, DC 20423

If you have questions or need clarification or guidance, please call Dave Navecky at 202-245-0294. You may also email Mr. Navecky at david.naveckyd@stb.dot.gov. We appreciate your time and effort in helping us to carefully evaluate the potential environmental effects here and we look forward to receiving your comments.

Sincerely,

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

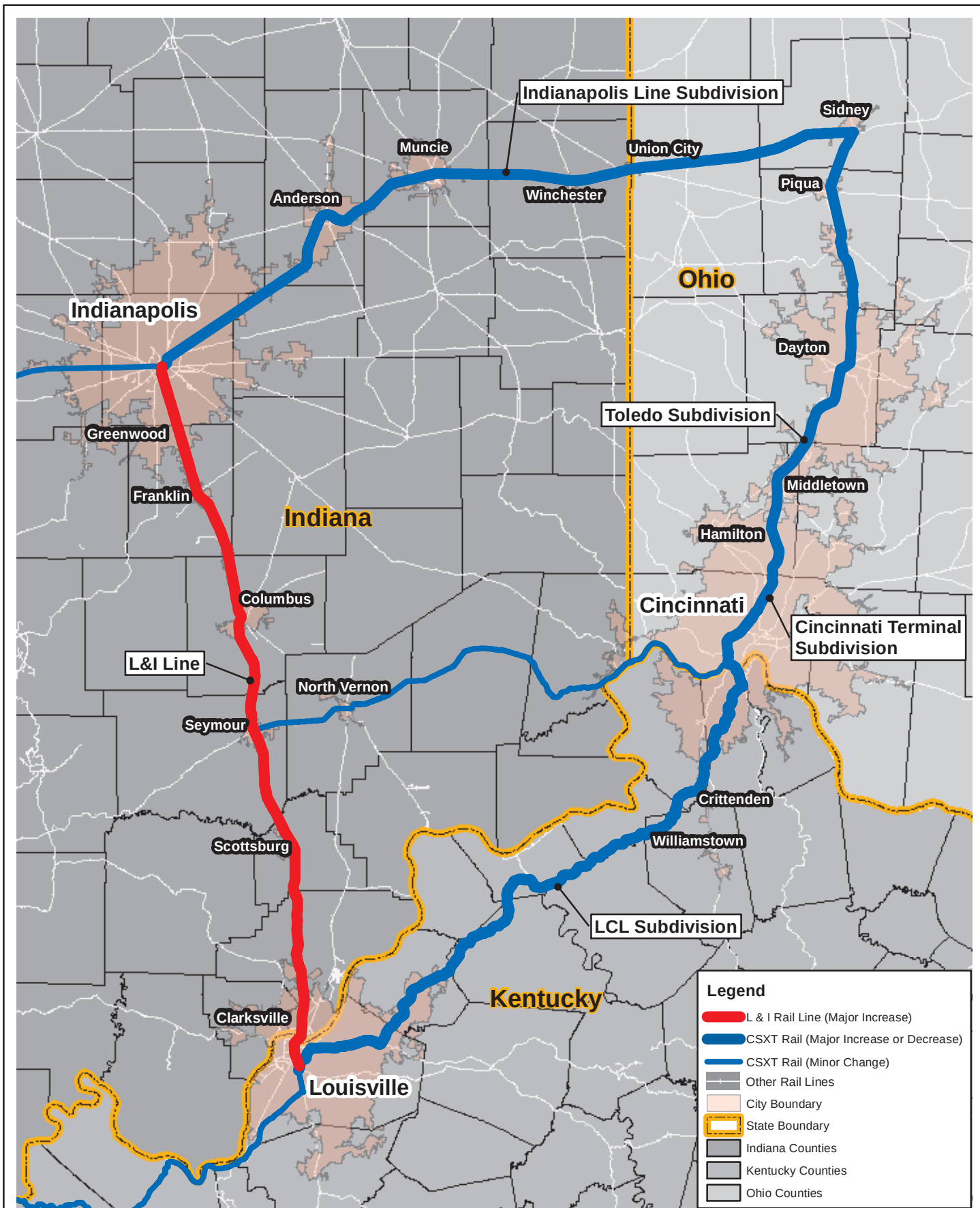
Victoria Rutson
Director
Office of Environmental Analysis

Attachments

**Table 1 - Existing and Future Train Traffic
Under the Proposed Transaction**

<u>Rail Line Segment</u>	<u>Numbers of Trains per Day</u>	
	<u>Current</u>	<u>Proposed</u>
L&I Rail Line		
Indianapolis to Seymour, IN:	2 (2 L&I)	17 (15 CSXT trains added)
Seymour to Louisville, KY	4 to 7 (2 to 5 L&I, 2 CSXT)	17 to 20 (13 CSXT trains added)
CSXT Rail Lines		
Louisville to Cincinnati	17 ^a	8 (9 fewer CSXT trains)
Cincinnati to Sydney	28 – 31 ^a	17 – 20 (11 fewer CSXT trains)
Indianapolis to Sydney	27 ^a	38 (11 CSXT trains added)

^a Estimates provided by CSXT based on third quarter 2013 data.



0 10 20
Miles

Rail Lines That Would Experience A Major Increase or Decrease in Rail Traffic Under the Proposed Transaction

CSXT/L&I Joint Use - Supplemental Environmental Assessment

DATE

March 2014

FIGURE

1