

CN/IC

ACQUISITION

FINAL ENVIRONMENTAL ASSESSMENT

Finance Docket No. 33558
Canadian National Railway Company,
Grand Trunk Corporation, and
Grand Trunk Western Railroad Incorporated
--Control--
Illinois Central Corporation,
Illinois Central Railroad Company,
Chicago, Central & Pacific Railroad Company,
and Cedar River Railroad Company

Prepared by:

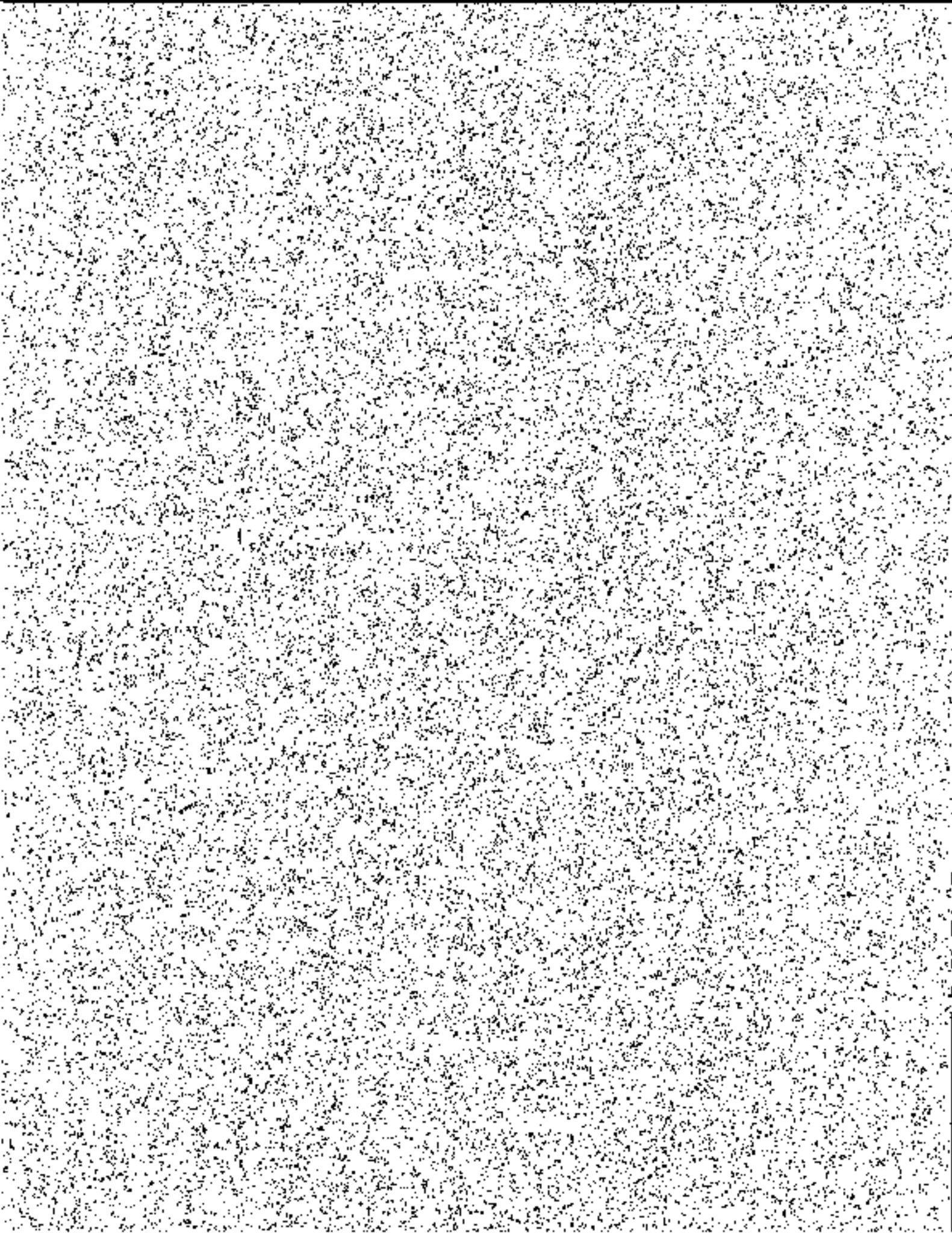
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Canadian National/Illinois Central Acquisition





SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

March 8, 1999

**Re: Railroad Control Application, Finance Docket No. 33556 — Canadian National
— Control — Illinois Central: Release of Final Environmental Assessment**

To: Interested Parties

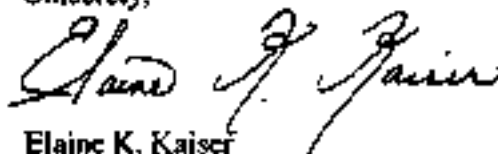
The Section of Environmental Analysis (SEA) is pleased to provide you with the enclosed Final Environmental Assessment (Final EA) on the proposed acquisition of Illinois Central Corporation (IC) by Canadian National Railway Company (CN). The Final EA reflects SEA's independent analysis and incorporates input from Federal, state, and local agencies. The Final EA addresses written public comments made since SEA issued the Draft Environmental Assessment (Draft EA) on November 9, 1998 and the Errata to the Draft EA on November 24, 1998, and includes SEA's final recommendations for mitigating the potential adverse environmental impacts of the proposed CN/IC Acquisition. SEA believes that with the recommended mitigation which addresses hazardous materials transport and related impacts to environmental justice populations, there will be no potential for significant environmental impacts.

SEA fully considered all comments received in response to the Draft EA, consulted further with Federal, state, and local agencies, and conducted additional environmental analysis where appropriate in preparing the Final EA and in making its final environmental mitigation recommendations to the Board. The Final EA also responds to public comments made on the Safety Integration Plan prepared by CN and IC in consultation with the Federal Railroad Administration that explains how the Applicants would safely integrate their separate systems if the proposed Acquisition is approved. In making its final decision on the proposed CN/IC Acquisition, the Board will consider the entire environmental record, including all public comments, the Draft EA, the Final EA, and SEA's final recommended environmental mitigation. The Board plans to conduct oral argument on March 18, 1999 and a formal voting conference on March 25, 1999. The Board plans to serve its final written decision on May 25, 1999. Any party may file an administrative appeal within 20 days of the Board's final written decision.

For further information on the proposed CN/IC Acquisition, interested parties may call SEA's toll-free Environmental Hotline at 1-888-869-1997 (TDD for the hearing impaired: (202) 565-1695), or access SEA's website for the proposed CN/IC Acquisition at www.cnicacquisition.com. For additional information regarding environmental issues or the environmental review process, you may contact SEA's Project Manager for the proposed CN/IC Acquisition, Michael Dalton, at (202)565-1530.

SEA appreciates the efforts of all interested parties who reviewed and commented on the Draft EA. Thank you for your interest and participation in the environmental review process.

Sincerely,

A handwritten signature in black ink, appearing to read "Elaine K. Kaiser". The signature is fluid and cursive, with the first name "Elaine" being more prominent.

Elaine K. Kaiser
Environmental Project Director
Section of Environmental Analysis

Enclosure

SEA'S CONCLUSIONS

SEA has completed an extensive review of the potential environmental impacts of the proposed CN/IC Acquisition. In its review, SEA identified potential significant impacts in only one area, hazardous materials transport safety, and determined that these impacts could also disproportionately affect environmental justice populations in five communities in Southern Illinois. SEA believes that it has developed comprehensive, reasonable, and practical environmental mitigation recommendations that address all potential significant adverse environmental impacts in the areas of hazardous materials transport safety and environmental justice that are associated with the proposed CN/IC Acquisition. In addition, for the Acquisition-related construction projects, SEA recommends certain standard measures to mitigate any adverse effects from these projects.

Based on its extensive independent analysis of all of the available information, SEA concludes that the proposed Acquisition of IC by CN would not significantly affect the quality of the human environment if the recommended mitigation measures set forth in this Final EA are imposed and implemented. Accordingly, SEA recommends that the Board impose the mitigation measures listed in Chapter 3, "SEA's Final Recommended Environmental Mitigation," as conditions in any final decision approving the proposed CN/IC Acquisition and related construction projects.

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SURFACE TRANSPORTATION BOARD

Finance Docket No. 33556

Canadian National Railway Company, Grand Trunk Corporation, and

Grand Trunk Western Railroad Incorporated

--Control--

Illinois Central Corporation; Illinois Central Railroad Company;

Chicago, Central & Pacific Railroad Company; and Cedar River Railroad Company

GUIDE TO THE FINAL ENVIRONMENTAL ASSESSMENT

This Final Environmental Assessment (Final EA) evaluates the potential environmental impacts that could result from the proposed acquisition of Illinois Central Corporation; Illinois Central Railroad Company; Chicago, Central & Pacific Railroad Company; and Cedar River Railroad Company (IC) by Canadian National Railway Company and Grand Trunk Corporation (together with its affiliates [CN]). The Surface Transportation Board (Board), Section of Environmental Analysis (SEA) prepared this document in accordance with the requirements of the National Environmental Policy Act (NEPA) of 1969, as amended (42 U.S.C. 4321); the Council on Environmental Quality (CEQ) regulations implementing NEPA (40 CFR Parts 1500-1508); the Board's environmental rules (49 CFR Part 1105); and other applicable environmental statutes and regulations.

SEA issued the Draft Environmental Assessment (Draft EA) on November 9, 1998. SEA subsequently issued an errata document on November 24, 1998, clarifying certain information in the Draft EA. The 32-day public comment period for the Draft EA closed on December 11, 1998. This Final EA provides responses to comments, questions, and issues that the public, agencies, and other document reviewers raised. It describes SEA's additional environmental analysis and includes SEA's final environmental mitigation recommendations to the Board.

To assist the reader in reviewing this document, the Final EA contains a detailed Table of Contents, Glossary of Terms, List of Acronyms and Abbreviations, Information Sources, and Index. For ease of reference, the Final EA also contains the Table of Contents from the Draft EA.

Specifically, this Final EA document includes the following:

- The Executive Summary provides an overview of the proposed CN/IC Acquisition, including the potential significant environmental impacts and mitigation measures that SEA recommends to address those impacts. It also describes SEA's approach to this Final EA and summarizes activities performed since the Draft EA.

- **Chapter 1, "Project Summary,"** presents project background including existing and proposed systems. In addition, this chapter presents an overview of the Board's application review process, the public involvement process, and the procedural schedule. It summarizes the comments raised during the public comment period and the additional analyses SEA performed to address these issues.
- **Chapter 2, "Comments and Responses,"** summarizes the public comments that SEA received and provides SEA's response to the comments. The summaries and responses are presented in the order of each comment received by Federal and state agencies, local and county governments, community groups/associations, an inter-city passenger rail service provider, and the Applicants.
- **Chapter 3, "SEA's Final Recommended Environmental Mitigation,"** presents SEA's recommendations to the Board for mitigating potential adverse environmental impacts.

The Final EA also includes four Appendices as follows:

- **Appendix A—Technical Information:** Presents additional analyses SEA conducted in response to comments and information to supplement and clarify SEA's review of the proposed Acquisition. This Appendix contains operational data pertaining to rail line segments, rail yards, and intermodal facilities, and SEA's analysis of the Applicants' minor modifications to the Operating Plan. Additional information includes a summary of SEA's thresholds and criteria, noise contour maps, revised air quality figures, and further data regarding SEA's environmental justice analysis.
- **Appendix B—Administrative Information:** Presents Board decisions, a summary of SEA's agency consultation activities since the Board served the Draft EA, agency coordination letters, and the List of Preparers.
- **Appendix C—Additional Information from the Applicants:** Includes letters from the Applicants discussing modifications to their Operating Plan and presenting responses to SEA's requests for additional information regarding the Applicants' existing and proposed operations. Appendix C also contains a copy of the Applicants' Verified Statement regarding the environmental effects of their Settlement Agreements.
- **Appendix D—Comment Letters:** Presents copies of the letters received from the public, agencies, and the Applicants on the Draft EA.

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LIST OF ACRONYMS AND ABBREVIATIONS FOR THE DRAFT AND FINAL ENVIRONMENTAL ASSESSMENTS

AAR	Association of American Railroads
ACHP	Advisory Council on Historic Preservation
ADT	average daily traffic
AST	aboveground storage tank
BIA	Bureau of Indian Affairs
BNSF	Burlington Northern Santa Fe Railway Company
Board	Surface Transportation Board
BRC	Belt Railway Company of Chicago
CAA	Clean Air Act of 1970
CAAA	Clean Air Act Amendments (1977)
CARES	CN Accident Reporting and Evaluation System
CATS	Crew Assignment and Timekeeping System
CCP	Chicago, Central & Pacific Railroad Company
CEQ	Council on Environmental Quality
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CFR	Code of Federal Regulations
CN	Canadian National Railway Company (and subsidiaries)
CO	carbon monoxide
CP	Canadian Pacific Railway Company
CPR	cardiopulmonary resuscitation
dB	decibel
dBA	A-weighted decibel
DEQ	Michigan Department of Environmental Quality
DOI	U.S. Department of the Interior
DOT	U.S. Department of Transportation
DWP	Duluth, Winnipeg and Pacific Railway Company
EA	Environmental Assessment
EDR	Environmental Data Resources, Inc.
EJ&E	Elgin, Joliet & Eastern Railway Company
EPA	U.S. Environmental Protection Agency
ERNS	Emergency Response Notification System
ERS	Environmental Resource Score
ESA	Environmental Site Assessment
FEMA	Federal Emergency Management Agency

FMEA	Failure Mode and Effects Analysis
FRA	Federal Railroad Administration
FWS	U.S. Fish and Wildlife Service
GIS	Geographic Information System
GTM	gross ton-miles
GTW	Grand Trunk Western Railroad
HC	hydrocarbon
HMIRS	Hazardous Materials Incident Reporting System
IC	Illinois Central Corporation (and subsidiaries)
ICC	Interstate Commerce Commission
ICP	Internal Control Plan
IDNR	Illinois Department of Natural Resources
IR	Inconsistent and Responsive [Application]
KCSR	The Kansas City Southern Railway Company
LCS	Locomotive Control System
L_{dn}	day-night equivalent sound level
L_{max}	maximum sound level
L_{max-ref}	L _{max} under specific set of reference conditions
LOS	level of service
LUST	leaking underground storage tank
MDEQ	Mississippi Department of Environmental Quality
MDWFP	Mississippi Department of Wildlife, Fisheries, and Parks
MOU	Memorandum of Understanding
MRS	Multiple Resource Score
NAAQS	National Ambient Air Quality Standards
NEPA	National Environmental Policy Act of 1969
NFRAP	No Further Remedial Action Planned
NHPA	National Historic Preservation Act of 1966
NHTSA	National Highway Traffic Safety Administration
NO₂	nitrogen dioxide
NO_x	nitrogen oxides
NPDES	National Pollutant Discharge Elimination System
NPL	National Priorities List
NRCS	Natural Resources Conservation Service
NRHP	National Register of Historic Places
NS	Norfolk Southern Railway Company and Norfolk Southern Corporation
NSR	New Source Review
NTSB	National Transportation Safety Board
NWI	National Wetlands Inventory
OSHA	Occupational Safety and Health Administration
O₃	ozone
OTR	over the road
P&I	Paducah & Illinois Railroad
Pb	lead
PDEA	Preliminary Draft Environmental Assessment

PIRS	Police Incident Reporting System
P.L.	Public Law
PM_{2.5}	particulate matter less than 2.5 microns in diameter
PM₁₀	particulate matter less than 10 microns in diameter
POR	Party of Record
PSA	public service announcement
PSD	Prevention of Significant Deterioration
PTC	Positive Train Control
RCRA	Resource Conservation and Recovery Act
RCRIS	Resource Conservation and Recovery Information System
RER	Responsive Environmental Report
RTMS	Rail Traffic Management System
SACP	Safety Assurance and Compliance Program
SECC	South East Chicago Commission
SEA	Section of Environmental Analysis
SEL	sound exposure level
SEMCOG	Southeast Michigan Council of Governments
SHPO	State Historic Preservation Office
SHWS	State Hazardous Waste Site
SO₂	sulfur dioxide
SRS	Service Reliability System
STCC	Standard Transportation Commodity Classification
TCS	Traffic Control System
TFM	Transportacion Ferroviaria Mexicana
TIBS	Train Information and Braking System
TransCAERO	Transportation Community Awareness and Emergency Response
UP	Union Pacific Railroad Company
U.S.C.	United States Code
USGS	U.S. Geological Survey
UST	underground storage tank
VOC	volatile organic compound
WC	Wisconsin Central Limited
Y2K	Year 2000

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EXECUTIVE SUMMARY

The Surface Transportation Board, Section of Environmental Analysis, prepared this Final Environmental Assessment (Final EA) to complete its review of the potential environmental impacts of the Canadian National proposal to acquire Illinois Central. On November 9, 1998, the Board served a Draft Environmental Assessment (Draft EA) on the Parties of Record, and SEA issued the Draft EA to the public. On November 23, 1998, the Board served an errata clarifying certain information in the Draft EA. SEA initiated a 32-day public comment period from November 9 to December 11, 1998 and encouraged the public to participate in the environmental review of the proposed CN/IC Acquisition by commenting on all aspects of the Draft EA and the errata.¹ SEA received 20 comments addressing increased rail traffic, hazardous materials transport, environmental justice, emergency vehicle response, air quality, and noise. This Final EA presents agency and public comments that SEA received on the Draft EA by January 31, 1999 and SEA's response to those comments. It summarizes SEA's environmental review; presents additional environmental analysis that SEA performed in response to the public comments; evaluates minor modifications to the Applicants' Operating Plan; and recommends final environmental mitigation measures for the Board to impose if it decides to approve the proposed Acquisition. As the Draft and Final EA present, SEA believes that the proposed Acquisition would result in several environmental benefits and no significant environmental impacts if its recommended mitigation is imposed. The Board will consider the entire environmental record, the Draft EA and Final EA, all public comments, and SEA's final environmental mitigation recommendations in making its final decision on the proposed CN/IC Acquisition.

CN and IC filed a joint Application and Operating Plan with the Board on July 15, 1998. In their Application, CN sought authority to acquire IC. The Board instituted a proceeding and plans to conduct oral argument on the environmental, economic, and competitive issues of the proposed CN/IC Acquisition on March 18, 1999. The Board will decide to approve or disapprove the proposed CN/IC Acquisition at a voting conference scheduled for March 25, 1999. If the Board approves the proposed CN/IC Acquisition, it may also impose specific conditions, including environmental mitigation conditions. The Board intends to issue its final written decision on the proposed CN/IC Acquisition on May 25, 1999. In that decision, the Board will address environmental, economic, and competitive transportation issues and impose any conditions it deems appropriate. Parties who wish to file an administrative appeal of the Board's written

¹ The "Surface Transportation Board" is hereinafter referred to as "the Board"; "Section of Environmental Analysis" is hereinafter referred to as "SEA"; the "Draft Environmental Assessment" is hereinafter referred to as the "Draft EA"; and the "Final Environmental Assessment" is hereinafter referred to as the "Final EA." "CN" stands for "Canadian National Railway Company and its subsidiaries"; "IC" stands for "Illinois Central Corporation and its subsidiaries"; and the "Applicants" hereinafter refers to CN and IC.

decision, including any environmental conditions that the Board may impose, may do so within 20 days of the final written decision date, as provided in the Board's rules. The Board will consider any administrative appeals in a subsequent decision.

During its environmental review process, SEA considered a broad range of environmental issues on a general (or system-wide), regional, and local level. This approach allowed SEA to identify and assess potential environmental impacts and develop reasonable environmental mitigation measures to address potential adverse impacts resulting from increased traffic due to the proposed Acquisition. Throughout its environmental review process, SEA sought input from the public including agencies, elected officials, organizations, businesses, and individuals. In developing reasonable environmental mitigation to address adverse environmental impacts that would result directly from the CN/IC Acquisition, SEA weighed the various perspectives and concerns that the public raised and the range of environmental impacts and issues.

In conducting its environmental analysis, SEA first applied the Board's thresholds for environmental analysis from the Board's environmental rules in the Code of Federal Regulations (CFR) at 49 CFR Part 1105. The Board's rules contain thresholds that apply specifically to air quality, noise, and energy. For issue areas where the Board does not have specific thresholds for environmental analysis, SEA assessed whether it would be appropriate to apply thresholds developed for the recent Conrail Acquisition in this case.² SEA concluded that the analysis thresholds developed for the Conrail Acquisition were also appropriate for environmental analyses associated with the proposed CNAC Acquisition.

The Final EA fully adopts and incorporates the Draft EA and errata to the Draft EA. SEA intends that this Final EA be used in conjunction with the Draft EA and errata to provide complete documentation of SEA's environmental review process.

PURPOSE AND NEED FOR THE PROPOSED CNAC ACQUISITION

In their Application, CN and IC state that combining their operations to create single-line service would allow greater coordination and efficiency. The Applicants also state that the proposed Acquisition responds directly to shippers' needs for an improved rail infrastructure to handle the rapidly growing north-south trade flows stimulated by the North American Free Trade Agreement.

DESCRIPTION OF THE PROPOSED ACTION

The proposed action consists of the Primary Application, including the Operating Plan and errata to the Application and Operating Plan, which the Applicants submitted to the Board, and

² Surface Transportation Board, Section of Environmental Analysis. *Final Environmental Impact Statement, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company, Conrail Inc., and Consolidated Rail Corporation*, STB Finance Docket No. 33388, May 1998.

Settlement Agreements (agreements between the Applicants and other parties regarding competitive or access issues).

The proposed CN/IC Acquisition would result in an end-to-end coupling of the existing CN and IC systems. While the resulting CN/IC system would cover approximately 18,670 miles, only approximately 4,520 miles would be in the United States, and thus part of SEA's environmental review. The new system would be "Y-shaped" with its hub in Harvey, Illinois south of Chicago. The Applicants anticipate relatively minor changes in operations as a result of the proposed Acquisition. The Operating Plan and the Applicants' minor modifications to the Operating Plan state that none of the Applicants' proposed increases in rail activity on rail line segments would exceed eight trains per day, which is the Board's threshold for environmental analysis for some of the issue areas (i.e., freight rail operations, highway/rail at-grade crossing safety, air quality attainment and maintenance areas, and noise) that the Board considers in conducting its environmental review. The Applicants have proposed no rail line abandonments and only five minor construction projects. Only two of these construction projects (one rail line connection in Cicero, Illinois and one rail yard bypass in Jackson, Mississippi totaling less than 1 mile) required further environmental review. SEA identified 11 rail line segments,³ five rail yards, and one intermodal facility that met the Board's thresholds for air quality or noise analysis. All of these facilities are in Illinois and Michigan.

CN currently serves the Canadian ports of Halifax, Montreal, Thunder Bay, Prince Rupert, and Vancouver and the Chicago, Detroit, and Buffalo gateways to and from the United States. The current IC system runs south from Chicago to the Gulf of Mexico and west from Chicago to Nebraska and Minnesota.

OTHER ACTIVITIES SEA ANALYZED

CN and IC have entered into two agreements with The Kansas City Southern Railway Company (KCSR), a Marketing Alliance and an Access Agreement, that would increase the levels of rail activity along rail line segments and at rail yards following the proposed CN/IC Acquisition. The Operating Plan that the Applicants submitted to the Board reflects these increases on the proposed CN/IC system. SEA also reviewed the potential environmental effects of these traffic changes over the proposed CN/IC system and at interchange points with KCSR. SEA concluded that the Alliance and Access Agreements would not result in any significant environmental effects. (See Chapter 3, "Project Description," of the Draft EA.)

In its environmental review, SEA also considered the potential environmental impacts of Responsive Applications filed by Canadian Pacific Railway Company (CP) and Ontario-Michigan Rail Corporation (OMR). (Inconsistent and Responsive Applications are proposals filed with the Board by Parties of Record other than the Applicants requesting

³ After SEA issued the Draft EA, the Applicants made minor changes to the Operating Plan. Upon modification, only ten rail line segments met the Board's threshold for air quality analysis. For more information on the revised Operating Plan, refer to Appendix A, "Technical Information."

modifications to the Primary Application.) For more information, refer to Chapter 3, "Project Description," of the Draft EA as modified by the errata of November 23, 1998.

THE BOARD'S ENVIRONMENTAL REVIEW PROCESS

The Board is an independent Federal regulatory agency with jurisdiction over certain surface transportation matters, including railroad acquisitions and mergers. When the Board determines, based on economic and competitive merits, that a transaction is consistent with the public interest, the Board is required by statute to approve and authorize the proposed transaction.⁴

As a licensing action, the Board's decision is a Federal action requiring environmental review under the National Environmental Policy Act (NEPA) and regulations of the Council on Environmental Quality (CEQ). SEA is responsible for conducting an environmental review on behalf of the Board, evaluating potential environmental impacts, and recommending environmental mitigation conditions to the Board.

In imposing environmental mitigation conditions, the Board has consistently focused on the potential environmental impacts that would result directly from Acquisition-related changes in activity levels on existing rail lines and at rail facilities. The Board's practice consistently has been to mitigate only those conditions that result directly from a proposed transaction. The Board typically does not require mitigation for pre-existing environmental conditions, such as the effects of current railroad operations.

Draft Environmental Assessment

In performing its environmental analysis for the Draft EA, SEA reviewed the Applicants' Application, Operating Plan, and errata to the Application to identify projected changes in rail traffic on rail line segments, activity at rail yards and intermodal facilities, and construction projects that could cause potential environmental impacts. Before submitting their Application, the Applicants requested that the Board modify its environmental process from previous railroad acquisitions. Instead of submitting an Environmental Report assessing potential environmental impacts with the Operating Plan and Application, as applicants have done in some previous merger cases, the Applicants sought permission to submit a Preliminary Draft Environmental Assessment (PDEA) to SEA after filing their Application. In Decision No. 5, the Board granted the Applicants' request and directed the Applicants to prepare a PDEA under SEA's guidance. Throughout the Applicants' preparation of the PDEA, SEA directed the environmental analysis methodologies for each issue area, reviewed and verified preliminary analysis results, and directed modifications to the PDEA. In cases where SEA did not concur with the Applicants' approach, SEA directed the Applicants to modify the analysis or conducted its own independent analysis. SEA prepared the Draft EA using appropriate information and analyses from the PDEA and independently developed the preliminary recommended environmental mitigation in the Draft EA.

⁴ See 49 U.S.C. 11324-25, specifically 49 U.S.C. 11324(c).

Safety Integration Plan

As part of the environmental review process, the Board required the Applicants to prepare and file a detailed *Safety Integration Plan* in consultation with the Federal Railroad Administration (FRA), the agency within the U.S. Department of Transportation (DOT) with primary responsibility over the enforcement of railroad safety regulations. The *Safety Integration Plan* outlines how the Applicants would safely integrate the infrastructure, equipment, personnel, and operating practices of their two companies if the proposed CN/IC Acquisition is approved. SEA and the FRA have independently reviewed the *Safety Integration Plan*, and the Board and FRA have entered into a *Memorandum of Understanding (MOU)* regarding the ongoing safety integration process for this case. SEA encouraged the public to review and comment on the *Safety Integration Plan* by including the FRA comments and MOU in the Draft EA. (The Applicants' *Safety Integration Plan* and FRA's comments on it appeared as Appendix V, "Safety Integration Plan," of the Draft EA. The MOU is presented in Appendix B, "Administrative Information," of the Final EA.) SEA also has reviewed the *Safety Integration Plan*. SEA's discussion of the *Safety Integration Plan* appeared in Chapter 7, "Safety Integration Plan," of the Draft EA.

Final Environmental Assessment

In this Final EA, SEA responds to all agency and public comments it received on the Draft EA by January 31, 1999; summarizes its environmental review of the proposed CN/IC Acquisition and the Applicants' minor modifications to their Operating Plan; and recommends final environmental mitigation measures for the Board to impose as conditions if it approves the proposed CN/IC Acquisition.

In preparing this Final EA, SEA carefully reviewed the comments it received. The public and agencies submitted 20 comment letters raising a variety of environmental issues. SEA fully considered all of the comments and conducted additional analyses to address some of the technical comments that posed detailed questions on environmental issues. (See Chapter 2, "Comments and Responses," and Appendix A, "Technical Information," of this Final EA for a description of the additional analysis performed.) As a result of its additional analysis, SEA modified certain mitigation recommendations it presented in the Draft EA. (See Chapter 3, "SEA's Final Recommended Environmental Mitigation," of this Final EA.)

ACTIVITIES SINCE ISSUANCE OF THE DRAFT EA

After issuing the Draft EA, but prior to issuing the Final EA, SEA undertook a variety of activities related to environmental review of the proposed CN/IC Acquisition. These activities included:

- Performing additional analysis of hazardous materials transport, environmental justice, grade crossing safety, traffic delay, and emergency vehicle response to address public and agency comments on the Draft EA.

- Examining the minor modifications to the Applicants' Operating Plan and minor construction projects resulting from the Settlement Agreements to verify that they would not produce adverse environmental impacts.
- Consulting with the U.S. Environmental Protection Agency (EPA) to discuss their comments on the Draft EA and further explain the environmental review process for this case.
- Providing additional public notification and outreach.
- Maintaining the website and the telephone hotline for the proposed CN/IC Acquisition.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION

SEA carefully assessed the extent and significance of potential environmental effects related to the proposed CN/IC Acquisition in the Draft and Final EA. Overall, SEA determined that the proposed CN/IC Acquisition would result in several environmental benefits and no significant adverse environmental impacts if its mitigation recommendations are imposed.

SEA identified only a small number of rail activities that would experience an increase requiring environmental review. These included:

- Ninety rail line segments in Iowa, Illinois, Kentucky, Louisiana, Michigan, Mississippi, and Tennessee.
- Five rail yards in Illinois and Michigan.
- One intermodal facility in Illinois.
- Five rail construction projects in Illinois (Centralia Yard improvement, Champaign Yard improvement, and Cicero rail line connection), Mississippi (Jackson Yard bypass track), and Tennessee (Memphis Yard improvement).

Based on its analysis, SEA has developed a set of recommended mitigation measures to address the potential adverse effects identified during its environmental review. SEA believes the environmental mitigation recommendations are comprehensive, reasonable, and practical and would address potential significant adverse environmental impacts in the areas of hazardous materials transport safety and related impacts on environmental justice populations that are associated with the proposed CN/IC Acquisition.

In conducting its environmental review of the proposed CN/IC Acquisition, SEA evaluated potential effects for the following environmental issue areas:

- Freight Rail Operations Safety.
- Hazardous Materials Transport Safety.

- Passenger Rail Safety.
- Highway/Rail At-grade Crossing Emergency Vehicle Response.
- Highway/Rail At-grade Crossing Safety.
- Highway/Rail At-grade Crossing Delay.
- Traffic and Roadway Systems.
- Passenger Rail Operations Capacity.
- Navigation.
- Energy.
- Air Quality.
- Noise.
- Cultural and Historic Resources.
- Hazardous Waste Sites.
- Land Use.
- Natural Resources.
- Environmental Justice.
- Cumulative Effects.
- Safety Integration.

In its environmental review, SEA determined that the proposed CN/IC Acquisition would result in several positive effects on the environment. These benefits would occur on a system-wide basis, primarily through increased efficiency that the proposed CN/IC Acquisition would facilitate on existing routes. These potential benefits include reductions in fuel consumption, air pollutant emissions, highway traffic, and highway accidents.

Of the 19 issue areas SEA analyzed during its review of the proposed CN/IC Acquisition, SEA identified potential significant adverse impacts in only one issue area—hazardous materials transport—and recommended appropriate mitigation measures to address those impacts. SEA also determined that, without mitigation, these potential significant impacts could disproportionately affect environmental justice populations in five communities in Southern Illinois.

In its evaluation of hazardous materials transport, SEA determined that, without mitigation, increases in transport of hazardous materials could have a significant adverse effect along 14 rail line segments in Illinois, Kentucky, and Michigan. However, SEA's recommended mitigation would address the potential environmental impacts along those routes. DOT regulates hazardous materials transport. SEA's recommended mitigation measures would provide for the early implementation of additional safety measures and require the Applicants to follow certain procedures in handling hazardous materials, inspecting trains and tracks, and coordinating with local emergency responders. SEA believes that if the Board imposes this mitigation, the environmental effects from changes in hazardous materials transport along these routes would not be significant.

In its evaluation of environmental effects on environmental justice populations, SEA identified potential disproportionately high and adverse impacts to minority and low-income populations in the communities of Cairo, Carbondale, Centralia, Mounds, and Du Quoin, Illinois. These

impacts would result from the hazardous materials transport impacts that SEA identified in its environmental review. SEA recommends specific mitigation measures tailored to those communities in addition to the mitigation measures described above for hazardous materials transport. SEA believes that this mitigation would address any potential disproportionately high and adverse environmental impacts on these environmental justice populations.

For certain issue areas the Acquisition-related rail activity did not meet or exceed the Board's thresholds for environmental review. Therefore, SEA concluded that the proposed CN/IC Acquisition would not result in significant impacts for these issues:

- **Freight Rail Operations Safety: Rail Line Segments.**
- **Highway/Rail At-grade Crossings: Emergency Vehicle Response, Crossing Safety, and Crossing Delay.**

For other issue areas, SEA's analysis showed some adverse effects would result from Acquisition-related traffic increases, however, these impacts would not be significant. These issue areas and their identified impacts are as follows:

- **Freight Rail Operations Safety—System-wide and Highway Accidents.** Predicted post-Acquisition accident frequencies would be consistent with recent historical accident frequencies, and truck-miles traveled would decrease. Therefore, SEA concludes that no significant adverse impacts would result.
- **Passenger Rail Safety.** Small increases in the freight traffic on rail line segments where passenger and freight trains share track would result in an only slightly increased accident risk. For common corridors, where passenger and freight trains run on adjacent parallel lines, the proposed Acquisition would result in a small increase in accident risk for only one common corridor. SEA determined that these increases would not result in significant adverse impacts.
- **Traffic and Roadway Systems.** System-wide, the proposed CN/IC Acquisition would result in truck-to-rail diversion and small reductions in truck traffic on major highway routes. For local roadway impacts, truck traffic entering and leaving the Gateway intermodal facility would be less than 1 percent of the area's average daily traffic; therefore, no adverse impacts would result.
- **Passenger Rail Operations Capacity.** Acquisition-related freight train traffic would not adversely affect Amtrak or commuter rail service in any of the seven states where passenger service operators and the Applicants share rail lines.
- **Navigation.** Coast Guard regulations specify that waterborne traffic has the right-of-way over train traffic at movable bridges. Therefore, SEA concludes that the proposed CN/IC Acquisition would have no effect on navigation.

- **Energy.** Overall fuel consumption would decrease by approximately 4.22 million gallons per year, and commodities shipped would increase slightly. Accordingly, SEA determined that the proposed Acquisition would not adversely affect the transportation of energy resources and recyclable commodities.
- **Air Quality.** System-wide, estimated emissions for carbon monoxide (CO), nitrogen oxides (NO_x), particulates (PM₁₀), and volatile organic compounds (VOCs) would decrease as a result of the proposed CN/IC Acquisition. SEA determined that the increase in sulfur dioxide (SO₂) emissions would be insignificant, considering the relatively small increase in emissions and the large geographic areas in which these emissions would occur. For its county-wide analysis, SEA determined that rail activities in 60 counties in Illinois and Michigan warranted analysis, but rail activities in only two counties in Illinois (Will and Cook counties) would exceed the EPA screening criteria for one criteria pollutant (NO_x). Because EPA has granted a NO_x waiver for both Cook and Will counties and the Acquisition-related increases would be insignificant, SEA concludes that no significant impact would result.
- **Noise.** SEA identified a total of 333 sensitive receptors that would experience adverse noise effects from Acquisition-related increases in train traffic. Of these receptors, only 23 would be affected by wayside noise; 310 would be affected by horn noise. Because the Acquisition-related traffic change would be small, SEA concludes that the actual change in noise for these receptors would be less than SEA's criterion of significance (an increase of 3 A-weighted decibels or more.). Additionally, most impacts result primarily from safety-related horn noise; therefore, these impacts are not considered to be significant.

SEA analyzed five Acquisition-related construction projects. Three projects were routine upgrades that would not result in significant environmental impacts. SEA evaluated the proposed construction projects in Jackson, Mississippi and Cicero, Illinois in more detail. SEA determined that if the Applicants implemented SEA's recommended mitigation for construction projects, including construction Best Management Practices, the construction projects would not cause significant environmental impacts to any of the following:

- **Cultural and Historic Resources.** SEA and the appropriate State Historic Preservation Offices determined that the proposed construction areas were previously disturbed. Given the past and current activity levels, information valuable to the archeological record would not likely be available.
- **Hazardous Materials Spill Sites and Hazardous Waste Sites.** SEA determined that proposed construction activity for the Jackson, Mississippi bypass track would avoid property containing hazardous materials. SEA determined that, although the proposed construction at Cicero, Illinois could disturb contaminated soils, the waste could be managed on site.

- **Land Use.** SEA's analysis showed that the Acquisition-related construction projects would be compatible with surrounding land use and would comply with applicable local zoning ordinances.
- **Natural Resources.** SEA found existing surface waters and an isolated wetland in the vicinity of the proposed construction in Cicero, Illinois and Jackson, Mississippi. SEA determined that the proposed construction would require Federal, state, and local permits and that the Best Management Practices that permitting agencies normally include would adequately protect these resources. SEA found no records of rare, threatened, or endangered species in the vicinity of either site.

SEA also reviewed the Applicants' Safety Integration Plan. Based on its review, SEA recommends that the Board impose a condition requiring the Applicants to comply with the Safety Integration Plan, which may be modified to respond to evolving system conditions because safety integration is an ongoing process. SEA also recommends that the Board impose a condition requiring the Applicants to participate and fully cooperate with the ongoing regulatory activities associated with the Memorandum of Understanding agreed to by the Board and FRA until FRA affirms to the Board in writing that the integration of the Applicants' systems has been completed safely and satisfactorily.

SEA'S CONCLUSIONS

Based on its independent analysis of all of the available information, SEA concludes that the proposed Acquisition of IC by CN would not significantly affect the quality of the human environment if the recommended mitigation measures set forth in this Final EA are imposed and implemented. Accordingly, SEA recommends that the Board impose the mitigation measures listed in Chapter 3, "SEA's Final Recommended Environmental Mitigation," as conditions in its final decision if the Board approves the proposed CN/IC Acquisition.

CHAPTER 1 PROJECT SUMMARY

The Surface Transportation Board, Section of Environmental Analysis, prepared this Final Environmental Assessment (Final EA) to complete its review of the potential environmental impacts of the Canadian National proposal to acquire Illinois Central. On November 9, 1998, the Board served the Draft Environmental Assessment (Draft EA) on the Parties of Record and SEA issued the Draft EA to the public. On November 23, 1998, the Board served an errata clarifying certain information in the Draft EA. SEA encouraged the public to participate in the environmental review of the proposed CN/IC Acquisition by commenting on the Draft EA and the Applicants' Safety Integration Plan.⁵ This Final EA presents the 20 agency and public comments that SEA received on the Draft EA and errata by January 31, 1999 as well as SEA's response to those comments. The Final EA also summarizes SEA's environmental review; presents additional environmental analysis that SEA performed in response to public comments in the areas of increased rail traffic, hazardous materials transport, environmental justice, emergency vehicle response, air quality, and noise; evaluates minor modifications to the Applicants' Operating Plan; and recommends final environmental mitigation measures for the Board to impose if it decides to approve the proposed Acquisition.

Chapter 1 presents an overview of the proposed CN/IC Acquisition, the Board's evaluation of the railroads' Application, and any modifications. This chapter summarizes:

- Purpose of the proposed CN/IC Acquisition.
- Description of the proposed action.
- Roles of the Board, the Applicants, and other agencies in evaluating the proposed action.
- The Board's review of potential environmental effects.
- SEA's environmental review process.
- SEA's public comment process.
- Activities performed since the Draft EA was issued.
- Comments SEA received.
- Additional environmental analysis SEA performed to address those comments.

⁵ The "Surface Transportation Board" is hereinafter referred to as "the Board"; "Section of Environmental Analysis" is hereinafter referred to as "SEA"; the "Draft Environmental Assessment" is hereinafter referred to as the "Draft EA"; and the "Final Environmental Assessment" is hereinafter referred to as the "Final EA." "CN" stands for "Canadian National Railway Company and its subsidiaries"; "IC" stands for "Illinois Central Corporation and its subsidiaries;" and the "Applicants" hereinafter refers to CN and IC.

1.1 INTRODUCTION

On July 15, 1998, the Applicants filed an Application and Operating Plan with the Board requesting authorization for CN to acquire control of IC. The National Environmental Policy Act (NEPA) and the Board's environmental rules in the Code of Federal Regulations (CFR) at 49 CFR Part 1105 require the Board to conduct an environmental review of the proposed CN/IC Acquisition before it can issue a final decision. As part of the environmental review process, SEA determined that the preparation of an environmental assessment was appropriate for this proceeding. This approach was consistent with the Board's rules at 49 CFR 1105.6(b)(4), which call for an EA in a merger or acquisition such as this one. On August 14, 1998, the Board served Decision No. 6 on the Parties of Record in this proceeding. The decision set a procedural schedule and announced the Board's intention to prepare an EA to meet its obligations under environmental laws. (Appendix B, "Administrative Information," contains a copy of Board Decision No. 6.)

1.2 PURPOSE OF AND NEED FOR THE PROPOSED CN/IC ACQUISITION

The Applicants stated that numerous benefits would result from combining the CN and IC systems. Overall, they maintain that the proposed CN/IC Acquisition would create new and improved rail service, particularly between eastern Canada and the southern United States. According to the Applicants, the proposed CN/IC Acquisition responds directly to shippers' needs for improved rail infrastructure to handle the rapidly growing north-south trade flows stimulated by the North American Free Trade Agreement.

The Applicants also stated that a number of benefits relate directly to the extended single-line service (i.e., service over one railroad, without rail car interchanges between railroads) proposed in their Operating Plan. These benefits include the following:

- Increased routing options for freight traffic.
- Improved coordination of freight movements.
- Minimized car handling and improved train scheduling through improved blocking patterns.
- Faster and more reliable deliveries.
- Better utilization of car and locomotive equipment to reduce operating costs, maintenance, and delays.
- Safer service through improved blocking and train scheduling and by combining the best safety practices of each railroad.
- Intensified competition.

- Enhanced efficiency of rail operations.
- Increased marketing opportunities for shippers.

1.3 ROLE OF THE SURFACE TRANSPORTATION BOARD, THE APPLICANTS, AND OTHER AGENCIES

This section describes the Board's role in regulating railroad matters and its interaction with the Applicants and other agencies.

1.3.1 The Surface Transportation Board

The Board is a nonpartisan, independent Federal regulatory agency within the United States Department of Transportation. The Board has jurisdiction over certain surface transportation matters and considers the economic, competitive, and environmental effects of a transaction in its review of proposed mergers and acquisitions.⁶ In all of its decisions, the Board is committed to advancing the national transportation policy goals established by Congress.⁷

The Board can approve a transaction as proposed; approve the transaction with conditions, including environmental conditions to offset or reduce the potential environmental impacts of the proposed action; or not approve the transaction. When the Board determines, based on economic and competitive merits, that a transaction is consistent with the public interest, the Board is required by statute to approve the transaction. The Board's intention in making a decision to approve a railroad merger or acquisition is to allow railroads to expand their systems by acquiring other railroad facilities and thereby operate more efficiently and compete more effectively with trucks and other railroads.

The Draft EA presented the merit issues (i.e., economic or competitive) the Board considers in its review, including the effects on transportation, other rail carriers, railroad employees, and others. SEA is responsible for conducting the environmental review of proposed transactions on behalf of the Board. Based on its environmental review, SEA may recommend environmental mitigation conditions to the Board. To assist with the environmental review, SEA often uses independent, third-party contractors. These independent contractors work under SEA's supervision and direction to conduct environmental analysis and assist with the preparation of environmental documents.

The Board has established a process for receiving pleadings and alternative proposals pertaining to the economic and competitive impacts of a proposed transaction. This process is separate from the environmental review process, which provides specific opportunities for the public to learn about and comment on the potential environmental effects of a proposed transaction. The Applicants are to conduct all of these activities within a schedule the Board develops for each

⁶ See 49 U.S.C. 10101 *et seq.*

⁷ See 49 U.S.C. 10101.

case. Table 1-1, "Board's Procedural and SEA's Environmental Review Schedule," shows the procedural schedule for the proposed CN/IC transaction.

As shown in the environmental review schedule, SEA has involved the public throughout the environmental review of the proposed CN/IC Acquisition. Throughout preparation of the Draft EA and the Final EA, SEA consulted with other government agencies and considered their input in developing its final recommended environmental mitigation measures.

**TABLE 1-1
BOARD'S PROCEDURAL AND SEA'S ENVIRONMENTAL REVIEW SCHEDULE**

Day	Action	Date
	Applicants filed Notice of Intent to file Application.	February 12, 1998
Day 0	Applicants filed Application and Operating Plan.	July 13, 1998
	The Board served Decision No. 6 with the Final Procedural Schedule. The decision announced the Board's intention to prepare an EA and required the Applicants to prepare a Safety Integration Plan.	August 14, 1998
Day 30	The Board published a Notice of Acceptance of Primary Application and Related Application in the <i>Federal Register</i> .	August 14, 1998
Day 30	Applicants filed Safety Integration Plan.	August 14, 1998
Day 47	Other parties filed summary descriptions of Inconsistent and Responsive Applications.	August 31, 1998
	The Board published a Notice of Environmental Review Schedule in the <i>Federal Register</i> .	September 14, 1998
	Applicants filed Errata to Application and Operating Plan.	September 16, 1998
	Applicants filed revised Safety Integration Plan.	September 18, 1998
Day 68	Other parties filed Responsive Environmental Reports and Verified Statements for any Inconsistent and Responsive Applications.	September 21, 1998
	Board served Decision No. 11 with revised Procedural Schedule.	October 2, 1998
Day 104	Other parties filed Inconsistent and Responsive Applications and Requests for Conditions.	October 27, 1998
	The Board served the Draft EA on Parties of Record; SEA issued the Draft EA to the public.	November 9, 1998
	The Board placed a notice in the <i>Federal Register</i> announcing the availability of the Draft EA and initiating a 30-day comment period on the Draft EA.	November 9, 1998
Day 125	The Board published a Notice of Acceptance of Inconsistent and Responsive Applications in the <i>Federal Register</i> .	November 17, 1998
	The Board served Decision No. 23 to present the errata to the Draft EA.	November 23, 1998
	Closing date for public comments on Draft EA.	December 11, 1998
Day 154	The parties filed responses to the Inconsistent and Responsive Applications, Requests for Conditions, and rebuttals in support of Primary Application.	December 16, 1998
Day 184	Other parties submitted rebuttals in support of Inconsistent and Responsive Applications.	January 15, 1999

TABLE 1-1
BOARD'S PROCEDURAL AND SEA'S ENVIRONMENTAL REVIEW SCHEDULE

Day	Action	Date
	The Board served Decision No. 30, changing the dates for oral argument and the voting conference.	January 28, 1999
	Parties filed briefs regarding the merits of the proposed Application.	February 19, 1999
	The Board served the Final EA on Parties of Record. SEA issued the Final EA to the public.	March 8, 1999
	The Board published a notice in the <i>Federal Register</i> announcing the availability of the Final EA.	March 8, 1999
Day 246	The Board is scheduled to conduct oral argument.	March 18, 1999
Day 253	The Board is scheduled to conduct voting conference.	March 25, 1999
Day 314	The Board is scheduled to serve final written decision.	May 25, 1999
Day 334	Deadline for filing administrative appeals.	June 14, 1999

1.3.2 The Applicants

CN and IC are joint Applicants in the proposed CN/IC Acquisition. As part of the environmental review process, the Board required the Applicants to provide information on existing and proposed railroad operations and anticipated environmental effects. The Applicants provided this information to the Board in their Application, Operating Plan, an errata to their Application, a Preliminary Draft Environmental Assessment (PDEA), and other supplemental information. The PDEA presented the Applicants' preliminary environmental analysis for activities associated with the proposed CN/IC Acquisition. SEA verified all the information in the PDEA, prepared the Draft EA using appropriate information from the PDEA, and reviewed all documents submitted by the Applicants to identify projected changes in rail activities that could cause potential environmental effects. If the Board approves the proposed CN/IC Acquisition with conditions, including environmental conditions, the Applicants would be responsible for implementing any conditions the Board may impose.

1.3.3 Other Federal Agencies

SEA considered pertinent Federal statutes, regulations, and executive orders; and it coordinated and consulted with appropriate Federal agencies to ensure that they were notified of the proposed CN/IC Acquisition and knew about the time frames for agency review and comment on the Draft EA. The Board exercises its authority with due regard for the jurisdiction and expertise of other Federal agencies.

SEA consulted several Federal agencies during the environmental review process, and SEA provided each Federal agency with the Draft EA for their review and comment. SEA carefully considered all comments received from these agencies in preparing the Final EA and making final mitigation recommendations to the Board. The following list presents the Federal agencies that SEA consulted:

- Advisory Council on Historic Preservation.
- Bureau of Indian Affairs.
- Council on Environmental Quality.
- Federal Emergency Management Agency.
- Federal Railroad Administration.
- Natural Resources Conservation Service.
- U.S. Army Corps of Engineers.
- U.S. Coast Guard.
- U.S. Department of the Interior, Office of Environmental Policy and Compliance.
- U.S. Department of the Interior, Fish and Wildlife Service.
- U.S. Department of Transportation.
- U.S. Environmental Protection Agency.

SEA also consulted with various state and local agencies concerning the Draft EA. SEA's coordination with various state and local agencies is presented in Section 1.9, "Public Involvement Approach and Process," of this Final EA. Chapter 2, "Comments and Responses," of the Final EA contains information regarding agency consultation.

1.4 THE BOARD'S REVIEW OF POTENTIAL ENVIRONMENTAL EFFECTS

SEA is responsible for conducting the environmental review on behalf of the Board. The Board's environmental regulations govern SEA's environmental review process and outline SEA's procedures for preparing environmental documents. In conducting its environmental review, the Board considers NEPA requirements and the implementing regulations of the Council on Environmental Quality (CEQ)²; other related environmental laws and their implementing regulations; and the Board's environmental regulations at 49 CFR 1105.

In performing its environmental analysis, SEA reviewed the Applicants' Application, Operating Plan, and errata to the Application to identify projected changes in traffic on rail line segments and changes in activity at rail yards and intermodal facilities that could cause potential environmental impacts. The Applicants requested that the Board modify its review process somewhat from previous railroad mergers. Instead of submitting an Environmental Report assessing potential environmental impacts along with their Application, as applicants had done in previous merger cases, the Applicants sought permission to submit a PDEA to SEA after filing their Application. Following the Applicants' submission of their Application and Operating Plan, the Board served Decision No. 5, which granted the Applicants' request to prepare a PDEA under SEA's guidance. The Applicants prepared a PDEA that included a description of the proposed action and an evaluation of the potential environmental impacts. Throughout the Applicants' preparation of the PDEA, SEA directed the environmental analysis methodologies for each issue area, reviewed and verified the preliminary analysis results, and directed modifications to the PDEA. In cases where SEA did not concur with the Applicants' approach, it directed the Applicants to modify the analysis or conducted its own independent analysis. SEA provided appropriate oversight and direction to the Applicants and their environmental

² 40 CFR 1500-1508.

contractors regarding data collection, methods for analyzing environmental effects, and verification of analysis results. SEA's participation, oversight, and guidance have been extensive throughout the EA process.

Following its review and verification of all the information in the PDEA, SEA used appropriate information and analysis from the PDEA to prepare the Draft EA. When appropriate, SEA conducted its own independent analysis and independently developed preliminary recommended environmental mitigation measures for inclusion in the Draft EA and final mitigation measures for this Final EA.

The Applicants refined their Operating Plan prior to preparation of the Final EA and provided SEA with an updated Operating Plan. SEA reviewed and verified the updated Operating Plan and determined that the modifications were minor and would not affect SEA's conclusions regarding the environmental impacts of the proposed Acquisition. Appendix A, "Technical Information," contains a detailed description of SEA's verification process.

The Board also required the Applicants to develop a Safety Integration Plan according to Federal Railroad Administration (FRA) guidelines. The Safety Integration Plan describes how they would safely merge the existing CN and IC systems if the proposed Acquisition is approved. They submitted the Safety Integration Plan to the Board as required by Board Decision No. 6. FRA reviewed the Applicants' Safety Integration Plan and provided comments to the Board. The Board and FRA have entered into a Memorandum of Understanding (MOU) to coordinate their ongoing oversight of the Applicants' safety integration activities. To provide the public with an opportunity to comment on the Safety Integration Plan, SEA included a copy of the entire Safety Integration Plan, FRA's initial comments on the plan, and the MOU in the Draft EA. Through the U.S. Department of Transportation (DOT), FRA provided additional comments on the Safety Integration Plan and the Draft EA. SEA also independently reviewed the Safety Integration Plan and the public comments it received on the Plan. SEA's final recommended mitigation would require the Applicants to cooperate in the ongoing review of safety integration.

SEA's environmental review of the proposed CN/IC Acquisition has been a multi-step process. SEA issued the Draft EA to the public, invited the public and other agencies to review and comment on the Draft EA during a 32-day comment period, and considered all comments received on the Draft EA. After considering all public comments on the Draft EA (including the preliminary recommended mitigation), consulting with appropriate agencies, and conducting additional environmental analysis where appropriate, SEA prepared this Final EA to respond to issues that the public raised and to describe its final environmental analysis and recommended environmental mitigation.

Involving the public is an important part of the Board's environmental review process. To encourage public involvement in the environmental review process, SEA distributed an Environmental Fact Sheet to notify the public that the Draft EA was forthcoming and to provide instructions on how to submit comments on the Draft EA or any other environmental concerns. Section 1.9, "Public Involvement Approach and Process," contains a detailed discussion of SEA's agency consultation, public notification activities, and the public comment period. The

Board will consider the entire environmental record; the Draft EA and errata; all public comments; and the Final EA, including SEA's final recommended environmental mitigation, in making its final decision for this case.

1.4.1 SEA's Environmental Review

As the Draft EA described, SEA evaluated the potential environmental effects of the proposed CN/IC Acquisition on behalf of the Board for the following issue areas:

- Safety, including freight rail operations, passenger rail operations, and hazardous materials transport.
- Highway/Rail At-grade Crossings, including safety, delay, and emergency vehicle response delay.
- Transportation Systems, including highways and local roadways.
- Passenger Rail Operations Capacity.
- Navigation.
- Energy.
- Air Quality.
- Noise.
- Cultural and Historic Resources.
- Hazardous Waste Sites.
- Land use.
- Natural Resources.
- Environmental Justice.
- Cumulative Effects.

SEA also reviewed and evaluated the Applicants' Safety Integration Plan, which describes how the Applicants would safely integrate the infrastructure, equipment, personnel, and operating practices of the railroad companies if the Board approves the proposed CN/IC Acquisition.

1.4.2 The Board's Thresholds for Environmental Analysis

The Applicants' Operating Plan and errata to the Application indicate that the proposed CN/IC Acquisition would modify existing CN and IC activities. To conduct its environmental review, SEA evaluated changes in the following categories of railroad activities that would result from the proposed CN/IC Acquisition:

- Increases and decreases in rail traffic on all rail line segments.
- Increases and decreases in activity at all intermodal facilities.
- Increases and decreases in activity at all rail yards.
- Construction of new rail facilities, including rail line connections.

In conducting its environmental analysis, SEA first applied the Board's thresholds for environmental analysis at 49 CFR Part 1105. The Board thresholds apply specifically to air quality, noise, and energy resources. For issue areas where the Board does not have specific thresholds for environmental analysis, SEA assessed whether it would be appropriate to apply thresholds developed for environmental review of the recent Conrail Acquisition proceeding. SEA concluded that the analysis thresholds developed for the Conrail Acquisition were also appropriate for environmental analysis of the proposed CN/IC Acquisition.⁹ For example, to analyze the potential effects on passenger rail safety, SEA used a proposed increase of one freight train per day. To analyze the potential effects of hazardous materials transport, SEA considered all rail line segments with a proposed increase in the annual volume of hazardous materials transported. Table 1-2, "Board's Thresholds for Environmental Analysis," lists the thresholds SEA used to prepare the Draft EA and Final EA.

⁹ See Final Environmental Impact Statement, pp. 2-1 through 2-6 (May 1998), *CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company—Control and Operating Leases/Agreements—Conrail Inc. and Consolidated Rail Corporation*, STB Finance Docket No. 33388.

**TABLE 1-2
BOARD'S THRESHOLDS FOR ENVIRONMENTAL ANALYSIS^a**

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Rail Line Segments	Intermodal Facilities	Rail Yards	Constructions
Safety				
Freight Rail Operations	Rail line segments with an average increase of eight or more freight trains per day.	N/A ^b	N/A ^b	N/A
Hazardous Materials Transport	Rail line segments with an increase in the annual volume of hazardous materials transported.	All intermodal facilities with an increase in railcar activity.	All rail yards with an increase in railcar activity.	N/A
Passenger Operations	Rail line segments with existing passenger rail traffic and an average increase of one or more freight trains per day.	N/A	N/A	N/A
Highway/Rail At-grade Crossing Safety	All highway/rail at-grade crossings on rail line segments with an average increase of eight or more trains per day.	N/A	N/A	Highway/rail at-grade crossings created by proposed constructions, with an average increase of eight or more trains per day.
Traffic and Transportation				
Highway/Rail At-grade Crossing Delay	Highway/rail at-grade crossings on segments that meet or exceed the Board's thresholds for environmental analysis, ^c and with average daily traffic (ADT) of 5,000 vehicles or greater, or crossings closer than 800 feet apart.	N/A	N/A	Highway/rail at-grade crossings created by proposed constructions on rail line segments that meet or exceed the Board's thresholds for environmental analysis and with ADT of 5,000 or more, or crossings closer than 800 feet.
Passenger Rail Service Capacity	Rail line segments with existing passenger rail traffic and an increase of one or more freight trains per day.	N/A	N/A	N/A

**TABLE 1-2
BOARD'S THRESHOLDS FOR ENVIRONMENTAL ANALYSIS***

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Rail Line Segments	Intermodal Facilities	Rail Yards	Constructions
Roadway Capacity	N/A	Intermodal facilities with an increase of 50 or more trucks per day or a 10% increase in ADT on affected roadways.	N/A	N/A
Navigation	Movable-span bridges on all rail line segments.	N/A	N/A	N/A
Energy	System-wide evaluation of truck-to-rail diversions.	System-wide evaluation of intermodal facilities.	System-wide evaluation of rail yards.	N/A
Air Quality				
Attainment or Maintenance Areas	Rail line segments with an increase of eight or more trains per day or at least a 100% increase in rail traffic (measured in annual gross ton-miles).	Intermodal facilities with an increase of 50 or more trucks per day or more than a 10% increase in ADT on affected roadways.	Rail yards with a 100% or greater increase in carload activity.	All constructions.
Nonattainment Areas	Segments with an increase of three or more trains per day or at least a 50% increase in rail traffic (annual gross ton-miles). ^b	Intermodal facilities with an increase of 50 or more trucks per day or more than a 10% increase in ADT on affected roadways.	Rail yards with a 20% or greater increase in carload activity.	All constructions.
Noise	Rail line segments with an increase of eight or more trains per day or a 100% increase in annual gross ton miles.	Intermodal facilities with an increase of 50 or more trucks per day or more than a 10% increase in ADT on affected roadways.	Rail yards with a 100% or greater increase in carload activity.	All constructions.
Cultural Resources	N/A	N/A	N/A	All constructions.
Hazardous Waste Sites	N/A	N/A	N/A	All constructions.
Land Use	N/A	N/A	N/A	All constructions.

**TABLE 1-2
BOARD'S THRESHOLDS FOR ENVIRONMENTAL ANALYSIS^a**

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Rail Line Segments	Intermodal Facilities	Rail Yards	Constructions
Natural Resources	N/A	N/A	N/A	All constructions.
Environmental Justice	All activities exceeding Board thresholds for environmental analysis.	All activities exceeding Board thresholds for environmental analysis.	All activities exceeding Board thresholds for environmental analysis.	All activities exceeding Board thresholds for environmental analysis.

ADT = Average Daily Traffic.
N/A = Not Applicable.

^a The thresholds in this table are either from the Board's rules or are thresholds that SEA developed for the recent Corrail case and determined to be appropriate for this case.

^b Included in rail line segment analysis.

^c Air Quality Nonattainment Area: Increase of at least three trains per day, or a 50 percent increase in annual gross ton-miles. Air Quality Attainment or Maintenance Area: Increase of at least eight trains per day or a 100 percent increase in annual gross ton-miles.

1.5 OVERVIEW OF EXISTING AND PROPOSED SYSTEMS

As described in their Application, CN and IC propose to combine their rail systems to form a single system. Because the systems currently connect "end to end," the principal combined route would remain identical to those of the individual railroads. Currently, CN's rail network extends through both Canada and parts of the United States. Within the United States, CN's rail system operates in eight states (Michigan, Indiana, Illinois, Minnesota, New York, Vermont, Ohio, and Wisconsin), and IC's rail system operates in nine states (Alabama, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Nebraska, and Tennessee.)¹⁰ Because the Board has jurisdiction over certain rail transportation matters only within the United States, SEA evaluated only the potential effects of the proposed CN/IC Acquisition within the United States.

1.5.1 Existing Canadian National System

CN operates approximately 1,150 route miles in the United States and 14,150 route miles in Canada. CN serves every major metropolitan area of Canada. In the United States, CN serves the gateway cities of Buffalo, New York; Detroit, Michigan; Duluth, Minnesota; Superior, Wisconsin; and Chicago, Illinois. CN has three principal service corridors: the Eastern, Western, and Transcontinental. The Eastern Service Corridor runs from Halifax, Nova Scotia on the Atlantic Coast through Montreal, Quebec, and Toronto, Ontario to Chicago via the St. Clair Tunnel in Michigan. The Western Service Corridor extends from Vancouver and Prince Rupert, British Columbia on the Pacific Coast to Chicago and Thunder Bay, Ontario. The Transcontinental Corridor extends from Halifax to Prince Rupert and Vancouver.

1.5.2 Existing Illinois Central System

The current IC rail network consists of approximately 3,370 route miles of track in nine states running north-south between Chicago, Illinois and the Gulf of Mexico and east-west from Chicago toward Nebraska and Minnesota. IC's main north-south route reaches south from Chicago to the major metropolitan areas on the Mississippi River including St. Louis, Missouri; Memphis, Tennessee; Jackson, Mississippi; and New Orleans, Louisiana. IC's east-west route extends from Chicago, Illinois in the east to Sioux City, Iowa and Omaha, Nebraska in the west. IC also has access to the port in Mobile, Alabama on the Gulf of Mexico, as well as barge access to Florida.

1.5.3 Passenger Rail Systems

Both CN and IC are freight railroads, but they share track with passenger rail services in some areas. The proposed action could affect two types of passenger rail services: Amtrak intercity rail operations and regional transportation commuter rail operations. Statutory and contractual

¹⁰ The errata of November 23, 1998 incorrectly stated that IC operates in ten states. Although the Draft EA and the Final EA correctly state that IC serves major metropolitan areas along the Mississippi including St. Louis, Missouri, IC does not operate in Missouri.

agreements, which would remain intact whether or not the Board approves the proposed CN/IC Acquisition, govern the relationships between passenger rail services and the Applicants.

Amtrak operates on approximately 1,160 miles of CN or IC rail lines in eight states—Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, New York, and Tennessee. These operations include intercity service between the following: (1) Chicago, Illinois and Toronto, Ontario; (2) Chicago, Illinois and Detroit, Michigan; (3) Chicago, Illinois and New Orleans, Louisiana; (4) Chicago, Illinois and Indianapolis, Indiana; (5) Chicago, Illinois and Joliet, Illinois; and (6) New York, New York and Montreal, Quebec. Amtrak trains that provide service between Los Angeles, California and Jacksonville, Florida also use a small portion of IC rail line in New Orleans, Louisiana. Although Amtrak filed a Comment and Request for Conditions, its February 5, 1998 letter to the Board states that Amtrak reached a Settlement Agreement with the Applicants regarding passenger issues and that it supports the proposed CN/IC Acquisition.

In the Chicago, Illinois metropolitan area, the Northern Illinois Railroad Corporation (Metra) provides commuter service between Chicago and Joliet, Illinois using approximately 35 miles of IC-owned rail line. This is the only commuter rail service that uses any CN or IC rail line in the United States. Except for some minor switching operations in the Chicago area, CN and IC do not operate any freight trains on rail lines owned by other railroads where commuter rail service occurs.

1.5.4 Overview of Proposed System

The proposed CN/IC Acquisition would result in an end-to-end coupling of the existing CN and IC systems. The resulting CN/IC system would cover approximately 18,670 miles, of which approximately 4,520 miles would be in the United States. The new system would be "Y-shaped" with its hub in Harvey, Illinois south of Chicago. The proposed system would extend to the Atlantic and Pacific coasts of Canada at Halifax and at Prince Rupert and Vancouver, respectively, and to the Gulf of Mexico at New Orleans, Louisiana. (See Figure 1-1, "Proposed CN/IC Rail System in the United States.")

As previously stated, the Applicants contend that the proposed CN/IC Acquisition would increase and improve service because it would provide single-line, coast-to-coast service; coordinate operations; divert traffic from trucks and other railroads; and provide better operating efficiency.



1.6 THE PROPOSED ACTION

This section describes the Applicants' proposed rail activities that meet the Board's thresholds for environmental review (see Table 1-2, "Board's Thresholds for Environmental Analysis"). SEA identified the following activities for environmental review:

- Ninety rail line segments in Iowa, Illinois, Kentucky, Louisiana, Michigan, Mississippi, and Tennessee.
- Five rail yards in Illinois and Michigan.
- One intermodal facility in Illinois.
- Five rail construction projects in Illinois (Centralia Yard improvement, Champaign Yard improvement, and Cicero new rail line connection), Mississippi (Jackson Yard bypass track), and Tennessee (Memphis Yard improvement).

Sections 1.6.1 through 1.6.6 describe these activities in greater detail. Appendix A, "Technical Information," lists the rail line segments, rail yards, and intermodal facilities included in the Application; and it indicates whether changes in activity at these facilities meet or exceed the Board's thresholds for environmental review.

1.6.1 Rail Line Segments

Rail line segments are the portions of rail lines that run between two terminals or junction points. For the Draft EA, SEA analyzed a total of 90 rail line segments where the Applicants' projected increase in rail activity would meet or exceed the Board's thresholds for environmental analysis.¹¹ These rail line segments include:

- A total of 11 individual rail line segments (approximately 156 miles of rail lines) in Illinois that meet or exceed the Board's thresholds for environmental analysis for air quality or noise.¹²
- A total of 86 rail line segments (approximately 1,839 miles of rail lines) in Iowa, Illinois, Kentucky, Louisiana, Michigan, Mississippi, and Tennessee where the proposed CN/IC Acquisition would result in increased hazardous materials transport.
- A total of 24 rail line segments (approximately 713 miles of rail lines) in Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, and Tennessee where projected activity

¹¹ The following list exceeds 90 because activities overlap on some rail line segments. Other rail line segments are noted twice when they cross state boundaries.

¹² After SEA issued the Draft EA, the Applicants made minor changes to the Operating Plan. Upon modification, only ten rail line segments met the Board's threshold for air quality analysis. For more information on the revised Operating Plan, refer to Appendix A, "Technical Information."

would meet or exceed the Board's thresholds for analysis of passenger rail traffic for this case.

1.6.2 Rail Yards

Most rail yard activities involve switching and storing individual cars and blocks of cars. Other activities include locomotive maintenance and fueling and freight car inspection, cleaning, and repair. The Applicants expect that the proposed CN/IC Acquisition would cause only minor increases and decreases in train traffic at 48 of the 53 rail yards in the proposed system. Only five rail yards—Hawthorne Rail Yard (Cicero, Illinois), Markham Rail Yard (Homewood, Illinois), Detroit Rail Yard (Detroit, Michigan), Edison Rail Yard (Trenton, Michigan), and Port Huron Rail Yard (Port Huron, Michigan)—met or exceeded the Board's thresholds for environmental analysis. All five exceeded only the Board's threshold for air quality.

1.6.3 Intermodal Facilities

Intermodal facilities are sites where trains, trucks, and/or ships transfer truck trailers and/or containers. Intermodal facilities include railroad tracks, lifting equipment, paved and/or unpaved areas, and a control point to transfer (receive, load, unload, and dispatch) trailers and containers between rail and other modes of transportation. The proposed increase in rail activity at the Moyers Intermodal Terminal in Harvey, Illinois would exceed the Board's thresholds for air quality and noise.

1.6.4 Construction Projects

According to the Applicants' Operating Plan, they would construct one new 1,000-foot rail line connection, construct one 2,140-foot segment for a proposed bypass, make improvements at several rail yards, and enhance a number of existing automotive and intermodal facilities if the proposed CN/IC Acquisition is approved. SEA included the proposed construction projects in its environmental review because these projects would not occur except for the proposed CN/IC Acquisition. SEA completed a preliminary qualitative assessment of the proposed projects to determine their potential to individually or cumulatively affect the environment beyond the existing railroad rights-of-way and to determine whether the projects warranted detailed environmental review.

SEA determined that all but two of the proposed projects—the construction of a rail line connection in Cicero, Illinois and the construction of a bypass track around Jackson Yard in Jackson, Mississippi—were routine actions that would cause only minimal or temporary environmental effects. SEA determined that if the Applicants implemented SEA's recommended Best Management Practices during these routine actions, the practices would address any potential adverse environmental effects beyond the existing rights-of-way. Therefore, SEA concluded that only the projects in Cicero, Illinois and Jackson, Mississippi required further environmental review.

The Applicants state that they would construct a new connection at Cicero, Illinois to handle rail traffic at the southwest quadrant of the intersection of IC and Bell Railway of Chicago (BRC) more efficiently. The new connection would permit additional access between the IC and BRC rail lines and would require approximately 1,000 feet of new track. (See Chapter 5, "Environmental Consequences—Construction Projects," of the Draft EA for a more detailed description of this proposed construction project.)

The Applicants propose a second rail construction project at IC's rail yard at Jackson, Mississippi. They propose to develop a 2.38-mile bypass track adjacent to the rail yard to allow through trains to bypass the yard. The project would require approximately 2,140 feet of new track, most of which would be within the existing right-of-way, to connect two sections of existing track on the west side of the rail yard, which the Applicants would rehabilitate. (See Chapter 5, "Environmental Consequences—Construction Projects," of the Draft EA for a more detailed description of this proposed construction project.)

SEA reviewed the potential environmental effects associated with both of the Applicants' proposed construction projects and concluded that no potential exists for significant environmental effects as long as the Applicants implement construction Best Management Practices and obtain all necessary construction permits. Therefore, SEA recommends that the Board require the Applicants to use the construction Best Management Practices described in Chapter 3, "SEA's Final Recommended Environmental Mitigation," of this Final EA.

1.6.5 Abandonments

The Applicants have not proposed any abandonments of rail line segments in association with the proposed CN/IC Acquisition.

1.6.6 Settlement Agreements

Settlement Agreements are agreements negotiated between one or both of the Applicants and one or more parties, including other railroads, to address concerns or requests of the other party (or parties). The Applicants reached Settlement Agreements with Amtrak and three other railroads—CSX, Burlington Northern Santa Fe Railway Company (BNSF), and Norfolk Southern Railway Company (NS). The Applicants submitted a Verified Statement regarding the potential environmental impacts of the Settlement Agreements to provide SEA with appropriate environmental information. (See Appendix B, "Administrative Information," for this Verified Statement.) Based on its review of the Verified Statement, SEA concluded that none of the proposed changes in rail activities associated with these Settlement Agreements would exceed Board thresholds, and the proposed construction activities were routine actions that would not cause environmental impacts beyond existing rights-of-way.

1.7 RELATED ACTIONS

In its environmental review, SEA considered actions related to the proposed CN/IC Acquisition. The following sections describe the related actions SEA considered. Chapter 3, "Project Description," of the Draft EA discusses these actions in greater detail.

1.7.1 Alliance and Access Agreements with the Kansas City Southern Railway Company

CN and IC have entered into two agreements with the Kansas City Southern Railway Company (KCSR). SEA considered the environmental effects of these agreements because both agreements would increase the levels of rail activity along rail line segments and at rail yards following the proposed Acquisition. The Applicants' Operating Plan reflects these increases on the proposed CN/IC system, and SEA reviewed the potential environmental effects of these traffic changes in the Draft EA. SEA's conclusions regarding the potential environmental effects are discussed in the Executive Summary of this Final EA. SEA also reviewed the potential cumulative effects associated with these changes on the KCSR system. SEA concluded that the Alliance and Access Agreements would not result in any significant cumulative effects. (See Chapter 3, "Project Description," of the Draft EA for more information about these agreements.)

The first agreement, a Marketing Alliance (Alliance), is independent of the proposed CN/IC Acquisition and will continue for at least 15 years, regardless of the Board's decision on the proposed CN/IC Acquisition. CN, IC, and KCSR formally entered into this Alliance on April 15, 1998 to improve interline service among these three railroads and link freight rail services for existing and potential customers through market development and expansion. The Alliance targets shippers who move freight north and south between Canada and Mexico and through U.S. markets. It provides for coordination among the three railroads regarding sales and marketing, operations, fleets, and information systems and proposes to offer shippers competitive access. Although the Alliance is not dependent on the proposed CN/IC Acquisition, the Applicants indicated that the Alliance would not be as beneficial to shippers or the railroads without the service improvements and efficiencies fostered by the proposed CN/IC Acquisition.

In addition to the Alliance, CN and KCSR entered into an Access Agreement on April 15, 1998. This Agreement, which would become effective upon Board approval of the proposed CN/IC Acquisition, would grant certain haulage and trackage rights between CN/IC and KCSR; and it would provide for potential investment in joint facilities and long-term access to those facilities following development by a management group composed of representatives of the three railroads. Specifically, CN would grant KCSR access and haulage rights between three chemical plants at Geismar, Louisiana (now served by IC) and Baton Rouge, Louisiana as well as from Baton Rouge to Jackson. The Applicants' Operating Plan includes traffic changes on CN and IC lines and facilities that would result from the Access Agreement. SEA's environmental analysis included an assessment of the potential environmental impacts of the Access Agreement. The Applicants also applied to the Board for terminal trackage rights for a small segment of NS and Union Pacific Railroad Company (UP) track in Springfield, Illinois between the Applicants' rail system and KCSR. SEA concluded that if the Board were to grant this request, the resulting traffic would not cause any significant environmental effects.

1.7.2 Haulage Agreement with Wisconsin Central Limited

CN does not own rail lines between Duluth, Minnesota/Superior, Wisconsin and Chicago, Illinois. Since September 1997, Wisconsin Central Limited (WC) has carried CN's intermodal traffic between Duluth/Superior and Chicago in accordance with a haulage rights agreement between CN and WC. Until August 31, 1998, BNSF carried CN's carload and bulk traffic between those points in accordance with a haulage agreement that CN had with that railroad. However, as of September 1, 1998, WC now hauls, under the terms of a new haulage agreement between CN and WC, all CN traffic formerly handled by BNSF between Duluth/Superior and Chicago. That agreement, unrelated to the CN/IC Acquisition, will remain in effect for 20 years. However, SEA considered the potential cumulative effects of this Agreement. (See Chapter 3, "Project Description," of the Draft EA for more information on cumulative effects.)

1.7.3 Rail Connection at Harvey, Illinois

Before submitting their Application, CN and IC planned to upgrade an existing connection between their lines at Harvey, Illinois to improve the flow of traffic between the CN and IC lines at that location. SEA reviewed the Applicants' plans and verified that the construction project at Harvey had been previously planned, so it is not Acquisition related. However, this planned connection would be adjacent to a rail line segment that exceeded the Board's threshold for air quality analysis. As a result, SEA analyzed the proposed connection for potential cumulative air quality effects and determined that no significant temporary or long-term cumulative effects would follow construction or operation of the planned connection. (See Chapter 6, "Environmental Consequences—Cumulative Effects," of the Draft EA for more information on this project.)

1.8 ALTERNATIVES TO THE PROPOSED ACTION

When evaluating applications for mergers or acquisitions, the Board generally considers the Proposed Action, the No-action Alternative, and Inconsistent and Responsive Applications filed by other parties to request modifications or conditions to the proposed action. SEA considered these alternatives during its environmental review of the proposed CN/IC Acquisition.

1.8.1 No-action Alternative

Under the No-action Alternative, the Board would not approve the CN/IC Acquisition, and the Applicants' proposed changes in rail operations would not occur. Under this alternative, no changes in operations of rail line segments, rail yards, or intermodal facilities would occur as proposed by the Applicants. Similarly, no new construction would occur. Existing traffic levels along rail line segments and at rail yards and intermodal facilities would continue unchanged, except for changes resulting from normal railroad business and market conditions. Therefore, none of the anticipated benefits or environmental effects of the proposed action would occur.

1.3.2 Inconsistent and Responsive Applications

Inconsistent and Responsive (IR) Applications are proposals that Parties of Record (other than the Applicants) file with the Board to request modifications or conditions to the Primary Application. In its Decision No. 6, served on August 14, 1998, the Board required parties who planned to file IR Applications to file summary descriptions of their requests by August 31, 1998. In its Decision No. 11, served on October 2, 1998, the Board announced a revised procedural schedule that required IR Applicants to file complete IR Applications by October 27, 1998. The Board received Responsive Applications from the Canadian Pacific Railway Company (CP) and the Ontario-Michigan Rail Corporation (OMR) regarding the proposed CN/IC Acquisition. Each Responsive Applicant requested that the Board require CN to divest its 50 percent share of the Detroit River Tunnel. OMR indicated that it sought divestiture of the CN ownership so that OMR could build a high-clearance tunnel at the same location at some time in the future. (See Chapter 3, "Project Description," of the Draft EA for more information.) Based on its review of the CP and OMR Verified Statements, SEA concluded that the transfer of ownership in and of itself would have no significant environmental effects. SEA also concluded that the information regarding potential future modifications or construction at the tunnel was too speculative for SEA to determine whether it indicated possible construction or modification of the tunnel or would cause any significant adverse environmental impacts.

1.9 PUBLIC INVOLVEMENT APPROACH AND PROCESS

In conducting its public participation activities, SEA considered pertinent Federal statutes, regulations, and executive orders. SEA designed its public participation activities to broadly inform the public and public agencies about the proposed CN/IC Acquisition and to notify them of the opportunity to raise environmental concerns and review and comment on the Draft EA. The public comments allowed SEA to assess public concerns and issues and determine the extent to which additional environmental analysis and mitigation measures were necessary in preparing the Final EA.

1.9.1 Draft and Final EA Notification Activities

SEA and the Board undertook a number of notification activities to inform the public of the proposed CN/IC Acquisition. These activities were conducted to help distribute the Draft EA and Final EA, notify the public of the availability of both documents, and provide the public with an opportunity to comment on all aspects of the Draft EA. Table 1-3, "Public Notification Activities," presents a detailed list of the Board's and SEA's public notification activities.

In addition to these activities, SEA also established a website (www.cnicacquisition.com) and toll-free telephone hotline (1-888-869-1997) to provide a place where interested parties can obtain updated information on SEA's environmental review and other environmental issues related to the proposed CN/IC Acquisition. SEA has updated the website and the hotline several times during the environmental review process.

Using Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," as a guide, SEA conducted additional public participation activities in communities where identified environmental justice populations could experience potential environmental impacts as a result of the proposed CN/IC Acquisition. The purpose of the Executive Order is to encourage Federal agencies to identify and address, as appropriate, disproportionately high and adverse impacts on minority and low-income populations with respect to human health and the environment. In conducting its environmental analysis, SEA also referred to the following documents:

- The Council on Environmental Quality's *Environmental Justice: Guidance Under the National Environmental Policy Act*.
- The Department of Transportation's Executive Order 12898, *Department of Transportation's Order to Address Environmental Justice in Minority Populations and Low-Income Populations*.
- The Environmental Protection Agency's *Interim-Final Guidance for Incorporating Environmental Justice Concerns in EPA's NEPA Compliance Analyses*.

The Draft EA contained a detailed discussion of the methodologies and analysis techniques that SEA used to identify potentially affected environmental justice populations.

Based on the environmental justice analysis, SEA conducted research in 35 communities with identified environmental justice populations to find appropriate local venues for disseminating information. Prior to issuing the Draft EA, SEA mailed the Environmental Fact Sheet to public and elected officials, community organizations, news media, and private individuals in these communities. In conducting further analysis of these 35 communities, SEA identified 13 where environmental justice populations could experience high and adverse environmental impacts as a result of the proposed CN/IC Acquisition. SEA developed a public outreach plan and tailored the plan to each community. SEA identified local media, libraries, organizations and groups, and public and elected officials to use in notifying environmental justice populations about the proposed CN/IC Acquisition. (Appendix N, "Public Participation Materials," of the Draft EA contained a copy of the public outreach plan SEA implemented.) SEA notified the communities by mailing the Environmental Fact Sheet to local organizations and elected and public officials, sending public service announcements to local radio stations, placing notices in local newspapers, and mailing a copy of the Draft EA to local libraries for public review.

**TABLE 1-3
PUBLIC NOTIFICATION ACTIVITIES**

Activity	Date
The Board published Decision No. 5, inviting public comment on the Procedural Schedule in the <i>Federal Register</i> .	June 26, 1998
The Board distributed a press release announcing its receipt of the Application and options available for public examination of the Application.	July 24, 1998
SEA distributed an Environmental Fact Sheet describing the proposed Acquisition and methodologies planned for its environmental analysis to the 35 communities with identified environmental justice populations and other interested parties.	August 6, 1998
The Board served Decision No. 6, accepting the Primary Application and issuing the Final Procedural Schedule.	August 14, 1998
The Board published Notice of Acceptance of Primary Application and Related Application in the <i>Federal Register</i> ; the Board distributed a press release.	August 14, 1998
The Board published a Notice of Environmental Review Schedule in the <i>Federal Register</i> .	September 14, 1998
Board served Decision No. 11 with revised Procedural Schedule.	October 2, 1998
For the 13 communities with identified environmental justice populations, SEA placed media notices in newspapers and distributed public service announcements to radio stations to announce issuance and availability of the Draft EA. SEA distributed copies of the Draft EA to community libraries to allow for public review.	November 9, 1998
The Board served the Draft EA on Parties of Record, and SEA issued the Draft EA to the public for their review and comment.	November 9, 1998
The Board distributed a press release announcing the availability of the Draft EA.	November 9, 1998
The Board published a notice in the <i>Federal Register</i> announcing availability of the Draft EA and initiating a 30-day comment period on the Draft EA.	November 9, 1998
SEA updated its toll-free hotline and website to include information about the availability of the Draft EA and posted the Draft EA on the website.	November 9, 1998
SEA distributed an updated Environmental Fact Sheet to summarize its analysis, potential impacts, availability of the Draft EA, and SEA's environmental review schedule. SEA also distributed a press release and provided this information to communities with environmental justice populations.	November 9, 1998
The Board served decision No. 23 to provide the errata to the Draft EA.	November 23, 1998
Closing date for public comments on the Draft EA.	December 11, 1998
For the 13 communities with identified environmental justice populations, SEA placed media notices in newspapers and distributed public service announcements to radio stations to announce issuance of the Final EA. SEA distributed copies of the Final EA to community libraries to allow for public review.	March 1999
The Board served Final EA on Parties of Record; SEA issued Final EA to the public.	March 8, 1999
The Board published a notice in the <i>Federal Register</i> announcing the availability of the Final EA.	March 8, 1999
The Board issued a press release to notify the media announcing the availability of the Final EA.	March 8, 1999

**TABLE 1-3
PUBLIC NOTIFICATION ACTIVITIES**

Activity	Date
SEA updated its toll-free telephone hotline and website to include information about the availability of the Final EA and posted the Final EA on the website.	March 8, 1999
SEA distributed a postcard announcing the availability of the Final EA to interested parties not receiving the document.	March 8, 1999

1.3.2 Agency Notification

SEA conducted extensive agency consultation activities to inform public agencies about the proposed CN/IC Acquisition. SEA coordinated with appropriate Federal, state, and local public agencies through correspondence, telephone consultation, and agency meetings. Through its interaction with the agencies, SEA gathered data and information about the study area and any related projects. SEA also carefully assessed the comments that public agencies submitted on the Draft EA and other environmental concerns and addresses them in Chapter 2, "Comments and Responses," of this Final EA.

As part of its agency notification process, SEA issued an Environmental Fact Sheet to approximately 425 public agencies after CN and IC filed their Application with the Board. SEA consulted with agencies in affected areas by letter, telephone, or meetings to coordinate issues, collect data, and provide information. Appendix T, "List of Agency Consultations and Relevant Correspondence," of the Draft EA contains a complete list of the agencies with which SEA consulted while developing the Draft EA and copies of correspondence SEA sent to appropriate public agencies regarding the proposed CN/IC Acquisition. Through its interaction with the agencies, SEA gathered data and information about the study area and any related projects. SEA also carefully assessed the comments that public agencies submitted on the Draft EA and other environmental concerns and addresses them in Chapter 2, "Comments and Responses," of this Final EA. Additional correspondence received from agencies is presented in Appendix B, "Administrative Information," of this Final EA.

SEA mailed copies of the Draft EA to the 425 public agencies with a cover letter encouraging recipients to submit environmental comments for consideration in preparing the Final EA. SEA will also distribute the Final EA to public agencies with a cover letter describing the Board's final decision-making process.

1.3.3 Public Comment Process

The public comment process is a critical part of SEA's environmental review. SEA established a 32-day public comment period for the Draft EA, which ended on December 11, 1998, and addressed each comment letter by environmental issue area. SEA considered all comments received by January 31, 1999 in preparing the Final EA. Chapter 2, "Summary of Comments and Responses," of this Final EA includes SEA's response to the comments by issue area; and Appendix D, "Comment Letters," includes a copy of each written comment SEA received.

SEA received a total of 20 letters raising concerns in various issue areas during the public comment period. In preparing its response to the agency and public comments received on the Draft EA, SEA reviewed all environmental information available to date, conducted additional analyses, where appropriate, and consulted further with appropriate public agencies. The Final EA includes all comments SEA received by January 31, 1999 and SEA's final recommended environmental mitigation, which SEA modified in response to the comments received. The Board will consider the entire environmental record including the Draft EA, the Final EA, all public comments, and SEA's final recommended mitigation in making its final decision in this case.

1.10 OVERVIEW OF COMMENTS RECEIVED

SEA received 20 letters on the Draft EA raising a variety of environmental issues. The letters were received from the following agencies and organizations:

- **Federal Agencies:** Department of the Interior, Fish and Wildlife Service; Department of the Interior, Office of Environmental Policy and Compliance; Department of Transportation; and Environmental Protection Agency.
- **State Agencies:** Illinois Environmental Protection Agency; Michigan Department of Environmental Quality.
- **County and Local Governments:** City of Carbondale, Illinois; City of Champaign, Illinois; Makanda Township, Illinois; Village of Matteson, Illinois; City of New Orleans, Louisiana; the Southeast Michigan Council of Governments; and DeSoto County, Mississippi.¹³
- **Groups/Associations:** Center for Neighborhood Technology, Illinois; and the South East Chicago Commission.
- **Passenger Rail Service Provider:** National Railroad Passenger Corporation (Amtrak).
- **The Applicants.**

The comments SEA received raised questions or concerns regarding the following issues:

- **Hazardous materials transport and safety.**

¹³ The City of Chicago submitted comments on the Draft EA during the public comment period, but later reached an understanding with the Applicants. In a February 17, 1999 filing with the Board, the City withdrew the Request for Conditions it had filed on October 27, 1998, its comments of December 11, 1998 on the Draft EA, and gave notice that it supports the proposed CN/IC Acquisition.

- SEA's analysis methodologies regarding noise, air quality impacts, freight train safety, hazardous materials transportation, cost savings associated with truck-to-rail diversions, environmental justice, and cumulative impacts.
- Freight and passenger train impacts and analysis.

Chapter 2, "Comments and Responses," of this Final EA presents a discussion of the issues contained in the comments SEA received, including SEA's response and any additional analysis SEA undertook to formulate its response. Each comment document is reproduced in Appendix D, "Comment Letters."

CHAPTER 2 COMMENTS AND RESPONSES

Chapter 2 summarizes the comments that SEA received on the Draft Environmental Assessment (Draft EA) regarding the proposed Canadian National Railway Company/Illinois Central (CN/IC) Acquisition and provides SEA's responses to the issues raised.¹⁴ This chapter also provides an overview of the types of comments that SEA received.

SEA issued the Draft EA for public review and comment on November 9, 1998 and an errata clarifying certain points on November 23, 1998. In the Draft EA, SEA encouraged all recipients and reviewers to comment on all aspects of its technical analysis as well as the preliminary recommended mitigation measures. The formal 30-day period for reviewing and filing comments on the Draft EA ended on December 11, 1998. In developing this Final EA, SEA considered all comments that it received on the Draft EA and the errata by January 31, 1999. SEA did not receive any comments after January 31, 1999.

2.1 OVERVIEW OF COMMENTS

SEA received 20 comment letters on the Draft EA. Appendix D, "Comment Letters," contains a complete list of those comments and a copy (reduced) of each comment letter SEA received.

Commentors raised concerns about a number of issues. Within each issue, commentors requested a response to a variety of concerns including the following:

- Corrections or additions to factual information.
- Requests for additional information.
- Concurrence or disagreement with SEA's analytical approach and conclusions.
- Requests for modification to SEA's preliminary recommended mitigation.

Table 2-1, "Overview of Commentor Concerns," provides some of the specific concerns commentors raised by topic area.

¹⁴ The "Surface Transportation Board" is hereinafter referred to as "the Board"; "Section of Environmental Analysis" is hereinafter referred to as "SEA"; the "Draft Environmental Assessment" is hereinafter referred to as the "Draft EA"; and the "Final Environmental Assessment" is hereinafter referred to as the "Final EA." "CN" stands for "Canadian National Railway Company and its subsidiaries"; "IC" stands for "Illinois Central Corporation and its subsidiaries"; and the "Applicants" hereinafter refers to CN and IC.

**TABLE 2-1
OVERVIEW OF COMMENTOR CONCERNS**

Topic	Concern
General Environmental Concerns	• Review process and timing. • Overall environmental benefits. • Significance of overall environmental effects. • Overall documentation of methods, thresholds for analysis, and criteria of significance that guided SEA's evaluation of environmental effects including hazardous materials transport, noise, air quality, intercity passenger rail operations, environmental justice, and cumulative effects. • Aggregation of certain types of data on a system-wide basis, such as rail accidents.
Rail Operations	• Train traffic volumes in certain areas. • Applicants' forecasted train activity. • Continuing review of forecasted train activity. • Wording of conclusions.
Hazardous Materials	• Relationship between SEA's preliminary recommended Key Route mitigation and existing Federal regulations. • Safety effect of train traffic congestion on trains carrying hazardous materials. • Applicants' general safety programs, such as TransCAER®. • Additional mitigation to prevent accidents or enhance safety. • Relationship of increases in hazardous materials transport to increases in overall freight transport. • Long-term monitoring of hazardous materials transport levels. • Identification of hazardous materials transported. • Increased hazardous materials transport activity in high-density or specific communities.
Rail Accidents	• Types of rail accidents. • Potential for common corridor accidents.
Emergency Response	• Adequacy of existing highway/rail at-grade crossings to provide access in emergencies. • Mitigation to support emergency response. • Local emergency response contacts in the event of an incident.
Intercity Passenger Rail Operations	• Local effects in specific communities. • Potential passenger rail capacity constraints from increased freight traffic. • Monitoring on-time performance.
Transportation	• Calculation of costs associated with truck-to-rail diversions.
Traffic Delay	• Traffic delay at highway/rail at-grade crossings.
Noise	• Location of affected receptors. • Criteria of significance. • Method of analysis. • Use of highway noise parameters in rail noise modeling. • Train horn noise.

**TABLE 2-1
OVERVIEW OF COMMENTOR CONCERNS**

Topic	Concern
Environmental Justice	• Appropriateness of statistical methodology. • Documentation of statistical methodology. • Determination of areas of potential effect. • Demographic data. • Prevention of and compensation for increased risk. • Increased hazardous materials transport activity levels in specific communities.
Air Quality	• Wording of system-wide analysis conclusions. • Hot-spot analysis for carbon monoxide. • Inclusion of local areas in Prevention of Serious Deterioration analysis. • Requests for mitigation. • Attainment status of specific counties.
Natural Resources	• Procedures for protecting habitat and threatened and endangered species in the event of a hazardous materials release.
Safety Integration	• Extent to which Safety Integration Plan covers the railroad companies involved in Applicants' Access and Alliance Agreements. • Commitment to safety integration planning process. • Coordination of Safety Integration Plan with local emergency responders.
Cumulative Effects	• Appropriate use of thresholds for analysis. • Context of historic hazardous materials incidents. • Relationship of changes in passenger rail, freight, and hazardous materials transport. • Potential for cumulative effects in specific areas, in particular Port Huron, Michigan.
Maintenance	• Railroad bridge structural condition. • Right-of-way upkeep.

2.2 COMMENTS AND RESPONSES

Section 2.2 summarizes the comments that SEA received on the Draft EA from various entities and SEA's responses to those entities:

- Sections 2.2.1 through 2.2.4: Federal agencies.
- Sections 2.2.5 and 2.2.6: State agencies in Illinois and Michigan.
- Sections 2.2.7 through 2.2.14: Local and county governments in Illinois, Louisiana, and Mississippi.
- Sections 2.2.15 through 2.2.16: Groups and associations in Illinois and Michigan.
- Section 2.2.17: Passenger Rail Service Provider (Amtrak).
- Section 2.2.18: The Applicants.

SEA has responded to each public comment according to the individual issues raised.

2.2.1 Federal Agency: United States Department of the Interior, Fish and Wildlife Service

The U.S. Department of the Interior (DOI), Fish and Wildlife Service (FWS), Vicksburg, Mississippi field office submitted comments on the Draft EA in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661-667e) and the Endangered Species Act (87 Stat. 884, as amended 16 U.S.C. 1531 *et seq.*). FWS reiterated concerns regarding hazardous materials and natural resources that it had submitted prior to publication of the Draft EA.

Hazardous Materials and Natural Resources

Comment: FWS expressed concern about hazardous materials transport, which could cause significant impacts to natural resources if a spill were to occur. It recommended that the Applicants take all existing safety precautions to ensure that transported hazardous waste does not enter aquatic or terrestrial fish and wildlife habitats. Additionally, FWS recommended that emergency management plans include guidelines for immediate consultation with FWS personnel regarding potential adverse impacts to listed species.

FWS noted that according to the Draft EA, the Applicants will follow all U.S. Department of Transportation (DOT) regulations pertaining to the shipment of hazardous materials. FWS also noted that CN has implemented an "Emergency Response Plan" outlining procedures for protecting personnel, property, and the environment at the scene of an accidental spill, as well as alerting emergency response authorities. However, FWS continues to recommend that emergency management plans include guidelines for immediate consultation with FWS personnel regarding potential adverse impacts to the listed species that occur in several counties along the Mississippi portion of the rail line.

Response: SEA notes that under existing regulations, CN and IC must take all existing safety precautions to ensure proper and safe handling of hazardous materials to prevent any adverse effects or interference with aquatic or terrestrial fish and wildlife habitats. SEA also concurs that CN and IC should follow all DOT regulations regarding the shipment of hazardous materials. SEA notes that DOT's Federal Railroad Administration (FRA) is responsible for regulating the transport of hazardous materials. DOT has numerous regulations to ensure that railroads take all precautions when transporting hazardous materials. SEA recommends mitigation to supplement these regulations where the proposed Acquisition would result in substantial increases in hazardous materials transport. To mitigate the potential safety effects of Acquisition-related increases in hazardous materials carloads, SEA is recommending that the Board require the Applicants to comply with Association of American Railroads (AAR) Key Route guidelines and other safety measures to reduce risk.

SEA reviewed Federal emergency response planning and notification requirements in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Clean Water Act. In the event of a hazardous materials release exceeding certain specified quantities, the railroad or other responsible party would notify the National Response Center. The National Response Center would then notify appropriate Federal agencies, including DOI. In addition, railroads must notify the National Response Center in the event of a hazardous materials release that exceeds DOT reporting requirements, which are based on injuries and property damage. In response to the FWS comment, the Applicants have agreed to notify FWS in the event of a hazardous materials release along their rail line segments. SEA modified its recommended mitigation to include a condition that requires CN and IC to notify and consult with FWS personnel immediately following an accidental release that could affect threatened or endangered species.

2.2.2 Federal Agency: United States Department of the Interior, Office of Environmental Policy and Compliance

DOI, Office of the Secretary, Office of Environmental Policy and Compliance, a Federal agency located in Atlanta, Georgia, reiterated the comments submitted by the FWS Vicksburg Field Office in their letter dated November 5, 1998.

Hazardous Materials Transport and Natural Resources

Comment: DOI stated that FWS had expressed concerns about the transport of hazardous materials, which could cause significant impacts to natural resources if a spill were to occur. DOI also stated that FWS had recommended that the Applicants take all existing safety precautions to ensure that transported hazardous wastes, which have acute and chronic effects on fish and wildlife, do not enter into aquatic or terrestrial fish and wildlife habitats. DOI noted that DOT safety regulations govern the safe transport of hazardous materials. DOI also noted the additional FWS recommendation that emergency management plans include guidelines for immediate consultation with FWS personnel regarding potential adverse impacts to threatened and endangered species. DOI continues to recommend that emergency management plans include guidelines for immediate consultation with FWS personnel regarding potential adverse impacts to listed species that occur in several of the states the rail line serves.

Response: SEA notes existing regulations require CN and IC to take all existing safety precautions to ensure proper and safe handling of hazardous materials to prevent any adverse effects or interference with aquatic or terrestrial fish and wildlife habitats. As stated in the response to FWS's Vicksburg, Mississippi comments, SEA modified its recommended mitigation to include a condition that requires CN and IC to notify and consult with FWS personnel immediately following an accidental release that could affect threatened or endangered species.

2.2.3 Federal Agency: United States Department of Transportation

DOT commented on SEA's approach to mitigating the impacts of increased hazardous materials transport and the Safety Integration Plan.

Hazardous Materials

Comment: DOT commented on the measures SEA recommended to mitigate the potential impact of hazardous materials transport. DOT noted that the Draft EA identified the Applicants' proposed increases in hazardous materials transport as the only aspect of the proposed Acquisition with the potential to have a significant impact on the environment (see Draft EA, Volume I, Chapter 4, page 4-1). System-wide, the transaction would result in four new Key Routes and ten new Major Key Routes. DOT noted that AAR has promulgated industry guidelines for Key Routes that entail the use of defect detection equipment, inspections, and various operating restrictions (AAR Circular OT-55-B). DOT argued that SEA's recommended mitigation measures of AAR guideline compliance by the Applicants could confuse the regulated community in general, and the Applicants in particular, as to their duty to comply with the Code of Federal Regulations (CFR).

DOT stated that it has specific regulations for packaging, handling, and treating hazardous materials at 49 CFR Parts 171-180, which provide mandatory, uniform safety standards for all movements of dangerous commodities, including those that move by more than one mode. FRA promulgated these rules to account for a number of applicable factors such as crew size, train length/weight limits, increased railcar inspections, and specialized training for train crews and inspectors.

DOT stated that through FRA, DOT has consistently promoted emergency response planning and community awareness programs with respect to rail shipments of hazardous materials. Therefore, DOT agreed that the Applicants should be involved in such planning with the input of local communities. DOT cannot, however, endorse an approach that it believes treats AAR guidelines as though they were Federal regulatory standards.

Response: SEA intends that its mitigation measures for hazardous materials transport provide additional safety measures to address the potential substantial near-term changes in rail traffic resulting from the proposed CN/IC Acquisition. Thus, SEA's conditions are temporary measures that would remain in effect for only three years (which is expected to be the Applicants' implementation period), unless the Board establishes a longer oversight period for this transaction (which then would govern). SEA recognizes that Federal regulations pertain to the transportation of hazardous materials by rail and that the Applicants, like any other railroads, must comply with all applicable Federal regulatory standards.

In short, SEA intends for its recommended mitigation measures to provide supplemental assurance to communities during the implementation period. SEA based its recommended requirements on voluntary guidelines established by AAR. Railroads typically implement these additional safety measures the year after hazardous materials rail traffic increases on a rail line segment. In this case, as in the Board's review of the recent Conrail Acquisition, SEA recommends that the Board require the Applicants to implement these safety measures sooner than usual (i.e., before the traffic changes are implemented) because of the projected Acquisition-related increase in hazardous materials traffic on some rail line segments.

In addition, SEA is recommending that the Board require the Applicants to work closely with local communities along these rail line segments to coordinate emergency response planning efforts. SEA believes that these mitigation measures are appropriate to address the potential risk of increased hazardous material transport resulting from the proposed CN/IC Acquisition. SEA based its recommended hazardous materials transport mitigation on adherence to voluntary industry standards and does not intend in any way to replace, change, or interfere with the legally binding Federal regulations that govern the transport of all hazardous commodities. SEA has modified its preliminary hazardous materials mitigation to clearly state that it would remain in effect only for a limited time while the Applicants implement the transaction.

Comment: DOT expressed concern about SEA's adoption of the AAR circular's "key train" concept (AAR Circular OT-55-B), which DOT stated could lead to lower standards of care for other trains carrying hazardous materials. DOT stated that its hazardous materials regulations impose higher standards for packaging, handling, and documentation of more dangerous commodities and less stringent standards for less dangerous items in order to secure the same low risk for the transportation of *all* (DOT emphasis added) regulated commodities. According to DOT, the "key train" concept, made mandatory, would tend to frustrate DOT's intent. DOT further suggested that SEA should not attempt to create legally binding standards in this area, but instead SEA should merely commend these "good practices" to the Applicants for appropriate use consistent with Federal hazardous materials regulations. DOT added that the Applicants' Safety Integration Plan includes plans to comply with all Federal hazardous materials regulations.

DOT noted that it had raised these same concerns in the Draft Environmental Impact Statement in the recent Conrail/CSX/Norfolk Southern consolidation. DOT stated that the Board's final decision in that case upheld those recommendations without any discussion of DOT's concerns. DOT requested that SEA and the Board specifically address these issues if it decides to accept the Draft EA's recommendations with regard to the AAR guidelines.

Response: SEA does not believe that its recommended mitigation requiring the Applicants to operate certain trains as "key trains" would conflict with or result in lower safety standards for other trains that carry hazardous materials but do not reach key train levels. Federal regulations govern all hazardous materials transport by rail. SEA intends that its recommended mitigation provide an extra measure of safety protection to address near-term potential impacts of the proposed Acquisition by applying the railroad industry's Best Management Practices for hazardous materials transport. Additionally, SEA believes that recommending the mitigation as a condition of the proposed Acquisition, rather than merely commending it as good practices, would link SEA's mitigation to the specific potential impacts of this transaction and encourage compliance with the proposed mitigation. However, SEA has modified the hazardous materials mitigation to clearly state that the mitigation will remain in effect for a limited time, after which the Applicants would voluntarily apply these standards to supplement DOT requirements.

As previously stated, SEA is not recommending a new or different legal standard with respect to hazardous materials transport. Rather, SEA is recommending a condition on the proposed CN/IC Acquisition that would neither interfere with nor lower the DOT standard. SEA's recommended mitigation would simply provide supplemental safety protection during the initial implementation period.

Safety Integration Plan

Comment: DOT commented that the Draft EA preliminarily concluded that complete cooperation by the Applicants with the safety oversight process and a Safety Integration Plan responsive to FRA's comments would address all safety integration issues. DOT's preliminary comments on the proposed Acquisition noted the need for additional refinement of the Safety Integration Plan. The Applicants have assured FRA that they will continue to refine their safety plan.

Response: SEA agrees that the development of the Safety Integration Plan is an ongoing process that will continue for the duration of the Applicants' implementation period and the Applicants will need to refine the Safety Integration Plan. SEA's recommended mitigation encourages continued discussions between the Applicants and FRA to resolve any safety integration issues. The mitigation also maintains the Board's authority to require action by the Applicants if FRA identifies any unresolved issues or safety integration concerns. The mitigation would remain in place until FRA identifies to the Board that the proposed Acquisition, if approved, has been implemented safely.

Comment: DOT's preliminary comments on the proposed Acquisition indicated that the Applicants had failed to cooperate fully with FRA regarding the safety integration aspects of their marketing and operating arrangements with the Kansas City Southern Railroad Company (KCSR). DOT also noted that the Applicants have

assured FRA that they will incorporate within the Safety Integration Plan all relevant matters arising from the Applicants' agreements with KCSR.

Response: SEA continues to work with FRA and the Applicants to ensure that the Board's review of the proposed CN/IC Acquisition addresses all relevant safety integration issues. The Applicants' discussions with FRA regarding the KCSR Access and Alliance agreements have appropriately focused on safety integration efforts relevant to the proposed CN/IC system and interchange points between the proposed CN/IC system and the KCSR system. SEA is confident that ongoing discussions regarding safety integration related to the proposed CN/IC system and interchange points with KCSR will resolve any outstanding issues.

2.2.4 Federal Agency: United States Environmental Protection Agency

The U.S. Environmental Protection Agency (EPA) submitted comments on the following issues:

- General environmental concerns.
- Rail operations.
- Hazardous materials.
- Air quality.
- Intercity passenger operations.
- Traffic and roadway systems.
- Environmental justice.
- Cumulative effects.

Many of EPA's comments raised concerns about the level of detail and supporting documentation SEA provided in the Draft EA. In response, SEA has provided the additional detail and supporting information for its conclusions in Appendix A, "Technical Information," of this Final EA, as well as in the responses to EPA's specific comments, which are provided below.

SEA has also consulted informally with EPA Headquarters and its various regions numerous times during development of the Draft and Final EA. For example, SEA and EPA consulted in the fall of 1998 during preparation of the Draft EA and again on January 27 and February 12, 1999. Telephone conferences also have been held. In these discussions, SEA and EPA engaged in dialogue concerning SEA's technical approaches in various issue areas, including potential noise, air quality, environmental justice and cumulative effects.

SEA believes that, at this point, EPA is satisfied that SEA took the requisite "hard look" at environmental issues related to the proposed CN/IC Acquisition and that its technical approach and conclusions are generally reasonable for this case. SEA and EPA also have agreed to continue their informal consultation regarding SEA's analysis and methodology for future cases. SEA now addresses and responds to EPA's specific concerns.

General Environmental Concerns

Comment: In its comments on the Draft EA, EPA expressed concerns about the level of detail documenting SEA's noise, air quality, and environmental justice analysis; the methodologies SEA used to evaluate environmental impacts and identify affected populations in its environmental justice analysis; SEA's use of thresholds; and the criteria used to determine significant impacts warranting mitigation.

Response: As discussed previously, SEA has met on several occasions with EPA staff to discuss various aspects of the Draft EA and SEA's environmental review of the proposed CN/IC Acquisition, and further explain the basis for the conclusions that troubled EPA. (See Appendix B, "Administrative Information.") Also, to respond to EPA's concerns, this Final EA provides additional detail regarding noise, air quality, and environmental justice methodologies and potential impacts. This additional information is included in responses to the following comments and in Appendix A, "Technical Information."

SEA believes that all of the additional environmental documentation in the Final EA addresses EPA's concerns and demonstrates that SEA took the requisite "hard look" at the environmental issues associated with this case. Further, it provides an adequate basis for SEA's conclusion that with SEA's recommended mitigation, there is no potential for significant environmental effects. SEA and EPA also have agreed to continue discussions regarding appropriate impact analyses and methodologies for future cases.

Comment: EPA suggested that SEA should document that the thresholds it used to analyze the impacts of the proposed CN/IC Acquisition are effective and protective tools for determining whether an environmental analysis is needed and for identifying activities that could result in significant environmental effects.

Response: To evaluate the potential environmental effects of the proposed CN/IC Acquisition, SEA developed thresholds to determine where increases in rail activities have the potential to cause adverse environmental effects. In determining appropriate thresholds for this case, SEA relied on its experience with previous railroad acquisitions. SEA selected thresholds for this case that are similar to those used in the recent Conrail Acquisition proceeding because they provide a conservative means for focusing its environmental analysis on the areas most likely to experience impacts and because thresholds are appropriate for cases covering broad geographic areas. SEA believes that its use of thresholds represents a practical approach to addressing potential environmental impacts for a project that spans thousands of miles and involves numerous rail line segments. SEA identified no basis to believe that potential significant impacts were overlooked.

In addition, SEA notes that its reliance on thresholds was not absolute. SEA also conducted a detailed review of environmental issues and concerns that the public identified during the environmental review process and conducted additional analysis where appropriate to determine whether significant environmental impacts could occur. Appendix A, "Technical Information," contains Table A.3-1, "Rationale for Thresholds and Criteria," which lists all of the thresholds SEA used for this proceeding and presents SEA's rationale for their use.

SEA notes that the thresholds used are not necessarily high. For example, SEA conducted a system-wide evaluation of potential changes in hazardous materials traffic for all rail line segments that would experience an Acquisition-related increase in hazardous materials transport. SEA's threshold for its local rail line segment analysis in this case is any increase in hazardous materials railcar traffic on a rail line segment.

SEA believes that the other thresholds used in this case also are reasonable and conservative. To identify the potential Acquisition-related effects on passenger rail safety and passenger rail capacity, SEA evaluated any rail line segment that carries both passenger trains and freight trains and would experience an increase of one or more freight trains per day. SEA's analysis did not identify any significant impacts on rail line segments that exceed this threshold. Because the potential increase in passenger rail accidents and decrease in passenger rail capacity are generally directly proportional to the increase in freight traffic, there is no potential for significant impacts on the rail line segments that would experience an average freight traffic increase of less than one train per day.

For highway/rail at-grade crossing safety and delay, SEA evaluated all crossings on rail line segments that would experience an increase of eight or more trains per day. To determine if potentially significant effects would occur at less than an eight train increase, SEA examined the potential "worst case scenario" for highway/rail at-grade crossing delay resulting from the proposed CN/IC Acquisition. To do so, SEA analyzed the rail line segments with the greatest increase in train traffic and highway/rail at-grade crossings to determine whether potentially significant impacts to traffic delay could occur.

In this case, the "worst case scenario" would occur on the Matteson, IL-to-Kankakee, IL rail line segment (segment 187), which would experience an increase of 7.1 trains per day (from 12.9 to 20.0). SEA assumed a conservative train speed of 20 mph (actual speed limits on the segment are between 30 and 70 mph) and a traffic level of 20,000 vehicles per day on a two-lane road (one lane in each direction). Using these conservative assumptions, SEA determined that the traffic level of service (LOS) would remain as LOS B after the proposed Acquisition. (LOS is a standard measure of intersection congestion, where LOS A represents the least degree of congestion and LOS F represents the worst degree of congestion.) SEA's criterion of significance considers mitigation for LOS D,

E, or F. Therefore, SEA concludes that train traffic changes of less than eight trains per day (SEA's threshold) would not result in any significant impacts to traffic delay. Accordingly, SEA believes the thresholds it used were reasonable and appropriate for this case.

Comment: EPA pointed out that the Draft EA's aggregation of data across the entire system made it difficult to discern local impacts. EPA expressed concern that this method of reporting data may overlook areas of significant impacts by averaging those areas with others across the system. EPA believes it is important to look at impacts at the local level, where mitigation can offset adverse effects.

EPA cited the data on the frequency of mainline accidents and freight rail accidents as examples of data that should not be aggregated. EPA stated that some areas affected by the proposed Acquisition might have a higher than average rate of freight and passenger freight accidents, which this methodology fails to identify.

Response: SEA thoroughly evaluated potential system-wide environmental impacts for freight and passenger rail accidents and accounted for local factors in its analysis. Because rail accidents are infrequent, SEA believes it is appropriate to consider national or system-wide accident rates in combination with local factors to predict potential increases in accidents resulting from increased rail traffic. Local factors that SEA considered in its analysis include train speed, the number of hazardous materials railcars, train length, track class, and traffic levels. If SEA had used only historical accident rates for local or individual rail line segments, the predicted accident rates would have been overly influenced by even a single accident on a particular rail line segment.

To analyze the risk of a hazardous materials release from a rail accident, SEA used a similar approach that combined basic nationwide data with segment-specific variations in operating conditions to develop segment-specific risks. SEA based its yard accident rates on past performance in CN and IC yards, and the way in which CN and IC intend to handle the cars that they would switch.

SEA believes its approach is reasonable and accurately predicts the potential for passenger and freight accidents, including freight accidents involving hazardous materials. SEA's methodology adequately takes into account local variations and effectively addresses EPA's concern. There is no basis to believe that SEA overlooked potential significant impacts.

Rail Operations

Comment: EPA commented on a sentence in Section 4.1 of the Draft EA that states, "In its evaluation of individual rail line segments SEA found that none of the rail line segments in the proposed CN/IC would experience rail activity levels that would

meet or exceed the Board's Thresholds for Environmental Analysis." (See Draft EA, Volume 1, Chapter 4, Section 4.1, "Freight Rail Operations Safety," page 4-3.) EPA states that SEA made this statement in a section addressing safety so that the conclusion apparently was meant to be specific to safety, but is concerned that the broad wording made it appear to be a universal conclusion.

Response: SEA clarifies that it intended this statement to refer only to the freight rail operations safety section in which it appears. The sentence should be interpreted to mean that none of the rail line segments in the proposed CN/IC would experience rail activity levels that would meet or exceed the Board's thresholds for environmental analysis for freight rail operations safety or highway accidents.

Hazardous Materials Transport Safety

Comment: EPA commented that SEA's threshold for hazardous materials transportation (20,000 or more railcars and a two-fold increase in hazardous materials railcars) may screen out impacts that could be significant. EPA believes that a more appropriate threshold for hazardous materials transportation would be line segments that exceed 20,000 railcars of hazardous materials.

Response: According to SEA's threshold for hazardous materials transport, any projected increase in hazardous materials transport would require further analysis. In other words, SEA evaluated the potential environmental impacts for any rail line segment that would experience an increased number of hazardous materials railcars following the proposed CN/IC Acquisition.

EPA's concern relates to SEA's criteria of significance for hazardous materials transport, or the level at which mitigation is appropriate. As the Board's practice is to mitigate only those environmental impacts that result from the proposed transaction under review, not the pre-existing environmental impacts of railroad operations, SEA does not believe it would be appropriate to require mitigation for all rail line segments that would exceed 20,000 railcars of hazardous materials transport as EPA suggested.

Moreover, existing DOT regulations establish safety procedures for packaging and handling hazardous materials and for train operations and track inspections. SEA believes that these regulations provide an appropriate level of safety protection for communities along rail line segments.

SEA believes, however, that where the proposed CN/IC Acquisition would cause substantial increases in hazardous materials rail car traffic, additional emergency response planning and coordination with local communities is reasonable and appropriate. Therefore, SEA established a criterion of significance for hazardous materials transport. SEA defined the criterion as a projected increase of hazardous materials railcar traffic of 100 percent (i.e., doubling) that causes the

total number of hazardous materials railcars to exceed 20,000 per year. SEA considered a 100 percent increase yielding less than 20,000 annual carloads to be within the normal fluctuations of hazardous materials traffic; therefore, such increases would not warrant mitigation.

SEA believes that its criterion for significance and recommended mitigation appropriately supplement Federal safety requirements on those rail line segments that would experience a substantial Acquisition-related increase in hazardous materials transport.

Passenger Rail Safety

Comment: EPA commented that SEA's threshold for passenger train safety, which is an increase of 25 percent or more in the rate of accidents, may overlook potentially significant impacts. EPA also notes that the Draft EA did not discuss how this threshold was derived or what level of protection it provides.

Response: For the passenger train safety analysis SEA presented in the Draft EA, SEA evaluated all rail line segments with passenger train traffic where the number of freight trains would increase by one or more freight trains per day. This level of increase was SEA's threshold for analysis. EPA's concern appears to relate to SEA's criterion of significance for passenger rail safety, which has two parts.

SEA considered potential impacts to passenger rail safety to be significant (i.e., warrant mitigation) if the projected change in the accident frequency would be greater than 25 percent and the rail line segment was predicted to experience an accident more frequently than once every 150 years. SEA applied the same criterion of significance for the recent Conrail transaction.

National train accident rates vary by approximately 30 percent from year to year. Therefore, SEA established a threshold to determine whether the change in accident frequency would be greater than a more conservative increase of 25 percent. In other words, SEA considered any predicted increase in accident rates greater than 25 percent to be outside the normal annual fluctuation in accident rates and a potential impact that would be solely attributable to the proposed Acquisition.

SEA then determined whether the predicted accident rate for the rail line segment would exceed the annual experience for passenger train accidents of various passenger service providers, which is once every 150 years. If the change satisfied both parts of this criterion, SEA considered mitigation for the line segment. SEA believes this criterion identifies segments that bear a disproportionate share of risk that can fairly be attributed to the proposed Acquisition. SEA did not identify any rail line segments that satisfied both parts of SEA's criterion. Therefore, SEA

does not believe that any potentially significant passenger train safety impacts associated with this proceeding warrant mitigation.

Air Quality

Comment: EPA raised concerns about language in the Draft EA where SEA indicated that it did not develop criteria of significance for air quality because the proposed CN/IC Acquisition would not cause changes in emissions. (Draft EA, Volume I, Chapter 4, Section 4.1.2, "System-wide Analysis," page 4-83.) EPA commented that this was an oversimplification, as there are indeed changes in certain emissions as a result of the proposed Acquisition.

Response: SEA's air quality analysis determined that for most criteria pollutants (volatile organic compounds, carbon monoxide (CO), nitrogen oxides, and particulate matter), the proposed Acquisition would result in a system-wide decrease in emissions. SEA also identified a potential increase in sulfur dioxide (SO₂) emissions of 38.5 tons per year. Because there would be a system-wide decrease in all other emissions, SEA did not develop a specific criterion of significance for each pollutant. Instead, SEA considered the magnitude of potential increase in SO₂ emissions in the context of total SO₂ emissions for all of the counties affected by the proposed CN/IC Acquisition. SEA determined that the increase in SO₂ emissions would be less than two one-thousandths of one percent (0.002%) of the total emissions for the study area. SEA concluded that this increase is insignificant. SEA also performed a more focused analysis of county-wide emissions to assess local variations in the distribution of total system-wide emissions and concluded that no significant local air quality effects would occur.

Comment: EPA was concerned with the use of 100 tons/year *de minimis* for carbon monoxide as a screening tool. EPA stated that while general conformity sets up a *de minimis* level for determining which projects need a full conformity analysis, this level should not be used routinely in an EA to avoid doing a CO hot-spot analysis. EPA suggested that a hot-spot analysis be used to evaluate impacts at intermodal facilities and rail yards.

Response: In response to EPA's comment regarding the use of 100 tons/year *de minimis* for CO as a screening tool, SEA notes that the calculations in the Draft EA for CO emissions are considerably below the 100 tons/year screening criterion used in this case. SEA agrees that the use of 100 tons/year as a strict threshold may not always be appropriate, especially if projected emissions would approach the threshold. However, the county-level analyses for this case indicate that the greatest emissions increase would be an increase of 28.4 tons/year following the proposed CN/IC Acquisition which is far less than 100 tons/year. Therefore, SEA believes it was reasonable to conclude that no potential significant CO impacts would occur at highway/rail at-grade crossings, intermodal facilities, or rail yards.

As discussed in Chapter 4, "Environmental Consequences," of the Draft EA (pages 4-84 to 4-85), SEA considered whether dispersion modeling would be appropriate for determining if Acquisition-related changes in air would result in localized exceedances of the National Ambient Air Quality Standards (NAAQS) or other negative localized health impacts (i.e., "hot spots"). To determine whether dispersion modeling would be appropriate to identify localized CO impacts for this transaction, SEA reviewed the results of dispersion modeling it performed for the recent Conrail Acquisition, which involved greater changes in rail traffic than the proposed CN/IC transaction. To perform a conservative screening analysis for the Conrail Acquisition, SEA had used dispersion modeling to determine potential ambient CO concentrations from motor vehicle delays at highway/rail at-grade crossings. SEA had used EPA's CAL3QHC model to analyze conditions at highway/rail at-grade crossings with high average daily traffic (ADT) volumes (up to 41,700) and large projected vehicle delay (up to 2,972 vehicle-minutes per day), and SEA had included conservative receptor locations and meteorological conditions in the modeling analysis. In this dispersion modeling analysis for the Conrail Acquisition, SEA identified no exceedances of the NAAQS for CO; therefore, SEA concluded that the Conrail Acquisition would not result in adverse localized CO impacts.

For the proposed CN/IC Acquisition, the values presented in the Applicants' traffic and Operating Plan were either less than or equal to the values that SEA used in the dispersion model for the Conrail Acquisition. Therefore, SEA concluded that CO dispersion modeling for the proposed CN/IC Acquisition would predict lower CO concentrations than the model had predicted for the Conrail Acquisition. Based on this comparison, SEA identified no reason to expect CO hot spots at highway/rail at-grade crossings associated with the proposed CN/IC Acquisition, and it concluded that separate dispersion modeling was not necessary to assess the localized CO impacts.

SEA performed analyses to determine whether CO hot spots would occur at rail yards and intermodal facilities and on roads near these facilities following the proposed CN/IC Acquisition. SEA does not expect that Acquisition-related increases in lift equipment, yard truck, and switching locomotive activity at rail yards and intermodal facilities or increased truck traffic within intermodal facilities would create CO hot spots, because these emission-producing activities are distributed over a large area. SEA also analyzed potential traffic on local roads to identify potential CO hot spots associated with increased truck traffic on roads near these facilities. Only the Moyers Intermodal Terminal would have increased activity levels exceeding the Board's threshold for environmental analysis. (See Chapter 4, "Environmental Consequences," of the Draft EA, pages 4-61 to 4-66.) SEA determined that the total daily increase in truck traffic would be less than 1 percent of the ADT volume on major roadways used by trucks to enter and leave this facility. As a result of the negligible increase in ADT volume,

SEA does not expect CO hot spots to result from increased truck traffic near rail yards and intermodal facilities.

Noise

Comment: EPA commented after reviewing Appendix G of the Draft EA that the Final EA should more fully disclose potential noise impacts by providing noise contour maps for the affected segments and the specific locations of affected populations, including environmental justice populations. EPA also expressed concern about the Draft EA's use of a 3 A-weighted decibel (dBA) increase to the 65 dBA day-night equivalent sound level (L_{dn}) adverse impact criterion. EPA believes this criterion differs from the criterion stated in the Board's regulations at 49 CFR Section 1105.7.

Response: SEA has included noise contour maps that the Applicants provided in Appendix A, "Technical Information," of the Final EA. The maps show the locations of sensitive receptors for the rail line segments SEA analyzed.

SEA identified environmental justice populations adjacent to seven of the rail line segments in Illinois it evaluated for noise:

- Bridgeport-to-BRC-CCP Crossing (rail line segment 100).
- BRC-CCP Crossing-to-Hawthorne Yard (rail line segment 102).
- Hawthorne Yard-to-Broadview (rail line segment 104).
- Harvey-to-Homewood (rail line segment 175).
- Fullerton-to-Clinton (rail line segment 217).
- Clinton-to-Mount Pulaski (rail line segment 225).
- Mount Pulaski-to-Springfield (rail line segment 230).

None of these populations would experience significant noise impacts warranting mitigation. Because none of these impacts would be significant, SEA determined that the impacts would not be disproportionately high and adverse for these environmental justice populations.

SEA believes its use of the 3 dBA increase and 65 dBA L_{dn} as an adverse impact criterion is consistent with the Board's regulations at 49 CFR Section 1105.7. As SEA discussed during meetings with EPA, the Board's rules provide that SEA's noise analysis determine the number of noise-sensitive receptors that would experience noise levels of 65 dBA L_{dn} or an increase of 3 dBA. However, the Board's rules do not specify the levels of significance that would warrant mitigation of Acquisition-related noise impacts. SEA's analysis for the Draft EA assessed the number of noise-sensitive receptors within the 65 dBA L_{dn} noise contour before and after the proposed CN/IC Acquisition. SEA then conducted its noise analysis to determine whether the noise impacts for these receptors would be potentially significant and warrant mitigation. Consistent with its noise

analysis for previous railroad mergers, SEA concludes it is impractical and unnecessary to identify the noise sensitive receptors that would experience an increase of 3 dBA but noise levels of less than 65 dBA L_{dn} .

To determine whether noise impacts would be potentially significant, SEA identified all noise-sensitive receptors that would experience noise levels greater than 65 dBA L_{dn} with an Acquisition-related increase in noise levels of 3 dBA. SEA would have considered mitigation for noise receptors that would experience this noise level, which is consistent with criteria other Federal agencies use. SEA concludes this approach appropriately focuses any mitigation on those areas where the Acquisition-related increase in train traffic would result in a substantial increase in noise levels. Consistent with the Board's practice, this criterion does not direct mitigation at noise resulting from pre-existing train traffic.

Comment: EPA expressed concern that the Board is not using a standard methodology for noise analysis in all cases; and as a result, it stated that SEA gives the appearance, perhaps unfairly, of crafting an approach that suits the desired outcome. EPA recommended that the Board develop one peer-reviewed noise model that could be used consistently for Board actions. EPA also contends that it would be more appropriate to describe noise levels in terms of compatible land use than whether they are "adverse."

Response: SEA developed its noise model to consider the particular circumstances of railroad activities and adjacent land uses. SEA has applied this noise model consistently in recent railroad transactions. SEA also notes that its model applies noise modeling techniques similar to those that the Federal Transit Administration (FTA) uses to consider noise from train engines, wheels, and horns. SEA is familiar with FAA's Integrated Noise Model, FHWA's Traffic Noise Model, and other agencies' noise models and analytical approaches. SEA believes that there are differences between these modeling techniques because each is suited for the different criteria, mitigation, and the policies these agencies adopt.

SEA agrees with EPA that noise levels in excess of 65 dBA L_{dn} are considered adverse and may be incompatible with residential land uses. However, SEA concludes that it would be inappropriate to mitigate noise levels for all noise receptors that would experience adverse noise levels greater than 65 dBA L_{dn} because it is the Board's practice to mitigate only significant adverse environmental impacts that result from a proposed acquisition. In this case, as with the Conrail Acquisition, SEA used a noise assessment method to identify receptors that would experience noise levels above 65 dBA L_{dn} and an increase of 3 dBA or more. SEA's analysis did not identify any such noise receptors. Therefore, SEA has not recommended noise mitigation.

Comment: EPA questioned whether it was appropriate to rely on highway models to analyze train impacts. EPA pointed out that, "SEA made adjustments to the contours to

account for the effects of acoustic shielding by intervening buildings. SEA based these adjustments on the approach often used for highway noise projections." (Draft EA, Volume 2, Appendix G, "Noise Analysis Methods and Results," Section G.5.1.1, page G-5.) EPA suggests that because train noise differs from highway noise in its frequency range and other aspects, there is no justification for adjusting the projected levels based on intervening buildings.

Response: SEA is aware that the frequency range of train noise differs from highway traffic, but SEA used the FHWA shielding method primarily because it is appropriate to use for large-scale screening projects. SEA notes that FTA, another agency with responsibility over rail transportation, also uses this method. SEA believes that this method is appropriate because it conservatively accounts for less shielding than other published railroad shielding methods such as Walker or Rathe.¹³

Traffic and Roadway Systems

Comment: EPA cited Attachment D-4, "Truck Miles Removed from Highway System," of the Draft EA, which presented the cost savings associated with truck-to-rail diversions (Draft EA, Volume 2, Appendix D, page D-4-1), as an example of an analysis that could be misinterpreted. The table indicates the cost savings associated with taking trucks off the road, but EPA indicated that the calculations failed to account for the associated costs of rail operations (such as congestion, traffic delay, accidents, and noise).

Response: As EPA notes, SEA's calculations reflected the potential costs savings to Federal, state, and local governments associated with freight diversions from truck to rail. SEA determined that the potential public cost savings would be very small, totaling less than \$3 million per year for the entire study area. SEA's calculations did not take into account the related costs of increased rail activity because these costs are borne primarily by private railroad operators. SEA acknowledges that indirect public costs could arise following increased operations, such as from increased traffic delay or community noise impacts. However, estimating these indirect public costs would have required a complex economic analysis that did not appear to be justified.

Environmental Justice

Comment: EPA expressed concern about SEA's use of a spatial area of potential effect as an additional threshold in its analysis of environmental justice.

¹³ Council on Environmental Quality, Federal Transit Administration. *Transit Noise and Vibration Impact Assessment*, DOT-T-95-16, April 1995.

Walker, J.G., "Factors Affecting Railway Noise Levels in Residential Areas," *Journal of Sound and Vibration*, Vol. 51, p. 393.

Rathe, E.J. "Railway Noise Propagation," *Journal of Sound and Vibration*, Vol. 51, 1977, p. 371.

Response: An environmental justice analysis requires that SEA define a geographic area for demographic analysis. The Draft EA documented the basis for the spatial area of potential effect at Appendix L, pages L-3 to L-4 (especially footnote nos. 3 and 4 on page L-4). SEA used the area of potential effect to identify which populations affected by the proposed rail activities should be considered low-income or minority (environmental justice) populations, based on the demographic characteristics.

Comment: EPA asked questions about the Board's statistical methodology for determining environmental justice impacts. EPA offered to work with the Board to develop a mutually agreeable methodology for future cases.

Specifically, based on the information in the Draft EA, EPA raised a number of concerns about the statistical method used to analyze the potential of disproportionately high and adverse impacts on environmental justice populations. In its written comments on the Draft EA, EPA generally opposed SEA's use of nonparametric statistical tests such as the chi-square test and recommended that, if the Board chooses to retain this test, it be strengthened as follows:

- 1) Assign logarithmic values rather than a linear scale for the Environmental Resource Scores (ERS) for hazardous materials transport. EPA suggests that the logarithmic scale distinguishes situations with a significant impact from those which do not have a significant impact. (For example, using the logarithmic scale, a situation with more than 65,000 hazardous materials carloads per year would be recognized as significantly worse than a situation that had 50,000 carloads, and the 50,000 carload situation would be recognized as significantly worse than a 35,000 situation.)
- 2) Do not average the three individual Environmental Resource Scores to determine the final Environmental Resource Score. EPA was concerned that the impact of an individual value may be lost when averaging the three scores. EPA noted that the second and third columns of Table L-2 appeared to reflect the same impact. EPA recommended that the third column be eliminated because it decreased the accuracy of Environmental Resource Scores.

Response: SEA recently attended several meetings and participated in several telephone conferences with EPA to discuss the Board's statistical methodology for determining environmental justice impacts. During these meetings, SEA presented a detailed explanation of its multi-step analysis. SEA believes that following these discussions, EPA's concerns are not so much directed to the level of SEA's analysis and its overall environmental justice methodology as they are to SEA's failure, in EPA's view, to adequately explain all of the comprehensive analyses in the Draft EA. As SEA explained to EPA, SEA believes that its approach effectively identifies the minority and low-income populations that

could experience disproportionately high and adverse environmental impacts as a result of the proposed Acquisition. SEA also believes its recommended mitigation addresses all potential significant environmental justice impacts. SEA notes that the only potential high and adverse environmental impacts of the proposed CN/IC Acquisition are related to hazardous materials transport, and SEA's recommended mitigation specifically addresses these potential impacts. Therefore, if the Board adopts the recommended mitigation described in the Final EA, SEA believes that the proposed CN/IC Acquisition would not result in significant impacts, much less disproportionately high and adverse impacts on minority and low-income populations.

In this case, SEA conducted a detailed and reasonable analysis to identify environmental justice populations that, in the absence of mitigation, could experience high and adverse impacts. SEA conducted an extensive public outreach effort to involve these environmental justice communities in the environmental review process and to invite these communities to participate in the environmental review and development of mitigation. SEA believes that its analysis of potential impacts on environmental justice populations was fully adequate and provided ample opportunities for community participation. SEA further believes that its recommended mitigation will adequately address impacts on environmental justice populations.

In response to EPA's concerns about SEA's statistical approach, SEA believes that a linear scale is reasonable for assessing Environmental Resource Scores because it allows SEA to distinguish between progressively more significant impacts (e.g., 65,000 hazardous materials carloads per year vs. 50,000). SEA selected a linear scale for determining the level of impact because it is easier to administer and easier for the public to understand. SEA identified no basis for concluding that a logarithmic scale would produce results that are materially more accurate.

SEA also believes that it is reasonable to define an Environmental Resource Score for noise (without mitigation) as the average of two components, the predicted post-Acquisition noise level and the change in the noise level from pre-Acquisition to post-Acquisition. Considering both the increase in impact and the baseline allows the environmental justice analysis to be sensitive to pre-existing degradation in environmental justice communities. Further, SEA believes that it is reasonable to define an Environmental Resource Score for hazardous materials transport as the average of three components—the post-Acquisition number of carloads; the increase in hazardous materials transport; and the change, if any, in route designation. The inclusion of the third component is not the same as a mere increase in train traffic, nor does it detract from the accuracy of the Environmental Resource Score. To the contrary, it ensures that new Major Key Routes with a substantial increase in hazardous materials carloads (i.e., doubling of hazardous

materials carloads per year) would be scrutinized for disproportionate impacts (i.e., they will receive an Environmental Resource Score of at least 3.7).

Finally, it is reasonable to average components to produce a final Environmental Resource Score for each type of impact (e.g., noise, hazardous materials transport). Averaging is an accepted statistical technique that both prevents an outlying data point from unduly skewing results and allows communities with multiple medium-range impacts to score as highly as a community with just a single high impact. There is no basis for concluding that eliminating averaging would produce materially better results. In addition, averaging components to produce a single Environmental Resource Score for each type of impact makes the disproportionality assessment easier to administer and easier for the public to understand.

Comment: EPA commented that in any use of the chi-square test, it is important to provide complete documentation for all the steps of the statistical analysis. According to EPA, the structure of the frequency table, column and row headings, cell frequencies, obtained chi-square values, and critical chi-square values should all be provided. EPA stated that publication of the statistical results will allow the reader to determine the significance of the chi-square test.

Response: In response to EPA's request, Appendix A, "Technical Information," of the Final EA includes additional details about the statistical analysis.

Comment: EPA commented that based on the information SEA presented in the Draft EA, EPA did not fully understand whether the statistical test was measuring people or impact. EPA pointed out that the Draft EA included a second statistical test, the ratio of means test, but there was little explanation of what was actually being measured. EPA noted, for example, that it was unclear what the numerator and denominator represented. EPA stated that more supporting documentation was needed to address this.

Response: The chi-square test for disproportionality is an important part of SEA's environmental justice methodology. This test asks if there is a statistically significant deviation from an expected, random distribution of impacts. If so, then potential impacts may be disproportionately distributed. The chi-square test does not, however, test for the direction of the disproportionality. It may be that an environmental justice population would experience a lower degree of impacts, rather than a higher degree. Therefore, if the chi-square test finds disproportionality, SEA applies a "ratio of means" test to determine whether the disproportionality is a product of high and adverse impacts on an environmental justice population.

The "ratio of means" test calculates the relative magnitude of the potential impacts on environmental justice populations compared to the potential impacts

on non-environmental justice populations. For this test, SEA calculated the average of the full range of each of the three individual Environmental Resource Scores and then divided that average for environmental justice populations by the average for non-environmental justice populations.

$$\text{Ratio of means} = \frac{\text{ERS average for environmental justice populations}}{\text{ERS average for non-environmental justice populations}}$$

A ratio of means test result greater than 1.0 indicates that the potential impacts on the environmental justice areas of potential effect are higher than the potential impacts on the non-environmental justice areas of potential effect. Therefore, the means ratio shows the relative magnitude of the entire spectrum of potential impacts on the environmental justice populations compared to the impacts on the non-environmental justice populations. It accounts for variations within the low to moderate and high to very high Environmental Resource Score categories. The means ratio statistic alone will not indicate disproportionately high and adverse effects because SEA applied it to the entire spectrum of Environmental Resource Scores.

Comment: EPA commented that SEA's method for defining areas of potential effect for each technical area was unclear, and EPA did not understand why the size of the areas of potential effect varied (400 feet for noise and 1,500 feet for hazardous materials transport). (See Draft EA, Volume 2, Appendix L, Table L-1, page L-3, "Areas of Potential Effect.")

Response: SEA developed the areas of potential effect identified in Table L-1 based on the maximum area potentially exposed to the Board's noise threshold of 65 dBA L_{dn} , which is 400 feet for an increase of up to eight trains per day. (See Appendix L, footnote 3, page L-4 of the Draft EA.) As described in the Applicants' Operating Plan (as corrected), no rail line segment would experience an increase in activity of eight trains per day or more. Therefore, SEA established 400 feet on either side of the rail line segment as a conservative standard for determining the area of potential effect for the environmental justice analysis.

SEA chose the 65 dBA L_{dn} noise contour because it offered a practical, uniform approach to identifying the communities that would experience the most substantial noise impacts or other localized effects such as traffic congestion, highway/rail at-grade crossing delays, visual intrusion, pedestrian and safety effects, and construction impacts associated with the proposed CN/IC Acquisition. SEA widened the area of potential effect from 400 to 1,500 feet for Major Key Routes during the recent Conrail Acquisition in response to public comments noting that hazardous releases may cover a broad geographic area and, therefore, decided to do the same thing for this case. By using the 1,500-foot definition for environmental justice analysis of hazardous materials, SEA attempted to strike a balance that recognizes the potentially wider area of impact but avoids

assimilating environmental justice populations located close to the track (and most adversely affected by a release) into a group with characteristics that are closer to that of the entire census tract.

SEA also defined an area of potential effect for intermodal facilities and rail yards as 1 mile from the center of the facility or yard. (See Table L-1, Appendix L, Volume 2 of the Draft EA.) SEA did not identify any potential significant effects at rail yards or intermodal facilities; therefore, SEA determined there was no need to identify populations based on perimeter boundaries, as was done for the Conrail Acquisition.

Comment: EPA was concerned about the footnote on page 4-125 (Draft EA, Volume 1, Chapter 4.13, "Environmental Justice," Footnote No. 43), which discussed scaling demographic data for block groups that partially fall within an area of potential effect. This methodology assumed, EPA argued, that low-income and minority populations are evenly dispersed within a block group. While recognizing that assumptions must be made for determining the low-income population, EPA recommended using actual Census level block data to provide greater accuracy on the location of the minority population. EPA stated that when it compared Census data with the numbers in Attachment L-1, it found much higher numbers of minorities in the area of potential effect than indicated in Attachment L-1 (Draft EA, Volume 2, Appendix L, "Environmental Justice Analysis Methods and Results," Attachment L-1, "Data on Potentially Affected Populations Used in SEA's Environmental Justice Evaluations," page L-1-1).

Response: SEA believes that its approach to the Census data for determining affected environmental justice populations is reasonable and appropriate for this case. The smallest level at which both race and poverty data are available is the Census block group level. SEA selected block group data as the foundation of its analysis because it offers the advantage of containing both race and poverty data. SEA's statistical method relied on information from comparable geographic areas to statistically determine the disproportionality of effects.

During development of a statistical approach to determining environmental justice impacts during the Conrail proceeding, SEA initially shared EPA's concern that using the block group data and assuming even distribution of population characteristics (i.e., with regard to race, ethnic group, income, and density) across the block group geographic area could lead to underestimating the actual population within the area of potential effect. To determine whether this would be the case, SEA conducted extensive field investigations and determined that populations are generally consistent within a Census block group.

In the absence of specific evidence from EPA that more detailed Census information would provide refined analysis results and provide better information

for SEA's environmental review, SEA determined that its approach is reasonable and produced accurate results.

Comment: EPA agreed that the mitigation measures proposed for the environmental justice communities identified in the Draft EA are worthwhile and will improve emergency response. However, EPA was concerned that the proposed environmental justice mitigation measures do not address the increased risk due to the proposed activities in a preventive way nor do they compensate those communities that are disproportionately impacted. EPA encouraged the Board to work with the affected communities to develop a mitigation plan that addresses these two components.

Response: SEA disagrees that the recommended mitigation is not preventive. Compliance with current Association of American Railroads' guidelines for train and track safety would supplement existing Federal safety regulations and reduce the potential for derailments and spills. SEA's other recommended mitigation measures for these communities would improve emergency response capabilities and coordination with local agencies. To ensure that the Applicants provide mitigation in a timely manner, SEA also recommends that the Board require the Applicants to certify completion of these requirements within one year of any final written Board decision approving the proposed Acquisition.

SEA does not believe that the Acquisition would cause effects on environmental justice populations that would warrant compensation because SEA's recommended general mitigation addresses any potential hazardous materials transport impacts, and SEA's recommended environmental justice mitigation contains measures tailored to address the unique needs of affected minority and low-income populations. SEA believes that if the Board imposes SEA's recommended generally applicable and tailored mitigation, the proposed CN/IC Acquisition would not result in any disproportionately high and adverse impacts on minority and low-income populations.

SEA also notes that it conducted extensive outreach to potentially affected environmental justice populations to provide every opportunity to participate in developing a mitigation plan. SEA placed ads in local newspapers, submitted public service announcements to local radio stations, and sent written notification of the Draft EA and preliminary recommended mitigation to local government officials and community organizations.

Cumulative Effects

Comment: EPA acknowledged the Board's efforts to evaluate the potential cumulative impacts of the proposed CN/IC Acquisition in conjunction with the recent Conrail Acquisition, but raised the concern that SEA's use of threshold values may underestimate cumulative effects from multiple sources.

Response: As discussed above, SEA's thresholds for environmental analysis focus the environmental analysis on those areas where the acquisition-related changes in rail activities would most likely result in significant environmental impacts. SEA's thresholds for analysis generally reflect increases in the number of trains per day and the increase in gross ton-miles of traffic. The use of thresholds is particularly important in multi-state mergers including thousands of miles of rail line and covering broad geographic areas.

In its environmental review, SEA considered potential environmental effects on various resources such as air and noise. When separate activities, such as switching activity at rail yards and increased train traffic over a line segment, would affect the same resource (i.e., air quality), SEA evaluated the potential cumulative effects. After evaluating cumulative effects in this manner, SEA determined that no significant cumulative effects would result from the proposed CN/IC Acquisition.

Comment: EPA noted that the Draft EA provided information regarding hazardous materials incidents by state for each state included in the CN/IC system. According to the historical data, 75 percent of the hazardous materials incidents have occurred in the IC portion of the system, and a substantial portion of the historical incidents have occurred in Illinois. EPA suggested that the potential for more hazardous materials incidences is high because a number of rail line segments on the IC portion of the system would experience enough increased hazardous materials activity to become Major Key Routes (rail line segments 175, 187, 190, and 205, for example). Many of these rail line segments are near the threshold stipulated for increased freight activity (eight trains per day or more increase). EPA stated that the cumulative effect of increased freight activity, including the associated risks of Major Key Route hazardous materials activity, should be evaluated in the historical context of hazardous materials incidents occurring over these rail line segments.

Response: In conducting a thorough evaluation of hazardous materials transportation, SEA considered the history, quantity, and projected increase in the Applicants' hazardous materials shipments. SEA has recommended appropriate mitigation measures for the segments in Illinois with increased hazardous materials traffic. Further, SEA considered the cumulative effects of increased freight activity and hazardous material activity in determining the likelihood of a release from a main line accident because SEA's accident prediction formulas include both increased traffic and the risk of a train accident.

In response to EPA's concerns about Illinois, EPA is correct that 75 percent of the historical hazardous materials incidents occurred on the IC system. Of this 75 percent (122 IC releases during the last five years), 36 of the incidents (29.5 percent occurred in Illinois. However, the percentages for IC and for Illinois are consistent with the relative size of the IC system (IC and CCP) compared to the

CN railroads (DWP and GTW). Table 2-2 compares the size of each system and the number of hazardous materials release incidents. This table shows fewer incidents have occurred per mile and per gross ton-mile on the IC system in Illinois than on the rest of the IC system or on the CN railroads. Therefore, SEA determined that the historical incidents on the IC system in Illinois were not unusually high.

**TABLE 2-2
HAZARDOUS MATERIALS RELEASE INCIDENTS BY RAILROAD**

Carrier	Location	Incidents	Length (miles)	Million Gross Ton-Miles (GTM) per Year	Incidents per Mile	Incidents per Million GTM
IC and CCP	Illinois	36	1,175	955	0.031	0.038
IC and CCP	System wide, except Illinois	88	1,869	786	0.047	0.112
IC and CCP	System wide	124	3,044	1,740	0.041	0.071
CN (DWP & GTW)	System wide	40	815	913	0.049	0.044

Source: Draft EA, Appendix C, "Safety Analysis Methods and Results," Final EA Appendix A, "Technical Information," "CN/IC Acquisition Rail Line Segment Master Table."

SEA also considered the types of incidents that occur on the IC system in Illinois. Of particular concern are releases that result from accidents or derailments, as these releases are typically larger than spills or releases from non-accident causes (i.e., human error or package failures). However, as shown in the Draft EA, of the 122 releases that occurred on the IC system, only 20 resulted from derailments, and four of these reported incidents did not involve releases.¹⁶

Furthermore, as shown on Table 2-3, "Predicted Hazardous Materials Releases in Illinois," SEA determined the predicted post-Acquisition number of releases due to accidents and collisions in rail yards and on main lines in Illinois.¹⁷ Table 2-3 shows that the total number of predicted releases along main lines and in rail yards would be less than the number of releases over the past five years.

¹⁶ Draft EA, Attachment C-3, Table 4, "Quantity of Hazardous Materials Released by Incident Cause as Reported by CN and IC - June 1991 to May 1998."

¹⁷ SEA based its analysis on the predicted post-Acquisition freight accident rate and the historical record of quantities and cause of materials released for yards and main lines. See the Draft EA, Attachment C-8, "Rail Yard Hazardous Materials Release Results," and Attachment C-7, "Mainline Hazardous Materials Release Results."

SEA believes that the predicted yard and mainline hazardous materials accidents or derailments (approximately 3.4 releases in the next five years) is comparable to IC's previous five-year history in Illinois (5.9 releases during the last five years). This information indicates that the potential for more serious hazardous materials incidents following the proposed CN/IC Acquisition is not significantly greater than the pre-Acquisition record of incidents on the IC portion of the system.

**TABLE 2-3
PREDICTED HAZARDOUS MATERIALS RELEASES IN ILLINOIS**

Predicted Release Frequency	Per Year	Per Five Years
Total Predicted Main Line Hazardous Materials Releases	0.56	2.8
Total Predicted Rail Yard Releases	0.12	0.6
Total Predicted Releases in Illinois (Post-Acquisition)	0.68	3.4
Total Historical Derailment Releases over Five Years (June 1993 to May 1998)	1.18	5.9

Comment: EPA commented that in addition to the ten Key Routes that would become Major Key Routes as a result of the proposed Acquisition, SEA should consider the cumulative effects on rail line segments that transport 20,000 or more carloads per year. EPA suggested that this evaluation should be made irrespective of how much of an increase over the existing condition the 20,000+ carloads represents. EPA added that the cumulative impacts due to passenger rail activity, freight rail traffic, and other factors should be considered in addition to hazardous materials effects.

Response: SEA's analysis of the potential impacts on freight rail safety, passenger rail safety, and hazardous materials transport safety properly considered the cumulative effects of increased rail activity from the proposed CN/IC Acquisition. For example, for the hazardous materials transport analysis, SEA used historical accident and spill release data and projected freight train traffic changes to estimate the change in the likelihood of an accident on a rail line segment. SEA's analysis of passenger rail safety considered the potential risk of an accident involving freight trains.

EPA suggested that any hazardous materials transport activity exceeding 20,000 carloads per year could warrant mitigation. However, to be consistent with the Board's practice of mitigating only those impacts that result from the proposed transaction, SEA considered the increase in hazardous materials transport resulting from the proposed CN/IC Acquisition as part of its determination of appropriate mitigation.

SEA considers existing hazardous materials traffic as the existing environment against which SEA compares the incremental change in hazardous materials rail

traffic. SEA also notes that existing DOT safety regulations and other Federal emergency response procedures address potential safety risks of existing hazardous materials transport. SEA's recommended mitigation is intended to provide a supplemental measure of safety for the near-term incremental increase in hazardous materials transport resulting from the proposed CN/IC Acquisition.

2.2.5 State Agency: Illinois Environmental Protection Agency

General

Comment: The Illinois Environmental Protection Agency wrote to notify SEA that, since it has no noise control authority in the area of concern, it would not review the proposed CN/IC Acquisition project.

Response: SEA acknowledges the Illinois Environmental Protection Agency's comment.

2.2.6 State Agency: Michigan Department of Environmental Quality

The Air Quality Division of the Michigan Department of Environmental Quality (DEQ) provided comments on the summary county status assigned to three counties in Southeast Michigan.

Air Quality

Comment: DEQ clarified the air quality attainment status for three counties in Southeast Michigan. DEQ pointed out that the information in the Draft EA, Volume 1, Chapter 4, Figure 4-9, page 4-95, is somewhat confusing because SEA attempted to represent the attainment status for multiple pollutants as a single classification. DEQ states that Figure 4-9, "Michigan Rail Yards and Intermodal Facilities that Exceed Board Thresholds for Environmental Analysis," should be modified to reflect that Genesee County is now in attainment for ozone. Although EPA revoked the 1-hour ozone standard for the remaining counties in Southeast Michigan in 1998, these counties are still considered to have maintenance status. Additionally, a portion of Macomb County is nonattainment for carbon monoxide (CO).

DEQ stated that the information in Volume 2, Appendix F, Attachment F-1, "Air Quality Attainment Status by County," is correct, with the exception of Genesee County. However, DEQ does not understand how SEA determined the summary county status. When comparing Oakland and Macomb counties, DEQ noted that both counties have the same nonattainment area classification, but they have different Summary County Status.

Response: SEA thanks Michigan DEQ for its comments clarifying the attainment status for counties in Southeast Michigan. SEA revised Figure 4-7, "Attainment Status for Affected Counties," and Figure 4-9, "Michigan Rail Yards and Intermodal

Facilities that Exceed Board Thresholds for Environmental Analysis," and included them in Appendix A, "Technical Information," of the Final EA. SEA has considered Michigan DEQ's comment regarding the different summary county status for Oakland and Macomb counties despite their identical area classifications. SEA determined that the summary county status is nonattainment for Oakland County because the proposed CN and IC railroad activities would occur within the nonattainment portion of the county. The status of Macomb County is in attainment because the proposed CN and IC railroad activities would occur outside of the maintenance or nonattainment portions of the county.

2.2.7 Local and County Government: City of Carbondale, Illinois

The City of Carbondale, located in Southern Illinois, commented on three issues:

- Hazardous materials and environmental justice.
- Emergency response.
- Air quality.

Hazardous Materials and Environmental Justice

Comment: The City of Carbondale expressed strong opposition to the potential increase in the amount of hazardous materials transported through the community. The City recommended that the Board impose the following additional mitigation measures if it approves the transaction.

1. The railroad shall be required to cooperate with each community with a Key Route or Major Key Route to identify additional equipment needed locally to respond to a hazardous materials incident related to the railroad, and the railroad shall then purchase and provide that equipment to the community.
2. The railroad shall be required to limit within cities and areas of minority justice populations key train speeds to 10 miles per hour (mph) slower than permitted for non-key trains. This is consistent with the requirement that key trains are restricted to 50 mph where non-key trains are permitted to operate at 60 mph.
3. The railroad shall cooperate with the City to provide an additional railroad crossing between northeast and northwest Carbondale. The cooperation shall entail contributing the cost of building and maintaining railroad crossing gates or crossing structures and joining the City in a petition to the Illinois Commerce Commission to permit the rail crossing.

Residents of the predominantly low-income, minority northeast portion of Carbondale have long complained about poor access to their

neighborhood. One particular complaint has been a lack of access for emergency vehicles and the hospital if the railroad crossings are blocked. If there were a hazardous materials incident that blocked the rail crossing in the south portion of the City, which blocked the rail crossings, another rail crossing in the north part of the City would be important in case evacuation was necessary or access was needed by emergency vehicles.

4. The railroad shall be required to work with each community with a Key Route or Major Key Route to identify the impact of a hazardous materials incident associated with the railroad emergency shelter facilities in each community. The railroad shall provide for each community those items needed to prepare the emergency shelters to address hazardous materials incidents that may result from the presence of the railroad.
5. The railroad shall install and maintain wind direction indicators at each rail crossing in each community with a Key Route or Major Key Route. These wind direction indicators will enable the public to know which way to go to avoid windborne hazardous materials released from an incident on the railroad.
6. The railroad shall be required to accept full financial responsibility for all damage to property, economic losses, and medical expenses associated with hazardous materials incidents resulting from the railroad.

Response: In the Draft EA, SEA determined that rail line segment 380, Carbondale-to-Cairo, would be a Major Key Route under the proposed CN/IC rail system. Because the City of Carbondale is located along this segment, any potential increase in risk to the township would be addressed by SEA's recommended condition for Major Key Routes. Specifically, the Board would require the Applicants to:

- Comply with the current AAR key train guidelines, which include a maximum operating speed of 50 mph, and full train inspections whenever a train is stopped by an emergency application of the train air brake or following a report of a defect by a wayside defect detector.
- Distribute copies of their hazardous materials emergency response plans to local emergency response organizations.
- Work with local emergency response organizations to develop local hazardous materials emergency response plans.
- Conduct voluntary simulation emergency response drills or training sessions for local emergency response organizations.
- Provide dedicated toll-free telephone numbers to the emergency response

organizations serving Carbondale to provide access to CN and IC dispatch centers 24 hours per day, seven days per week.

In addition, because SEA determined that, without mitigation, environmental justice populations residing in Carbondale could bear a disproportionately high and adverse impact resulting from potential significant increases in hazardous materials transport, SEA recommends that the Board require the Applicants to perform the following for the Carbondale community:

- Tailor the emergency response plans to the special needs of minority and low-income communities.
- Provide Operation Respond software and any necessary training at the local emergency response center serving minority and low-income populations.
- Fund participation in a training session at AAR's Transportation Technology Center for a total of two representatives from Carbondale's emergency response organizations.

SEA believes that this mitigation adequately addresses the potential significant adverse effect of increased hazardous materials transport in the City of Carbondale from the proposed CN/IC Acquisition.

SEA reviewed the City's requests for six additional conditions related to hazardous materials transport and determined that several requests are already incorporated in SEA's recommended conditions. SEA determined that the City's remaining requests are neither warranted nor appropriate based on the reasons discussed below.

With regard to the City's request that SEA require the Applicants to pay for additional equipment and resources beyond their existing response programs, SEA believes that the recommended coordination with local emergency response officials would assist Carbondale in identifying the available resources to respond to a hazardous materials emergency. Although this coordination may include identifying the need for additional equipment, emergency response shelters, or wind direction indicators, SEA does not believe that the increase in hazardous materials transport through Carbondale warrants requiring the Applicants to purchase the equipment because the recommended mitigation would reduce increased risk resulting from the proposed CN/IC Acquisition to the point of no significant effect.

In response to the City of Carbondale's request to limit speeds for trains carrying hazardous materials to 10 mph slower than permitted for a non-key train, SEA defers to FRA regulations at CFR Part 213 regarding safe train speed. (FRA is the

Federal government's primary rail safety agency.) In developing speed limits, FRA considers track geometry, super-elevation, and other physical conditions to identify optimal, safe speeds. For example, trains moving over curves lower than track design speed will place excessive force on the inner rail and increase the probability of wheel climb and consequent derailment. Based on these characteristics, FRA designates track by "Class" and sets the speed limit. Currently, the Applicants' track in the City of Carbondale is Class 4, for which FRA has established a speed limit of 60 mph. SEA's recommended mitigation for the rail line segment through Carbondale includes a maximum speed limit of 50 mph for key trains (i.e., trains that carry over a minimum amount of hazardous materials). This speed limit will provide an extra measure of safety over what FRA has deemed safe for Class 4 track. SEA notes that the IC timetable speed through Carbondale is currently 20 mph, and the Applicants plan to increase the speed to 40 mph, which would be slower than the 60 mph speed limit FRA designates and the 50 mph speed limit SEA recommends for this segment.

In response to the City of Carbondale's request for assistance in building and maintaining a railroad crossing between northeast and northwest Carbondale, SEA reviewed conditions at the crossing and the proximity of other grade-separated crossings that connect northeast and northwest Carbondale. The location of the City's proposed crossing is through Carbondale Yard. A highway/rail at-grade crossing would not be appropriate at this location because yard activities involve slow train movements with frequent starts and stops. However, the Applicants state that they will work with the City to explore a grade-separated crossing, provided that there is no expectation that the railroad will be required to fund the construction. The Applicants note that the bidding process for construction of an additional grade-separated (underpass) crossing at Mill Street, which is approximately 1 mile south of Carbondale Yard, is planned for the spring of 1999. IC is contributing funds for construction of this underpass. In addition, IC plans, in consultation with the City's mayor, to upgrade signaling on one of the double-tracked lines through Carbondale. After the upgrade, the maximum train speed could be increased from 20 mph to 40 mph, thereby reducing delays at highway/rail at-grade crossings. SEA considered the location of various alternative highway/rail at-grade crossings, the potential for reducing traffic delay by upgrading railroad signals, and the increased potential traffic delay resulting from the proposed Acquisition and determined that the proposed CN/IC Acquisition would not significantly affect emergency vehicle response times. Thus, SEA cannot support the City of Carbondale's request to recommend that the Board require the Applicants to make financial contributions to a new highway/rail at-grade crossing. SEA encourages the Applicants and the community to work together through the state highway planning process to identify funds to accomplish the City of Carbondale's objectives.

In considering the City of Carbondale's request that CN and IC accept full financial responsibility for damages associated with hazardous materials incidents,

SEA reviewed the existing laws that outline the Applicants' responsibilities in the event of a hazardous material release. Based on its analysis, SEA determined that state law and the Federal statutes, such as CERCLA and Resource Conservation and Recovery Act (RCRA), define the Applicants' legal liability and the recourse available to the City of Carbondale and its citizens. SEA does not believe that it should recommend the City of Carbondale's approach because it would essentially preempt or modify state or Federal law.

Emergency Response

Comment: The City of Carbondale requested that CN and IC cooperate in providing an additional highway/rail at-grade crossing between northeast and northwest Carbondale. This additional highway/rail at-grade crossing would provide emergency response vehicles with access to the north part of the City that would otherwise be denied if a hazardous materials incident in the south part of the City blocked the existing crossing.

Response: In response to the City's comment, SEA calculated the likelihood of the release of hazardous materials per mile on both line segments into and from Carbondale. SEA determined that the predicted release rate would be greater than one release every 1,000 years. (See Attachment C-7, "Mainline Hazardous Materials Release Results," in the Draft EA.) Thus, the probability of an incident that would prevent emergency response vehicles with access to the north part of Carbondale is very low. SEA also reviewed the location of the proposed crossing and the proximity of other separated highway/rail at-grade crossings that connect northeast and northwest Carbondale.

Based on its investigations, SEA cannot support the City's request that the Board require the Applicants to make financial contributions for a new highway/rail at-grade crossing. SEA encourages the Applicants and the community to work together through the state highway planning process to identify funds to accomplish the City of Carbondale's goal of developing an additional highway/rail at-grade crossing.

Air Quality

Comment: The City of Carbondale asked whether the following areas should have been included in the list of Prevention of Significant Deterioration (PSD) Class I areas:

- Crab Orchard National Wildlife Refuge.
- Panther Den Wilderness Area (located in the Crab Orchard National Wildlife Refuge).
- Shawnee National Forest.

These areas are located within 10 miles of the IC rail line, east and southeast of Carbondale, Illinois. (See Draft EA, Vol. 1, Chapter 4, "Environmental Consequences—Operational Changes," Section 4.11.1, page 4-81, "Air Quality—Background.")

Response: The 1977 Clean Air Act Amendments defines PSD Class I areas, and the National Park Service develops an inventory of national parks and forests, wilderness areas, and wildlife refuges that compose the PSD Class I List. During preparation of the Final EA, SEA re-examined the Park Service inventory to verify that these areas are not included.

In its analysis of air quality effects, SEA determined that none of the counties with proposed increases in rail activities exceeding SEA's thresholds would experience significant adverse effects. Because none of the rail line segments that pass through Carbondale would exceed SEA's threshold for air quality analysis, SEA determined that no potential for significant adverse air quality effects exists at the parks of concern.

2.2.8 Local and County Government: City of Champaign, Illinois

The City of Champaign, located in Southern Illinois, commented that although there would be some negative impacts, as described in the Draft EA, SEA's recommended mitigation measures seem to be appropriate. Although the City believes that the environmental assessment process does not address some issues directly, the City believes that open communication between adjacent communities and railroad officials could address these issues. The City noted that the IC track is centrally located in Champaign, and that the railroad is located above virtually all of the City's major east-west corridors.

The City of Champaign commented on the following:

- Hazardous materials.
- Intercity passenger rail operations.
- Air quality.
- Maintenance.

Hazardous Materials

Comment: The City of Champaign stated that the issue of hazardous materials transport is of foremost importance to the City because the Draft EA identified the City as at risk from substantially increased levels of hazardous materials transport. The Champaign Fire Department, the agency responsible for any hazardous material incidents, indicated that the proposed mitigation measures outlined in the Draft EA should allow for the successful management of this increased level of transport. In addition, officials noted that a good working relationship has existed

between the City of Champaign and IC during any past incident of this nature. The City designated representatives for training and emergency response issues.

Response: SEA appreciates the City's review of the Draft EA and its concurrence with the hazardous materials transport conditions. SEA has provided the Applicants with the Fire Department contacts designated in the City of Champaign's comment letter.

Intercity Passenger Rail Operations

Comment: The City of Champaign stated that Amtrak passenger service to and through the City is an integral service for the City's citizens and visitors. The City houses the University of Illinois' main campus and is home to nearly 40,000 students.

The City requested that the impact of the increased levels of freight traffic and the longer trains that will be in service once the proposed Acquisition is complete should continue to be monitored so that quality passenger service is maintained. On-time passenger rail performance is the best benchmark for determining whether the service will continue to be a viable means of travel compared with auto and air alternatives. The City notes that the railroad continues to own sufficient right-of-way to expand the number of tracks operating in the City of Champaign, if needed.

Response: SEA notes that the Applicants are already bound by the Rail Passenger Service Act of 1970 which requires Amtrak passenger operations to take precedence over other types of traffic moving over the rail line. The Applicants, therefore, must consider this when either scheduling operations or during the day-to-day dispatching of their lines. The Applicants' contractual obligations include:

1. Monitoring on-time performance for the entire route.
2. In the event that on-time performance is deficient, taking steps to ensure that on-time performance improves. If necessary, such steps could include the expansion of the track system mentioned in the City's letter.

SEA investigated Amtrak's performance history in the Champaign area and notes that Amtrak has a record of on-time performance.

Air Quality

Comment: The City commented that according to the Draft EA, the City may become a nonattainment area for National Ambient Air Quality Standards by the time the proposed CN/IC Acquisition is implemented if the Board approves the transaction. However, as noted in the Draft EA, beginning in the year 2000, all

locomotives will be required to comply with EPA's reduced locomotive emissions standard of September 1997.

Response: SEA concurs with the City of Champaign's analysis of potential air quality effects related to the proposed CN/IC Acquisition. Based on current air quality standards, SEA did not identify any potential significant adverse impacts that warrant mitigation.

Maintenance

Comment: The City of Champaign stated that the Draft EA did not specifically address the condition of railroad bridges. Last year, the City identified several areas where concrete falling from railroad bridges could damage vehicles passing under the bridges. The City performed an initial analysis to determine whether significant repairs were needed and determined that some repairs should be undertaken. IC indicated that it was conducting its own study to determine whether the bridges were safe. However, the railroad has not shared the results of its analysis with the City.

Response: SEA requested that the Applicants provide the City with the results of their bridge inspections and safety analysis. IC conducts formal inspections on all railroad bridges every year, and it conducts additional inspections in the spring on concrete bridges that are known to be susceptible to spalling (the breaking away of surface concrete, as observed in Champaign) during freeze-thaw cycles. If the railroad inspector observes such spalling, the loosened concrete is removed. IC is testing a new technique that allows a waterproofing compound to be injected through the track bed to the concrete surface of the bridge. If this technique proves successful, IC plans to apply the process on other bridges that are susceptible to spalling. The Applicants indicated that they have contacted the City and will follow up to discuss the spalling concrete issue further. SEA notes that these concerns address a pre-existing condition and, as such, are not within the scope of the environmental analysis for the proposed CN/IC Acquisition.

2.2.9 Local and County Government: City of Chicago, Illinois

In a filing dated February 17, 1999, the City of Chicago notified the Board that it had reached an understanding with the Applicants regarding the City's concerns about the impact of the proposed Acquisition. In its filing, the City withdrew its October 27, 1998 filing, which was a *Comment and Request for Conditions*, and its December 11, 1998 comments on the Draft EA. With its February 17, 1999 filing, the City gave notice that it supports the proposed CN/IC Acquisition.

SEA notes that the City of Chicago raised several issues regarding the Applicants' Operating Plan using information from filings presented by other railroads. SEA took a "hard look" at the

City's concerns and considered them in making its final mitigation recommendations. The City of Chicago will remain a Party of Record in this proceeding.

2.2.10 Local and County Government: Makanda Township Fire Department, Illinois

The Fire Department of Makanda Township, located in Southern Illinois, commented on the following issues:

- Hazardous materials.
- Emergency vehicle response.
- Traffic delay at highway/rail at-grade crossings.

Hazardous Materials

Comment: The Fire Department commented that the 118 percent increase in hazardous materials transport between Cairo and Carbondale, Illinois will have a potentially serious effect upon Makanda Township due to the community's proximity to the rail line.

The rail line divides the township in half, making 90 percent of its population, including two school buildings, within 1.5 miles of the rail line. The Fire Department recommended the following mitigation measures to address the potential increase in hazardous materials transport:

1. Assistance to Makanda Township Fire Departments in identifying training and equipment needs so as to appropriately mitigate a hazardous materials incident.
2. Funding assistance to Makanda Township Fire Department for the purchase of mitigation equipment and training of all fire department personnel so as to safely deal with a hazardous materials incident.
3. Significant improvements to the IC at-grade crossing at Boskydell Road.
4. A 40 mph speed limit on all hazardous materials trains traveling through Makanda Township and strict enforcement by railroad authorities.
5. An emergency crisis center, staffed by railroad personnel on a 24-hour basis, with an 800 telephone number to assist local fire departments and hazardous materials teams in identifying hazardous materials being transported. The crisis center should have conference calling capability with such agencies as CHEMTREC, INFOTRAC, or CHEM-TEL for advice on mitigating the incident.

Response: In the Draft EA, SEA determined that segment 380 from Cairo-to-Carbondale would be a Major Key Route under the proposed rail system. Because Makanda Township is located along this segment, SEA's recommended mitigation for Major Key Routes would address any potential increase in risk to the Township. Specifically, the Board would require the Applicants to:

- Comply with the current AAR key train guidelines, which include a maximum operating speed of 50 mph and full train inspections whenever a train is stopped by an emergency application of the train air brake or following a report of a defect by a wayside defect detector.
- Distribute copies of their hazardous materials emergency response plans to local emergency response organizations.
- Work with local emergency response organizations to develop local hazardous materials emergency response plans.
- Conduct voluntary simulation emergency response drills or training sessions for local emergency response organizations.
- Provide dedicated toll-free telephone numbers to the emergency response organizations serving Makanda to provide access to CN and IC dispatch centers 24 hours per day, seven days per week.

SEA anticipates that these mitigation measures for Makanda Township would result in close coordination between the Applicants and the Township in preparing for the unlikely event of a hazardous materials release. As part of this coordination, SEA anticipates that the Applicants and the Township will work together to identify the Township's training and equipment needs.

Regarding the Fire Department's request that the Applicants be required to fund this equipment and training, SEA believes that its recommended mitigation would offset the increased potential risk resulting from the proposed CN/IC Acquisition to the point of no significant adverse effect. SEA does not believe that Applicant funding of local emergency response personnel or equipment is warranted. In the unlikely event of a release, the Applicants would lead the effort to clear damaged rail equipment. Generally, the hazardous materials shipper would provide assistance with managing the chemical release, and the local emergency responders would lead any evacuation effort necessary.

In response to the Fire Department's request for a 40 mph speed limit for trains carrying hazardous materials, SEA notes that the actual IC timetable speed in Makanda is 40 mph. SEA also defers to FRA regulations at CFR Part 213 regarding safe train speed. FRA is the Federal government's primary rail safety agency. In developing speed limits, FRA considers track geometry,

super-elevation, and other physical conditions to identify optimal, safe speeds. For example, trains moving over curves slower than track design speed will place excessive force on the inner rail and increase the probability of wheel climb and consequent derailment. Based on these characteristics, FRA designates track by "Class" and sets the speed limit. Currently, in Makanda, the Applicants' track is Class 4, for which FRA has established a speed limit of 60 mph. SEA's recommended mitigation for the rail line segment through Makanda includes a maximum speed limit (to 50 mph) for key trains (i.e., trains that carry over a minimum amount of hazardous materials). SEA's recommended mitigation will provide an extra measure of safety over what FRA deems safe for Class 4 track. SEA notes that the Applicants would be operating at the speed requested by Makanda (40 mph), which is less than the 60 mph speed FRA designates and the 50 mph speed SEA recommends for the segment.

Emergency Vehicle Response and Traffic Delay at Highway/Rail At-grade Crossings

Comment: The Makanda Township Fire Department commented that the average traffic increase of 3.7 trains per day and average train length increase of 11 percent would potentially create delays at highway/rail at-grade crossings and cause delayed fire apparatus response. Specifically, the Fire Department pointed out that Boskydell Road, which crosses a seriously deteriorated IC crossing, is the major access road from the fire station to the east side of the fire jurisdiction. The Fire Department requested assistance from both the Federal government and the Applicants in making significant improvements to the seriously deteriorated Boskydell Road highway/rail at-grade crossing to address its emergency response concern.

Response: SEA conducted additional analysis in response to the Fire Department's comment that the Boskydell Road highway/rail at-grade crossing requires significant improvement to reduce vehicular delay. SEA determined that the overall increase in train traffic would not substantially contribute to vehicular delay. Based on Makanda's 40 mph train speed and an average train length increase of 800 feet, SEA determined that the change in potential vehicle delay would be approximately 13 seconds per train, which SEA considers negligible. SEA also identified an available grade-separated (overhead) crossing that is 2 miles north of the Boskydell Road highway/rail at-grade crossing at Pleasant Hill Road.

The Applicants contacted the Township's Fire Department to discuss the Boskydell Road crossing and other issues. The Applicants inspected that crossing and determined that the rails have sunk slightly below the profile of the road surface. The Applicants suggested that the City mill the asphalt at the approaches to the crossing to level the crossing surface.

2.2.11 Local and County Government: Village of Matteson, Illinois

The Village of Matteson, Illinois, commented on the proposed increases in hazardous materials transport.

Hazardous Materials Transport

Comment: The Village of Matteson commented that the estimated 104 percent increase in hazardous materials transported through the community is an unfair risk for its community to shoulder. The Village recommended the following mitigation measures for hazardous materials transported through the community if the Acquisition is approved over its objection:

1. Limit the speeds of key freight trains within its fire protection area to a maximum of 10 mph. The Village will be drafting an ordinance limiting the speed of freight trains to 10 mph while in transit through its Fire Protection Area.
2. Use rail defect detection cars to inspect main track and sidings or perform an equivalent level of inspection no less than once each quarter.
3. Use track-geometry inspection cars to inspect main track and sidings or perform an equivalent level of inspection no less than once each quarter. The mitigation steps include:
 - Adhere to existing "Key Train" guidelines.
 - Provide toll-free telephone numbers to the Matteson Fire Department.
 - Distribute a hazardous materials response plan to all levels of local government.
 - Work with the Village of Matteson to develop a local Incident-Specific Hazardous Materials Emergency Response Plan.
 - Implement a simulation emergency response drill with the Matteson Fire Department.
 - Provide Operation Respond software and any necessary training to the Matteson Fire Department and local hazardous materials team annually.
 - Fund a training session for two representatives of the Matteson Fire Department.

Response: In the Draft EA, SEA determined that segment 187, Matteson-to-Kankakee, would be a Major Key Route under the proposed CN/IC rail system. Because the Village of Matteson is located along this segment, SEA's recommended condition for Major Key Routes would mitigate any potential increase in risk to the Village. Specifically, SEA recommends that the Board require the Applicants to:

- Comply with the current AAR key train guidelines, which include a maximum operating speed of 50 mph and full train inspections whenever a train is stopped by an emergency application of the train air brake or following a report of a defect by a wayside defect detector.
- Distribute copies of their hazardous materials emergency response plans to local emergency response organizations.
- Work with local emergency response organizations to develop local hazardous materials emergency response plans.
- Conduct voluntary simulation emergency response drills or training sessions for local emergency response organizations.
- Provide dedicated toll-free telephone numbers to the emergency response organizations serving Matteson to provide access to CN and IC dispatch centers 24 hours per day, seven days per week.

SEA believes that this mitigation adequately addresses most of the Village of Matteson's requests for hazardous material safety conditions; the Village's other concerns are discussed below.

SEA considered the Village of Matteson's request to require the Applicants to limit train speeds to 10 mph, inspect main track and sidings for rail defects quarterly, and inspect the geometry of the main track quarterly as preventive measures. SEA does not believe that the proposed Acquisition warrants these steps for several reasons as discussed in the following paragraphs.

In response to the Village of Matteson's request to limit speeds for trains carrying hazardous materials to 10 mph, SEA defers to FRA regulations at CFR Part 213 regarding safe train speed. FRA is the Federal government's primary rail safety agency. In developing speed limits, FRA considers track geometry, super-elevation, and other physical conditions to identify optimal safe speeds. For example, trains moving over curves slower than track design speed will place excessive force on the inner rail and increase the probability of wheel climb and consequent derailment. Based on these characteristics, FRA designates track by "Class" and sets the speed limit. The Applicants' track in Matteson is Class 4, for which FRA has a speed limit of 60 mph. The IC timetable speed through Matteson is 50 mph on one of the double-main tracks and 40 mph on the other.

SEA's recommended mitigation for the rail line segment through Matteson includes a maximum speed limit to 50 mph for key trains (i.e., trains that carry over a minimum amount of hazardous materials). This will provide an extra measure of safety over what FRA deems safe for Class 4 track. SEA believes that limiting train speeds to 10 mph could increase rail congestion without a commensurate improvement in safety. Congestion increases the risk of accidents due to human error and leaves hazardous materials in locations for longer periods. SEA concurs with FRA speed limits and believes its recommended mitigation in the Draft EA provides the safety and protection that the Village of Matteson seeks.

In response to the Village's comment recommending the use of rail defect detection and track-geometry cars to inspect track quarterly or an equivalent level of inspection, SEA defers to FRA standards. FRA requires internal inspection of Class 4 rail track at least every 40 million gross tons of traffic that the track carries or once a year, whichever occurs first. SEA notes that FRA has recently implemented this value after researching the causes of rail defects. FRA research showed that the initiation of rail defects generally correlates to the level of rail traffic rather than the passing of time and conducting more frequent inspections is both redundant and an unproductive use of safety dollars. Under FRA regulations, most tracks in high-volume service must also be inspected visually for geometry defects twice per week. Visual inspections may be even more effective than inspection cars because human inspectors can identify problems other than just geometry defects. Qualified track inspectors look specifically for geometry defects and examine tie conditions, ballast and subballast conditions, drainage conditions, and other structural elements. SEA believes that the FRA-required visual and internal defect inspections sufficiently address the potential risks associated with rail and track defects.

In addition, the Applicants report that CN owns and operates a track geometry car. Their standard operating procedures call for the car's use for inspections twice per year on Class 4, 5, and 6 track; twice per year on Class 1, 2, and 3 track that support more than 25 million gross tons per year, and once per year on the other track. In practice, CN uses the track geometry car for track inspection three to four times per year on the main line and one to three times per year on less traveled routes. CN contracts its rail flaw detection program to a third party who performs three to five inspections per year on the main line and one to three inspections per year on less traveled routes. As the Applicants state in both their Operating Plan and the Safety Integration Plan, they believe sharing each company's best practices, including track engineering and maintenance, would be a key benefit of the proposed CN/IC Acquisition. CN and IC plan to consolidate their rail flaw detection programs and share use of the track geometry car on both systems.

SEA also considered the Village of Matteson's request that SEA recommend the Board require the Applicants to provide Operation Respond software, necessary training for the Matteson Fire Department, and provide funds for two Village representatives to attend training at AAR's Transportation Technology Center in Pueblo, Colorado. SEA developed this mitigation to address the unique characteristics of environmental justice populations in other communities. However, SEA believes its previously recommended mitigation for the rail line segment through the Village of Matteson sufficiently addresses the potential hazardous materials impacts associated with the proposed CN/IC Acquisition. Therefore, it does not recommend this environmental justice mitigation for the Village, which does not have an environmental justice population in the area of potential effect.

2.2.12 Local and County Government: City of New Orleans, Louisiana

The Mayor of the City of New Orleans, Louisiana commented on a general environmental concern and hazardous materials transport.

General

Comment: The Mayor requested that the Applicants maintain their property within Orleans Parish and, specifically, keep the grass mowed and all property free of litter and debris.

Response: SEA's environmental review considered the Acquisition-related changes in rail activities, which do not include maintaining the Applicants' right-of-way. SEA forwarded the City of New Orleans' request to the Applicants, and SEA encourages the Applicants and the City to work together to address local maintenance issues.

Hazardous Materials Transport

Comment: The Mayor requested that the Applicants work with the City's emergency response team and state officials to develop a Hazardous Materials Emergency Response Plan.

Response: SEA considered the Mayor's request that the Applicants work with local emergency response and state officials to develop a Hazardous Materials Emergency Response Plan for the City of New Orleans. DOT and FRA provide strict regulations for the transport of hazardous materials by rail. In addition to these legally binding Federal regulations, CN voluntarily plays a key role in TransCAER®, an information-training program for communities through which

dangerous goods are transported.¹⁸ SEA has forwarded the Mayor's request for assistance in developing a Hazardous Materials Emergency Response Plan to CN and encourages the City and the Applicants to coordinate this effort.

SEA did not recommend specific mitigation conditions for the City of New Orleans in the Draft EA because there is no projected change in hazardous materials transport through the City. SEA does not believe that the proposed increases in hazardous materials on other rail line segments in the State of Louisiana warrant additional mitigation. The Applicants currently operate according to the Federal regulations and apply the voluntary AAR Key Route guidelines. SEA believes that Federal regulations and the Applicants' voluntary practices sufficiently address any increased risk in the City of New Orleans.

2.2.13 Local and County Government: Southeast Michigan Council of Governments

The Southeast Michigan Council of Governments (SEMCOG) provided comments on the Draft EA and forwarded comments from the following communities:

- City of Ferndale.
- City of Detroit.
- Monroe County.

These communities, along with SEMCOG, raised the following issues:

- General environmental concerns.
- Hazardous materials.
- Intercity passenger operations.
- Highway/rail at-grade crossing vehicle delay.
- Cumulative Effects.

Environmental Concern - General

Comment: SEMCOG stated that, based on the information provided in the Draft EA and its review, the proposed Acquisition did not appear to conflict with area-wide plans and did not appear to have a significant impact on the environment.

SEMCOG requested a response to comments in the areas of Hazardous Materials Transport Safety and Environmental Consequences—Cumulative Effects.

Response: SEA acknowledges SEMCOG's finding that the proposed Acquisition does not appear to conflict with area-wide plans or have a significant impact on the environment. SEA's responses to the other issues are described below.

¹⁸ Further information on the TransCAER® program is found at the following website:
<http://www.cn.ca/english/about/safety/transcaer/index.html>

Comment: The Oakland County Department of Community and Economic Development, under the auspices of SEMCOG, commented that its office forwarded information on the proposed Acquisition to the following local government bodies with no response as of its December 7, 1998 letter: Bloomfield, Holly, Rose, Springfield, Independence, and Waterford townships; the cities of Bloomfield Hills, Ferndale, Pleasant Ridge, Royal Oak, Birmingham, Troy, and Pontiac; and the Village of Holly.

Response: SEA thanks the Oakland County Department of Community and Economic Development for forwarding information on the proposed Acquisition to local government bodies and acknowledges that it received no response. The City of Ferndale subsequently submitted comments, which SEA addresses later in this section.

Comment: SEMCOG commented that the timing of the Draft EA review and comment period was too short. Community informational meetings, sponsored by SEMCOG, reflected the importance of this project to Southeast Michigan. SEMCOG stated that the relatively short review period, interrupted by the Thanksgiving holiday, left some potentially impacted communities inadequate time to review the document prior to the meeting. It stated that a longer review period would have allowed Southeast Michigan communities, businesses, and other attendees adequate time for the thorough analysis a transaction such as this deserves.

Given the short review period, SEMCOG appreciated and commended SEA on the organization of the Draft EA. This allowed its staff to provide an analysis of the potential impact of this proposed Acquisition.

Response: SEA thanks SEMCOG for its comment on the organization of the Draft EA. SEA understands SEMCOG's concern that the comment period was too short and interrupted by the Thanksgiving holiday. The public comment process is a critical part of SEA's environmental review. SEA established a 32-day comment period to accommodate the Thanksgiving holiday.

SEA has included SEMCOG on its distribution list for the Final EA. Additionally, SEA notes that the Board's review process includes a 20-day period during which any interested parties may file an administrative appeal on any aspect of its final decision.

Comment: SEMCOG forwarded a comment on the Draft EA submitted by the City of Detroit Planning and Development Department stating the Department's support of the Draft EA.

Response: SEA acknowledges the Department's comment supporting the Draft EA.

Hazardous Materials

Comment: SEMCOG concurred with SEA's identification of four rail line segments in Southeast Michigan that will incur an increase in hazardous materials carloads exceeding its Key Route criterion.

SEMCOG requested that any costs incurred by Southeast Michigan counties and communities associated with emergency response plans need to be identified and addressed. SEMCOG stated that Southeast Michigan communities have limited resources, and any additional costs resulting from increased emergency response planning and/or implementation should not be borne by the communities.

Response: As SEMCOG notes in its comments, SEA identified four rail line segments in Southeast Michigan that would become Key Routes. The Applicants currently manage these rail lines as Key Routes. SEA is recommending that the Board require the Applicants to continue managing these segments as Key Routes for three years. Specifically, the Applicants would have to:

- Comply with the current AAR key train and Key Route guidelines, which include a maximum operating speed of 50 mph and full train inspections whenever a train is stopped by an emergency application of the train air brake or following a report of a defect by a wayside defect detector.
- Distribute copies of their hazardous materials emergency response plans to local emergency response organizations.
- Provide dedicated toll-free telephone numbers to local emergency response organizations to provide them with access to CN and IC dispatch centers 24 hours per day, seven days per week.

SEA believes that this mitigation adequately addresses the potential adverse effect of increased hazardous materials transport associated with the proposed CN/IC Acquisition in Southeast Michigan. SEA does not believe that the increased hazardous materials transported through the area (from 8,395 to 12,775 carloads per year) warrants requiring the Applicants to contribute additional financial support to the various communities and their local emergency responders.

Comment: The Monroe County Planning Department and Commission, under the auspices of SEMCOG, commented on the proposed increase of hazardous materials transport along two specific rail line segments within Monroe County. The two rail line segments, 1158 and 1170, show substantial proposed increases in movement of carloads of hazardous materials resulting from the proposed Acquisition.

Rail line segment 1158 operates from FN Tower in Wayne County to the City of Monroe, and rail line segment 1170 operates from Flat Rock (also in Wayne County) to Diann Tower near Petersburg in Monroe County. These hazardous materials carload increases amount to 12 and 33 percent, respectively, despite little or no projected increases in freight tonnage. Monroe County points out that freight tonnage is expected to increase by 1 percent on segment 1158 but would not increase on segment 1170. It does not understand why the proposed Acquisition would cause such high increases in hazardous materials shipments, accompanied by little or no increases in overall freight tonnage. Monroe County believes that this represents an increased risk to the residents of Monroe County and increased costs to the Monroe County Emergency Management Division for preparing for and responding to emergencies resulting from hazardous materials accidents. Monroe County requested that CN provide assistance, financially and through other means, to deal with potential and real hazardous materials emergencies.

Response: SEA reviewed traffic volumes by category to determine why the increase in hazardous commodities transported over rail line segments 1158 and 1170 would not yield a comparable increase in total tonnage. In general, the types and volumes of commodities moving over rail line segments following the proposed CN/IC Acquisition would vary from the commodity mix in the pre-Acquisition scenario because new shipping routes would become available. SEA notes that in Monroe County, because the base traffic levels are so small (33 and six carloads of hazardous materials per day, respectively), even small increases in volume cause the percentages to increase significantly. Appendix A, "Technical Information," of the Final EA shows the increased rail traffic associated with each rail line segment in the proposed CN/IC system.

The aggregate data the Applicants report in the Operating Plan does not describe changes in the volumes of specific commodities transported, but it does differentiate between hazardous and non-hazardous materials. The Board required the Applicants to submit projections for shipment of hazardous commodities because this information is essential for SEA's environmental review of a proposed transaction. SEA's environmental analysis showed that the amount of hazardous materials the Applicants transport along rail line segments 1158 and 1170 would increase, but it would not increase to levels warranting mitigation.

SEA notes that rail line segment 1158 is already a Key Route, and the Applicants currently manage this segment in voluntary cooperation with AAR guidelines for Key Routes. SEA further notes that the 33 percent increase of hazardous materials transported along rail line segment 1170 constitutes a total of 730 additional carloads annually over an existing base of 2,190, and the 12 percent increase along segment 1158 constitutes a total of 1,436 additional carloads annually over an existing base of 12,057. Neither these increase meets SEA's criterion of significance for hazardous materials transport. Based on its analysis,

SEA does not believe that the Board should require the Applicants to provide financial assistance to Monroe County to prepare for hazardous materials emergencies.

Comment: SEMCOG concurred with SEA's identification of four rail line segments in Southeast Michigan that will incur an increase in hazardous materials carloads that exceed its Key Route criterion.

SEMCOG noted that the proposed mitigation Condition 2 (Draft EA, Chapter 8, "Preliminary Recommended Mitigation Measures," Section 8.2, page 8-5) stated that the "Applicants shall continue to manage the four rail line segments as Key Routes for a period of at least three years from the effective date of the Board's decision." SEMCOG recommended that these rail line segments be operated as Key Routes as long as the number of carloads is above the threshold of 10,000 carloads per year. Should the number of carloads fall below the threshold, SEMCOG recommends that the operating guidelines be re-evaluated at that time.

Response: SEA notes that DOT and FRA provide strict regulations for the transport of hazardous materials by rail. SEA notes that it intends its mitigation approach to provide an extra measure of safety protection (beyond the Federal safety requirements) to address the near-term Acquisition-related changes in hazardous materials transport. Further, the Applicants already voluntarily manage these particular segments as Key Routes, even though they do not meet the AAR guidelines of 10,000 carloads of hazardous materials annually.

Following the recommended three-year period, the Applicants would manage these rail line segments according to Federal hazardous materials transport requirements and their own policies regarding AAR guidelines. This approach provides a consistent safety process for rail line segments throughout the Applicants' rail system while addressing the Acquisition-related increase in hazardous materials traffic during the implementation period.

Comment: SEMCOG forwarded a comment on the Draft EA from the City of Ferndale. The City of Ferndale asked what hazardous chemicals are currently transported. The City also asked what future increase in hazardous waste transport is anticipated from the proposed CN/IC Acquisition.

Response: SEA refers SEMCOG and the City of Ferndale to Attachment C-4, "List of Hazardous Materials to be Transported," in Volume 2 of the Draft EA. This table presents the types of hazardous materials that would be transported over the CN/IC system. The 30-page table includes information on both pre- and post-Acquisition quantities for each type of hazardous material. Additionally, in response to Ferndale's question regarding anticipated increases in hazardous materials transported through Ferndale, the Draft EA notes that the rail line segment that runs through Ferndale from Detroit Intermodal to Maj Junction,

Michigan would become a Key Route. The estimated number of hazardous materials carloads transported along this rail line segment would increase from 8,395 carloads to 12,775 carloads annually as a result of the proposed Acquisition. The Applicants currently manage this rail line segment as a Key Route. SEA recommends that the Board require the Applicants to continue managing this rail line segment as a Key Route for three years. As a Key Route, the Applicants would:

- Comply with the current AAR key train and Key Route guidelines, which include a maximum operating speed of 50 mph, and full train inspections whenever a train is stopped by an emergency application of the train air brake or following a report of a defect by a wayside defect detector.
- Distribute copies of their hazardous materials emergency response plans to local emergency response organizations.
- Provide dedicated toll-free telephone numbers to local emergency response organizations to provide them with access to CN and IC dispatch centers 24 hours per day, seven days per week.

SEA believes that this mitigation adequately addresses the potential significant adverse effect of increased hazardous materials transport resulting from the proposed CN/IC Acquisition in the Ferndale, Michigan area.

Intercity Passenger Operations

Comment: SEMCOG forwarded a comment on the Draft EA that the City of Ferndale submitted. The City questioned whether the rail line segment between downtown Detroit and Pontiac, Michigan can be considered for intercity passenger operation and asked how the proposed Acquisition would affect this situation.

Response: The use of private railroad lines by local, regional, or national passenger railroad services is governed by negotiated contracts between the railroad company that owns the rail lines and the passenger rail service. Nothing in the proposed CN/IC Acquisition would prevent a local, regional, or national passenger rail service from negotiating use of a rail line between Detroit and Pontiac, Michigan with the owner of the track. Any negotiated agreement granting a passenger rail service the use of CN or IC rail lines would be the sole responsibility of the railroad and the individual passenger rail service.

Highway/Rail At-Grade Crossing Vehicle Delay

Comment: SEMCOG forwarded a comment on the Draft EA from the City of Ferndale. The City asked how many trains currently cross Nine Mile Road each day. The City

also asked how many additional road crossings would result from the proposed CN/IC Acquisition.

Response: SEA reviewed the Applicants' information regarding the average number of trains that currently cross Nine Mile Road each day and the number of additional trains that would cross the road following the proposed Acquisition. Based on the Applicants' Operating Plan, the rail line segment through the City of Ferndale (rail line segment 1222, Detroit Intermodal, MI-to-Mal Junction, MI), which crosses Nine Mile Road, currently carries 14.43 freight trains per day. If the proposed Acquisition is approved, the number of freight trains would decrease by 1.59 trains to 12.84 trains per day.

Cumulative Effects

Comment: SEMCOG stated that an analysis of potential cumulative effects from this project when added to a past action is allowed under NEPA regulations and requested that SEA respond to their concern.

SEMCOG's concern is that the proposed Acquisition could result in less frequent but longer trains, thereby causing lengthier delays and blockage of more crossings than under normal conditions. SEMCOG noted that the Draft EA proposed that the number of trains using CN rail line segment 1000 from Sarnia, Ontario, Canada to Port Huron, Michigan would decrease by 9 percent, while the volume of freight trains is expected to increase by 8 percent. SEMCOG recommended that SEA consider the potential for cumulative impacts from the proposed action in the Final EA.

SEMCOG was informed by a representative of the St. Clair County Transportation Study that improvements made to CN's tunnel between Sarnia, Ontario, Canada and Port Huron, Michigan have resulted in lengthier and more frequent highway/rail at-grade crossing blockage delays in Port Huron. SEMCOG stated that one such delay resulted in a fatal crash during the past year. These delays, SEMCOG argued, are caused by necessary customs and immigration inspection procedures.

SEMCOG noted that CN representatives have indicated that they are working to alleviate the current highway/rail at-grade crossing problems. SEMCOG requests that the Board assist CN in resolving both the existing and future at-grade rail/truck crossing delays and blockages.

Response: Regarding delay related to train traffic, SEA's analysis approach identifies all highway/rail at-grade crossings that meet or exceed its thresholds, which are based on increased train traffic and increased gross ton-miles. None of the highway/rail at-grade crossings along rail line segment 1000 met SEA's thresholds for analysis.

The new Samia tunnel opened on April 5, 1995. The Applicants reported to SEA that during the summer of 1998, CN began to experience increased scrutiny of trains by U.S. customs inspectors which increased train delay and traffic delay at highway/rail at-grade crossings near the inspection track in Port Huron, Michigan. However, two grade-separated crossings are adjacent to the Port Huron Yard, at 24th Street and I-94, so train delays do not completely block fire and emergency vehicles. After a meeting with the City of Port Huron, Michigan officials in August 1998, CN agreed to notify the local sheriff's department of any extended crossing delays. Since the August meeting, CN has:

- Agreed to move trains blocking crossings immediately if contacted by the City's Fire Department or Ambulance Department.
- Installed motion detectors at the crossings of concern, so that crossing gates will not remain down if a train occupies the adjacent block but not the crossing itself.
- Installed operational improvements to allow faster movements of trains using the main line to back in and out of the Port Huron Yard.

To reach a more permanent solution, CN is working with Canadian Pacific Railway Company (CP) to establish an electronic commerce initiative at four U.S.-Canada border crossings (including Port Huron, Michigan). This initiative would automate customs procedures, significantly reduce the time required for customs inspections and document processing, and greatly alleviate problems with crossing delays in Port Huron, Michigan. CN has also discussed this plan with SEMCOG's transportation planning staff.

As a result of the proposed Acquisition, the number of CN freight trains on this segment would decrease from 22.56 to 20.42 trains per day and increase by 7,649 gross tons per day. The proposed increase in gross tonnage would equate to an increase of approximately 375 gross tons per train or six carloads per train per day. SEA believes the projected decrease of two trains per day on this line segment would result in fewer highway/rail at-grade crossing blockage delays due to customs and immigration inspections in Port Huron, Michigan. Because the Acquisition-related delay effect on this segment would be positive, SEA concludes that there is no cumulative impact to analyze.

2.2.14 Local and County Government: DeSoto County, Mississippi

The Office of the County Administrator from DeSoto County, Mississippi requested a response to emergency response and hazardous materials issues that the Civil Defense official had raised.

Hazardous Materials

Comment: The Director stated that DeSoto County has lived basically safely and happily with the railroad for years. The railroad basically hauls what it always did, though the composition of some materials carried makes them much more dangerous when spills occur. Also, the railroads that pass through DeSoto County formerly passed through sparsely populated areas, but normal growth and development have placed more homes and businesses close to the tracks. Therefore, if a 1940-sized incident occurs in 1999, more people would be at risk simply because more people would be present in an incident zone.

Response: Federal agencies, such as DOT and FRA, strictly regulate hazardous materials transport by rail. These regulations and the Applicants' compliance with them will remain in place if the Board approves the proposed CN/IC Acquisition. In addition, CN voluntarily participates and plays a key role in TransCAER®, an information training program for communities through which dangerous goods are transported. SEA encourages DeSoto County to contact CN for further information on TransCAER®. SEA believes that Federal regulations and the Applicants' voluntary practices sufficiently address any additional risk from increased hazardous materials transport through DeSoto County and the State of Mississippi.

Comment: Concerning the transport of hazardous materials through DeSoto County, the Director asked if, given that shipments of radioactive materials to a disposal plant are scheduled to start in 1999, the railroad would be involved in any other fashion than previously planned. Additionally, the Director asked if railroad company policy regarding the routing of hazardous materials shipments would change.

Response: The Applicants have indicated to SEA that IC, the current owner of the rail line segment that passes through DeSoto County, neither transports nor plans to transport radioactive material along this segment. The Applicants have also indicated that they will not change their company policy regarding the routing of hazardous materials.

As stated previously, Federal agencies, such as DOT and FRA, strictly regulate hazardous materials transport. These regulations and the Applicants' compliance with them will remain in place if the Board approves the proposed CN/IC Acquisition.

Emergency Response

Comment: The Director asked whether any emergency railroad contacts would change as a result of the change of ownership.

Response: The Applicants have indicated to SEA that they do not plan to change the emergency contacts if the Acquisition is approved. Existing communication modes would remain in place following the Acquisition.

2.2.15 Group/Association: Center for Neighborhood Technology, Illinois

The Center for Neighborhood Technology (Center), a citizens' group located in Chicago, Illinois, commented on hazardous materials and environmental justice.

Hazardous Materials and Environmental Justice

Comment: The Center expressed concern about the proposed significant increase in hazardous materials transport along certain rail line segments in Illinois, Kentucky, and Michigan. The Draft EA states that, "rail related accident occurrences correlate to the level of rail activity" (Draft EA, Volume 1, page 4-18). To the extent that hazardous materials transport and handling are increased, the risk to communities along those rail line segments therefore bears an increased risk of impacts from a hazardous materials release. Such incidents are not infrequent. CN, IC, and their operating subsidiaries reported 164 incidents from June 1993 through May 1998.

The Center supported the Draft EA recommended mitigation measures (see Draft EA, Chapter 4.2.1, page 4-17, "SEA's Conclusions"). However, the Center believed that more should be done to prevent releases from occurring and recommended the following additional mitigation measures:

1. Limiting train speeds of key trains within cities and areas with environmental justice populations to 10 mph below speeds permitted for non-key trains.
2. Using rail defect detection cars to inspect main track and sidings or perform an equivalent level of inspection no less than three times per year on Major Key Routes.
3. Using track-geometry inspection cars to inspect main track and sidings or perform an equivalent level of inspection no less than twice per year on Major Key Routes.

In a follow-up letter submitted on December 17, 1998, the Center requested that SEA incorporate a resolution passed by the City of Centralia, Illinois endorsing the Draft EA comments submitted on December 11, 1998 by the Center. The City Council of the City of Centralia passed a resolution urging the Board to give serious consideration to the Center's recommendations. The City stated that the proposed Acquisition would result in a significant increase in the amount of

hazardous materials transported on the line segment passing through the City of Centralia, which had been designated as a Major Key Route.

Response: In response to the Center's comment on the Applicants' history of hazardous materials releases, SEA reviewed the Applicants' history and notes that of the 164 incidents, 75 incidents were minor with a total release of less than 1 pound or 1 gallon. In addition, 141 of the 164 incidents were not related to rail accidents, but were attributable to packaging/handling errors. The Center's proposed speed restrictions and track inspection frequencies would not address these types of incidents. SEA analyzed the potential risk of release for rail line segments and potential changes resulting from the proposed CN/IC Acquisition. SEA determined that the shortest predicted interval between releases for any segment would be 309 years.

Therefore, SEA focused its analysis on determining whether the accident rate would change following the Acquisition and whether the pattern of hazardous materials shipment would change. In its analysis of overall freight rail operations safety, SEA determined that the proposed CN/IC system's accident rate would not change significantly from existing rates. In its review of hazardous materials shipping patterns, SEA identified a number of rail line segments where hazardous materials carloads would increase to become Key Routes or Major Key Routes. SEA has recommended mitigation to provide additional safety measures along these segments.

SEA considered the Center's request that SEA modify its mitigation to recommend that the Board require the Applicants to take the following measures to prevent hazardous material releases in communities located on Key Routes: limiting key train speeds to 10 mph below speeds permitted for non-key trains; inspecting main track and sidings for rail defects no less than three times per year on Major Key Routes, and inspecting the geometry of the main track no less than three times per year on Major Key Routes. SEA does not believe that the proposed CN/IC Acquisition warrants such procedures for the reasons presented in the following paragraphs.

Regarding the Center's request to lower key train speeds to 10 mph below speeds permitted for non-key trains, SEA's recommended mitigation for the rail line segment through Edgewood and other communities on Major Key Routes already includes a reduced speed limit (to 50 mph) for key trains (i.e., trains that carry over a minimum amount of hazardous materials). This will provide an extra measure of safety over what FRA has deemed safe for Class 4 track. FRA is the Federal government's primary rail safety agency. In developing speed limits, FRA considers track geometry, super-elevation, and other physical conditions to identify optimal, safe speeds. Based on these characteristics, FRA designates track by "Class" and sets the speed limit. Currently, the Applicants' track in

Edgewood is Class 4, for which FRA has established a speed limit of 60 mph. The IC timetable speed is also 60 mph.

SEA concurs with FRA speed limits and believes its recommended mitigation in the Draft EA provides the safety protection that the Center seeks. SEA's additional mitigation for communities with environmental justice populations would tailor the hazardous materials transport mitigation to the needs of these communities. The recommended mitigation includes additional local emergency response coordination and training.

In response to the Center's comment regarding the use of rail defect detection and track-geometry cars to inspect track quarterly or an equivalent level of inspection, SEA defers to FRA inspection standards. FRA requires internal inspection of all Class 4 rail track at least every 40 million gross tons of traffic that the track carries or once a year, whichever occurs first. SEA notes that FRA recently implemented this value after researching the causes of rail defects. FRA's research showed that rail defects generally correlate to the level of rail traffic rather than time, and conducting more frequent inspections is redundant and an unproductive use of safety dollars. Under FRA regulations, most tracks in high-volume service must be inspected visually for geometry defects twice per week. Visual inspections may be even more effective than inspection cars because human inspectors can identify more than just geometry defects. Qualified track inspectors look specifically for geometry defects and examine tie conditions, ballast and subballast conditions, drainage conditions, and other structural elements. SEA believes that the FRA-required visual and internal defect inspections sufficiently address potential risks associated with rail and track defects.

In addition, the Applicants report that CN owns and operates a track geometry car. CN's standard operating procedures call for the car's use for inspections twice per year on Class 4, 5, and 6 track; twice per year on Class 1, 2, and 3 track with over 25 million gross tons per year; and once per year on other track. In practice, CN uses the track geometry car for track inspection three to four times per year on the main line and one to three times a year on more lightly traveled routes. CN's rail flaw detection program is contracted to a third party. Rail flaw inspections are made three to five times per year on the main line and one to three times per year on less traveled routes. As the Applicants stated in both the Operating Plan and the Safety Integration Plan, they believe the sharing of best practices, including track engineering and maintenance, would be a key benefit of the CN/IC Acquisition transaction.

In response to the City of Centralia's resolution that the Board give "serious consideration" to the Center's recommendations regarding safety, SEA notes that it considered the Center's recommendations carefully. However, based on its analysis of the Center's request, SEA determined that the Center's

recommendations would not prevent hazardous materials releases to any degree greater than existing FRA requirements. SEA notes that it has included a copy of the resolution, which it received on December 22, 1998, with the comments previously submitted by the Center and the Village of Edgewood in Appendix D, "Comment Letters," of the Final EA.

2.2.16 Group/Association: South East Chicago Commission, Illinois

The South East Chicago Commission (SECC), a community organization based in the Hyde Park-Kenwood neighborhood of Chicago, Illinois, considers neighborhood issues pertaining to housing, public safety, and transportation. The IC main line along rail line segment 171, Chicago-to-Chicago 94th Street, Illinois bisects the community. SECC commented on the following issues:

- Rail operations.
- Rail accidents.
- Hazardous materials.
- Air quality.
- Noise.
- Maintenance.
- Safety integration.

Rail Operations

Comment: SECC asked whether the railroads are bound to "good-faith" efforts not to exceed the forecasted freight train levels by specific levels over a certain period of time, unless they implement additional mitigation. SECC also requested that a continuing review process be established to monitor future train traffic changes.

Response: SEA considered SECC's request that SEA recommend the Board establish an ongoing review process to monitor freight traffic against the levels that the railroads forecasted in their Application. SEA notes that its environmental review process includes a careful review of the train traffic projections in the Applicants' Operating Plan. Based on its review and analysis, SEA determined that the projections, which are based on current freight traffic and anticipated changes resulting from the proposed CN/IC Acquisition, are reasonable.

During preparation of the Final EA, the Board also received comments on the Applicants' Operating Plan from other railroads. In its consideration of these other railroads' comments, SEA determined that the Applicants' train traffic projections for the Chicago area warranted minor changes. However, in its review, SEA determined that these changes did not cause any additional rail line segments to meet the Board's thresholds for environmental analysis, and the revised projections did not materially affect the analysis in the Draft EA or require modifications to SEA's recommended mitigation. SEA notes that if a material

change in train traffic projections related to the proposed CN/IC Acquisition occurs after the Board makes its final written decision, any party may petition the Board to review the ongoing applicability of its final mitigation.

Rail Accidents

Comment: SECC states that although a slight decrease in total freight trains is predicted along rail line segment 171 (Chicago-to-Chicago 94th Street, Illinois), the increase in gross ton-miles translates into longer trains and a greater per-train chance of derailment.

SECC stated that a derailment could result in freight cars outside of the IC right-of-way and into streets, homes, commuter stations, and other trains. SEA's analysis noted that the chances of a derailment at a given time and location were remote; nevertheless, they will increase. This situation may apply over the length of the joint IC/Metra Electric right-of-way. A few years ago, a freight train derailed on the IC just north of their neighborhood; fortunately there were no injuries and, due to the early hour, commuter trains were not operating.

Response: SEA considered SECC's concern that longer trains could increase the potential for a derailment. SEA considered train length in its hazardous materials transport risk analysis. As noted in Appendix C, "Safety Analysis Methods and Results," of the Draft EA, SEA considered both train-related and railcar-related causes of collisions and derailments. Therefore, SEA specifically considered both the decrease in the number of trains and the increase in the number of railcars per train when determining the risk of a hazardous materials release resulting from a derailment. SEA concludes that the increased risk of derailments or hazardous materials releases associated with increased train length is very small and this potential increase in risk does not warrant additional mitigation measures.

SECC was particularly concerned about the effect of increased accidents because of IC's proximity to the Metra Electric right-of-way. In the Draft EA, SEA analyzed the potential increased accident risk in its "common corridor" analysis. (A common corridor is a rail corridor where freight trains run on tracks adjacent to passenger train tracks in the same corridor right-of-way). To conduct its analysis, SEA used a risk prediction model that includes a number of variables including the distance between the freight and passenger tracks, the track class and speed, and the length of time necessary to warn other trains after an accident. The number of trains is more significant than train length in this calculation. Therefore, SEA focused its common corridor analysis on segments where train traffic increases. In the case of rail line segment 171, Chicago-to-Chicago 94th Street, train traffic would decrease following the proposed CN/IC Acquisition. SEA concluded that the traffic change would not result in any significant increase in accident risk in this common corridor.

Hazardous Materials

Comment: SECC stated that although a slight decrease in total freight trains is predicted along rail line segment 171 (Chicago-to-Chicago 94th Street, Illinois), the gross ton-mile increase translates into longer trains and a greater per-train chance of derailment. SECC also noted the 27 percent increase in hazardous materials railcars.

SECC believes that a hazardous materials release could cause effects that extend far beyond the railroad right-of-way. If freight trains stopped at the interlocking signals at 67th Street and 40th Street, the length of time that the hazardous materials are in the area will increase. Further, stopped trains are subject to vandalism, which can be particularly dangerous in the presence of hazardous materials. SECC's strong preference is that the railroad be operated in a manner that minimizes community exposure to potential hazardous materials releases.

Response: SEA considered SECC's concern that the increase in hazardous materials transport would increase the risk of a hazardous materials release, particularly when considered with the frequent stops that all trains must make at certain points in their community. However, based on the analysis it conducted for the Draft EA, SEA concludes that the increase in risk related to overall volume of hazardous materials transported does not warrant mitigation.

SEA researched the effects of stopping and starting and extended stops on accident frequency and determined that these factors do not significantly contribute to accidents involving hazardous materials releases. For the Draft EA, SEA analyzed the risk of a release along segments where hazardous materials transport would increase, and SEA determined that the predicted increase in the frequency of a hazardous materials release was statistically insignificant. SEA notes that the predicted risk of release along rail line segment 171 would be one release every 2,271 years.

SEA notes that Federal agencies, such as DOT and FRA, strictly regulate the hazardous materials transport by rail. In addition to the legally binding Federal regulations, CN voluntarily complies with AAR's Key Route guidelines, which would apply to segment 171, since it currently carries more than 10,000 carloads of hazardous materials per year. Additionally, CN plays a key role in TransCAER[®], an information training program for communities through which dangerous goods are transported. SEA continues to believe that Federal regulations and the Applicants' voluntary practices sufficiently address any increased risk associated with hazardous materials transport along segment 171 in southeast Chicago.

Comment: SECC requested information regarding CN's TransCAER[®] program of community workshops related to hazardous materials and emergency

preparedness (Reference: Draft EA's Appendix P, "Voluntary Railroad Mitigation Plans").

Response: SEA informed the Applicants that the SECC communities are interested in participating in TransCAER®. Further information on CN's TransCAER® program is available at the following website:
<http://www.cn.ca/english/about/safety/transcaer/index.html>

Air Quality

Comment: Rail line segment 171 (Chicago-to-Chicago 94th Street, Illinois) has a forecasted gross ton-mile increase of 46 percent. The gross ton-mile increase is slightly less than the 50 percent increase threshold required for air quality mitigation in non-attainment areas. Given the population density of this area, SECC requested that rail line segment 171 be considered for air quality mitigation. SECC was pleased that the Draft EA described recent regulations to reduce locomotive emissions.

Response: SEA reviewed all of the air quality analysis results and determined that no potential for significant air quality impacts exists for rail line segment 171 because the level of projected train traffic is less than the Board's threshold for environmental analysis. SEA notes that in its analysis of all rail line segments that exceeded the Board's thresholds for air quality analysis, it did not identify any areas where the increased emissions resulting from the proposed CN/IC Acquisition would result in significant air quality impacts. Further, new EPA regulations for locomotive emissions would result in reduced air emissions for all rail line segments beginning in 2000. SEA concludes that changes in air quality along rail line segment 171 would not require mitigation.

Noise

Comment: SECC noted that forecasted post-merger operations on rail line segment 171 (Chicago-to-Chicago 94th Street, Illinois) will not approach SEA's "mitigation threshold" for noise. Nevertheless, SECC requested that SEA recommend the Board require the Applicants to conduct railroad operations in as quiet a manner as practicable and suggested the following measures: locomotive and track maintenance, horn noise, and operating practices. Given the absence of highway/rail at-grade crossings in this community, freight train horn blowing has not been a serious problem to date; SECC wishes to keep it that way.

Response: SEA considered SECC's request that the Final EA include a recommendation to require the Applicants to conduct railroad operations as quietly as practicable. SEA notes that in general, EPA regulations govern noise from freight trains and establish maximum noise levels for train operations. SEA believes that these requirements sufficiently limit noise from train operations and does not believe

that further requirements are warranted. Regarding SECC's comment on horn sounding, SEA notes that state and local regulations require railroads to blow horns in certain situations for safety purposes. Since safety is paramount to the Board, SEA does not believe that recommending limits on horn blowing is prudent. However, SEA notes that in the absence of any highway/rail at-grade crossings on the rail line segment of concern to SECC, there would be no likely reason to sound horns for grade crossing safety. Based on its review, SEA concludes that the proposed operations on rail line segment 171 would not cause significant noise impacts, and therefore, these operations do not warrant mitigation.

SEA also notes that the Applicants have discussed noise issues with SECC and provided SEA with the following information about their noise reduction practices: the Applicants strive to reduce train noise through several operating measures, such as optimizing locomotive throttle settings (minimizing over-throttling); minimizing the amount of train idling; limiting the use of whistles to the minimum necessary (e.g., highway/rail at-grade crossings and emergency situations); and using dynamic braking, which does not require the air compressor and allows the locomotive to idle at a lower engine speed.

Maintenance

Comment: SECC asked whether the many IC bridges are capable of safely accommodating the forecasted 46 percent gross ton-mile increase following the proposed Acquisition. SECC stated that some bridges showed signs of deterioration. SECC also asked if track standards and maintenance are commensurate with the increased gross ton-mile forecast.

Response: To address SECC's concern that IC bridges over streets in the southeast Chicago area are fit to handle additional gross tonnage, SEA asked the Applicants to review safety and maintenance for bridges on rail line segment 171. IC's Bridges and Structures Department stated that the current bridges on the Lakefront Line in Chicago (segment 171) are structurally sound and could handle the potential post-Acquisition increased levels of traffic. In addition, track standards and maintenance will indeed be commensurate with the increased tonnage on this segment. The gross tonnage of traffic moving over a bridge or rail line segment is one of many factors that track and bridge maintenance and inspection programs consider. As stated in both the Applicants' Operating Plan and Safety Integration Plan, sharing each railroad's best practices, including track and bridge maintenance and inspection programs, would be a key benefit of the CN/IC Acquisition. SEA also notes that FRA regulates the Federal agency primarily responsible for railroad safety. If the proposed Acquisition is approved, FRA would participate with the Board to oversee the safe integration of the Applicants' railroads.

Safety Integration Plan

Comment: SECC was pleased about the emergency preparedness and Safety Integration Plan requirements and hoped that these activities would be coordinated with the City of Chicago's police, fire, and emergency rescue services. SECC was concerned that FRA's letter of October 30, 1998 regarding the Applicants' proposed Safety Integration Plan stated that the Plan "is still lacking in some respects." SECC trusted that the Board would withhold final approval of the CN/IC Acquisition until the Safety Integration Plan was satisfactory.

Response: The Safety Integration Plan focuses on accident prevention during the proposed integration of the CN and IC systems and includes an ongoing process to allow the Applicants and FRA to respond to safety issues that arise during system integration. The Board and FRA would continue to monitor safety integration to ensure that the Acquisition is implemented in the safest manner possible. Nevertheless, SEA has forwarded SECC's request for coordination with Chicago officials to CN. SEA notes that it did not recommend specific mitigation conditions for the City of Chicago in the Draft EA because it does not believe that the proposed increases in hazardous materials transport through the Chicago area warrant additional mitigation. As a result, SEA anticipates no change to emergency preparedness in the Chicago area. SEA concludes that existing Federal regulations and the Applicants' voluntary practices sufficiently address any increased risk.

2.2.17 Passenger Rail Service Provider: National Railroad Passenger Corporation (Amtrak)

The National Railroad Passenger Corporation (Amtrak) commented on intercity passenger operations issues. However, SEA notes that Amtrak recently reached an agreement with CN and resolved its concerns about the proposed CN/IC Acquisition. In a filing to the Board dated February 8, 1999, Amtrak stated its support of the proposed Acquisition.

Intercity Passenger Operations

Comment: Amtrak concurred with SEA's assessment that IC's Chicago, Illinois-to-New Orleans, Louisiana main line was the line on which Amtrak trains would most likely experience adverse impacts as a result of the proposed CN/IC Acquisition. However, Amtrak stated that the Draft EA's conclusion that Amtrak's operations over the rail line segment will not be adversely impacted is based on flawed methodology.

Amtrak stated that SEA's conclusion in the Draft EA that the Cairo-to-Carbondale, Illinois segment could accommodate a total of 26 trains per day and, therefore, could accommodate the predicted post-Acquisition train traffic of 23 trains per day was based on a flawed methodology. Amtrak stated that SEA looked only at the theoretical maximum capacity of a rail line segment over a

24-hour period. It did not consider whether that segment actually could accommodate all of the existing and additional freight trains that the Applicants plan to operate at the times when Applicants plan to operate them, as shown in the projected schedules. Instead, it assumed that all trains operating over the line segment will be distributed evenly throughout the day, seven days per week, 365 days per year. Similarly, the number of freight trains operated over most rail lines fluctuates both seasonally and day to day. While the Board recognized that such traffic fluctuations can significantly increase delays attributable to increased freight traffic, the Draft EA's approach assumed that they do not exist. Amtrak stated that the Draft EA's approach differed from the Board's findings in recent cases (see STB Ex Parte No. 573, "Rail Service in the Western United States," Decision served July 31, 1998, at 5). Similarly, Amtrak stated that the Draft EA's approach did not account for the need on nearly all rail lines to accommodate local train switching operations, which can consume a significant portion of available track time.

Amtrak stated that the Final EA should include the imposition of the limited on-time performance condition that Amtrak has asked the Board to impose if it approves the Acquisition.

Response: SEA reviewed Amtrak's comments and re-evaluated the passenger rail capacity analysis. For the Draft EA, SEA first identified the theoretical capacity of the rail corridor. To allow for the daily and seasonal fluctuations in train traffic, SEA applied a conservative, industry-accepted safety factor of 60 percent to the rail line segment. This safety factor allows for activities that are not specifically included in the capacity model, such as track maintenance and local industry switching, and variations in weather, scheduled operations, shipper needs, and other factors.

In the Draft EA, SEA estimated the theoretical capacity of this line to be 43 trains per day. Applying the 60 percent factor resulted in SEA's estimated capacity of 26 trains per day as Amtrak cited. This allows for a "cushion" of 17 trains per day to accommodate peak volumes. This methodology is noted in Volume 2, Appendix D, "Transportation Analysis Methods and Results," of the Draft EA. SEA then compared the projected train traffic with this conservative capacity estimate. Based on this information, SEA concluded that the rail line segment has sufficient capacity to accommodate the additional freight traffic without significantly affecting passenger train service. Measuring average traffic volumes against the estimated capacity of 26 trains, rather than the theoretical maximum of 43 trains, provides a cushion against peak volumes. The use of such a cushion is accepted in the industry as a valid method for calculating capacity.¹⁹

¹⁹ American Railway Engineering Association, *Manual for Railway Engineering*, Chapter 16, Section 4.4.2, (1994).

However, SEA conducted additional analysis in response to Amtrak's comments. Its study reveals little variation of traffic levels between Cairo and Carbondale during the course of a week. More than 85 percent of the trains (including all intermodal trains) operate seven days per week, and another 10 percent run six days per week. Similarly, there is little seasonal variation of traffic on this segment. The most significant variation results from additional grain traffic in October and November, which is limited to one or two trains per day. Finally, the capacity analysis does not include local trains because no regularly scheduled local trains use the Carbondale-to-Cairo segment.

SEA also reviewed overall on-time performance for IC. From October 1, 1997 to November 9, 1998, IC had the second best record among Class I railroads for decreases in railroad-controlled delays to Amtrak (Grand Trunk Western was the most improved). During the same period, IC had the fourth best record for Amtrak train delay among Class I railroads (535 minutes per 10,000 train miles). The Applicants state, "IC has consistently made Amtrak's on-time performance a top priority and will continue to do so."

In addition to SEA's conclusions that sufficient theoretical line capacity exists and the proposed Acquisition would not conflict with scheduled passenger operations beyond the capacity of the rail line, the relevant portions of the Rail Passenger Service Act of 1970 provide Amtrak with further safeguards. This Act requires that Amtrak passenger operations take precedence over other types of traffic moving over the rail line. The Applicants, therefore, must consider this when either scheduling operations or during the day-to-day dispatching of their rail lines. Based on SEA's analysis of the line capacity on the Chicago-to-New Orleans rail line segment and the existing laws mandating passenger rail priority over freight operations, SEA concludes that the proposed Acquisition does not warrant an on-time performance standard as a condition of the Application.

2.2.10 The Applicants

The Applicants commented on general environmental concerns and the Safety Integration Plan.

Environmental Concern - General

Comment: The Draft EA stated and the Applicants concurred that the transaction, if conditioned on mitigation proposed by SEA, would not have any significant adverse environmental impacts. The Applicants stated that, as the Draft EA showed, the overall environmental effects of the transaction are generally favorable or neutral. The transaction is a simple end-to-end combination of the two smallest Class I railroads in the United States (as measured by miles of road operated). No abandonments are related to the transaction and, therefore, no diversion of rail traffic to less environmentally friendly truck transportation. Only two small construction projects (connections at Jackson, Mississippi and Cicero,

Illinois) would have effects outside the existing railroad right-of-way, and those effects, as described in detail in the Draft EA, would be minor. Traffic diversions to the combined system would be relatively minor, as would be such local effects as increases in noise and air emissions.

As the Draft EA demonstrated, the system-wide effects of the proposed Acquisition would be favorable to the environment. Among other things, the Draft EA projects that, largely as a result of truck-to-rail diversions, the proposed Acquisition would bring about substantial net reductions in emissions of volatile organic compounds (VOCs), carbon monoxide (CO), oxides of nitrogen (NO_x), particulate matter (PM₁₀), and insignificant net increases in emissions of sulfur dioxide (SO₂). In addition, the Draft EA projected that truck-to-rail diversions would contribute to a net fuel consumption savings of 4.22 million gallons per year and would reduce highway maintenance costs and traffic congestion.

The Applicants further stated that, given the substantial environmental benefits of the Acquisition, the Board should not be swayed by parties that challenge the Draft EA's conclusions with criticisms of its methodologies or suggest that the adverse environmental effects are significant and require drastic mitigation measures.

Response: SEA concurs with CN's and IC's comments that the proposed Acquisition generally results in beneficial environmental effects for air quality, fuel consumption, and highway traffic congestion. For issues with potential adverse effects, SEA believes that by implementing its recommended mitigation, no significant adverse impacts would result from the proposed CN/IC Acquisition. Nevertheless, SEA reviewed and responded to each comment submitted, performed additional analysis as necessary, and refined the mitigation it presented in the Draft EA to respond to public and agency concerns. Although these modifications are minor, they serve to clarify SEA's intention to mitigate potential effects and address public concerns.

Safety Integration Plan

Comment: The Applicants also stated that, as the Draft EA noted, they are continuing to work with FRA to address its concerns regarding safety implementation. The Applicants urged SEA to adhere to the recommendations in the Draft EA, which would make provisions for that process to continue and would allow FRA, the agency with special expertise on rail safety, to take the lead in addressing issues that may arise from integrating two rail systems with different safety practices.

Response: SEA acknowledges the Applicants' comment that they will continue to work with FRA to address its concerns regarding the Safety Integration Plan for the proposed Acquisition. SEA understands and recommends that the Safety Integration Plan is an evolving document that is subject to any future additions and modifications

necessary to safely integrate CN and IC operations. SEA's recommended mitigation acknowledges that FRA will maintain the lead role in addressing issues related to the Safety Integration Plan and report any integration issues that warrant Board action and oversight.

CHAPTER 3

SEA'S FINAL RECOMMENDED ENVIRONMENTAL MITIGATION

Chapter 3 presents the Section of Environmental Analysis' (SEA's) final recommended environmental mitigation for the Surface Transportation Board (Board) to consider in its final written decision on the proposed Canadian National Railway Company/Illinois Central (CN/IC) Acquisition. In preparing its final recommended mitigation, SEA reviewed the 20 comment letters it received on the Draft EA and made appropriate changes to its preliminary recommended mitigation measures to reflect those comments and SEA's additional analysis. Chapter 3 consists of two sections—Section 3.1 presents SEA's approach to developing appropriate mitigation, and Section 3.2 contains SEA's specific mitigation recommendations.

During its environmental review, SEA identified potential significant impacts in only one area, hazardous materials transport. SEA determined that these impacts could also result in disproportionately high and adverse effects for environmental justice populations in five communities in Southern Illinois. Chapter 3 contains SEA's recommended mitigation for this issue area, including tailored mitigation to address the needs of affected environmental justice populations. SEA also recommends that the Applicants be required to apply construction Best Management Practices to prevent potential impacts from proposed construction activities. Furthermore, this chapter includes mitigation that would require compliance with the ongoing safety integration process that the Federal Railroad Administration (FRA) and the Board would oversee. With the mitigation described in this chapter, SEA concludes that the proposed CN/IC Acquisition would not result in significant adverse environmental effects.

3.1 OVERVIEW OF SEA'S APPROACH TO MITIGATION

During its environmental review, the Board took the requisite "hard look" at the potential environmental consequences of the proposed CN/IC Acquisition. In its environmental review, SEA conducted a thorough and comprehensive analysis of the potential environmental effects associated with the increases in rail activities CN and IC propose in their Application to the Board. In its analysis, SEA considered the following:

- **Safety:** Effects on freight rail operations, hazardous materials transport, passenger rail operations, highway/rail at-grade crossings, and emergency vehicle response delay.
- **Transportation Systems:** Effects on delay at highway/rail at-grade crossings, traffic and roadway systems, passenger rail operations capacity, and navigation.
- **Energy.**

- Air Quality.
- Noise.
- Environmental Justice.
- Natural Resources (including biological resources).
- Hazardous Waste Sites.
- Cultural and Historic Resources.
- Land Use.
- Cumulative Effects.
- Safety Integration.

3.1.1 Scope of the Board's Conditioning Power

The Board has limited authority to impose conditions to mitigate potential environmental impacts. As a government agency, the Board can only impose conditions that are consistent with its statutory authority. Accordingly, any conditions the Board imposes must relate directly to the transaction it is licensing, must be reasonable, and must be supported by the record before the Board. Thus, the Board's practice consistently has been to mitigate only those impacts that result directly from the proposed action. The Board typically does not require mitigation for pre-existing environmental conditions, such as the effects of current railroad operations.

In considering whether to approve the proposed Acquisition, the Board must weigh the anticipated public benefits to the national transportation system, interstate commerce, and affected regions and communities against potential adverse effects. In making its decision regarding this project and any conditions it might impose, including environmental conditions, the Board will consider the Draft EA, Final EA, public comments, and SEA's final environmental mitigation recommendations.

As an alternative to the mitigation that the Board would unilaterally impose on the Applicants (notwithstanding mitigation required by other Federal regulatory agencies that may have jurisdiction over potentially affected resources), SEA strongly encourages the railroads and affected communities to negotiate mutually acceptable agreements. The Board could then impose compliance with the terms of any mutually acceptable binding agreement as an environmental condition in any decision approving the proposed CN/IC Acquisition. These negotiated agreements would supersede any of SEA's recommended mitigation for that community. SEA also encourages CN and IC to develop voluntary mitigation to address potential impacts. For example, SEA notes that CN has offered its TransCAER® program to address hazardous materials transport issues.

3.1.2 Safety Integration

Safety is of paramount importance to the Board. In addition to the mitigation in this Final EA, which addresses the safety impacts associated with the transport of hazardous materials, the Board directed the Applicants to prepare a Safety Integration Plan under FRA guidelines that specifically addresses the process of safely combining the two separate systems if the proposed Acquisition is approved. FRA has reviewed and commented on the Safety Integration Plan, and the Applicants have revised it to address FRA concerns. Because safety integration is an ongoing process, the Board and FRA also have entered into a Memorandum of Understanding (MOU), with the concurrence of the U.S. Department of Transportation, that outlines the continuing Safety Integration Plan process and establishes the way in which FRA and the Board will address potential issues.

To facilitate public review and comment on this important issue, the Draft EA included the complete Safety Integration Plan, FRA's comments on the Plan, and the MOU. SEA also reviewed the plan. SEA fully considered public and agency comments in preparing this Final EA.

3.2 RECOMMENDED MITIGATION MEASURES

Based on its independent environmental analysis, review of the available information, and agency consultation, SEA recommends that the Board impose, as conditions to any decision approving the proposed CN/IC Acquisition, 15 environmental mitigation measures to address the following issues:

- Hazardous materials transport.
- Environmental justice.
- Construction projects.
- Safety Integration Plan.
- Mitigation monitoring and enforcement.

Table 3-1, "Final Recommended Mitigation by State," identifies the recommended mitigation measures for each state. Additional tables follow for specific mitigation measures to identify the rail activity or community to which the recommended mitigation measures apply.

SEA recognizes that its hazardous materials mitigation measures would promptly address the near-term potentially significant impacts of changes in rail traffic resulting from the proposed CN/IC Acquisition. Existing FRA and DOT regulations provide the safety standards governing the transportation of hazardous materials by rail, and SEA does not intend for its mitigation to interfere with any Federal regulatory standards. Nevertheless, SEA's final recommended mitigation measures include conditions that would remain in effect for only three years or during any longer oversight period that the Board may establish for this transaction.

For all recommended mitigation measures requiring certification to the Board, the Applicants shall provide an original plus 25 copies of certification to the following address:

Office of the Secretary
Case Control Unit
Finance Docket No. 33556
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

**TABLE 3-1
FINAL RECOMMENDED MITIGATION BY STATE**

State	Final Recommended Mitigation Condition
Alabama	1, 7, 13, 14, 15
Illinois	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
Iowa	1, 7, 13, 14, 15
Kentucky	1, 3, 4, 5, 6, 7, 13, 14, 15
Louisiana	1, 7, 13, 14, 15
Michigan	1, 2, 7, 13, 14, 15
Minnesota	1, 7, 13, 14, 15
Mississippi	1, 7, 11, 12, 13, 14, 15
Nebraska	1, 7, 13, 14, 15
New York	1, 7, 13, 14, 15
Tennessee	1, 7, 13, 14, 15
Vermont	1, 7, 13, 14, 15

SEA notes that it has refined some of the preliminary mitigation measures it presented in the Draft EA to respond to the public and agency concerns. SEA's changes include the following:

- **Condition 1:** SEA clarified the time frame during which the Applicants shall comply with "key train" guidelines.
- **Condition 3:** SEA clarified the timing for the Applicants' distribution of hazardous materials emergency response plans.
- **Condition 7:** SEA added this condition, which would require the Applicants to notify appropriate agencies in the event of a reportable hazardous materials release.

- **Condition 10:** SEA clarified that the Applicants' would also provide reasonable travel expenses for representatives of emergency response organizations to attend a training session at AAR's Transportation Technology Center.
- **Conditions 11 and 12:** SEA clarified that the Applicants be required to apply these conditions to all five construction projects related to the proposed CN/IC Acquisition.

SAFETY: HAZARDOUS MATERIALS TRANSPORT CONDITIONS

Condition 1. The Applicants shall comply with current Association of American Railroads (AAR) "key train" guidelines and any subsequent revisions for a period of three years from the effective date of the Board's final written decision or during any longer oversight period that the Board might establish. (See "Recommended Railroad Operating Practices for Transportation of Hazardous Materials," AAR Circular No. OT-55-B.)

AAR guidelines define key trains as any trains with five or more tank carloads of chemicals classified as a poison inhalation hazard or any train with a total of 20 rail cars with any combination of poison inhalation hazards, flammable gases, explosives, or environmentally sensitive chemicals. AAR key train guidelines include measures for a maximum operating speed of 50 mph and full train inspections by the train crew whenever a train is stopped by an emergency application of the train air brake or following the report of a defect by a wayside defect detector.

Condition 2. The Applicants shall continue to manage the four rail line segments listed in Table 3-2, "Rail Line Segments that Warrant Hazardous Materials (Key Route) Mitigation," as Key Routes for a period of three years from the effective date of the Board's final written decision or during any longer oversight period that the Board might establish. The Applicants shall certify to the Board compliance with AAR's Key Route guidelines on these rail line segments prior to implementing the proposed CN/IC Acquisition and annually for the compliance period specified above. (See "Recommended Railroad Operating Practices for Transportation of Hazardous Materials," AAR Circular No. OT-55-B.)

**TABLE 3-2
RAIL LINE SEGMENTS THAT
WARRANT HAZARDOUS MATERIALS
(KEY ROUTE) MITIGATION**

Route and Segment(s)	Length (miles)	Rail Line Segment ID
Detroit Intermodal, MI to Mal Junction, MI	14.6	1222
Mal Junction, MI to Pontiac, MI	0.9	1225
Pontiac, MI to West Pontiac, MI	2.2	1230
West Pontiac, MI to Durand, MI	38.3	1235

Condition 3.

The Applicants shall distribute a copy of their current hazardous materials emergency response plans to each local emergency response organization or coordinating body in the communities along the four Key Route rail line segments listed in Condition No. 2 and the ten Major Key Routes rail line segments listed in Condition No. 4. The Applicants shall certify to the Board compliance with this condition within six months of the effective date of the Board's decision. In addition, for a period of three years from the effective date of the Board's final written decision, the Applicants shall distribute hazardous materials emergency response plans at least once or whenever they materially change their plans in a manner that affects coordination with the local emergency response organizations.

Condition 4.

The Applicants shall work with each local emergency response organization or coordinating body in the communities along the ten rail line segments listed in Table 3-3, "Rail Line Segments that Warrant Hazardous Materials Emergency Response (Major Key Route) Mitigation," to develop a local hazardous materials emergency response plan to be implemented in coordination with the Applicants' hazardous materials emergency response plans. The individual plans shall be consistent with the National Response Team Guidance documents NRT-1 (*Hazardous Materials Emergency Planning Guide*), NRT-1A (*Criteria for Review of Hazardous Materials Emergency Plans*), and the U.S. Environmental Protection Agency's *Technical Guidance for Hazardous Analysis* or other equivalent documents that are used by the affected community's local emergency response organization or coordinating body. The Applicants shall certify to the Board compliance with this condition within one year of the effective date of the Board's final written decision.

TABLE 3-3
RAIL LINE SEGMENTS THAT WARRANT
HAZARDOUS MATERIALS EMERGENCY RESPONSE
(MAJOR KEY ROUTE) MITIGATION

Route and Segment(s)	Length (miles)	Rail Line Segment ID
Matteson (EJE), IL to Kankakee, IL	26.6	187
Kankakee, IL to Otto, IL	5.2	190
Otto, IL to Gilman, IL	20.6	203
Gilman, IL to Champaign, IL	46.3	303
Champaign, IL to Mattoon, IL	45.1	315
Edgewood, IL to Centralia, IL	37.3	360
Centralia, IL to Renlakhine, IL	23.5	365
Renlakhine, IL to Du Quoin, IL	11.7	370
Carbondale, IL to Cairo, IL	54.4	380
Cairo, IL to Fulton, KY	43.5	385

Condition 5.

The Applicants shall implement a simulation emergency response drill or training session with the voluntary participation of local emergency response committees or coordinating bodies in affected communities along each Major Key Route identified in Condition 4. The Applicants shall certify to the Board compliance with this condition within two years of the effective date of the Board's final written decision.

Condition 6.

The Applicants shall provide dedicated toll-free telephone numbers to the emergency response organizations or coordinating bodies responsible for each community located along the four rail line segments identified in Condition 2 and the ten rail line segments identified in Condition 4. These telephone numbers shall provide access to personnel 24 hours per day, seven days per week, at the Applicants' dispatch centers where local emergency responders can quickly obtain and provide information regarding the transport of hazardous materials on a given train and appropriate emergency response procedures in the event of a train accident or hazardous materials release. The Applicants need not provide these telephone numbers to the public. Before increasing Acquisition-related hazardous materials traffic on these rail line segments, the

Applicants shall certify to the Board that they have complied with this condition.

Condition 7.

As requested by the U.S. Fish and Wildlife Service (FWS), the Applicants shall notify and consult with FWS and the appropriate state departments of natural resources in the event of a reportable hazardous materials release with the potential to affect listed threatened or endangered species.

ENVIRONMENTAL JUSTICE CONDITIONS

Condition 8.

The Applicants shall, with the advice and consideration of responsible local governments, adapt and modify the local component of its required hazardous materials emergency response plan to account for the special needs of minority and low-income populations adjacent to or in the immediate vicinity of the rail line segments in Table 3-4, "Communities that Warrant Tailored Hazardous Materials Emergency Response Mitigation." The Applicants shall certify compliance with this condition within one year of the effective date of the Board's final written decision.

**TABLE 3-4
COMMUNITIES THAT WARRANT
TAILORED HAZARDOUS MATERIALS
EMERGENCY RESPONSE MITIGATION**

Community, State	Route and Segment(s)	Rail Line Segment ID
Cairo, IL	Carbondale, IL to Cairo, IL	380
	Cairo, IL to Fulton, KY	385
Carbondale, IL	Carbondale, IL to Cairo, IL	380
Centralia, IL	Edgewood, IL to Centralia, IL	360
	Centralia, IL to Renlakhine, IL	365
De Quoin, IL	Renlakhine, IL to De Quoin, IL	370
Mounds, IL	Carbondale, IL to Cairo, IL	380

Condition 9.

The Applicants shall provide Operation Respond software and any necessary training to the local emergency response center serving minority and low-income populations adjacent to or in the immediate vicinity of Applicants' rail line segments in the communities listed in Condition 8. The Applicants shall certify compliance with this condition within one year of the effective date of the Board's final decision.

- Condition 10.** As agreed to by the Applicants, the Applicants shall provide funds for two representatives of the emergency response organizations from each community listed in Condition 8 to attend a training session at AAR's Transportation Technology Center in Pueblo, Colorado. Such funding shall include reasonable travel expenses.

CONSTRUCTION CONDITIONS

Conditions 11 and 12 apply to the five Acquisition-related construction activities listed in Table 3-5, "Proposed Construction Projects," as appropriate, to reduce or avoid the potential for environmental impacts resulting from the proposed CN/IC Acquisition.

**TABLE 3-5
PROPOSED CONSTRUCTION PROJECTS**

State	Location	Description
Illinois	Centralia Yard	Upgrade project.
Illinois	Champaign Yard	Upgrade project.
Illinois	Cicero	Construct a new 1,000-foot connection.
Mississippi	Jackson Yard	Construct 2,140 feet of new rail for a bypass west of the rail yard.
Tennessee	Memphis Yard	Upgrade project.

- Condition 11.** For all proposed CN/IC Acquisition-related construction activities noted in Table 3-5, "Proposed Construction Projects," the Applicants shall employ the Best Management Practices presented in Attachment 3-A, "Best Management Practices for Construction Activities."

- Condition 12.** For all proposed CN/IC Acquisition-related construction activities noted in Table 3-5, "Proposed Construction Projects," the Applicants shall comply with the following Federal, state, and/or local regulations, which have particular applicability in mitigating potential environmental impacts:

Hazardous and Solid Waste Handling

- a) Applicants shall observe all applicable Federal, state, and local regulations regarding the handling and disposal of any waste materials, including hazardous waste, encountered or generated during construction activities. In the event of a hazardous waste spill resulting from proposed construction

activities, the Applicants shall implement appropriate emergency response and notification procedures and the appropriate remediation measures as required by applicable Federal, state, and local regulations.

- b) Applicants shall transport all hazardous materials generated by all proposed construction activities in compliance with DOT's Hazardous Materials Regulations (49 CFR Parts 171 to 179).
- c) Applicants shall dispose of all materials that cannot be reused in accordance with applicable Federal, state, and local solid waste management regulations.

Dust Control

- d) Applicants shall comply with all applicable Federal, state, and local regulations to control and minimize fugitive dust emissions resulting from construction activities. Compliance may involve the use of such control methods as spraying water, installing wind barriers, or providing chemical treatment.

Water Resources Protection

- e) Applicants shall obtain all necessary Federal, state, and local permits for the alteration of wetlands, ponds, lakes, streams, or rivers or if a likelihood exists for construction activities to cause soil or other materials to enter into these water resources. Applicants also shall use Best Management Practices to minimize other potential environmental impacts on water bodies, wetlands, and navigation (see Attachment 3-A, "Best Management Practices for Environmental Conditions No. 7 and 8").

Stormwater Discharge

- f) Applicants shall obtain all necessary Federal, state, and local permits for stormwater discharge, including National Pollutant Discharge Elimination System permits, during construction activities.

Use of Herbicides

- g) Applicants shall use only Environmental Protection Agency-approved herbicides and qualified personnel or contractors for application of right-of-way maintenance herbicides and shall limit such applications to the extent necessary for rail operations.

SAFETY INTEGRATION CONDITIONS

- Condition 13.** The Applicants shall comply with the Safety Integration Plan, which may be modified and updated as necessary to respond to evolving conditions.
- Condition 14.** The Applicants shall participate and fully cooperate with the ongoing regulatory activities associated with the safety integration process, as described in the MOU agreed to by the Board and FRA, with the concurrence of DOT, until FRA affirms to the Board in writing that integration of the Applicants' systems has been completed safely and satisfactorily.

MONITORING AND ENFORCEMENT CONDITION

- Condition 15.** If there is a material change in the facts or circumstances upon which the Board relied in imposing specific environmental mitigation conditions in this Decision and upon petition by any party who demonstrates such material change, the Board may review the continuing applicability of its final mitigation, if warranted.

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ATTACHMENT 3-A
Best Management Practices for
Construction Activities

1. Applicants shall restore any adjacent properties disturbed during right-of-way construction or abandonment-related activities to pre-construction or pre-abandonment conditions.
2. Applicants shall encourage regrowth in disturbed areas and stabilize disturbed soils according to standard construction practices or as required by construction permits.
3. Applicants shall use appropriate signs and barricades to control traffic disruptions during construction or abandonment-related activities at or near any highway/rail at-grade crossings.
4. Applicants shall restore roads disturbed during construction or abandonment-related activities to conditions required by state and local jurisdictions.
5. Applicants shall control temporary noise from construction or abandonment-related equipment through use of work-hour controls, operation and maintenance of muffler systems on machinery, and/or other noise reduction methods.
6. If Applicants find previously unknown archeological remains during construction or abandonment-related activities, they shall immediately cease excavation work in the area and contact the appropriate State Historic Preservation Office for guidance and coordination.
7. Applicants shall use appropriate technologies, such as silt screens and straw bale dikes, to minimize soil erosion, sedimentation, runoff, and surface instability during construction or abandonment-related activities. Applicants shall disturb the smallest area possible around any streams and tributaries and shall consult with the appropriate state agent to properly revegetate disturbed areas immediately following construction or abandonment-related activities.
8. Applicants shall ensure that all culverts are clear of debris to avoid potential flooding and stream flow alteration.
9. Applicants shall design and construct proposed construction/abandonment activities so as to preserve effective drainage to maintain the quality of adjacent prime farmland.
10. Applicants shall use appropriate techniques to minimize potential environmental impacts on water bodies, wetlands, and navigation, including the following specific measures:
 - a) If necessary, Applicants shall avoid impacts or losses to wetlands wherever possible. If wetland impacts are unavoidable, Applicants must demonstrate that

no practicable alternatives that would avoid or further minimize impacts to wetlands are available. Applicants shall compensate for unavoidable wetland losses at ratios determined by the U.S. Army Corps of Engineers and FWS as to type of wetland affected on a site-by-site basis.

- b) If necessary, Applicants shall design and replicate compensatory wetlands to match as closely as possible the specific mix of types, functions, and values of the affected wetlands. The compensatory wetlands shall be established via the process of restoration to the extent feasible, and they shall be located in an area as close as practicable to the affected wetlands.
- 11. Applicants shall ensure that abandonment-related activities are designed to preserve land forms and drainage patterns that may provide flood protection.
- 12. Applicants shall ensure that for any construction project, new lighting fixtures installed in new parking and security areas adjacent to residential zoned areas shall be cut off or shielded to avoid effects to residences.
- 13. Applicants shall compensate for trees removed during project activities. Applicants shall replace trees with native saplings, if practicable, at a minimum ratio of 1:1, and replacement shall occur as close as possible to the affected areas.
- 14. Applicants shall establish a staging area for construction equipment in environmentally nonsensitive areas to control erosion and spills.
- 15. Should project activities affect previously unidentified threatened or endangered species and/or their habitat, Applicants shall immediately cease project activities and contact the FWS and the appropriate State Department of Natural Resources for guidance and coordination.
- 16. Applicants shall use established standards for recycling or reuse of construction materials such as ballast and rail ties. When recycling construction materials is not a viable option, Applicants shall specify disposal methods of materials, such as rail ties and potentially contaminated surrounding soils and ballast materials, to ensure compliance with applicable solid and hazardous waste regulations.
- 17. Applicants shall develop a vibration specification for any proposed construction activities associated with the proposed CN/IC Acquisition that involve pile driving, major excavation, or demolition.

APPENDIX A TECHNICAL INFORMATION

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APPENDIX A TECHNICAL INFORMATION

Appendix A contains technical information that supplements the discussions in this Final Environmental Assessment (EA).

- Section A.1, "Rail Line Segments, Intermodal Facilities, and Rail Yards," describes the proposed changes in rail activities if the Surface Transportation Board (Board) approves the proposed CN/IC Acquisition. The remaining appendices include technical information, arranged by discipline.
- Section A.2, "Rail Operations Verification," presents the Section of Environmental Analysis' (SEA) review of the changes the Applicants made to their Operating Plan in response to comments and Norfolk Southern Railway Company's (NS) Inconsistent and Responsive (IR) Application.
- Section A.3, "Thresholds and Criteria," presents a table summarizing SEA's rationale for both thresholds it uses to identify rail activities for environmental analysis and the criteria it uses to identify significant impacts.
- Section A.4, "Noise," provides additional information the U.S. Environmental Protection Agency (EPA) requested in their comments regarding the location of noise receptors.
- Section A.5, "Cumulative Effects of Hazardous Materials Transport," provides supplemental information used to respond to comments regarding hazardous materials transport issues.
- Section A.6, "Air Quality," provides revised attainment status maps SEA developed in response to comments from the Michigan Department of Environmental Quality (DEQ).
- Section A.7, "Environmental Justice," provides additional information EPA requested in their comments regarding SEA's statistical analysis.

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A.1 RAIL LINE SEGMENTS, INTERMODAL FACILITIES, AND RAIL YARDS

The following tables contain the Applicants' projected rail activity levels if the Board approves the proposed CN/IC Acquisition:

- Table A.1-1, "CN/IC Acquisition Rail Line Segment Master Table."
- Table A.1-2, "CN/IC Acquisition Intermodal Facilities Master Table."
- Table A.1-3, "CN/IC Acquisition Rail Yards Master Table."

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TABLE A.1.1
CENTRIC ACQUISITION RAIL LINE SEGMENT MASTER TABLE

Segment Details			Length		Passenger and Freight Train			Freight Gross Tonnage			Monthly Carloads/Year			Thresholds Met		
Segment Number	From Station	To Station	Round	Miles	Passenger Train	Freight Train	Freight Miles	Freight Miles	Freight Miles	Freight Miles	Freight Miles	Freight Miles	Freight Miles	Freight Miles	Freight Miles	
					Trains	Trains	Trains	Trains	Trains	Trains	Trains	Trains	Trains	Trains	Trains	
100	BRIDGEPORT IL	BRIDGEPORT IL	IC	3.6	0	0	0	0	0	0	0	0	0	0	0	
101	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
102	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
103	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
104	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
105	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
106	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
107	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
108	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
109	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
110	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
111	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
112	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
113	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
114	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
115	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
116	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
117	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
118	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
119	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
120	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
121	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
122	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
123	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
124	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
125	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
126	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
127	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
128	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
129	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
130	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
131	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
132	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
133	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
134	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
135	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
136	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
137	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
138	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
139	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
140	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
141	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
142	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
143	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
144	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
145	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
146	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
147	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
148	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
149	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
150	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
151	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
152	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
153	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
154	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
155	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
156	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
157	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
158	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
159	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
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162	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
163	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
164	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
165	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
166	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
167	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
168	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
169	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
170	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
171	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
172	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
173	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
174	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
175	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
176	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
177	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
178	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
179	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
180	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
181	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
182	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
183	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
184	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
185	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
186	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
187	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
188	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
189	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
190	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
191	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
192	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
193	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
194	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
195	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
196	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
197	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
198	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
199	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
200	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
201	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
202	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
203	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
204	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
205	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
206	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
207	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
208	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0	0	0	
209	BRIDGEPORT IL	BRIDGEPORT IL	IC	0.7	0	0	0	0	0	0	0	0	0			

CNMC ACQUISITION RAIL LINE SEGMENT MASTER TABLE

[illegible]

TABLE A.1.1
CNIC ACQUISITION RAIL LINE SEGMENT MASTER TABLE

[illegible]

CNMC ACQUISITION RAIL LINE SEGMENT MASTER TABLE

Segment Description		Length		Tonnage and Freight Tonn				Freight Gross Tonn/Day				Annual Carloads/Year		Throughput Sec					
Segment Number	From Station	To Station	Route	Post Train/Day	Freight Base Tonn/Day	Freight Delayed Tonn/Day	Freight Difference Tonn/Day	Base	Marginal	Difference	% Change	Base	Marginal	Base	Peak	Off Peak	Weekend	Off Week	Weekend
1365	OAK WOOD, KY MI	WOODHARVEST, IN	CN	8.4	2.79	1.10	0.10	3.54	0.17	0.01	4.9%	3.47	1.35	0					
1366	WOODHARVEST, IN	DECATUR, IN	CN	2.1	2.01	0.00	0.00	10.01	17.11	500	3.9%	2.01	2.92	0					
1367	DECATUR, IN	BAHNS, KS	CN	0.1	11.99	10.98	-1.01	50.98	50.98	1.696	3.4%	50.98	16.790	-2.553					
1368	BAHNS, KS	STEELETON, MN	CN	10.2	13.01	11.31	-1.00	58.060	59.292	1.202	2.0%	59.292	16.500	-2.553					
1369	STEELETON, MN	BUFFALO, NY	CN	11.3	4.72	4.72	0.00	28.925	28.925	0.73	-1.3%	16.433	15.703	-7.10					
1370	ST LAMBERT, MO	ROULES, PT NY	CN	39.6	3.42	3.42	0.00	7.263	7.263	1.1	0.3%	1.440	1.440	0					
1371	ROULES, PT NY	BAUBURG, VT	CN	0.6	2.00	2.00	0.00	3.033	3.033	3	0.0%	1.440	1.440	0					
1372	BAUBURG, VT	UNTL, BOUNDARY, NH	CN	43.4	13.56	12.55	-1.01	53.293	55.112	0	0.0%	19.343	10.790	-2.355					
1373	UNTL, BOUNDARY, NH			3.810				2.265	8.976	1.447	21.9%			608.168					
1374																			

**TABLE A.1-2
CN/IC ACQUISITION INTERMODAL FACILITIES MASTER TABLE**

Railroad	Terminal Name	Base Case Origin/ Destination Lifts	Base Case Switch Lifts	Base Case Total Lifts	Base Case OTR Trucks	Merged Case Origin/ Destination Lifts	Merged Case Switch Lifts	Merged Case Total Lifts	Merged Case OTR Trucks	Change in Origin/ Destination Lifts	Change in Switch Lifts	Change in Total Lifts	Change in OTR Trucks
IC	COUNCIL BLUFFS INTERMODAL IA	4	0	4	3	4	0	4	3	1	0	1	0
GTW	DETROIT INTERMODAL MI	48	17	65	34	113	43	155	81	65	26	91	47
IC	FORT DODGE IA	2	0	2	1	2	0	2	1	0	0	0	0
IC	JACKSON MS	47	1	48	34	54	0	54	39	7	-1	6	5
IC	MEMPHIS INTERMODAL TN	169	1	170	122	234	24	257	169	65	23	87	47
IC	MOBILE AL	25	0	25	18	29	0	29	21	4	0	4	3
ICCN	MOYERS/CHICAGO GATEWAY IL	477	5	482	346	599	67	665	433	121	62	183	88
IC	NEW ORLEAN INTERMODAL LA	131	0	131	95	140	0	140	101	9	0	9	7
IC	WATERLOO LA	1	0	1	1	1	0	1	1	0	0	0	0

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**TABLE A.1-3
CN/IC ACQUISITION RAIL YARDS MASTER TABLE**

Railroad	Yard	Base	Merged	Difference	% Change in Total Yard Activity	Air	Noise
		Total Cars Handled/Day	Total Cars Handled/Day	Total Cars Handled/Day			
IC	BATON ROUGE LA	259	306	47	18.1%		
GTW	BATTLE CREEK MI	598	733	135	22.6%		
IC	BOGALUSA LA	91	90	-1	-0.9%		
IC	BROOKHAVEN MS	75	69	-6	-8%		
IC	CARBONDALE IL	32	49	17	53.1%		
IC	CEDAR RAPIDS IA	78	84	6	7.2%		
IC	CENTRALIA IL	605	751	146	24.1%		
IC	CHAMPAIGN IL	488	752	264	54.1%		
BRC	CLEARING YARD IL	517	380	-137	-26.5%		
IC	COULTERVILLE IL	11	13	2	18%		
IC	COUNCIL BLUFFS IA	72	122	49	66.6%		
GTW	DEARBORN MI	87	90	3	3%		
IC	DECATUR IL	339	397	58	17.1%		
IC	DESTREHAN LA	92	92	0	0%		
GTW	DETROIT/DETROITE MI	82	136	54	65.7%	X	
IC	DUBUQUE IA	95	87	-8	-8.0%		
IC	DUQUOIN IL	40	57	17	42.3%		
GTW	DURAND MI	139	144	5	4%		
GTW	ECORSE MI	91	102	11	12%		
GTW	EDISON MI	8	11	3	38%	X	
IC	EFFINGHAM IL	251	269	18	7.1%		
IC	FERGUSON MS	220	217	-3	-1.3%		
GTW	FLAT ROCK MI	707	754	47	6.7%		
GTW	FLINT MI	286	319	33	11.4%		
IC	FORT DODGE IA	245	255	10	4%		
IC	FREEPORT IL	17	20	3	15.3%		
IC	FULTON KY	300	344	44	15%		
IC	GEISMAR LA	413	410	-3	-1%		
IC	GLENN YARD IL	299	309	10	3.5%		
IC	GLENVILLE MN	37	38	1	3%		
IC	HATTIESBURG MS	165	158	-7	-4%		
IC	HAWTHORNE IL	39	67	28	71.8%	X	
IC	JACKSON MS	951	937	-14	-1.4%		
IC	JOHNSTON YD (MEMPHIS) TN	917	1,321	404	44.1%		
IC	KANKAKEE IL	97	97	0	0%		
GTW	LANSING MI	159	179	20	13%		
IC	MANCHESTER IA	31	38	7	21.3%		
IC	MARKHAM YARD IL	609	851	242	39.8%	X	
IC	MATTOON IL	155	230	75	48.1%		
IC	MAYS YARD LA	363	351	-12	-3.4%		
IC	MCCOMB MS	94	88	-6	-6%		
IC	MOBILE AL	367	388	21	6%		
GTW	MONROE MI	160	163	3	2%		
IC	MOUNT PULASKI IL	113	123	10	9.2%		
DWP	POKEGAMA WI	370	318	-52	-14.0%		
GTW	PONTIAC MI	205	211	6	3%		
GTW	PORT HURON MI	8	24	16	200%	X	X

**TABLE A.1-3
CN/IC ACQUISITION RAIL YARDS MASTER TABLE**

Railroad	Yard	Total Cars Handled/Day	Total Cars Handled/Day	Total Cars Handled/Day	% Change in Total Yard Activity	Air	Noise
DWP	RANTER MN	71	68	-3	-3.9%		
IC	SIOLUX CITY IA	53	57	4	8%		
IC	SPRINGFIELD IL	0	3	3	12.5%		
DWP	VIRGINIA MN	2	2	0	0%		
IC	WATERLOO IA	194	230	36	18.4%		
GTW	WOODHAVEN MI	131	132	1	1%		
	53	11,828	13,435	1,606	13.6%	5	1

A.2 RAIL OPERATIONS VERIFICATION

A.2.1 Summary of Verification Process

In accordance with the Board's Rail Consolidation Procedures (49 CFR 1180) and established practice, the Application and Operating Plan that CN and IC¹ submitted includes traffic studies estimating the additional rail traffic that the combined CN/IC system would likely divert from other rail carriers and from motor carriers as a result of the expanded single-line service, service improvements, and operating efficiencies attributable to the proposed Acquisition. As summarized in Appendix B, "Rail Line Segments," of the Draft Environmental Assessment (Draft EA), SEA reviewed the Application and Operating Plan to verify that the projected changes in rail traffic represented a reasonable outcome of the proposed CN/IC Acquisition. SEA based its review and analysis on the Application and Operating Plan and on additional information from meetings and telephone conferences with the Applicants.

During the discovery process leading to the filing of Inconsistent and Responsive Applications (IRs) and Requests for Conditions, another participant in the proceeding, Norfolk Southern Railway Corporation (NS), presented information regarding train traffic projections and congestion issues. (During the discovery process, Parties of Record may file a request for the Applicants to answer specific questions regarding the proposed transaction and produce related documents.) In its Request for Conditions, NS identified two categories of traffic diversions to the proposed CN/IC system that were not included in the Applicants' traffic studies. After SEA issued the Draft EA, the Applicants revised their Operating Plan to reflect both categories of traffic diversions.

NS also prepared a traffic study as part of a Request for Conditions. The NS traffic study presented post-Acquisition traffic projections that were substantially higher than the Applicants' post-Acquisition traffic projections. The Applicants filed a rebuttal to the various IRs and Requests for Conditions in which they refuted the NS traffic study. After further discussion, NS and the Applicants reached a Settlement Agreement that addresses congestion issues. NS subsequently withdrew its Request for Conditions and did not comment on the Draft EA. During the Draft EA comment period, the City of Chicago submitted comments regarding the Applicants' projected train traffic levels. Much of the City's concern was based on information NS had presented in its filing. The City subsequently withdrew its comments on the Draft EA; before the City of Chicago withdrew their comments, SEA reviewed the NS traffic study and the Applicants' rebuttals. This Appendix presents SEA's verification process, analysis of the NS filing, conclusions regarding the Applicants' revised Operating Plan, and determination of the the potential effect of the Applicants' modifications to their Operating Plan on SEA's environmental review.

¹ "CN" stands for "Canadian National Railway Company and its subsidiaries"; "IC" stands for "Illinois Central Corporation and its subsidiaries"; and CN and IC hereinafter referred to as the "Applicants."

SEA's verification and analysis of traffic data for the Draft and Final EA focused on the following elements:

- Development of the Operating Plan.
- System capacity.
- Geographically specific operations.

This Appendix presents SEA's conclusions regarding the original traffic projections that the Applicants submitted in their Operating Plan, additional traffic analyses that the Applicants performed in response to the two types of traffic diversions raised by NS, as well as the Applicants' revised traffic projections. This Appendix also supplements the discussion of the Applicant's Operating Plan that SEA provided in the Draft EA.

After reviewing the Applicants' revised analysis and subsequent changes to their Operating Plan, SEA noted that the Applicants' adjusted traffic projections for some rail line segments and activity at some rail yards would cause minor changes as measured in gross ton-miles. However, SEA determined that these changes in rail activity would not cause additional rail line segments, rail yards, or intermodal facilities to exceed the Board's thresholds for environmental analysis. Based on its analysis for the Draft EA and additional analysis for the Final EA, SEA concluded that the train traffic projections in the Applicants' Operating Plan are reasonable.

A.2.1.1 Development of the Operating Plan

SEA requested additional information from the Applicants to expand on information in the Operating Plan. The Applicants employed the services of outside consultants, all of whom have participated in previous railroad transactions, to assist in modeling the post-Acquisition redistribution of rail traffic. Those firms included ALK Associates of Princeton, New Jersey; Reebe Associates of Stamford, Connecticut; and Multimodal Applied Systems, Inc. of Somerset, New Jersey.

To develop their post-Acquisition rail operations projections, the Applicants' process consisted of two major steps—the first step involved estimating the amount of rail traffic that CN/IC would receive from rail-to-rail, truck-to-rail, and port-to-rail diversions; and the second step involved determining how to move that estimated traffic over their proposed combined system (e.g., lengthening existing trains and scheduling new trains). Refer to Appendix B, "Rail Line Segments," of the Draft EA for more information about SEA's verification of the Applicants' Operating Plan and the studies that the Applicants' consultants performed to determine the projected changes in rail activity from rail-to-rail, truck-to-rail, and port-to-port conversions.

A.2.1.2 System Capacity

For their capacity analysis, the Applicants used conservative inputs and considered the following variables:

- Track gradient and curvature.

- Locomotive horsepower and train weight (for the model, the Applicants used a conservative value for a train weight to horsepower per ton ratio of 1.2).
- Train length.
- Distance between track sidings.

SEA evaluated the methods, models, and variables that the Applicants used to develop their Operating Plan and verified that the proposed CN/IC system would have adequate capacity to accommodate the Applicants' projections for longer trains and additional trains per day. Based on its review of the Applicants' Operating Plan, SEA concluded that the proposed CN/IC system would have adequate capacity for the following reasons:

- The Applicants' description of their testing of the modeling outputs against the system capacity through numerous iterations appeared thorough.
- The CN and IC systems have excess pre-Acquisition capacity. Even after absorbing additional Acquisition-related traffic, the average train length would increase to approximately 5,000 feet. (For the recent Conrail Acquisition, the average post-Acquisition length for CSX trains was approximately 6,200 feet, and the average length for NS trains was approximately 4,900 feet. Following the recent UP/SP Acquisition, the average train length for both railroads was approximately 5,000 feet.)
- The portion of the system that would experience the largest increases, up to seven trains per day, is double tracked.
- The Applicants' review of their post-Acquisition capital improvement needs indicated that sidings would not require lengthening.
- IC's pre-Acquisition ability to run trains over 10,000 feet long indicates that they would have the siding capacity to handle the increased train lengths following the proposed CN/IC Acquisition.
- An additional capacity analysis performed by CANAC, a subsidiary of CN that performs capacity analyses for Class I railroads, indicated that a combined CN/IC system would have adequate capacity to absorb the post-Acquisition traffic.

A.2.1.3 Geographically Specific Operations

For this part of its verification analysis, SEA reviewed and discussed with the Applicants current and future operations in specific operating areas such as Chicago and the interchanges with Kansas City Southern Railway Company (KCSR) and Wisconsin Central Limited (WC). SEA wished to confirm the Applicants' rationale for projecting certain increases or decreases in trains per day and gross ton-miles. The Applicants explained that in Chicago, for example, they would route trains around the city to avoid its congested yards. The Applicants stated that the largest

projected increase in the number of trains per day south of Chicago at the Chicago yards would occur when the existing traffic that CN and IC currently interchange with Union Pacific, Burlington Northern Santa Fe Railway Company (BNSF), and others is diverted south onto the IC line. The increased traffic south of Chicago would also be attributable to reroutings to the Markham Yard from Grand Trunk Western Railroad (GTW).

A.2.2 Changes to the Operating Plan Subsequent to the Draft EA

In the discovery process associated with the IR filing, NS presented additional information regarding train traffic projections. NS identified two categories of traffic diversions to the proposed CN/IC system that were not included in the Applicants' Operating Plan:

- Diversions of rail movements that in the base year terminated at points in Canada on Canadian Pacific Railway Company (CP).
- Traffic between Duluth, Minnesota/Superior, Wisconsin and Chicago, Illinois that did not move via haulage over BNSF in the base year but is projected to move via haulage over WC after implementation of the proposed Acquisition.

In the Request for Conditions that NS filed with the Board on October 27, 1998, NS claimed that these omissions caused the Applicants' traffic studies to significantly understate the additional traffic diversions that would occur on the combined CN/IC system as a result of the proposed Acquisition and CN/IC's Marketing Alliance with KCSR. The filing also contained a traffic study by NS that presented additional arguments regarding higher post-Acquisition traffic levels.

A.2.2.1 Additional Analysis

In response to the information NS presented during the discovery process, the Applicants re-examined all of the projected increases in rail traffic presented in their Operating Plan and the Draft EA. During their review, the Applicants determined the following:

- Traffic studies for their Operating Plan did not capture traffic associated with CP terminations in Canada because such information was not available at that time. The Applicants have since revised their Operating Plan to include such potential traffic increases.
- The Operating Plan did not include increased traffic via WC haulage because CN expected to gain this traffic as a result of its recent Haulage Agreement with WC, even without the benefit of the CN/IC Acquisition. Nevertheless, the Applicants revised their Operating Plan to take a more conservative approach and considered diversions to the CN/IC system as a result of the WC agreement as Acquisition related.
- Since CN and IC filed their Application, CSX informed them that it would not consent to their proposed interchange at Barr Yard. Therefore, the Applicants adjusted their

Operating Plan to route the affected traffic from Barr Yard to Clearing Yard following the proposed Acquisition.

SEA reviewed the Applicants' assumptions underlying the Operating Plan and confirmed that no other adjustments are necessary.

A.2.2.2 Revised Projections in Rail Activity

Rail Line Segments

The Applicants revised their Operating Plan to accommodate the additional diversions and rerouted traffic from Barr Yard following the proposed transaction. Despite these adjustments, the projected number of trains on the merged system did not change from the Applicants' original estimates. On a system-wide basis, only the number of gross tons of freight per day increase slightly (by less than 1 percent). According to the Applicants' adjusted data, the number of gross tons carried system-wide would increase by 22.9 percent, not 22 percent as the Applicants originally estimated. Table A.1-1, "CN/IC Acquisition Rail Line Segment Master Table," presents CN/IC's revised rail activity as measured in gross tons per day.

Based on SEA's additional analysis, the Applicants' adjusted data did not identify any additional segments that would meet or exceed the Board's threshold for environmental analysis. On the contrary, the number of line segments that exceed the Board threshold for projected changes in air quality decreased from 11 segments to ten. However, the projected rail traffic on all ten rail line segments that exceed the Board's thresholds for environmental analysis would increase slightly above the Applicants' original estimate. All ten rail line segments occur in Illinois. Two contiguous segments are northwest of Chicago between BRC-CCP Crossing and Broadview, Illinois; three contiguous IC segments are south of Chicago between Harvey and Kankakee; and five contiguous segments are south of Chicago between Gilman and Springfield.

Table A.2-1, "Adjusted Master Rail Line Segment Activity," presents the Applicants' original and revised projections for rail traffic following the proposed Acquisition. As noted on the table, the greatest difference between the Applicants' original projections and adjusted projections of increased rail activity in gross ton-miles per day occurs on rail line segment 190 from Kankakee to Otto, Illinois. Based on the Applicants' adjusted projections, traffic on this rail line segment would increase by 60,656 gross ton-miles per day rather than 58,328 gross tons-miles per day. This adjustment of 2,262 gross ton miles equates to an increase of 35 carloads per day over the Applicants' original projections.

Rail Yard Activities

As previously stated, the Applicants revised their Operating Plan to route traffic to Clearing Yard, rather than Barr Yard, following the proposed Acquisition and to determine the potential

increases in rail yard activities associated with CP's traffic data and increased traffic from the Haulage Agreement with WC.

Table A.2.2 "Adjusted Rail Yard Activity Projections," presents the Applicants' original and modified data for post-Acquisition rail yard activities. Based on the Applicants' revised rail yard activity projections, measured as cars per day, activity would decrease slightly from the Applicants' original projections at five rail yards—Cedar Rapids, Iowa; Dubuque, Iowa; Ferguson, Mississippi; Markham Yard, Illinois; and Pokegama, Wisconsin. Rail activity at 27 rail yards would increase slightly over the Applicants' original projections. The greatest increase in the projected number of rail cars handled per day would occur at Johnston Yard, Tennessee.

Based on the Applicants' revised projections, the number of cars handled at that facility would increase by 404 per day rather than 387 per day. Most rail yard activity increases are attributable to the additional diversion traffic.

In the Draft EA, SEA identified only five of 53 rail yards in the proposed CN/IC system that met the Board's thresholds for environmental analysis. Although the Applicants' revised projections indicated that proposed rail car activities at 32 rail yards changed slightly from their original projections, SEA's review of the Applicants' adjusted projections did not identify any additional rail yards that would meet or exceed the Board's threshold for environmental analysis.

A.2.3 Review of Traffic Study in NS Request for Conditions

As discussed previously, even though the NS filing was subsequently withdrawn and NS did not comment on the Draft EA, the City of Chicago's comments on the Draft EA relied largely on the NS traffic study to argue that the Applicants underestimated the post-Acquisition traffic levels. Therefore, before the City of Chicago withdrew its comments, SEA reviewed the NS traffic study and the Applicants' rebuttals and minor modifications to their Operating Plan. This section summarizes that review and SEA's conclusions.

Adequacy of Applicants' Input Traffic Database

Summary of NS Position:

The NS study states that one of the primary justifications for the proposed CN/IC Acquisition is the enhancement of U.S.-Canadian transborder traffic flows. The NS study states that the Applicants' traffic analysis did not include a significant component of the rail traffic movements that terminated in Canada nor did it account for traffic diversions from CP, which is CN's most important competitor. NS's analysis of CP's traffic data indicated that most of CP's transborder traffic originates either on U.S. portions of the CP system or on one of the major U.S. carriers other than IC and KCSR. Therefore, the study argued, the Applicants omitted a substantial amount of traffic that could be diverted from CP.

**TABLE A.2-1
ADJUSTED RAIL LINE SEGMENT TRAFFIC PROJECTIONS**

Segment Description			Length		Freight Gross Tons/Day					Adjusted Segment Activity (Gross Tons/Day)			
Segment Number	From Station	To Station	Road	Miles	Base	Merged	Difference	% Change	%	Base	Merged	Difference	% Change
100	BRIDGEPORT IL	BRC-CCP XING IL	IC	3.8	38,877	59,299	20,422	53%	53%	38,877	57,059	18,182	46.8%
102	BRC-CCP XING	HAWTHORNE YD IL	IC	0.7	38,877	63,623	24,746	64%	64%	38,877	64,071	25,194	64.8%
104	HAWTHORNE YD IL	BROADVIEW IL	IC	5.5	24,541	50,910	26,369	107%	107%	24,541	51,266	26,725	108.9%
106	BROADVIEW IL	FREEDPORT IL	IC	99.7	23,907	33,217	9,310	39%	39%	23,907	33,428	9,521	39.8%
110	FREEDPORT IL	PORTAGE IL	IC	53.9	23,422	32,535	9,113	39%	39%	23,422	32,698	9,276	39.6%
111	PORTAGE IL	EAST DUBUQUE IL	IC	12.7	23,422	32,535	9,113	39%	39%	23,422	32,698	9,276	39.6%
112	EAST DUBUQUE IL	DUBUQUE IA	IC	1.7	23,422	32,535	9,113	39%	39%	23,422	32,698	9,276	39.6%
115	DUBUQUE IA	DELAWARE IA	IC	40.6	31,203	39,702	8,499	27%	27%	31,203	39,904	8,701	27.9%
117	DELAWARE IA	MANCHESTER IA	IC	6.1	34,809	43,898	9,089	26%	26%	34,809	44,112	9,303	26.8%
120	MANCHESTER IA	MARION JCT IA	IC	38.2	5,863	6,369	506	9%	9%	5,863	6,420	557	9.5%
121	MARION JCT IA	CEDAR RAPIDS IA	IC	3.4	5,863	6,369	506	9%	9%	5,863	6,420	557	9.5%
125	MANCHESTER IA	WATERLOO IA	IC	45.6	32,460	40,455	7,995	25%	25%	32,460	40,607	8,147	25.1%
130	WATERLOO IA	MONA JCT IA	IC	5.1	29,643	37,550	7,907	27%	27%	29,643	37,698	8,055	27.2%
135	MONA JCT IA	STACYVILLE JCT IA	IC	7.2	2,845	2,996	151	5%	5%	2,845	2,996	151	5.3%
138	STACYVILLE JCT IA	GLENNVILLE MN	IC	29.3	2,845	2,996	151	5%	5%	2,845	2,996	151	5.3%
140	MONA JCT IA	WEST ACKLEY IA	IC	34.4	26,798	34,554	7,756	29%	29%	26,798	34,702	7,904	29.5%
141	WEST ACKLEY IA	GENEVA IA	IC	9.5	4,322	5,136	814	19%	19%	4,322	5,136	814	18.8%
142	WEST ACKLEY IA	FORT DODGE IA	IC	59.5	26,311	34,115	7,804	30%	30%	26,311	34,263	7,952	30.2%
144	FORT DODGE IA	TARA IA	IC	5.9	16,984	24,651	7,667	45%	45%	16,984	24,799	7,815	46.0%
145	TARA IA	SIOUX CITY IA	IC	126.9	3,993	4,073	80	2%	2%	3,993	4,073	80	2.0%
147	TARA IA	IDA GROVE JCT IA	IC	41.2	12,991	20,578	7,587	58%	58%	12,991	20,726	7,735	59.5%
150	IDA GROVE JCT IA	COUNCIL BLUFFS IA	IC	87.3	12,991	20,578	7,587	58%	58%	12,991	20,726	7,735	59.5%
153	COUNCIL BLUFFS IA	SOUTH OMAHA NE	IC	6.9	437	437	0	0%	0%	437	437	0	0.0%
157	CHICAGO 21ST STR IL	BRIDGEPORT IL	IC	1.3	45,410	66,394	20,984	46%	46%	45,410	64,332	18,922	41.7%
158	BRIDGEPORT IL	GLENN YARD IL	IC	6.3	39,423	40,765	1,342	3%	3%	39,423	41,049	1,626	4.1%
160	GLENN YARD IL	LOLIET IL	IC	27	13,640	13,640	0	0%	0%	13,640	13,640	0	0.0%
165	LOLIET IL	PLAINES IL	IC	4	13,640	13,640	0	0%	0%	13,640	13,640	0	0.0%
170	CHICAGO IL	CHICAGO 21ST STR IL	IC	1.3	45,410	66,394	20,984	46%	46%	45,410	64,332	18,922	41.7%
171	CHICAGO IL	CHICAGO 94TH STR IL	IC	11.3	45,410	66,394	20,984	46%	46%	45,410	64,332	18,922	41.7%
173	CHICAGO 94TH STR IL	137th (RIVERDALE) IL	IC	5.2	49,825	70,478	20,653	41%	41%	49,825	68,417	18,593	37.3%
174	137th (RIVERDALE) IL	HARVEY IL	IC	2.7	53,263	77,881	24,618	46%	46%	53,263	72,620	19,357	36.3%
175	HARVEY IL	HOMERWOOD IL	IC	3.5	67,944	123,741	55,797	82%	82%	67,944	124,600	56,656	83.4%
181	HOMERWOOD IL	MATTESON (EIE) IL	IC	5.2	79,922	118,834	38,912	49%	49%	79,922	120,690	40,768	51.0%
187	MATTESON (EIE) IL	KANKAKEE IL	IC	25.6	77,346	135,754	58,408	76%	76%	77,346	136,002	60,656	78.4%
190	KANKAKEE IL	OTTO IL	IC	5.2	82,454	140,782	58,328	71%	71%	82,454	143,044	60,590	73.5%
195	OTTO IL	LEHIGH IL	IC	5.8	4,324	4,310	-14	0%	0%	4,324	4,327	3	0.1%

TABLE A.2-1
ADJUSTED RAIL LINE SEGMENT TRAFFIC PROJECTIONS

Segment Description			Length		Freight Gross Tons/Day					Adjusted Segment Activity (Gross Tons/Day)			
Segment Number	From Station	To Station	Road	Miles	Base	Merged	Difference	% Change	Base	Merged	Difference	% Change	
200	LEHIGH IL	HERSCHER IL	IC	5.1	6,468	6,460	-8	0%	6,468	6,466	-2	0.0%	
205	OTTO IL	GILMAN IL	IC	20.6	84,753	143,082	58,329	69%	84,753	145,339	60,586	71.5%	
210	GILMAN IL	GIBSON CITY IL	IC	29.1	1,723	7,510	5,787	336%	1,723	7,600	5,877	341.1%	
215	GIBSON CITY IL	FULLERTON IL	IC	26.2	1,723	7,510	5,787	336%	1,723	7,600	5,877	341.1%	
217	FULLERTON IL	CLINTON IL	IC	12	1,723	7,510	5,787	336%	1,723	7,600	5,877	341.1%	
220	CLINTON IL	HEYWORTH IL	IC	11.3	0	0	0	0%	0	0	0	0.0%	
225	CLINTON IL	MOUNT PULASKI IL	IC	20.4	1,723	7,510	5,787	336%	1,723	7,600	5,877	341.1%	
230	MOUNT PULASKI IL	SPRINGFIELD IL	IC	23.1	2,656	11,857	9,201	346%	2,656	12,051	9,395	353.7%	
235	SPRINGFIELD IL	BRICKYARD ACT IL	IC	2.5	2,478	2,478	0	0%	2,478	2,478	0	0.0%	
238	BRICKYARD ACT IL	FARMERSVILLE IL	IC	24.6	2,478	2,478	0	0%	2,478	2,478	0	0.0%	
255	CHURCH IL	COULTERVILLE IL	IC	40	50,009	56,428	6,419	13%	50,009	56,850	6,841	13.7%	
265	SPARTA IL	CAPMINE IL	IC	8.8	8,487	8,487	0	0%	8,487	8,487	0	0.0%	
270	SPARTA IL	BALDWIN IL	IC	9.5	9,336	9,334	-2	0%	9,336	9,334	-2	0.0%	
275	COULTERVILLE IL	PINCKNEYVILLE IL	IC	14.7	50,860	57,389	6,529	13%	50,860	57,811	6,951	13.7%	
280	PINCKNEYVILLE IL	DUQUOIN IL	IC	8.7	51,266	57,795	6,529	13%	51,266	58,217	6,951	13.6%	
285	DUQUOIN IL	CHRISTOPHER IL	IC	11.2	23,620	23,620	0	0%	23,620	23,620	0	0.0%	
295	CHRISTOPHER IL	BENTON IL	IC	6.5	23,620	23,620	0	0%	23,620	23,620	0	0.0%	
300	BENTON IL	AKIN ACT IL	IC	10.9	32,411	32,411	0	0%	32,411	32,411	0	0.0%	
305	GILMAN IL	CHAMPAIGN IL	IC	46.3	84,666	137,224	52,558	62%	84,666	139,295	54,729	64.6%	
315	CHAMPAIGN IL	MATTOON IL	IC	45.1	89,087	141,369	52,282	59%	89,087	143,526	54,438	61.1%	
320	MATTOON IL	DECATUR IL	IC	42.6	23,001	26,641	3,640	16%	23,001	26,767	3,766	16.4%	
325	DECATUR IL	MOUNT PULASKI IL	IC	21.1	10,218	14,299	4,081	40%	10,218	14,429	4,211	41.2%	
330	MOUNT PULASKI IL	PEKIN IL	IC	46	3,112	3,641	529	17%	3,112	3,666	554	17.8%	
335	PEKIN IL	PEORIA IL	IC	7.7	3,112	3,641	529	17%	3,112	3,666	554	17.8%	
340	MATTOON IL	EFFINGHAM IL	IC	26.9	93,886	143,694	49,808	53%	93,886	145,796	51,910	55.3%	
345	EFFINGHAM IL	LIS IL	IC	16.6	8,139	10,377	2,238	27%	8,139	10,381	2,242	27.5%	
350	LIS IL	NEWTON IL	IC	5.5	2,322	4,560	2,238	96%	2,322	4,564	2,242	96.6%	
355	EFFINGHAM IL	EDGEWOOD IL	IC	14.9	118,640	164,084	45,444	38%	118,640	166,173	47,533	40.1%	
360	EDGEWOOD IL	CENTRALIA IL	IC	37.3	79,096	108,722	29,626	37%	79,096	109,717	30,621	38.7%	
365	CENTRALIA IL	RENLAKE IL	IC	23.5	81,766	110,033	28,267	35%	81,766	110,934	29,168	35.7%	
370	RENLAKE IL	DUQUOIN IL	IC	11.7	90,949	119,217	28,268	31%	90,949	120,138	29,189	32.1%	
375	DUQUOIN IL	CARBONDALE IL	IC	18.9	78,307	105,760	27,453	35%	78,307	106,517	28,210	36.0%	
380	CARBONDALE IL	CAIRO IL	IC	54.4	72,926	98,686	25,760	35%	72,926	99,186	26,260	36.0%	
385	CAIRO IL	FULTON KY	IC	43.5	55,209	80,971	25,762	47%	55,209	81,472	26,263	47.6%	
390	EDGEWOOD IL	AKIN ACT IL	IC	62.6	39,544	55,362	15,818	40%	39,544	56,456	16,912	42.8%	
395	AKIN ACT IL	RUSS SPUR IL	IC	1	71,955	87,773	15,818	22%	71,955	88,867	16,912	23.5%	

**TABLE A.2-1
ADJUSTED RAIL LINE SEGMENT TRAFFIC PROJECTIONS**

Segment Number	Segment Description		Length Miles	Freight Gross Tons/Day				Adjusted Segment Activity (Gross Tons/Day)			
				Base	Merged	Difference	% Change	Base	Merged	Difference	% Change
397	RUSS SPUR IL	FERBER IL	6	70,973	86,792	15,819	22%	70,973	87,885	16,912	23.8%
400	FERBER IL	GALATIA IL	9.3	27,643	27,643	0	0%	27,643	27,643	0	0.0%
403	GALATIA IL	ELDONADO IL	9.8	908	908	0	0%	908	908	0	0.0%
410	FERBER IL	HARCO IL	7.9	88,520	104,339	15,819	18%	88,520	109,432	20,912	19.1%
412	HARCO IL	DELTA 2 IL	2.1	86,870	102,689	15,819	18%	86,870	103,782	16,912	19.5%
415	DELTA 2 IL	METROPOLIS IL	4.6	85,211	101,030	15,819	19%	85,211	102,123	16,912	19.8%
420	METROPOLIS IL	CHILES KY	3.3	79,303	95,122	15,819	20%	79,303	96,215	16,912	21.3%
430	CHILES KY	FULTON KY	41.9	61,539	80,353	18,714	30%	61,539	81,352	19,813	32.2%
433	FULTON KY	DYERSBURG TN	45.8	107,759	146,821	39,062	36%	107,759	148,411	40,652	37.7%
440	DYERSBURG TN	WOODSTOCK TN	65	108,136	147,207	39,071	36%	108,136	148,795	40,659	37.6%
443	WOODSTOCK TN	Y & MV JCT TN	12.3	0	0	0	0%	0	0	0	0.0%
447	Y & MV JCT TN	GRENADE WYE MS	2.3	0	0	0	0%	0	0	0	0.0%
453	WOODSTOCK TN	GRENADE WYE MS	13.7	109,417	148,305	38,888	36%	109,417	149,894	40,477	37.0%
455	MEMPHIS YARD TN	MEMPHIS YARD TN	2.3	113,664	140,289	26,625	23%	113,664	141,015	27,352	24.1%
473	WEST JCT TN	LAKE CORMORANT MS	15.2	109,862	125,729	15,867	14%	109,862	125,936	16,074	14.6%
480	LAKE CORMORANT MS	MARKS MS	43.6	109,862	125,729	15,867	14%	109,862	125,936	16,074	14.6%
485	MARKS MS	SWAN LAKE MS	27.3	109,980	125,851	15,871	14%	109,980	126,023	16,043	14.6%
495	SWAN LAKE MS	GREENWOOD MS	29.4	109,980	125,851	15,871	14%	109,980	126,023	16,043	14.6%
500	GREENWOOD MS	YAZOO CITY MS	52.7	109,027	124,928	15,901	15%	109,027	125,100	16,073	14.7%
503	YAZOO CITY MS	JACKSON MS	44	110,088	125,987	15,899	14%	110,088	126,158	16,070	14.6%
513	GRENADE WYE MS	BATESVILLE MS	54.7	1,463	1,461	-2	0%	1,463	1,461	-2	-0.1%
520	BATESVILLE MS	GRENADE MS	40.5	1,463	1,461	-2	0%	1,463	1,461	-2	-0.1%
525	GRENADE MS	DURANT MS	52.5	2,740	2,748	8	0%	2,740	2,748	8	0.3%
530	DURANT MS	JACKSON MS	57.8	4,489	4,497	8	0%	4,489	4,497	8	0.2%
535	JACKSON MS	BROOKHAVEN MS	53	79,375	82,738	3,363	4%	79,375	82,828	3,453	4.2%
540	JACKSON MS	SARATOGA MS	49.9	46,219	45,958	-261	-1%	46,219	45,961	-258	-0.6%
550	SARATOGA MS	HATTIESBURG MS	40.9	42,493	42,235	-258	-1%	42,493	42,239	-254	-0.6%
555	HATTIESBURG MS	NEW AUGUSTA MS	19.5	39,226	39,968	742	2%	39,226	39,971	745	1.9%
557	NEW AUGUSTA MS	BEAUMONT MS	7.5	38,209	39,546	1,337	3%	38,209	39,549	1,340	3.5%
560	BEAUMONT MS	EVANSTON MS	31.7	38,209	39,546	1,337	3%	38,209	39,549	1,340	3.5%
565	EVANSTON MS	MOBILE AL	36.8	26,721	28,071	1,350	5%	26,721	28,074	1,353	5.1%
570	BROOKHAVEN MS	WANILLA MS	20.3	17,339	17,333	-6	0%	17,339	17,341	2	0.0%
575	WANILLA MS	BOGALUSA LA	66.2	5,833	5,822	-11	0%	5,833	5,831	-2	-0.0%
580	WANILLA MS	FERGUSON MS	2.8	18,740	18,681	-59	0%	18,740	18,688	-52	-0.3%
590	BROOKHAVEN MS	NATCHEZ MS	66	9,410	9,410	0	0%	9,410	9,409	-1	0.0%
595	BROOKHAVEN MS	MC COMB MS	24.6	59,069	61,725	2,656	4%	59,069	61,786	2,717	4.6%

TABLE A.2-1
ADJUSTED RAIL LINE SEGMENT TRAFFIC PROJECTIONS

Segment Description				Length	Freight Gross Tons/Day				Adjusted Segment Activity (Gross Tons/Day)			
Segment Number	From Station	To Station	Road	Miles	Base	Merged	Difference	% Change	Base	Merged	Difference	% Change
600	MCCOMB MS	HAMMOND LA	IC	52.2	55,617	58,200	2,583	5%	55,617	58,261	2,644	4.8%
605	HAMMOND LA	BATON ROUGE LA	IC	43.6	11,412	13,295	1,883	17%	11,412	13,296	1,884	16.5%
610	HAMMOND LA	ORLEANS ACT LA	IC	42.6	44,205	44,905	700	2%	44,205	44,965	760	1.7%
615	ORLEANS ACT LA	DESTREHAN LA	IC	3.5	44,530	41,643	-2,887	-6%	44,530	41,642	-2,888	-6.5%
620	DESTREHAN LA	RESERVE LA	IC	19.7	37,596	34,692	-2,904	-8%	37,596	34,692	-2,904	-7.7%
625	RESERVE LA	REMY LA	IC	11.5	31,431	28,490	-2,941	-9%	31,431	28,490	-2,941	-9.4%
630	REMY LA	GEISMAR LA	IC	20.6	26,318	23,376	-2,942	-11%	26,318	23,376	-2,942	-11.2%
635	GEISMAR LA	BATON ROUGE LA	IC	25.1	10,345	12,988	2,643	26%	10,345	12,989	2,644	25.6%
640	ORLEANS ACT LA	MAYS YARD LA	IC	3.9	34,453	33,414	-1,039	-3%	34,453	33,475	-978	-2.8%
655	MAYS YARD LA	EAST BRIDGE ACT LA	IC	1.2	5,121	5,551	430	8%	5,121	5,551	430	8.4%
658	EAST BRIDGE ACT LA	SOUTHPORT JCT LA	IC	2.1	5,121	5,551	430	8%	5,121	5,551	430	8.4%
660	SOUTHPORT JCT LA	NEW ORLEANS IMX	IC	5.5	5,121	5,551	430	8%	5,121	5,551	430	8.4%
1000	SARNIA ON	SPARLINGVILLE MI	CN	4.9	91,961	98,996	7,035	8%	91,961	99,610	7,649	8.3%
1005	SPARLINGVILLE MI	IMLAY CITY MI	CN	29.8	60,073	74,929	14,856	25%	60,073	75,543	15,470	25.8%
1015	IMLAY CITY MI	BELSAV MI	CN	27.6	60,073	74,929	14,856	25%	60,073	75,543	15,470	25.8%
1017	BELSAV MI	FLINTCCK MI	CN	1.2	2,159	0	-2,159	-100%	2,159			0.0%
1020	BELSAV MI	FLINT MI	CN	3.5	57,914	74,929	17,015	29%	57,914	75,543	17,629	30.4%
1023	FLINT MI	SWARTZ CREEK MI	CN	8.6	69,423	89,763	20,340	29%	69,423	90,376	20,953	30.2%
1030	SWARTZ CREEK MI	DURAND MI	CN	8.2	69,423	89,763	20,340	29%	69,423	90,376	20,953	30.2%
1035	DURAND MI	BATTLE CREEK MI	CN	74.2	109,877	130,341	20,464	19%	109,877	131,176	21,299	19.4%
1040	BATTLE CREEK MI	PAVILION MI	CN	21.3	110,236	129,707	19,471	18%	110,236	130,502	20,266	18.4%
1050	PAVILION MI	SOUTH BEND IN	CN	57.7	110,236	129,707	19,471	18%	110,236	130,502	20,266	18.4%
1052	SOUTH BEND IN	WELLSBORO IN	CN	28.3	122,118	140,573	18,457	15%	122,118	141,370	19,252	15.8%
1054	WELLSBORO IN	GRIFITH IN	CN	34.8	110,214	129,671	19,457	18%	110,214	130,466	20,252	18.4%
1055	GRIFITH IN	THORNTON ACT IL	CN	11.3	84,521	102,927	18,406	22%	84,521	103,309	18,788	22.2%
1060	THORNTON ACT IL	HARVEY IL	CN	2	77,512	102,369	24,857	32%	77,512	102,751	25,239	32.6%
1070	HARVEY IL	BLUE ISL ACT IL	CN	3.5	62,419	53,789	-8,630	-14%	62,419	53,679	-8,740	-14.0%
1075	BLUE ISL ACT IL	MAYFORD IL	CN	7.8	49,738	40,443	-9,295	-19%	49,738	40,333	-9,405	-18.9%
1085	BAY CITY JCT MI	RIVER ROUGE MI	CN	4.2	77,148	80,611	3,463	4%	77,148	81,023	3,875	5.0%
1095	RIVER ROUGE MI	FN TOWER MI	CN	10.6	93,903	98,451	4,549	5%	93,903	98,864	4,962	5.3%
1100	FN TOWER MI	D&I ACT MI	CN	3.9	116,234	120,012	3,788	3%	116,234	120,434	4,200	3.6%
1105	D&I ACT MI	FLAT ROCK MI	CN	2.2	116,335	119,815	-3,480	-3%	116,335	120,237	3,902	3.4%
1125	SPARLINGVILLE MI	RICHMOND MI	CN	17.4	31,706	23,778	-7,928	-25%	31,706	23,778	-7,928	-25.0%
1130	RICHMOND MI	DETROIT EAST YRD MI	CN	32.3	31,706	23,778	-7,928	-25%	31,706	23,778	-7,928	-25.0%
1135	DETROIT EAST YRD MI	MILWAUKEE ACT MI	CN	1.1	34,673	38,984	4,311	12%	34,673	39,122	4,449	12.8%
1140	MILWAUKEE ACT MI	VINEWOOD MI	CN	3	76,270	91,193	14,923	20%	76,270	91,551	15,281	20.0%

**TABLE A.2-1
ADJUSTED RAIL LINE SEGMENT TRAFFIC PROJECTIONS**

Segment Description			Length Miles	Freight Gross Tons/Day				Adjusted Segment Activity (Gross Tons/Day)		
Segment Number	From Station	To Station	Road	Base	Merged	Difference	% Change	Base	Merged	Difference
1149	BAY CITY JCT MI	DETROIT MI	CN	15,349	18,533	3,184	21%	15,349	18,725	3,376
1150	DETROIT MI	WINDSOR ON	CN	1,845	1,880	35	2%	1,845	1,886	41
1158	EN TOWER MI	MONROE MI	CN	18.6	46,636	47,115	1%	46,636	47,125	489
1160	MONROE MI	LANG OH	CN	16.7	40,928	39,344	-3%	40,928	39,852	-1,076
1165	LANG OH	TOLEDO OH	CN	10.1	42,772	41,688	-3%	42,772	41,696	-1,076
1170	FLAT ROCK MI	OLANNORY MI	CN	22.5	14,381	13,544	-6%	14,381	13,546	-835
1200	MILWAUKEE JCT MI	DETROIT INTERMODAL MI	CN	6.4	52,715	52,765	0%	52,715	52,983	268
1212	DETROIT INTERMODAL MI	MAL JCT MI	CN	14.6	52,181	56,551	8%	52,181	56,770	4,589
1225	MAL JCT MI	PONTIAC MI	CN	0.9	52,181	56,551	8%	52,181	56,770	4,589
1230	PONTIAC MI	WEST PONTIAC MI	CN	2.2	53,662	59,039	10%	53,662	59,158	5,496
1233	WEST PONTIAC MI	DURAND MI	CN	38.3	53,662	59,039	10%	53,662	59,238	5,576
1262	DETROIT MI	OAKWOOD JCT MI	CN	3	12,979	13,502	4%	12,979	13,509	530
1265	OAKWOOD JCT MI	WOODHAVEN MI	CN	8.4	8,768	9,173	5%	8,768	9,173	405
1268	WOODHAVEN MI	DRI JCT MI	CN	2.1	16,611	17,113	3%	16,611	17,113	502
1269	ETFRANCES ON	RANIER MI	CN	0.1	56,902	57,516	1%	56,902	58,598	1,696
1270	RANIER MI	STBELTON MI	CN	16.2	58,090	58,705	1%	58,090	59,792	1,702
1445	PTERIE ON	BUFFROYAR NY	CN	11.5	28,925	28,559	-1%	28,925	28,552	-373
1450	ST LAMBERT PQ	ROUSES PT NY	CN	39.6	7,267	7,280	0%	7,267	7,280	13
1452	ROUSES PT NY	EALBURGH VT	CN	10.6	7,037	7,040	0%	7,037	7,040	3
SPRAGUE/BAUDETTE MI		INTL BOUNDARY MN	CN	43.4	53,398	55,313	4%	53,398	55,313	0
164				3,859		1,624,801		2,269,427	8,936,200	1,667,017
										22.9%

TABLE A.2-2
ADJUSTED RAIL YARD ACTIVITY PROJECTIONS

Railroad	Yard	Original Projection of Yard Activity (cars handled/day)				Adjusted Projection of Yard Activity (cars handled/day)			
		Base	Merged	Difference	% Change	Adjustment	Merged	Difference	% Change
IC	BATON ROUGE LA	289	306	47	16.0%	0	306	47	16.1%
GTW	BATTLE CREEK MI	598	730	132	22.0%	3	733	135	22.6%
IC	BOGALUSA LA	91	90	-1	-1.0%	0	90	-1	-0.9%
IC	CARBONDALE IL	32	47	15	47.0%	2	49	17	53.1%
IC	CEDAR RAPIDS IA	78	83	6	8.0%	1	84	6	7.2%
IC	CENTRALIA IL	605	743	138	23.0%	8	751	146	24.1%
IC	CHAMPAIGN IL	488	737	249	51.0%	15	752	264	54.1%
BRC	CLEARING YARD IL	517	327	-190	-37.0%	53	380	-137	-26.5%
IC	COUNCIL BLUFFS IA	73	120	47	65.0%	2	122	49	66.6%
IC	DECATUR IL	339	395	56	17.0%	2	397	58	17.1%
QTW	DETROIT/DETROITE MI	82	133	51	61.0%	3	136	54	65.7%
IC	DUBUQUE IA	95	88	-7	-7.0%	-1	87	-8	-8.0%
IC	DUQUOIN IL	40	55	16	39.0%	2	57	17	42.3%
IC	EFFINGHAM IL	251	269	18	7.0%	0	269	18	7.1%
IC	FERGUSON MS	220	217	-2	-1.0%	0	217	-3	-1.3%
GTW	FLAT ROCK MI	707	751	44	6.0%	3	754	47	6.7%
GTW	FLINT MI	286	318	33	11.0%	1	319	33	11.4%
IC	FREEMONT IL	17	19	2	14.0%	1	20	3	15.3%
IC	GLENN YARD IL	299	307	9	3.0%	2	309	10	3.5%
IC	HAWTHORNE IL	39	64	24	62.0%	3	67	28	71.8%
IC	JACKSON MS	951	937	-14	-2.0%	0	937	-14	-1.4%
IC	JOHNSTON YD (MEMPHIS) TN	917	1303	387	42.0%	18	1321	404	44.1%
IC	MANCHESTER IA	31	37	6	19.0%	1	38	7	21.3%
IC	MARKHAM YARD IL	609	853	243	40.0%	-2	851	242	39.8%
IC	MATTOON IL	155	226	71	46.0%	4	230	75	48.1%
IC	MA'S YARD LA	363	350	-14	-4.0%	1	351	-12	-3.4%
IC	MOUNT PULASKI IL	113	123	10	9.0%	0	123	10	9.2%
DWP	RANIER MN	71	68	-4	-5.0%	0	68	-3	-3.9%
IC	SPRINGFIELD IL	0	0	0	0.0%	3	3	3	12.5%
DWP	POKEGAMA WI	370	319	-51	-14.0%	-1	318	-52	-14.0%
IC	WATERLOO IA	194	228	33	17.0%	2	230	36	18.4%

**Summary of
Applicants' Rebuttal:**

The Applicants stated that the CP terminations in Canada were initially unavailable for their diversion analysis and subsequently adding that information causes only marginal changes to their projections. When they filed their Application and Operating Plan, the Applicants acknowledged that one of the limitations of the waybill sample information was that it did not include traffic that terminated in Canada on Canadian railroads. The ALK model used for the Applicants' traffic study uses waybill sample information, which was only available for U.S. railroads, to estimate the volume, origin, and destinations of freight. The Applicants stated that they attempted to compensate for this limitation by including all CN data, all IC data, and all KCSR data for all of its movements with CP terminations. The Applicants reran their model using the CP data provided through the NS study (and the new WC Haulage Agreement). They determined these diversions would increase their original estimate by less than 3 percent, and the increased traffic would be distributed evenly across the proposed CN/IC system.

SEA's Conclusions:

SEA has reviewed the NS study and the Applicants' rebuttal. SEA believes that the Applicants' revised Operating Plan adequately accounts for potential crossborder diversions by including the CP data and updated information regarding the WC Haulage Agreement. The additional diversions represent only a minor change from the Applicants' original traffic diversion estimate, and the additional diversions do not increase traffic on any rail line segment enough to meet SEA's environmental thresholds. Therefore, SEA does not require additional environmental review for any of the line segments previously submitted by the Applicants.

Pre- and Post-Acquisition Network Configurations

The NS study noted that the Applicants' diversion analysis relied on pre- and post-Acquisition rail network configurations reflecting 1996 corporate railroad structures. NS argued that the Applicants should have considered and properly modeled recent realignments and agreements including the division of Conrail's operations between NS and CSX; the BNSE/UP "50/50 Agreement" between Houston and New Orleans; the critical interchange points among the Applicants, KCSR, and other railroads; CN's Haulage Agreement with WC; and the relationship between CN, IC, KCSR, and Transporacion Ferroviaria Mexicana (TFM).

Proper Modeling of Division of Conrail's Operation**Summary of
NS Position:**

The NS study noted that the traffic projections in the Application that NS and CSX filed for the recent Conrail Acquisition allocated substantial volumes of Conrail traffic to NS's western lines. That traffic crosses the IC rail line at Tolono and Springfield, Illinois. The effect of the Conrail Acquisition on NS traffic traveling to the East St. Louis and Kansas City

gateways is expected to increase the number of NS trains substantially. The NS study argued that the Applicants' measurement of traffic densities at the points where IC conflicts with Conrail, CSX, or NS is faulty because they did not include the diverted Conrail traffic.

Summary of Applicants' Rebuttal: The Applicants note that the NS study did not argue that the recent Conrail Acquisition would affect the Applicants' diversion analysis. They state that NS's concerns referred to congestion issues that have since been resolved between the Applicants and NS.

SEA's Conclusions: The congestion issues that NS raised in its Request for Conditions do not impact any of the projections for the proposed CN/IC system. The Applicants and NS have addressed potential congestion issues in their Settlement Agreement.

Proper Modeling of BNSF/UP "50/50 Agreement" Between Houston and New Orleans

Summary of NS Position: The NS study notes that the "50/50 Agreement" provides for joint ownership by BNSF and Union Pacific Railroad Company (UP) of the former Southern Pacific Rail Corporation (SP) line between Houston, Texas and New Orleans, Louisiana. The Board's decision to grant joint ownership, effective October 29, 1998, strengthened BNSF's access to customers on the western portion of the line that UP owned previously. The NS study argues that BNSF's use of the new line by soliciting traffic through the KCSR-Meridian Gateway would affect NS traffic, and the Applicants' analysis should have considered this.

Summary of Applicants' Rebuttal: The Applicants stated that NS's concerns were regarding whether the potential new BNSF activity through the KCSR-Meridian Gateway would cause congestion on lines that NS uses. Those issues have since been resolved between the Applicants and NS. Regardless of the Settlement Agreement between the Applicants and NS, the Applicants argue that the "50/50 Agreement" would not affect the Applicant's diversion analysis. To the extent that diversions are possible and would be enhanced by the CN/IC/KCSR Alliance, the Alliance would not actually cover many of the areas affected by the "50/50 Agreement." The Applicants believe that adding another competitor through the "50/50 Agreement" would actually reduce potential diversions to the Alliance.

SEA's Conclusions: SEA concludes that any diversions related to the "50/50 Agreement" would be either *de minimus* or negative. Projecting any changes in traffic as a result of the "50/50 Agreement" would be speculative.

Proper Modeling of Critical Interchange Points Among Applicants, KCSR, and Other Railroads (Impedances)

- Summary of NS Position:** The NS study argues that the selection of impedance values at critical junctions is important because modest changes in impedance can cause substantial changes in projected diversions. The study argues that the impedance values at certain key junctions were too high and, as a result, the projected diversions through these junctions are too low. These junctions include Chicago, Illinois, where CN joins IC; Springfield, Illinois, where IC and KCSR join; and Beaumont, Texas, where KCSR and Tex-Mex join. In particular, the study argues that the "single-line-like service" that would be established by CN, IC, and KCSR through Beaumont and Jackson warrants low impedance values.
- Summary of Applicants' Rebuttal:** The Applicants state that for each location they used the lowest impedances that the traffic model applies to non-merged carriers. The Applicants argue that they accurately modeled the competitiveness of the Alliance and the relationships among the Alliance carriers, KCSR and TFM, but appropriately did not treat them as if they were merged.
- SEA's Conclusions:** SEA reviewed the impedance values and determined that they are well grounded and proper for use with the model. The methodology the Applicants used was tested in prior cases before the Board and shown to be reasonable and reliable.

Proper Modeling of Haulage Agreement with WC

- Summary of NS Position:** The NS study argued that the Applicants' traffic studies did not properly consider CN's recently executed Haulage Agreement with WC for operations over WC's line between Superior, Wisconsin and Chicago, Illinois. Instead, the NS study states that all of the Applicants' traffic diversions were to BNSF's line instead of WC's line between those points. The study notes that the mileage on the BNSF route is 462 miles and the mileage on the WC line is 123 miles. NS argues that the model must have had a substantially higher impedance and would, therefore, understate transborder traffic resulting from the Acquisition via the CN/IC/WC route.
- Summary of Applicant's Rebuttal:** The Applicants stated that at the time they were preparing the traffic study, CN was negotiating with both BNSF and WC over haulage between Duluth/Superior and Chicago; therefore, they could not account for the WC route in the model. To account for the new agreement with WC, the Applicants have rerun the model. As a result, traffic would increase on the rail line segments between BRC-CCP crossing and Hawthorne Yard, Illinois and between Hawthorne Yard and Broadview, Illinois by approximately 1 percent as measured in gross ton-miles. The Applicants

project an additional 448 gross ton-miles per day (seven carloads) and 356 gross ton-miles (six carloads), respectively, on the two rail line segments. The Applicants believe that including the agreement causes an overstatement because some of the additional diversions are likely attributable to the new WC agreement, rather than the synergies of the CN/IC Acquisition.

SEA's Conclusions: The Applicants' revised traffic diversion analysis includes provisions for the WC Haulage Agreement. This additional data do not significantly affect the Applicants' original rail traffic projections, and the proposed increases in rail activity would not meet the Board's thresholds for environmental analysis.

Proper Modeling of Relationship Among CN, IC, KCSR, and TFM

Summary of NS Position: The NS study argues that the Applicants did not fully account for the extent to which CN/IC, KCSR, and KCSR's affiliated railroads would be able to provide, as a result of the proposed Acquisition, single line-like service to divert traffic to and from Mexico through the gateway at Laredo, Texas.

Summary of Applicants' Rebuttal: The Alliance members have stated on numerous occasions that the Alliance is not the competitive equivalent of a merged single-line service. The Applicants argue that the Alliance in connection with KCSR does not and cannot yield the full equivalent of single-line service. To illustrate their point, the Applicants note that the Alliance Agreement includes coordination between independent companies in such areas as marketing, operations, and strategic development, none of which would be necessary if the Alliance members had merged. The Applicants state that a merger eliminates the need for intercarrier interchanges, whereas the Alliance Agreement does not. The Alliance Agreement would not allow for the integration of traffic, accounting, communications, and information systems, while a merger would.

SEA's Conclusions: SEA concludes that the Applicants sufficiently accounted for the service relationships among the Alliance members and accurately represented them in the original traffic diversion model. SEA accepts the Applicants' original traffic projections with the modifications noted.

Comparison of ALK Study and Alliance and Access Agreements

Summary of NS Position: In a number of instances, the NS study argued, the traffic diversions do not make practical sense in the context of the Alliance and Access Agreements. Given the commitment in the Access Agreement to make investments at Kansas City for automotive and intermodal facilities, NS

expected that the Applicants' traffic studies would have indicated higher diversions at Kansas City. NS also believes that the long haul potential to and from western connections through the Kansas City Gateway was not reflected in the Applicants' diversion analysis. NS also expected larger market penetration at Dallas-Fort Worth, Houston, and Laredo, Texas because of the Alliance and Access Agreements.

**Summary of
Applicants' Rebuttal:**

The Applicants argue that the NS study overlooked the Kansas City diversions in the Applicants' diversion study. The Applicants state that many of the Kansas City diversions described in the NS study would require a movement of three rather than two carriers and would, therefore, be less likely. Regarding diversions from Dallas-Fort Worth and Houston, Texas, the Applicants considered that much of the automotive traffic could not be diverted throughout the entire implementation period for the merger because of existing, long-term transportation contracts. In addition, KCSR does not have direct access to Houston.

SEA's Conclusions:

SEA determined that the Applicants' rebuttal to the modeling scenario for the Alliance and Access Agreements is convincing and accurately represented in the original traffic diversion model. SEA accepts the Applicants' original traffic projections as modified.

Disclosure of Supporting Documentation

**Summary of
NS Position:**

ALK, the third-party contractor who prepared the Applicants' traffic-diversion study, used a proprietary model to calculate diversions. The NS study argues that if ALK cannot disclose the components of its model, it must make the detailed workpapers underlying the results of the ALK study available to other parties to assess ALK's conclusions. NS argues that without these complete workpapers, the ALK model cannot be tested or reviewed.

Specifically, NS argues that the workpapers and data in the CN/IC depository do not include:

- Projected losses to NS by market, geographic grouping, or commodity.
- Files underlying the projected losses and gains or losses expressed in cars, tons, and revenue or carriers other than CN/IC.
- Definitions for the markets specified for each CN/IC movement.

- Information that would permit either the base case or the diversion file records to be matched to individual carriers' traffic files or to the carload waybill sample.
- Complete data for reload traffic diversions.
- Junction impedances at critical points including Chicago, Illinois and Superior, Wisconsin.

**Summary of
Applicants' Rebuttal:**

The Applicants contend that the specific criticisms NS alleges do not reflect insufficient documentation, but rather differences between their own analytical methods and the methods NS used to determine traffic diversions. The following items illustrate these differences:

- Rather than indicating specific NS losses by geographic grouping or commodity, the Applicants submitted colored flow maps to show the geographic locations for all of CN/IC's gains, presented lost revenues for NS and other carriers by different commodity groups, and provided workpapers to support these conclusions.
- The ALK study provides diversions by revenues and not physical units (e.g., cars, tons) because it would lead to double counting. However, workpapers in the depository include calculated gains and losses by car miles and ton miles, which are not subject to double counting.
- The ALK study does not provide a unique identifier for each waybill to facilitate matching the pre-diversion and post-diversion files because it is unnecessary. The ALK study is based on a model that uses aggregated traffic (i.e., markets), whereas the NS study is based on a model that assesses individual waybills against a single diversion route.
- The ALK study does not provide a workpaper for the reload diversions that is similar to the workpapers for determining general merchandise, intermodal, auto, and coal bulk diversions because it used a different methodology for reload diversions.
- Although the model used for the ALK study is proprietary, the Applicants did not withhold any information that NS requested. The Applicants contend that NS did not request review of their model for impedances at Chicago, Illinois and Superior, Wisconsin. The Applicants responded to NS's specific requests for impedances during the discovery process.

Overall, the Applicants argue that they provided supporting documentation that was more than adequate to support their traffic diversion model.

SEA's Conclusions: SEA concludes that the workpapers for the model used in the Applicants' traffic diversion study were available and consistent with workpapers supporting previous Acquisition proceedings.

"Normal Year" Presentation

Summary of NS Position: NS contends that the Applicants' projection of a "normal year" is not complete in its presentation of the marketing, operational, and financial impacts of the CN/IC transaction. NS alleges that because the Applicants' projections for traffic diversions are understated and incomplete, the proposed operational train schedules, financial impacts, and handling costs also underestimate the substantially greater volumes of traffic associated with the proposed CN/IC Acquisition. NS argues that the Applicants' projections for a "normal year" do not include diversions from the following:

- Houston automotive and intermodal traffic.
- Coordinated interline train schedules with KCSR between Springfield, Illinois and Kansas, City, Missouri for the CN/IC-KCSR Kansas City Gateway Route.
- Additional traffic from the CN/IC-KCSR Jackson Gateway Route.

Summary of Applicants' Rebuttal: The Applicants did not specifically respond to this point.

SEA's Conclusions: SEA concludes that the NS position on the projection of a "normal year" is largely based on their previous positions. Therefore, based on SEA's previous analysis and conclusions, the Applicants' "normal year" projection is reasonable.

NS Traffic Study Results

The NS study was performed using the rail traffic diversion model developed by DNS Associates, Inc., in the mid-1980s (DNS model). Both the ALK and DNS models use algorithms to route traffic over a rail network based on the North American rail network, and both models allocate revenues to the participating carriers in proportion to the rail mileage, with additional weight given to the originating and terminating carriers.

**Summary of
NS Position:**

The DNS model predicted a dramatically higher number of traffic diversions than the ALK model predicted. Table A.2-3, "Differences in Projected Rail Diversions," demonstrates the vast difference in projected diversions between models.

NS argues that the dramatic differences between the ALK projections and the DNS projections are attributable to the following:

- The ALK model used high impedances at Springfield, IL; Jackson, MS; and Beaumont, TX, which inhibited diversions to CN/IC/KCSR routes through these critical junctions.
- The ALK model did not divert traffic from auto racks or intermodal traffic to terminations and originations in the Houston market.
- The ALK model did not include diversions from extended haul gateways and origin to single line and single line-like service.
- The ALK model used route and junction impedances to predict the outcome of railroad consolidations.

**TABLE A.2-3
DIFFERENCES IN PROJECTED RAIL DIVERSIONS**

Rail Line Segment	Units Diverted (by model)			Increased Trains per Day (by model)		
	DNS	ALK	Difference	DNS	ALK	Difference
CN/IC-KCSR Chicago, IL-to-Kansas City, MO	91,100	60,000	31,100	6	2	4
KCSR Segment: Jackson, MS-to-Shreveport, LA	198,800	91,300	107,500	10	4	6
KCSR Segment: Shreveport, LA-to-Dallas, TX ²	47,800	27,900	19,900	—	—	—
KCSR Segment: Dallas, TX-to-Beaumont, TX	73,100	24,100	49,000	4	0	4
KCSR Segment: Beaumont, TX-to-Laredo, TX	43,600	22,100	21,500	4	0	4

² Because the Applicants' projected trains appeared not to be loaded to capacity, the DNS study did not show an increase in the number of trains per day. However, the trains would operate 7 days per week instead of 6 days, for an increase of 2 trains per week above the Applicant's projection.

**Summary of
Applicants' Rebuttal:**

In addition to the Applicants' previous responses to these issues, they state that the NS study uses flawed methodologies and assumptions that overstate the rail traffic diversions. Among other issues, the Applicants state that the DNS model depends more on individual judgment and cannot be calibrated against actual traffic flows as well as the ALK model. The Applicants further state that the DNS model used higher diversion percentages for this proceeding than it used for the previous CSX/NS proceeding for the Conrail Acquisition.

SEA's Conclusions:

For the Draft EA, SEA completed a thorough review of the assumptions and traffic projections included in the Applicants' train traffic modeling and Operating Plan. At that time, SEA determined that the Operating Plan provides a reasonable projection of the rail traffic that would result from the proposed CN/IC Acquisition. After reviewing the NS study, the Applicants' responses, and the revised operating data, SEA concludes that the Applicants' traffic modeling portrays a reasonable projection of rail traffic following the proposed CN/IC Acquisition.

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A.3 THRESHOLDS AND CRITERIA

SEA prepared Table A.3-1, "Rationale for Board's Thresholds and Criteria of Significance," to provide additional information regarding the approach it used to conduct its environmental analysis.

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**TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA**

Activities Evaluated for Potential Environmental Effects				
Environmental Impact Category	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Safety				
Freight Rail Operations Safety	1. SEGMENT: Rail line segments with an average increase of eight or more freight trains per day.	Focuses analysis on areas where impacts are likely to occur. Experience in other acquisitions has shown increases of less than 8 are not likely to exceed criteria of significance.	Increase in accident rate for each segment would be greater than the normal variance in the state-wide accident rate, and post-acquisition accident rate greater than 1 accident every 100 years.	1. Acquisition-related increase in accidents would be greater than normal fluctuations in accident rates. 2. Criterion is a conservative comparison with the national (1996) accident rate of 1 accident every 117 years.
	2. SYSTEM-WIDE: All segments included.	Nature of system-wide analysis.	Comparison with historical accident rates and annual fluctuations.	Qualitative comparison of change in accident rate with historical trends (generally declining accident rate).
Hazardous Materials Transport Safety	1. SEGMENTS: Rail line segments with an increase in the annual volume of hazardous materials transported.	SEGMENTS: Risk increases with amount of material carried.	SEGMENTS: Two levels of criteria: 1. Increase of more than 10,000 hazardous materials railcars per year (would warrant Key Route Mitigation). 2. Doubling of hazardous materials traffic to more than 20,000 railcars per year (would warrant Major Key Route mitigation).	1. Existing Federal regulations govern the safe transport of hazardous materials. 2. Key Route mitigation is an industry-accepted standard for providing additional safety measures. 3. Doubling of hazardous materials railcars viewed as a substantial change warranting coordination with local emergency response agencies. SEA considers doubling to less than 20,000 railcars (i.e., an increase of less than 10,000 railcars) to be within normal fluctuation of hazardous materials transport. For this, and previous Acquisitions, SEA determined that a qualitative review of risk is appropriate, given the very large post-acquisition release intervals.
			For all main line traffic changes with increased risk, SEA reviewed magnitude of change in risk, and the railroad plans for addressing hazardous materials accidents.	

TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA

Activities Evaluated for Potential Environmental Effects				
Environmental Impact Category	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Hazardous Materials Transport Safety (continued)	2. FACILITIES: All intermodal facilities and rail yards with an increase in railcar activity.	FACILITIES: Examining all intermodal and rail yard facilities with increased activity is a very conservative approach that captures all activities with any potential for adverse effect.	Qualitative	Evaluation qualitative because risk of release because risk rates were extremely low (i.e., no risk of release greater than once every 24 years in the CN/NC Acquisition).
Passenger Rail Operations Safety	Rail line segments with existing passenger rail traffic and an average increase of one or more freight trains per day.	Very conservative threshold to capture all increases in train traffic where passenger values operate.	A 25% increase in the projected accident rate and interval of less than 150 years between accidents.	National accident rate varies by 30% annually; 25% is a conservative measure for identifying all acquisition-related changes outside normal variation. Second criteria based on average annual accident rate for various passenger service providers.
Highway/Rail At-grade Crossing Safety	All highway/rail at-grade crossings on rail line segments with an average increase of eight or more trains per day. Highway/rail at-grade crossings created by proposed constructions on rail line segments with an average increase of eight or more trains per day.	Focuses analysis on areas where impacts are likely to occur. Experience in other acquisitions has shown increases of less than eight not likely to exceed criteria of significance.	Increase of 0.05 accidents per year (1 in 20 years) considered significant, except at "high-risk" intersections (in the state "top 50" or with more than 1 accident in seven years) where a smaller increase of 0.01 accident per year (1 in 100 years) is considered significant.	Criteria based on reasonable estimate of acceptable accident risk at grade crossings. The dual criteria addresses concern that small increase in risky area is more significant than a larger increase in a less risky area.

TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Traffic and Transportation				
Highway/Rail At-grade Crossing Delay	1. Highway/rail at-grade crossings on segments that meet or exceed the Board's thresholds for environmental analysis,^b and with average daily traffic (ADT) of 5,000 vehicles or greater, or crossings within 800 feet. 2. Highway/rail at-grade crossings created by proposed construction on rail line segments that meet or exceed the Board's thresholds for environmental analysis and with ADT of 5,000 or more, or crossings closer than 800 feet.	Focuses analysis on areas where impacts are likely to occur. Experience in other acquisitions has shown increases less than eight are likely to exceed criteria of significance.	1. Increase by 30 seconds, or 2. Drop to Level-of-Service (LOS) D from A, B or C or post-acquisition LOS E or F.	1. Basis for 30 second delay based on studies of driver perception of delay and tolerance levels. 2. LOS also based on Transportation Research Board's Highway Capacity Manual evaluation of delay and driver acceptability.
Passenger Rail Service Capacity	Rail line segments with existing passenger rail traffic and an increase of one or more freight trains per day.	Conservative measure for identifying all relevant segments with increased freight traffic.	Any reduction in passenger rail service of one passenger train or more.	Any reduction in passenger service is significant.
Roadway Capacity	Intermodal facilities with an increase of 50 or more trucks per day or a 10% increase in ADT on affected roadways.	Board Rules specify this threshold. Focuses analysis on areas where impacts are likely to occur. Experience in other acquisitions has shown lower increases not likely to result in significant effects.	Evaluated on a case-by-case basis.	Allows SEA to consider and respond to local situations.
Navigation	Movable-span bridges on any rail line segments.	Conservative measure for identifying all potential navigation issues.	None, because navigation is regulated by Coast Guard and has priority over train traffic at moveable span bridges.	SEA does not have authority to override U.S. Coast Guard jurisdiction.

**TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA**

Activities Evaluated for Potential Environmental Effects				
Environmental Impact Category	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Energy	System-wide evaluation of track-to-rail diversions. System-wide evaluation of changes in activity at intermodal facilities. System-wide evaluation of changes in activity at rail yards.	Board Rules specify threshold.	SEA has not developed criteria because Acquisitions have always resulted in energy efficiencies.	Not Applicable
Air Quality				
Air Quality	SYSTEM-WIDE: All changes in rail activity.	Nature of system-wide analysis.	SYSTEM-WIDE: None, because overall, air emissions have decreased as a result of previous acquisitions. Where there have been increases, qualitative comparison with total emissions for the study area.	Not Applicable
Air Quality: Attainment or Maintenance Areas	COUNTY-WIDE: 1. Rail line segments with an increase of eight or more trains per day or at least a 100% increase in rail traffic (measured in annual gross ton-miles). 2. Intermodal facilities with an increase of 50 or more trucks per day or more than a 10% increase in ADT on affected roadways. 3. Rail yards with a 100% or greater increase in carload activity. 4. All constructions.	Board Rules specify threshold.	COUNTY-WIDE: Significant if total emissions from rail activities exceed 1.6% of EPA's total emissions inventory for the county, and exceed EPA's screening criteria for stationary sources for the individual criteria pollutant. For PM_{10} , contributions are considered significant if PM_{10} emissions from rail activities exceed 1% of EPA's total emissions inventory for the county and exceed EPA's PM_{10} screening criteria for stationary sources.	In the absence of specific criteria for rail activities, SEA selected stationary source standards because they are more conservative than mobile sources (i.e., automobiles).

**TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA**

Activities Evaluated for Potential Environmental Effects				
Environmental Impact Category	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Air Quality: Nonattainment Areas	COUNTY-WIDE: 1. Segments with an increase of three or more trains per day or at least a 50% increase in rail traffic (annual gross ton-miles).^a 2. Intermodal facilities with an increase of 50 or more trucks per day or more than a 10% increase in ADT on affected roadways. 3. Rail yards with a 20% or greater increase in carload activity. 4. All constructions.	Board Rules specify threshold.	COUNTY-WIDE: For nonattainment areas, contributions are considered significant if total emissions from rail activities exceed 1% of EPA's total emissions inventory for the county and exceed EPA's screening criteria for stationary sources for the individual pollutant.	In the absence of specific criteria for rail activities, SEA selected stationary source standards because they are more conservative than mobile sources (i.e., automobiles).
Noise	1. Rail line segments with an increase of eight or more trains per day or a 100% increase in annual gross ton-miles. 2. Intermodal facilities with an increase of 50 or more trucks per day or more than a 10% increase in ADT on affected roadways. 3. Rail yards with a 100% or greater increase in carload activity. 4. All constructions.	Board Rules specify threshold.	SEA considers increases to noise levels above 65 dBA, with an increase of 3 dBA or more, significant. SEA's mitigation recommendations are based on consideration of safety and the overall cost of mitigation for each Acquisition.	Most Federal agencies (DOT, HUD, etc.) use 65 dBA as their threshold of significance. This criterion includes the increase in noise because the Board considers mitigation only for Acquisition-related environmental impacts.

TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Land Use	All constructions.	Construction activities are likely to require demolition, excavation or physical change to the structure and other characteristics that make up a community.	- Consistency with Land Use Plans - Use of Prime Farmland. - Consistency with Coastal Zone Management - Encroachment into Native American Reservations and Lands.	SEA based the criteria for determining adverse effects in accordance with the Board's rule in 49 CFR 1105.7(c)(3) and NEPA regulations under 40 CFR 1502.16(c).
Cultural Resources	All constructions.	Construction activities are likely to require demolition, excavation or physical change to structures.	Based on ACHP "Criteria of Effect and Adverse Effect," an action has an effect on a historic property when it "may alter characteristics of the property that may qualify the property for inclusion in the National Register." This effect is considered to be adverse if it "may diminish the integrity of the property's location, design, setting, materials, workmanship, feeling, or association."	Based on regulations at 36 CFR 800.9

**TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA**

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Natural Resources	All constructions.	Construction activities are likely to require demolition, excavation or physical change to structures.	Biological resources: - Adverse effect on critical habitats for Federally listed threatened or endangered species. - Loss or degradation of wildlife sanctuaries, refuges, national parks, or national forests that significantly alters the function or accessibility of those resources. - Disruption of wildlife movements or migratory corridors that significantly alters regional population numbers or diversity.	Criteria are based on review of regulations to protect natural resources, and past experience with other environmental evaluations.
Natural Resources (Continued)			Water Resources: - The removal, alteration, or filling of wetlands or other waterbodies. - Effects on wetlands in known habitats for threatened or endangered species. - Effects on identified drinking water sources. - Effects on floodplains that significantly alter the flooding patterns within (and adjacent to) the site of the proposed construction.	

TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Hazardous Waste Sites	All constructions.	Construction activities are likely to require demolition, excavation or physical changes to sites which may contain hazardous wastes.	- The construction activities would pose a threat to human health or the environment by disturbing sites containing hazardous materials. - The construction activities would disturb sites where contaminants were contained in place to reduce the possibility of threats to human health or the environment (e.g., covered contaminants with a clay, soil, or asphalt cap).	Criteria focuses on threats to human health and safety, and is responsive to other regulatory programs.

**TABLE A.3-1
RATIONALE FOR BOARD'S THRESHOLDS AND CRITERIA**

Environmental Impact Category	Activities Evaluated for Potential Environmental Effects			
	Threshold for Environmental Analysis	Rationale for Threshold	Criteria of Significance	Rationale for Criteria
Environmental Justice	All activities exceeding Board thresholds for environmental analysis.	Very conservative measure as it looks at all effects of transaction without mitigation measures. Analysis method also allows early notification to communities with EJ populations. SEA completed system-wide, state, and regional statistical tests to determine if high and adverse effects could have disproportionate impacts on environmental justice populations. System-wide—SEA used the statistical tests to compare impacts to all affected populations. State—SEA compared impacts for any state that had a Census Block group with an ERS of 5 or greater or had more than one ERS of 3.5 or greater (and thus an MRS of at least 24.5, or 3.5 squared times two). Regional—SEA identified regions in any state for which it completed the state statistical analysis. SEA compared impacts for any region that had a Census block group with an ERS of 5 or greater or had more than one ERS of 3.5 or greater (and thus an MRS of at least 24.5, or 3.5 squared times two).	SEA determined that impacts would be disproportionate if the statistical tests showed that the Census block groups with environmental justice populations would experience high and adverse effects in greater proportions than those Census block groups with non-environmental justice populations.	Uses quantifiable criteria to identify areas of disproportionality. Because criteria is applied before mitigation is considered, it allows SEA to determine how effective general mitigation will be in EJ communities, allows SEA to tailor mitigation specific to those communities and circumstances for maximum effectiveness.

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A.4 NOISE

In their comments, EPA requested additional information regarding the location of potentially affected noise-sensitive receptors. Tables A.4.1 through A.4.5 describe noise-sensitive receptors, community characteristics, and the number of pre- and post-Acquisition receptors that lie within the 65 dBA L_{dn} contours for the rail line segments the Applicants analyzed.³ These tables present SEA's initial evaluation of receptors that would potentially experience an increase greater than 3 dBA that would also exceed 65 dBA L_{dn} . SEA conducted additional analysis to determine potential significant impacts. SEA's detailed analysis is described in the Draft EA, Appendix G, "Noise Analysis Methods and Results."

This summary is based on SEA's initial screening analysis, which does not reflect the effects of time of day of train activity or the presence of Norfolk Southern trains. Figures A.4-1 through A.4-18 present the locations of the noise-sensitive receptors discussed in the following tables.

³ Note that the Hawthorne Yard, Illinois-to-Broadview, Illinois segment is not included. That segment would not experience a 3 dBA or greater increase in post-Acquisition conditions.

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TABLE A-4-1
NOISE ASSESSMENT SUMMARY: SPRINGFIELD, IL-TO-MOUNT PULASKI, IL
RAIL LINE SEGMENT

Community	Description	Highway/Rail At-grade Crossings	Number of Noise-Sensitive Receptors within L_{50} 65 dBA Contour					
			Pre-Acquisition			Post-Acquisition		
			Residences	Schools	Churches	Residences	Schools	Churches
Springfield	This rail line segment originates in western Springfield, Illinois and heads in a northeastern direction through the Grandview section of Springfield to State Route 54. The land use in this area is primarily residential and partly commercial.	2	31	0	0	89	0	0
Spaulding	An unincorporated town consisting mainly of scattered, single-family residences.	3	8	0	0	30	0	0
Corland	A small farming community located north and east of Spaulding, Illinois. The land use adjacent to the tracks passing through the southeastern part of the town is primarily commercial, including a grain elevator and other related buildings (with some residential buildings located beyond the commercial buildings).	2	8	0	0	11	0	0
Lake Fork	A very small farming community similar in layout to Corland, Illinois. A few commercial buildings, some single-family residences, two churches, and one school are near the tracks.	1	3	0	0	9	1	0
Mount Pulaski	Mount Pulaski, Illinois is located near the end point of this rail line segment, which terminates at the IC rail line in the southwestern part of town. No highway/rail at-grade crossings are on this section of the track, and the only noise-sensitive receptors are scattered single-family residences that are far enough back from the tracks to be outside the 65 dBA L_{50} contour for both the pre- and post-acquisition conditions.	0	0	0	0	0	0	0
TOTAL		8	53	0	0	139	1	0

TABLE A.4-2
NOISE ASSESSMENT SUMMARY: MOUNT PULASKI, IL-TO-CLINTON, IL
RAIL LINE SEGMENT

Community	Description	Highway/Rail At-grade Crossings	Number of Noise-Sensitive Receptors within L ₅₀ 65 dBA Contour					
			Pre-Acquisition			Post-Acquisition		
			Residences	Schools	Churches	Residences	Schools	Churches
Mount Pulaski	This rail line segment originates in southwest Mount Pulaski, Illinois at the IC branch junction. The tracks run northeasterly through the southern part of the town. The land use adjacent to the tracks is mostly commercial, with some single-family residences located northwest of the tracks.	1	8	0	0	25	0	0
Chestnut	A small farming community located primarily to the north and west of the tracks. The land use adjacent to the tracks is mainly commercial (i.e., a grain elevator and some small businesses), with some single-family residences located to the northwest beyond the commercial buildings.	2	3	0	0	7	0	0
Kenney	The tracks run southwest to northeast through the town, and they cross the Illinois Terminal line in the southern part of the town. Land use in the southwestern and central sections of the town is mainly commercial and primarily residential (mostly single-family houses) in the northeastern part of the town.	2	13	0	0	25	0	0
Clinton	The tracks enter Clinton, Illinois from the southwest, and this rail line segment terminates at the connection with the north-south Illinois Central line in the center of Clinton, Illinois. The land use adjacent to the tracks is primarily residential, except for the last five or six blocks that include the commercial downtown area.	9	52	0	0	93	0	0
TOTAL		14	76	0	0	120	0	0

TABLE A.4-3
NOISE ASSESSMENT SUMMARY: CLINTON, IL-TO-FULLERTON, IL
RAIL LINE SEGMENT

Community	Description	Highway/Rail At-grade Crossings	Number of Noise-Sensitive Receptors within L ₅₀ 65 dBA Contour					
			Pre-Acquisition			Post-Acquisition		
			Residences	Schools	Churches	Residences	Schools	Churches
Clinton	This rail line segment runs east past a number of residential buildings situated on both sides of the tracks.	2	18	0	0	31	0	0
De Witt	The tracks pass through the extreme northern part of De Witt along State Route 54. Only a few commercial buildings and a couple of single-family residences are clustered around the single highway/rail at-grade crossing in this town.	1	0	0	0	2	0	0
Fullerton	This very small community contains a few commercial and residential buildings.	1	1	0	0	1	0	0
TOTAL		4	19	0	0	34	0	0

TABLE A.4-4
NOISE ASSESSMENT SUMMARY: FULLERTON, IL-TO-GIBSON CITY, IL
RAIL LINE SEGMENT

Community	Description	Highway/Rail At-grade Crossings	Number of Noise-Sensitive Receptors within L ₅₀ 65 dBA Contour					
			Pre-Acquisition			Post-Acquisition		
			Residences	Schools	Churches	Residences	Schools	Churches
Farmer City	The tracks run through the extreme northern side of Farmer City, Illinois; only a few residences are in this part of the town. Most of the land use in the town is commercial; the fair grounds are on the southeastern side of the tracks.	3	3	0	0	6	0	0
Bellflower	The tracks pass through the southeastern part of Bellflower. A number of commercial buildings are along the tracks, including a grain elevator and some stores. Single-family residences are on both sides of the tracks. In addition, one school and one church are near the tracks.	2	0	0	0	9	0	0
Gibson City	The tracks run through the southwestern part of the town to the Norfolk Southern rail connection. This part of Gibson City, Illinois is mainly commercial.	0	0	0	0	0	0	0
TOTAL		5	3	0	0	15	0	0

TABLE A.4-5
NOISE ASSESSMENT SUMMARY: GIBSON CITY, IL-TO-GILMAN, IL
RAIL LINE SEGMENT

Community	Description	Highway/Rail At-grade Crossings	Number of Noise-Sensitive Receptors within $L_{50} 65$ dBA Contour					
			Pre-Acquisition			Post-Acquisition		
			Residences	Schools	Churches	Residences	Schools	Churches
Gibson City	The land use along the first part of this rail line segment is mainly commercial, but a number of residences are in the northern part of Gibson City, Illinois. Three churches are on this rail line segment in this part of Gibson City although none are within the 65 dBA L_{50} contour for either the pre-acquisition or post-acquisition train volumes.	5	5	0	0	23	0	0
Melvin	The tracks pass through the southeastern part of Melvin, Illinois; two churches are near the tracks. Most of the buildings in the center of Melvin near the tracks are commercial, but some residences are further away from the tracks.	4	3	0	0	13	0	0
Roberts	A number of commercial buildings are near the tracks in Roberts, Illinois with residential buildings behind them. Three churches are near the tracks in Roberts.	4	10	0	0	24	0	0
Thawville	Thawville, Illinois is a small farming community with a few commercial buildings in the southwestern part of town; a number of residences are on both sides of the tracks. Three churches and one school are near the tracks.	2	2	0	0	16	0	0
Gilman	The rail line segment ends at the connection with the north-south IC rail line in southern Gilman, Illinois. A few residences are north of the tracks, just before the connection.		0	0	0	0	0	0
TOTAL		15	20	0	0	66	0	0

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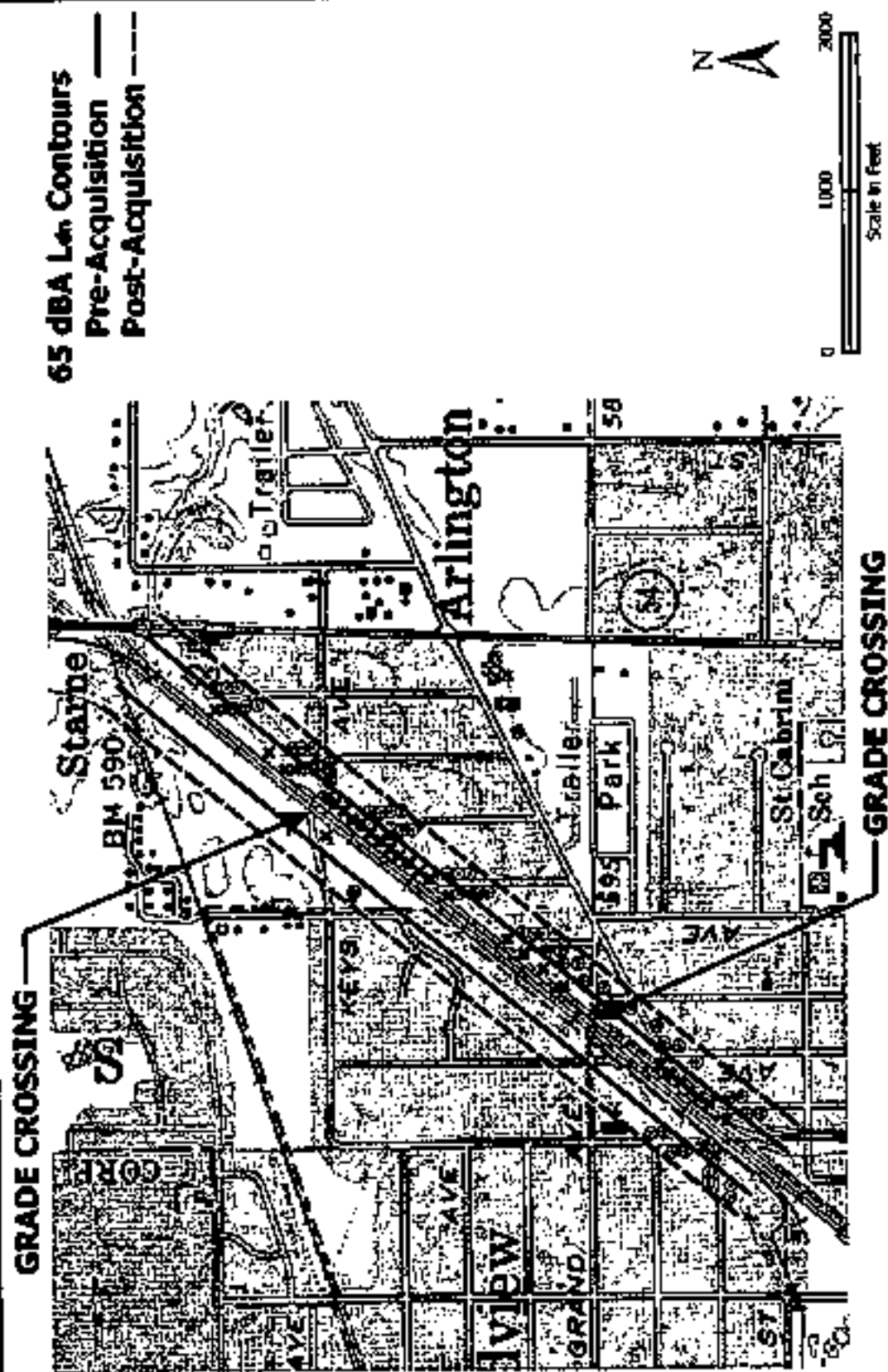


Figure A.4-1

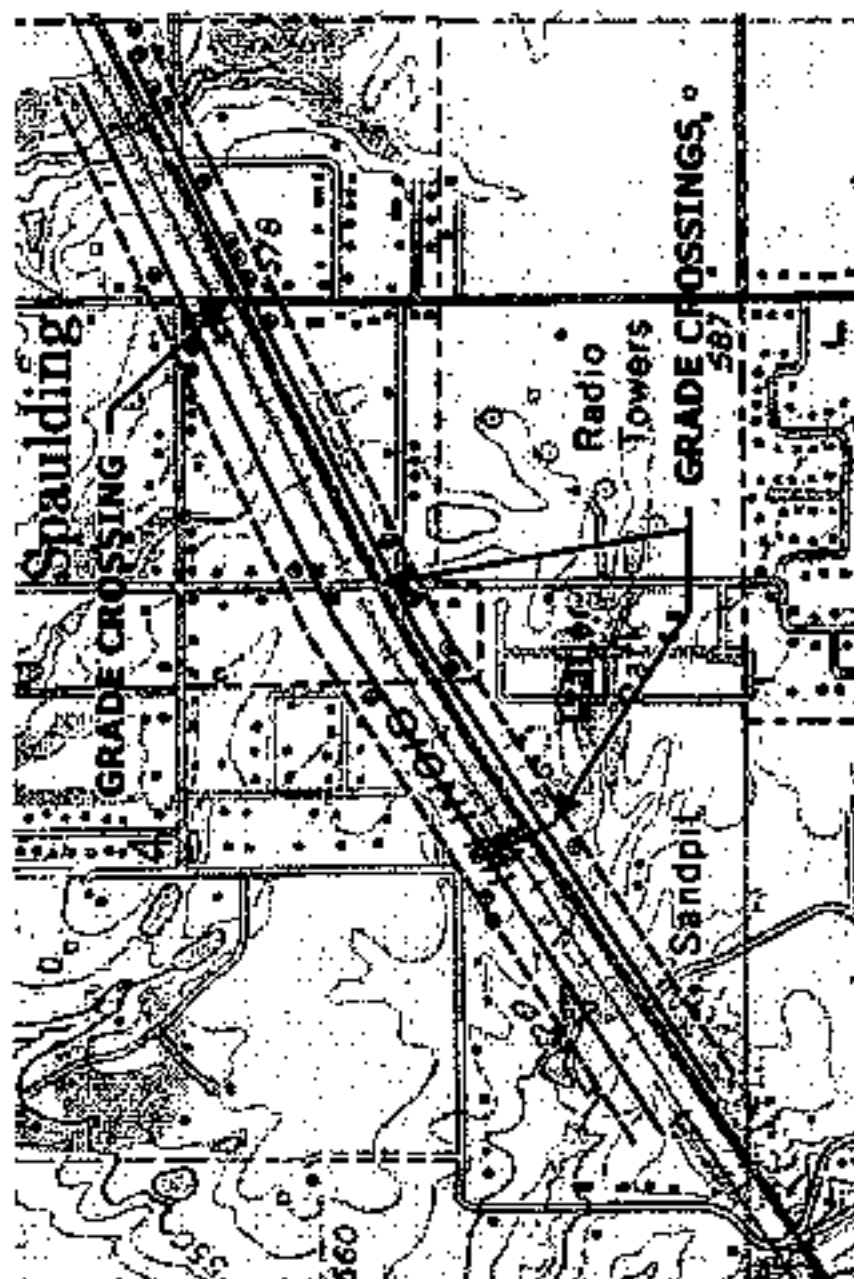
Springfield, Illinois Highway/Rail At-grade Crossings Showing Sensitive Receptors and Noise Contours

Proposed Acquisition
Canadian National and Minto: Combined

Floral Environment | autobloom.org

Pre-Approval Placement

Post-Acquisition Reactions



65 dBA L_{dn} Contours

Pre-Acquisition —

Post-Acquisition - - -

Final Environmental Assessment

* Pre-Acquisition Receptors

© Post-Acquisition Receptors

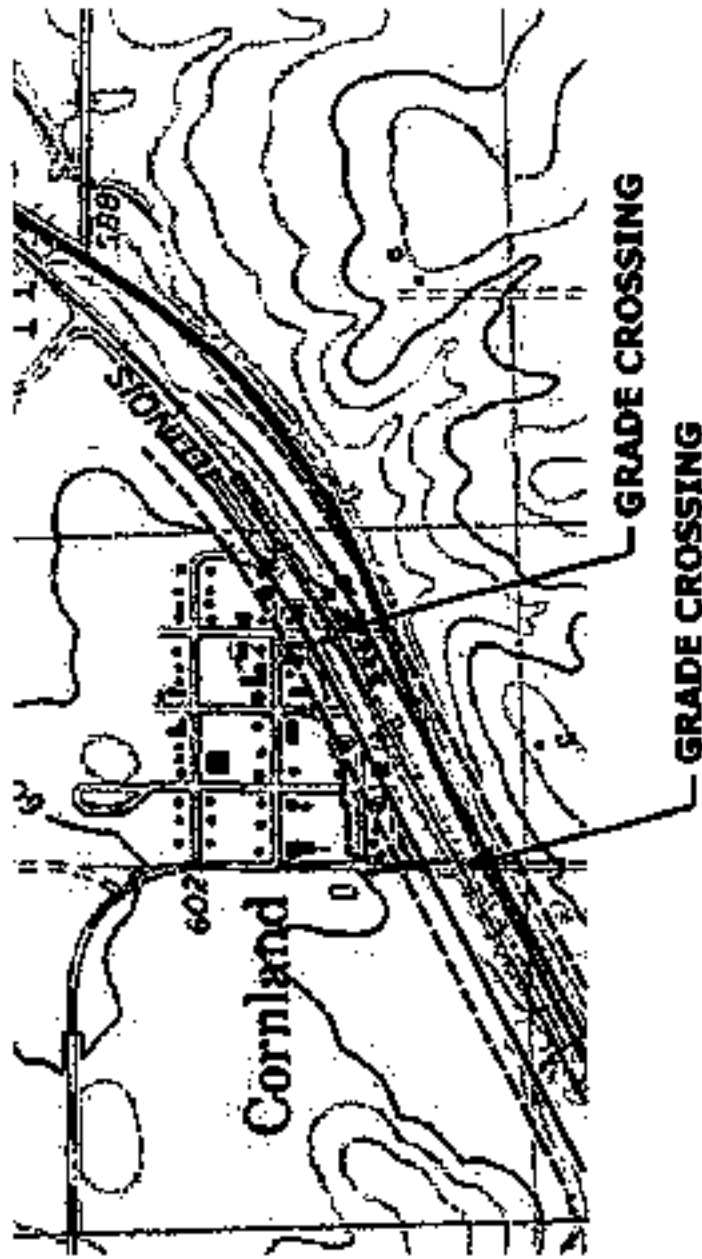
Figure A.4-2

**Spaulding, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours**

Proposed Acquisition
Canadian National and Illinois Central

65 dBA L_{dn} Contours

Pre-Acquisition ———
Post-Acquisition - - - - -



Final Environmental Assessment

- * Pre-Acquisition Receptors
- Post-Acquisition Receptors

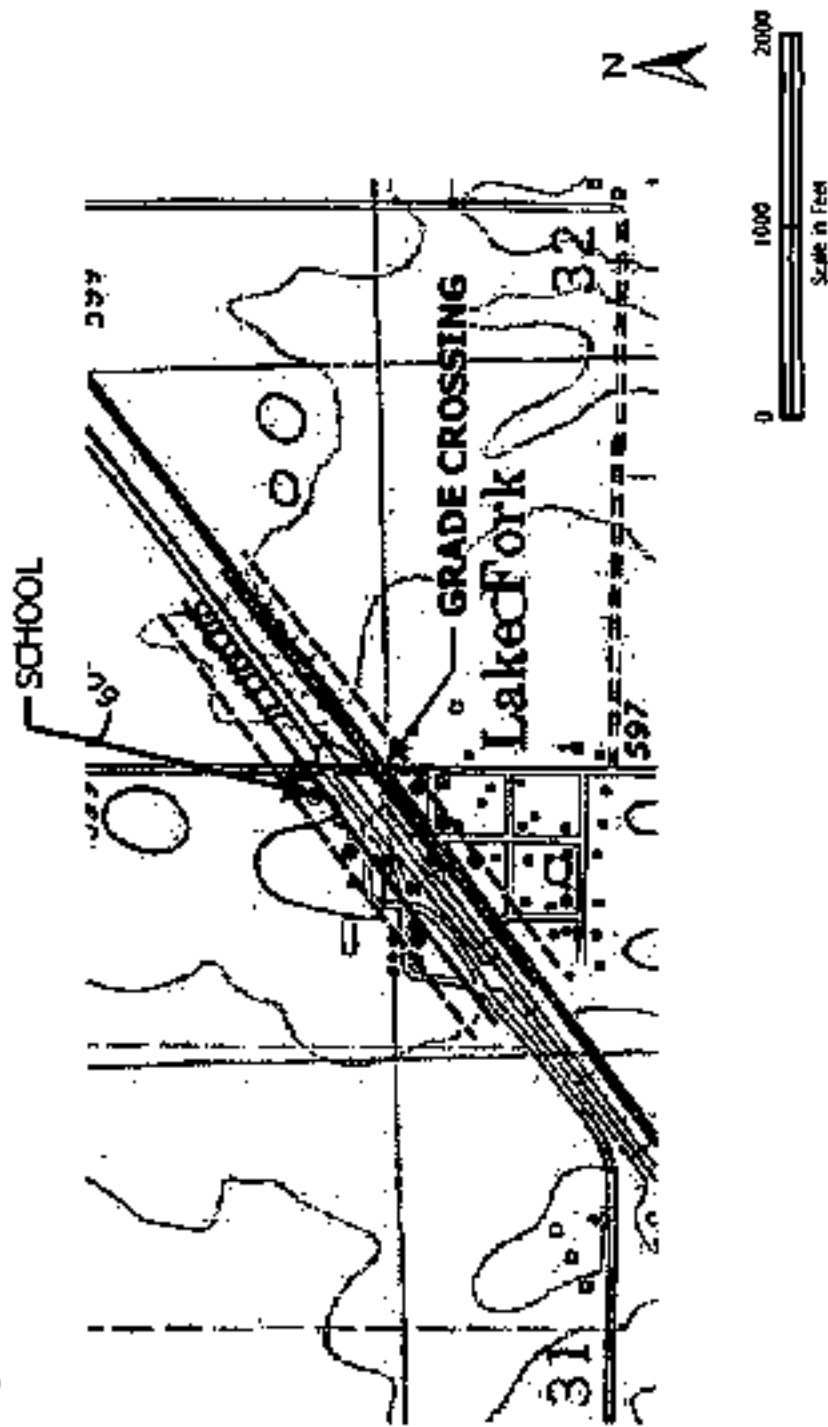
Proposed Acquisition
Canadian National and Illinois Central

Figure A.4-3
Cornland, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

65 dBA L₉₀ Contours

Pre-Acquisition —————

Post Acquisition - - - - -



Final Environmental Assessment

14 Pre-Acquisition Receptors

15 Post-Acquisition Receptors

Figure A.4-4

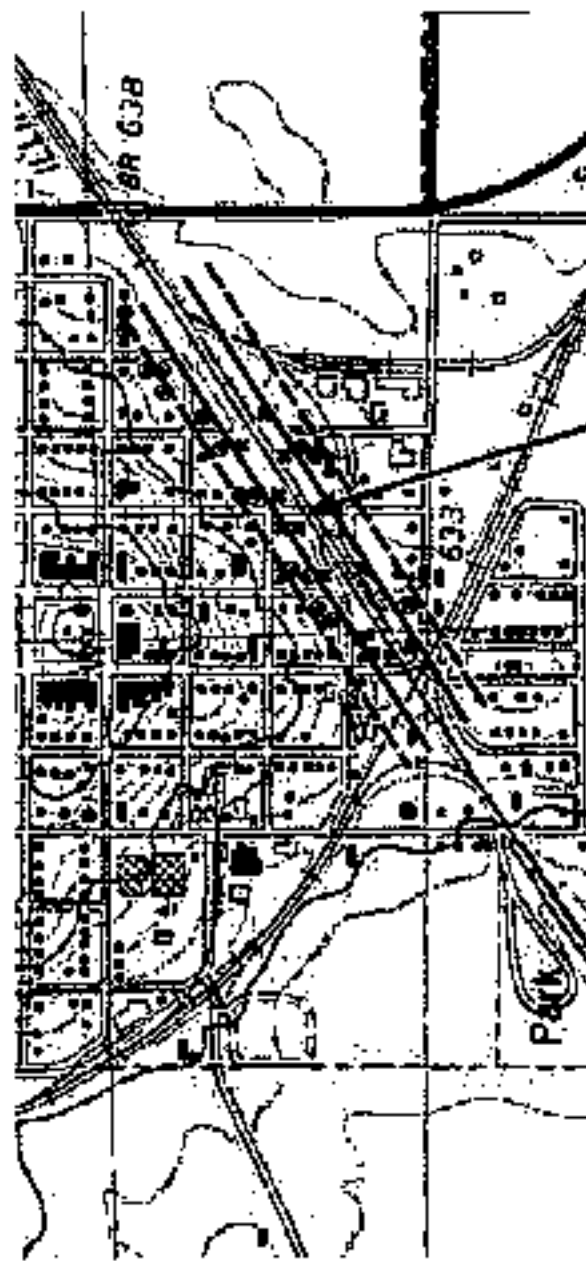
Lake Fork, Illinois Highway/Rail At-grade Crossing Showing Sensitive Receptors and Noise Contours

Proposed Acquisition
Canadian National and Illinois Central

65 dBA L_{dn} Contours

Pre-Acquisition ———

Post-Acquisition - - - - -



Final Environmental Assessment

* Pre-Acquisition Receptors

⊙ Post-Acquisition Receptors

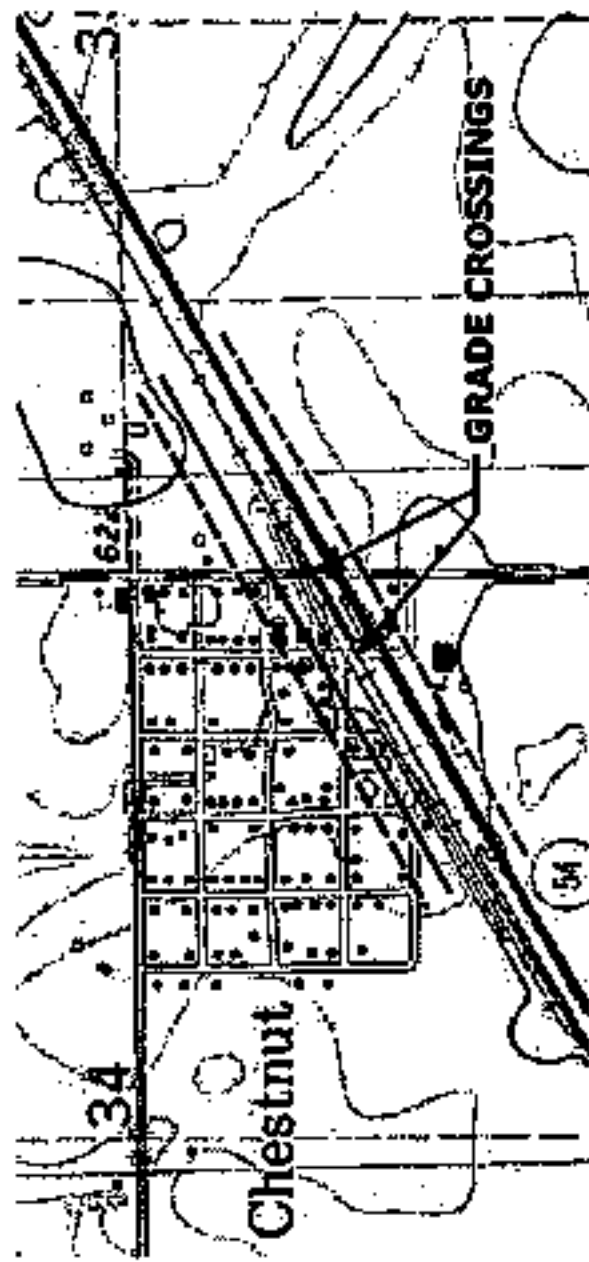
Proposed Acquisition
Canadian National and Amtrak Corridor

Figure A.4-5

Mount Pulaski, Illinois Highway/Rail At-grade Crossing Showing
Sensitive Receptors and Noise Contours

65 dBA L_{dn} Contours

Pre-Acquisition ———
Post-Acquisition - - - - -



Final Environmental Assessment

x Pre-Acquisition Receptors
o Post-Acquisition Receptors

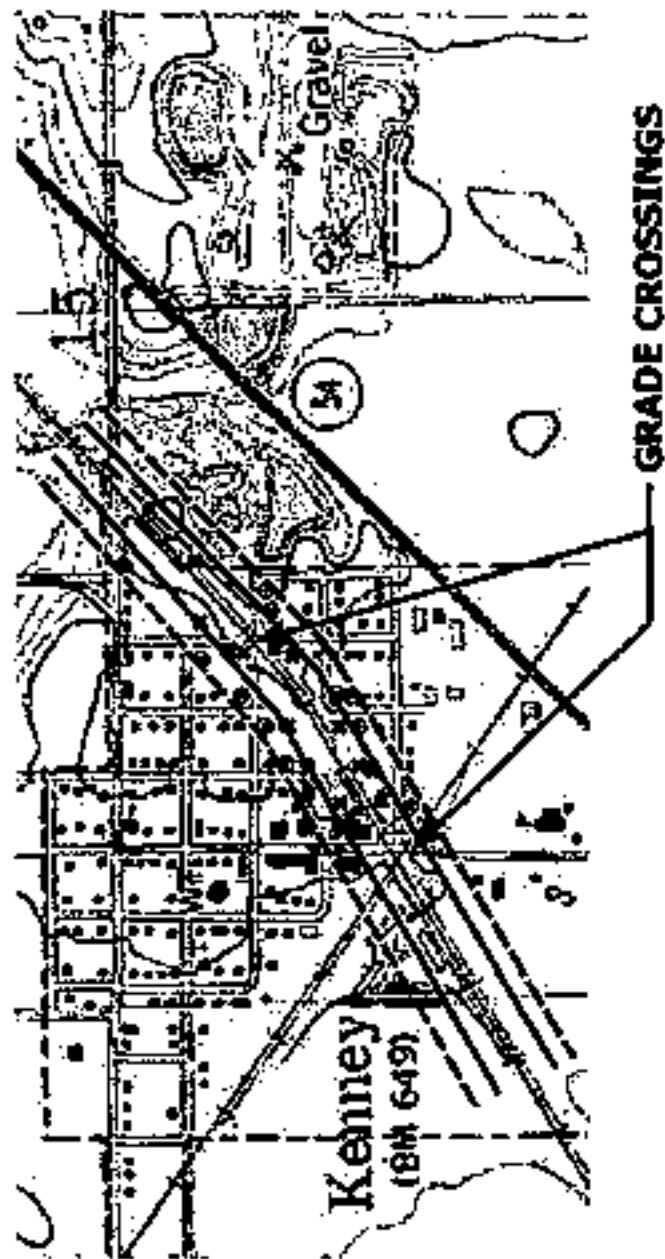
Proposed Acquisition
Canadian National and Illinois Central

Figure A.4-6
Chestnut, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

65 dBA L_{dn} Contours

Pre-Acquisition ———

Post-Acquisition - - - - -



Rail Environmental Assessment

⊗ Pre-Acquisition Receptors

⊕ Post-Acquisition Receptors

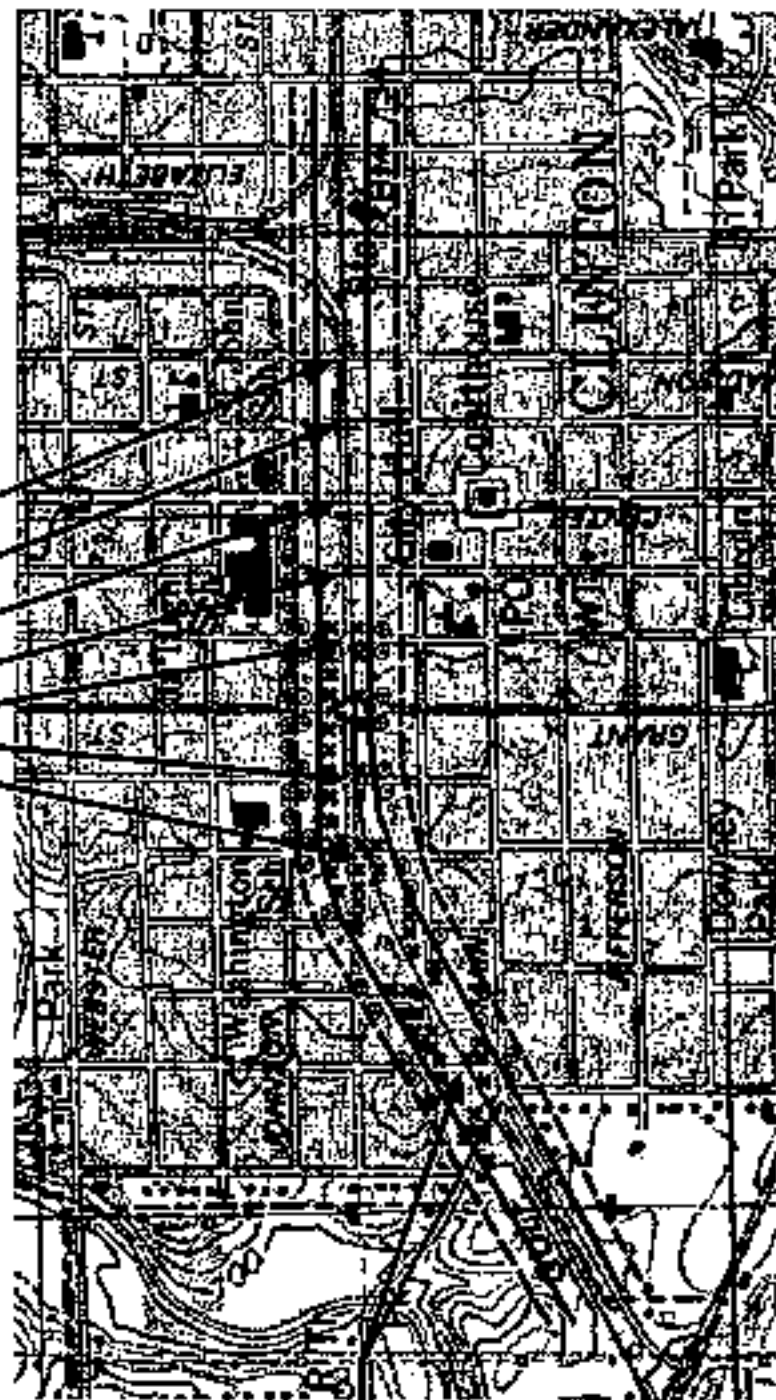
Proposed Acquisition
Considered National and Illinois Critical

Figure A.4-7
Kenney, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

65 dBA L_{dn} Contours

Pre-Acquisition —
Post-Acquisition - - -

GRADE CROSSINGS



GRADE
CROSSINGS

0 1000 2000
Scale in Feet

Final Environmental Assessment

x Pre-Acquisition Receptors
o Post-Acquisition Receptors

Figure A.4-8

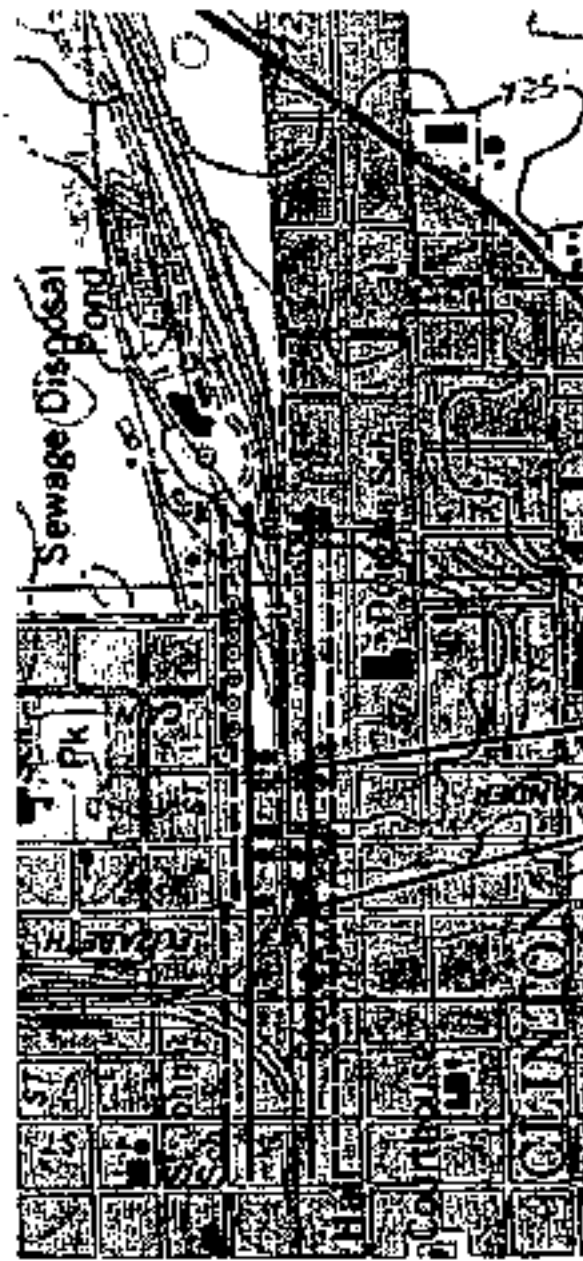
Clinton, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

Proposed Acquisition
Canadian National and Norfolk Corridor

65 dBA L₅₀ Contours

Pre-Acquisition —

Post-Acquisition - - - -



0 1000 2000
Scale in Feet

Final Environmental Assessment

at Pre-Acquisition Receptors

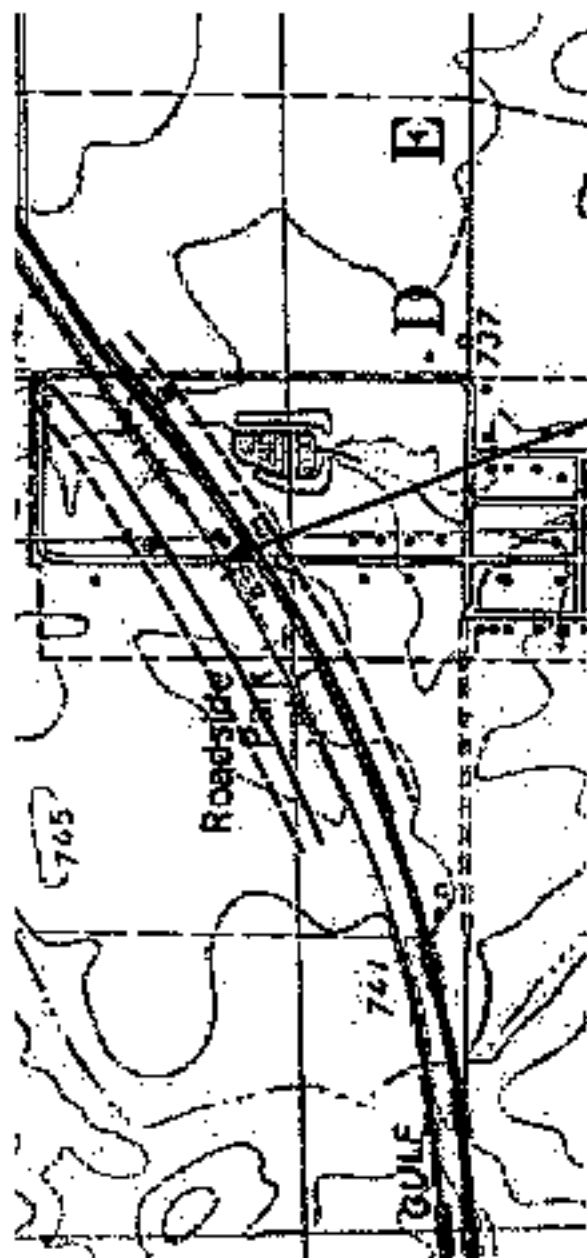
© Post-Acquisition Receptors

Proposed Acquisition
Canadian National and Illinois Central

Figure A.4-9
Clinton, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

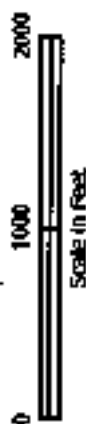
65 dBA L_{dn} Contours

Pre-Acquisition —
Post-Acquisition - - -



N

GRADE CROSSING

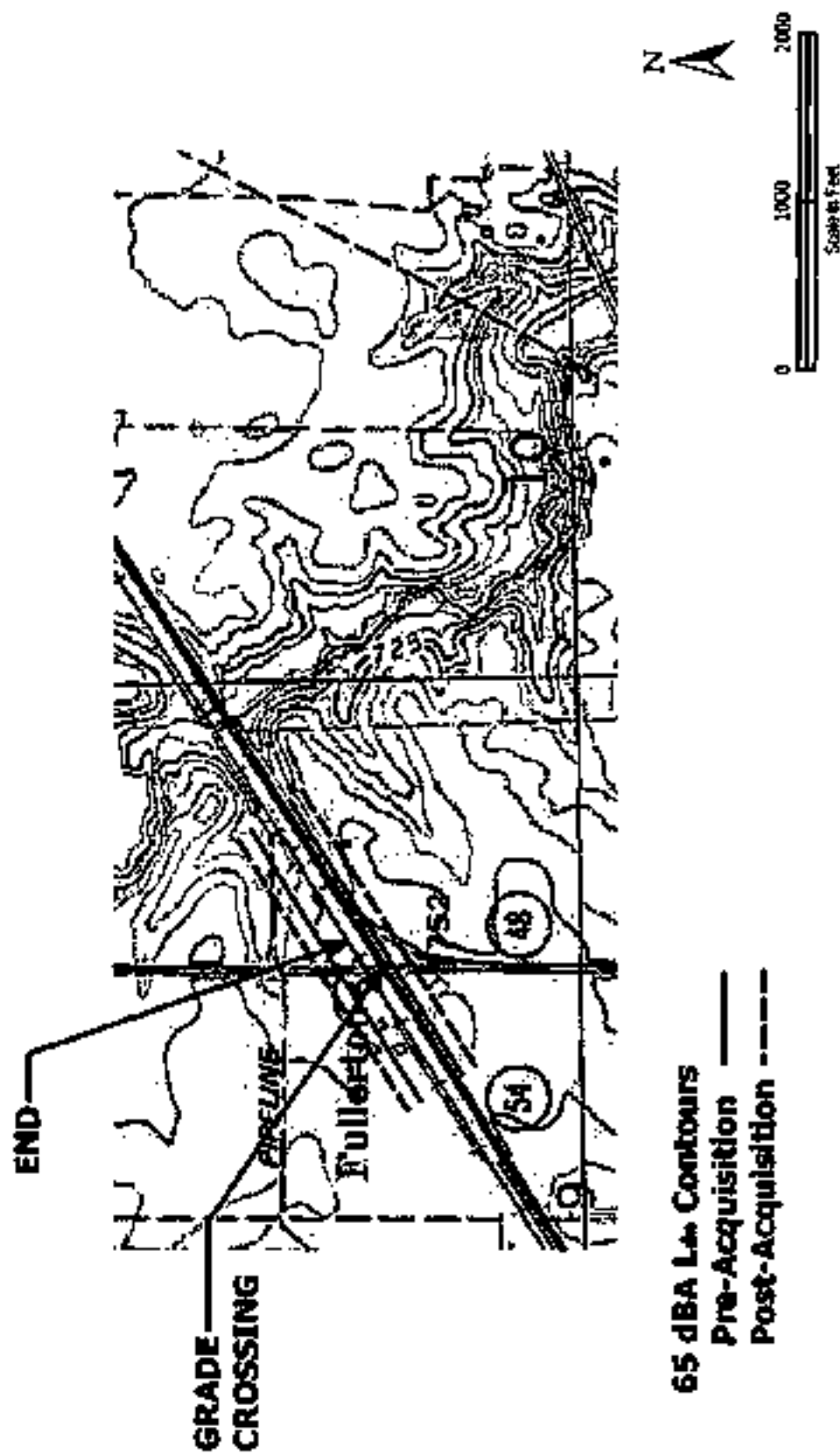


Final Environmental Assessment

■ Pre-Acquisition Receptors
● Post-Acquisition Receptors

Proposed Acquisition
Canadian National and Illinois Central

Figure A.4-10
DeWitt, Illinois Highway/Rail At-grade Crossing Showing
Sensitive Receptors and Noise Contours



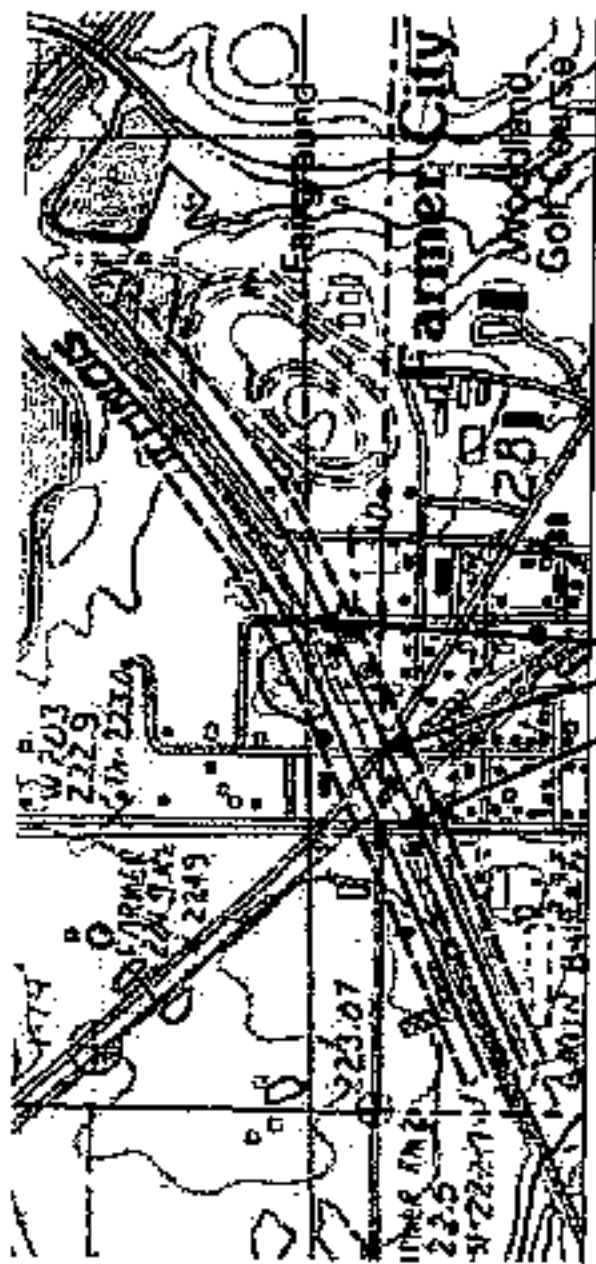
Final Environmental Assessment

- Pre-Acquisition Receptors
- Post-Acquisition Receptors

Proposed Acquisition
 Canadian National and Amtrak Central

Figure A.4-11
Fullerton, Illinois Highway/Rail At-grade Crossing Showing
Sensitive Receptors and Noise Contours

Pre-Acquisition	_____
Post-Acquisition	-----



GRADE CROSSINGS



Figure A.4-12
Farmer City, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

From Environmental Assessment

- **Pre-Acquisition Receptions**
- **Post-Acquisition Receptions**

65 dBA Ldn Contours

Pre-Acquisition ———

Post-Acquisition - - - - -

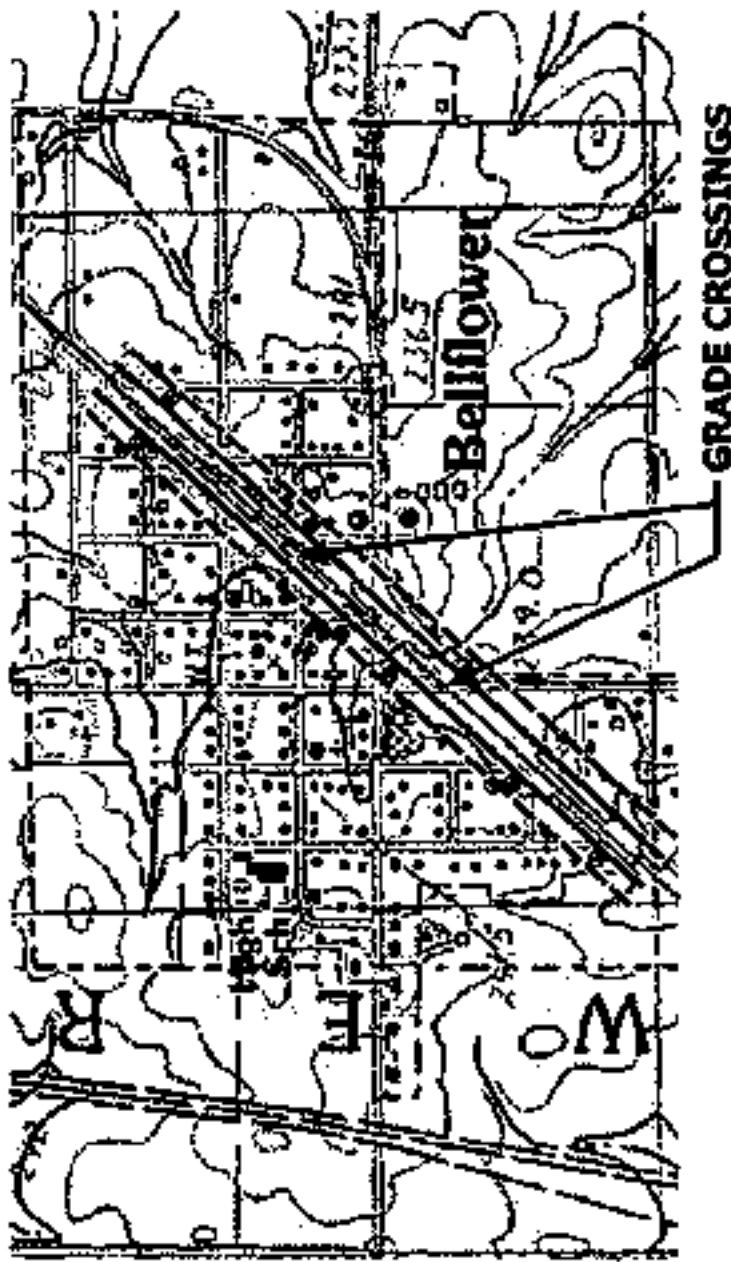
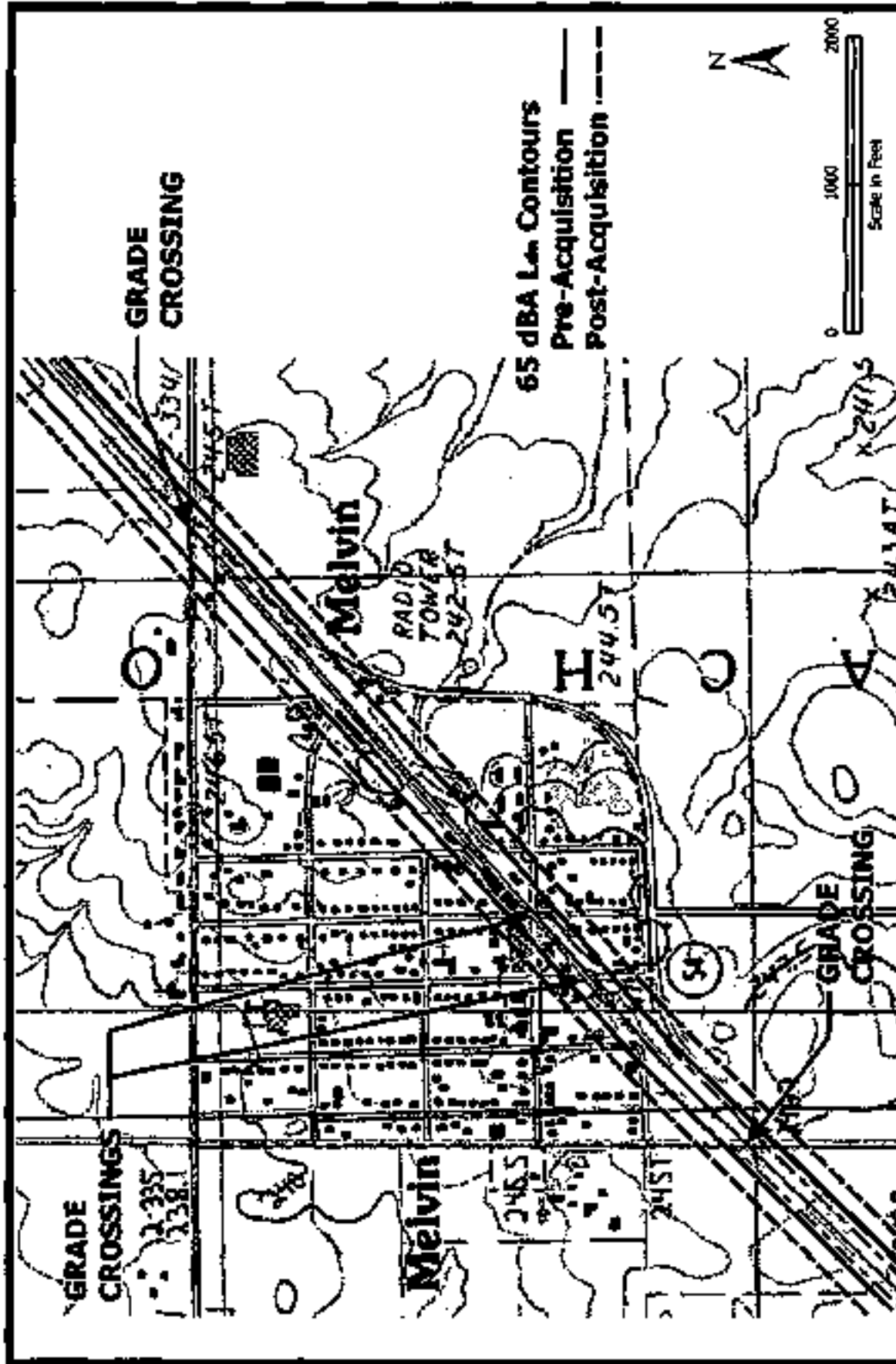


Figure A.4-13

**Bellflower, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours**

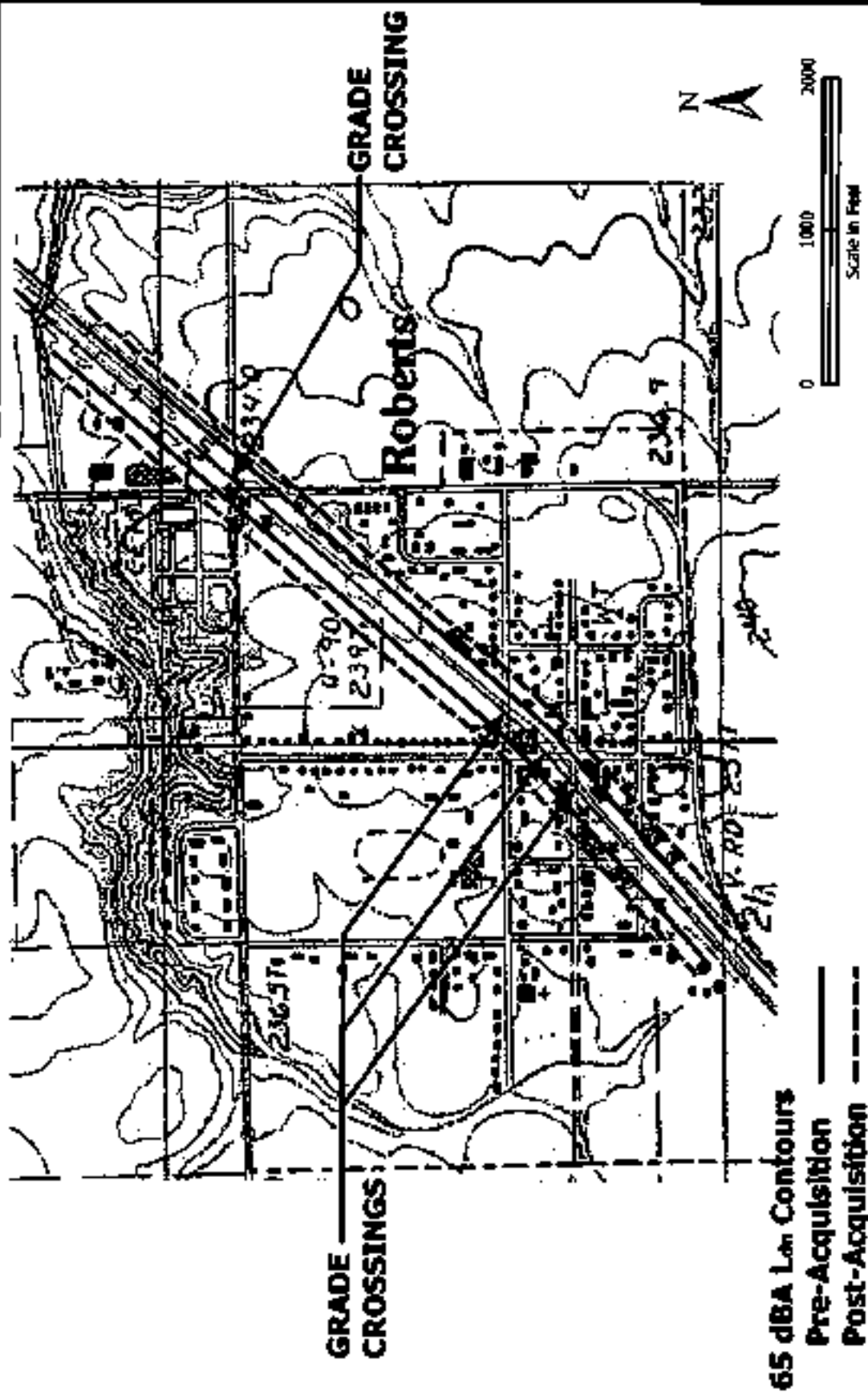


Road Environment Assessment

- Pre-Acquisition Receptors
- Post-Acquisition Receptors

Prepared by
Canadian National and Kinross Company

Figure A.4-15
Melvin, Illinois Highway/Rail At-grade Crossings Showing Sensitive Receptors and Noise Contours



Final Emission Model Results

Pre-Acquisition Receptors

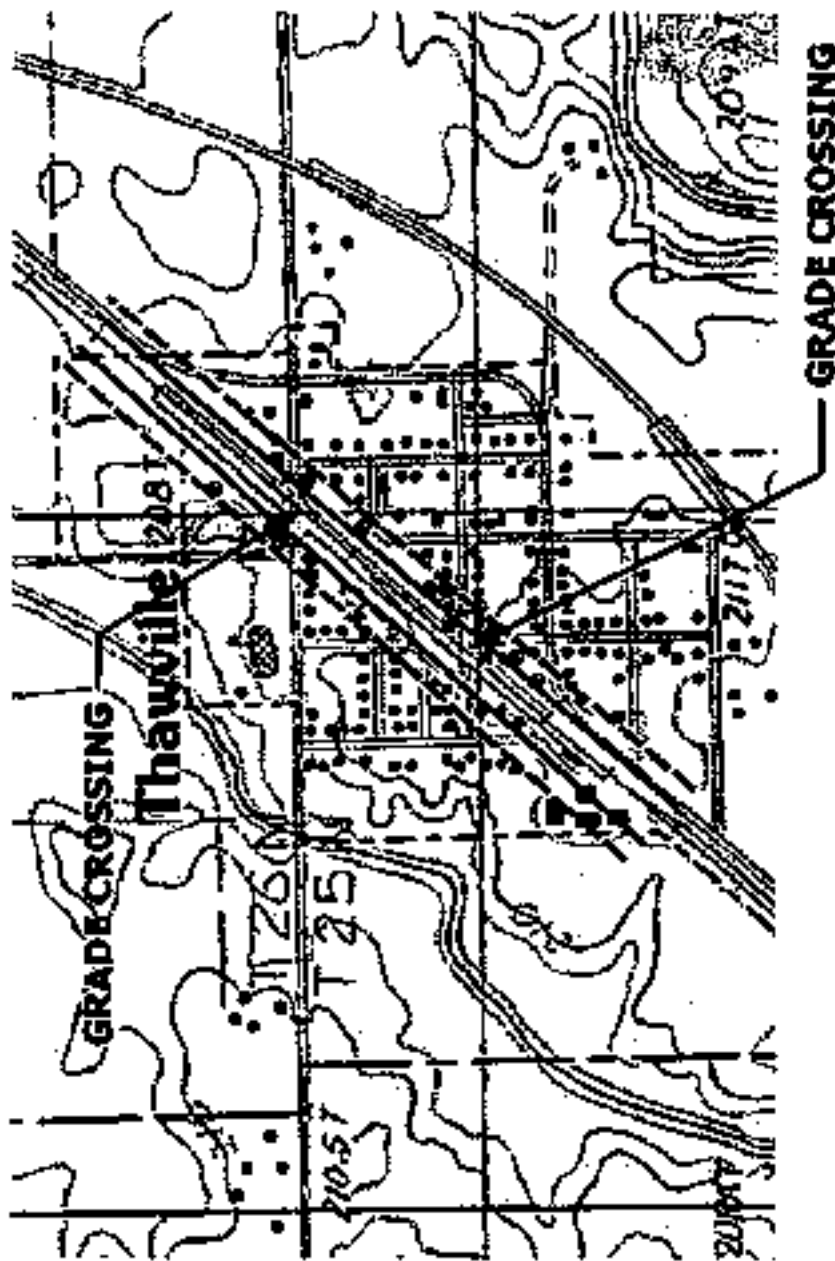
Post-Acquisition Receptors

Proposed Acquisition
Canadian National and Illinois Central

Figure A.4-16
Roberts, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

65 dBA L_{dn} Contours

Pre-Acquisition ———
Post-Acquisition - - - - -



Final Environmental Assessment

M. Pre-Acquisition Receptors

● Post-Acquisition Receptors

Proposed Acquisition
Consulting National and Mitchell Capital

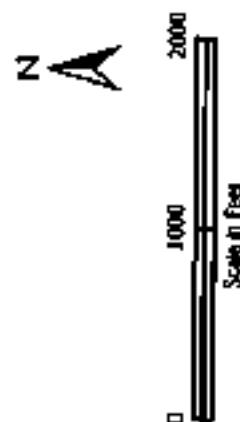
Figure A.4-17
Thawville, Illinois Highway/Rail At-grade Crossings Showing
Sensitive Receptors and Noise Contours

65 dBA L_{dn} Contours

Pre-Acquisition —
Post-Acquisition - - -



END



Final Environmental Assessment

■ Pre-Acquisition Receptors
● Post-Acquisition Receptors

Figure A.4-18
Gilman, Illinois Showing
Noise Contours

Proposed Acquisition
Canadian National and Illinois Central

A.5 CUMULATIVE EFFECTS OF HAZARDOUS MATERIALS TRANSPORT

EPA commented on SEA's review of the projected changes in hazardous materials transport in Illinois. Table A.5-1, "Predicted Mainline Hazardous Materials Releases—Illinois," and Table A.5-2, "Predicted Rail Yard Hazardous Materials Releases—Illinois," supplement the information SEA presents in Chapter 2, "Comments and Responses."

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TABLE A-5-1
PREDICTED MAIN LINE HAZARDOUS MATERIALS RELEASES-ILLINOIS

Roll Line Segment ID	Post- Acquisition Years to Release (X) ^a	Releases per Year Per Mile (1/X)	Segment Length (Y)	Post-Acquisition Releases Per Year (1/X) * Y
100	2,236	0.00045	3.8	0.0017
102	1,762	0.00057	0.7	0.0004
104	1,922	0.00052	5.5	0.0029
157	861	0.00116	1.3	0.0015
158	1,320	0.00076	6.3	0.0048
170	2,271	0.00044	1.3	0.0006
171	2,271	0.00044	11.3	0.0050
173	2,212	0.00045	5.2	0.0024
174	1,992	0.00050	2.7	0.0014
175	1,053	0.00095	3.5	0.0033
185	503	0.00199	5.2	0.0103
187	863	0.00116	26.6	0.0308
190	839	0.00119	5.2	0.0062
205	839	0.00119	20.6	0.0246
230	13,638	0.00007	23.1	0.0017
255	2,599	0.00038	40.0	0.0154
275	2,599	0.00038	14.7	0.0057
280	2,668	0.00037	8.7	0.0033
305	844	0.00118	46.3	0.0549
315	788	0.00127	45.1	0.0572
320	3,168	0.00032	42.6	0.0134
325	7,520	0.00013	21.3	0.0028
340	738	0.00136	26.9	0.0364
355	642	0.00156	14.9	0.0232
360	1,244	0.00080	37.3	0.0300
365	1,249	0.00080	23.5	0.0188
370	1,194	0.00084	11.7	0.0098
375	1,111	0.00090	18.9	0.0170
380	1,362	0.00073	54.4	0.0399
385	1,554	0.00064	43.5	0.0280
390	1,303	0.00077	62.6	0.0480
395	1,227	0.00081	1.0	0.0008
397	1,175	0.00085	6.0	0.0051
410	1,125	0.00089	7.9	0.0070
412	1,198	0.00083	2.1	0.0018
415	1,227	0.00081	42.6	0.0347
420	1,293	0.00077	3.3	0.0026
1060	1,186	0.00084	2.0	0.0017
Total^b			699.4	0.5550

a Draft EA, Table C-7

b Total may not match due to rounding.

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TABLE A.5-2
PREDICTED RAIL YARD HAZARDOUS MATERIALS RELEASES-ILLINOIS

Yard Name	Post-Acquisition Releases Per Year^a
Effingham	0.00980
Carbondale	0.00060
Centralia	0.01980
Champaign	0.02690
Coulterville	0.00050
Decatur	0.01410
Duquoin	0.00070
Freeport	0.00070
Glenn Yard	0.01000
Hawthorne	0.00160
Kankakee	0.00360
Markham Yard	0.02910
Mattoon	0.00280
Mount Polaski	0.00350
Springfield	0.00002
Total^b	0.12372

^a Draft EA, Attachment C-8.

^b Total may not match due to rounding.

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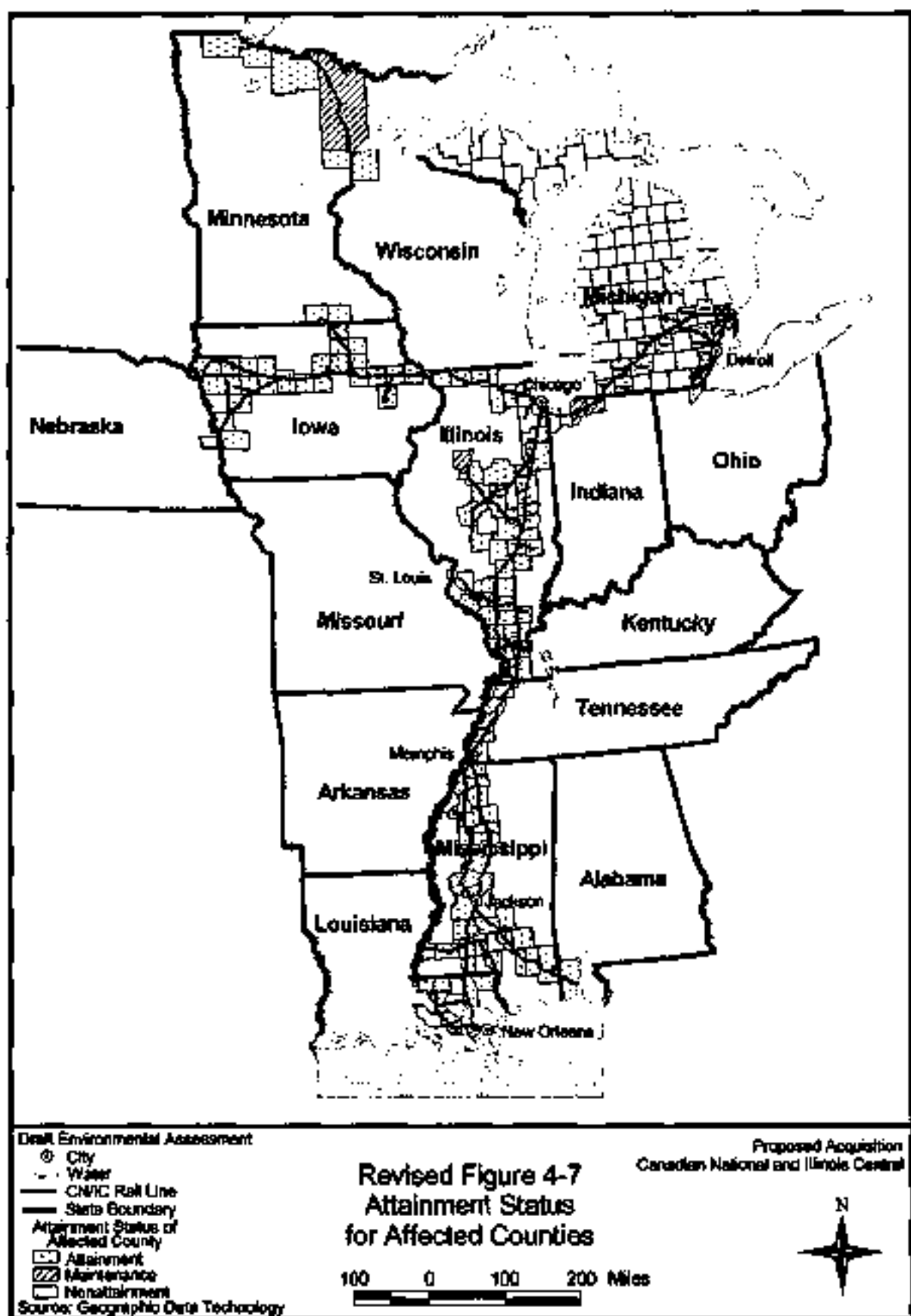
A.6 AIR QUALITY

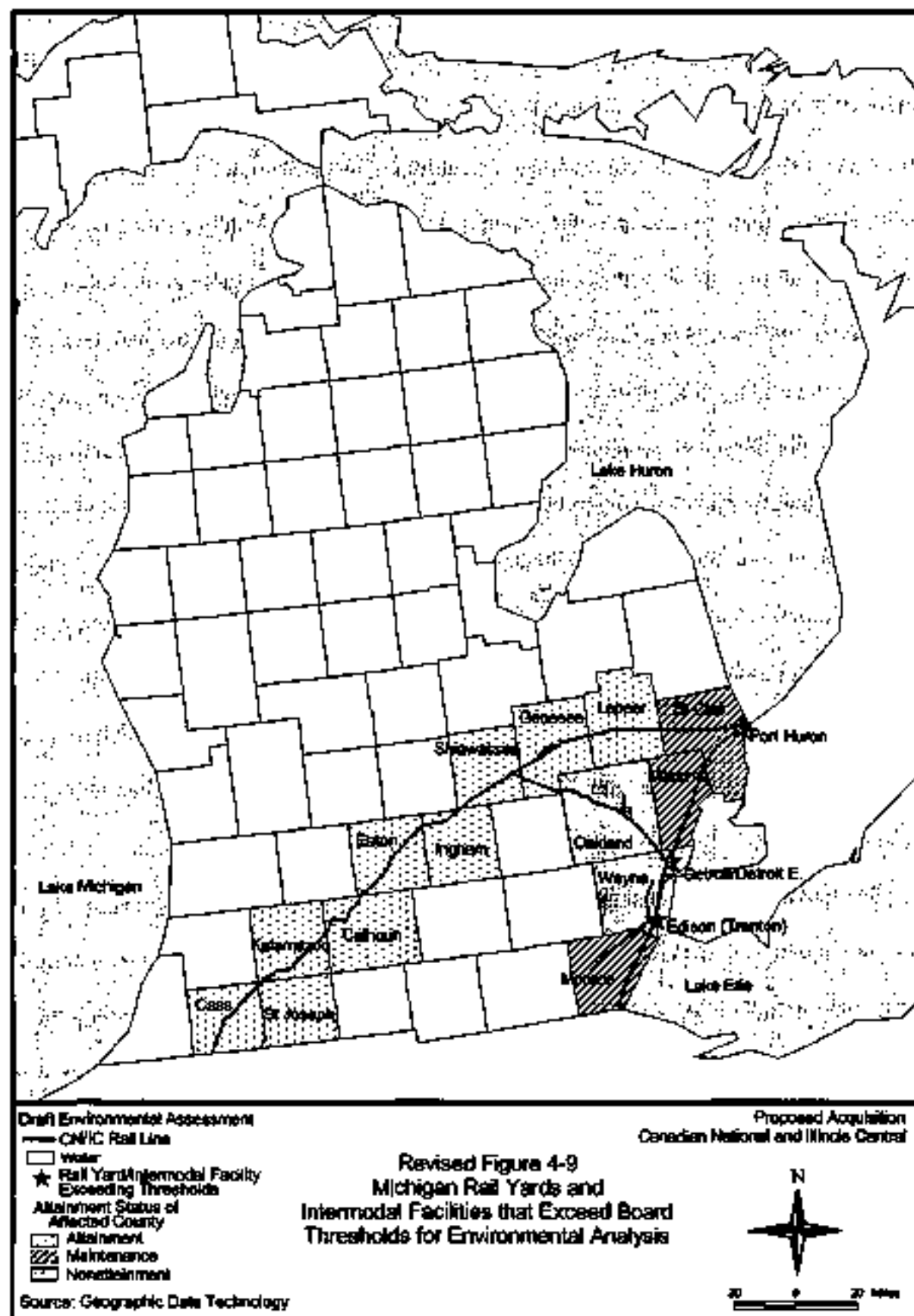
In response to comments from the Michigan Department of Environmental Quality (DEQ) stating that Genesee County was in attainment status and that the maps in the Draft EA required revision, SEA revised the following two maps:

- Figure 4-7, "Attainment Status for Affected Counties."
- Figure 4-9, "Michigan Rail Yards and Intermodal Facilities that Exceed Board Thresholds for Environmental Analysis."

SEA notes that this change in attainment status for Genesee County did not affect its environmental review of air quality issues in either its system-wide analysis or its review of Acquisition-related rail activities in Michigan counties. SEA presents these figures as revisions to those in the Draft EA.

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A.7 ENVIRONMENTAL JUSTICE

In its comments on the Draft EA, the U.S. Environmental Protection Agency (EPA) requested additional information regarding SEA's statistical analysis to determine whether significant environmental effects would be disproportionately borne by environmental justice populations (EJ populations) relative to other populations in the absence of mitigation. One of the steps in SEA's environmental justice analysis process of determining disproportionality is the application of the chi-square test. EPA specifically requested information regarding the structure of the chi-square tables. (See Appendix L, "Environmental Justice Methods and Analysis Results," for a description of SEA's approach, and process for conducting the environmental justice analysis.) This section provides the detailed information EPA requested on the structure of the chi-square tables. This section is organized to first provide an explanation of the purpose of conducting the chi-square test, then how SEA organized the observations used in conducting the test and the procedure for conducting the test, and then the results of the chi-square test for data from the proposed CN/IC Acquisition.

A.7.1 Overview

To identify whether EJ populations could disproportionately bear potential high and adverse environmental impacts relative to other populations in the absence of mitigation, the first statistical test SEA used was the chi-square test. Statistical analyses typically include this procedure to determine whether the probabilities associated with one variable are independent of those associated with another (e.g., to determine whether the probability a household would own a telephone is independent of the probability that the household would own an automobile).

The chi-square test determines independence between variables by aggregating observations into classes, and then comparing the *observed* frequency of observations with the *expected* frequency of observations. In SEA's environmental justice evaluation for the proposed CN/IC Acquisition, each Area of Potential Effect was one observation. SEA's chi-square test used four classes of observation, based on the Environmental Resource Score (ERS) for each issue area. ERS is a scoring system SEA developed to rank the level of potential impact for individual issue areas. (See Appendix L, "Environmental Justice Methods and Analysis Results.")

A.7.2 Organization of Observations

For each issue area (i.e., noise, hazardous materials transportation, crossing safety), SEA organized the data into four categories, as follows:

1. Area of Potential Effect exceeded one of the EJ population thresholds (EJ Area of Potential Effect) and the ERS was low to moderate (an ERS less than 3.5, without mitigation).
2. Area of Potential Effect was an EJ Area of Potential Effect, and the ERS was high to very high (an ERS greater than or equal to 3.5, without mitigation).

3. Area of Potential Effect was not an EJ Area of Potential Effect, and the ERS was low to moderate.
4. Area of Potential Effect was not an EJ Area of Potential Effect, and the ERS was high to very high.

Table A.6-1 shows these four categories arranged into four columns. Each Area of Potential Effect was one row or one observation. Each Area of Potential Effect/Row would receive an "x" in one, and only one, of the four columns. There were a total of 4,897 Areas of Potential Effect along the track segments, and thus a total of 4,897 observations.

**TABLE A.7-1
ORGANIZATION OF OBSERVATIONS
BY ISSUE AREA**

Area of Potential Effect ID Number	EJ Area of Potential Effect		Non EJ Area of Potential Effect	
	ERS is Low To Moderate	ERS is High To Very High	ERS is Low To Moderate	ERS is High To Very High
0000				x

A.7.3 The Chi-square Table and Test

SEA added the "x"s (i.e., the observations) for each column, and the sum of observations for one column became one cell of the chi-square table. Therefore, the chi-square test used a four-cell chi-square table. This table structure was used to perform the chi-square test at all geographic levels (e.g., system-wide, state and local). The following example shows how the chi-square test would be performed, using the system-wide chi-square calculation for hazardous material transport as an example.

Step one: Aggregate observations into chi-square table.

As Table A.6.2, "System-wide Actual Observations," shows, SEA categorized the observations according to EJ and Non-EJ Areas of Potential Effect.

**TABLE A.7-2
SYSTEM-WIDE ACTUAL OBSERVATIONS**

ERS	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect
Low to moderate impact	2,037	2,591
High to very high impact	73	196

Step two: Calculate marginal probabilities.

As shown in Table A.6.3, "System-wide Actual Observations And Marginal Probabilities," each row and column in the chi-square table has a marginal probability: the sum of observations in that row or column, divided by the number of total observations.

TABLE A.7-3
SYSTEM-WIDE ACTUAL OBSERVATIONS AND MARGINAL PROBABILITIES

Range of ERS	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Low to moderate impact	2,037	2,591	4,628	0.945068
High to very high impact	73	196	269	0.054932
Total	2,110	2,787	4,897	
Column Marginal Probability	0.430876	0.569124		

Step three: Using the marginal probabilities, calculate expected observations.

To calculate expected observations, SEA simply multiplied the product of the row marginal probability and the column probability for each cell, as shown in Table A.6.4, "Expected Observations."

TABLE A.7-4
SYSTEM-WIDE ACTUAL OBSERVATIONS

ERS	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect
Low to moderate impact	1994.094	2633.906
High to very high impact	115.9057	153.0943

Step four: Calculate the chi-square value.

The chi-square test compares *actual observations* to *expected observations*, to produce a chi-square value. The greater the difference between the two, the higher the chi-square value.

$$\text{chi-square for independence} = \sum \sum \frac{(O-E)^2}{E}$$

where: O = Observed frequencies.

E = Expected frequencies.

Step five: Calculate the probability for the chi-square value.

The chi-square value, together with the number of observations, give a probability between zero and 100 percent. This number represents a level of confidence that:

- a) The probability that an area of potential effect would experience an ERS of 3.5 or more, and
- b) the probability that its population is an environmental justice population,

are not independent.

A.7.4 Results

The following tables present the results of SEA's chi-square test for the following issue areas:

- Noise.
- Hazardous materials transport.
- Highway/rail at-grade crossing safety.

**TABLE A.7-5
NOISE: ILLINOIS STATE-WIDE**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	365	803	1,168	1
High to very high impact	0	0	0	0
Total	365	803	1,168	
Column Marginal Probability	0.3125	0.6875		
Expected				
Low to moderate impact	365	803		
High to very high impact	0	0		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

**TABLE A.7-6
HAZARDOUS MATERIALS TRANSPORT:
ILLINOIS STATE-WIDE**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	292	607	899	0.769692
High to very high impact	73	196	269	0.230308
Total	365	803	1,168	
Column Marginal Probability	0.3125	0.6875		
Expected				
Low to moderate impact	280.94	618.06		
High to very high impact	84.06	184.94		
Chi-square Probability: 0.097184				

**TABLE A.7-7
HIGHWAY/RAIL AT-GRADE CROSSING SAFETY:
ILLINOIS STATE-WIDE**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	365	803	1,168	1
High to very high impact	0	0	0	0
Total	365	803	1,168	
Column Marginal Probability	0.3125	0.6875		
Expected				
Low to moderate impact	365.00	803.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

**TABLE A.7-8
HIGHWAY/RAIL AT-GRADE CROSSING SAFETY:
CHICAGO PRIMARY METROPOLITAN STATISTICAL AREA
(COOK COUNTY ONLY)**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	159	241	400	1
High to very high impact	0	0	0	0
Total	159	241	400	
Column Marginal Probability	0.3975	0.6025		
Expected				
Low to moderate impact	159.00	241.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

**TABLE A.7-9
HAZARDOUS MATERIALS TRANSPORT:
CHICAGO PRIMARY METROPOLITAN STATISTICAL AREA
(COOK COUNTY ONLY)**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	154	213	367	0.9175
High to very high impact	5	28	33	0.0825
Total	159	241	400	
Column Marginal Probability	0.3975	0.6025		
Expected				
Low to moderate impact	145.88	221.12		
High to very high impact	13.12	19.88		
Chi-square Probability:		0.00257404		

TABLE A.7-10
NOISE: CHICAGO PRIMARY METROPOLITAN STATISTICAL AREA
(COOK COUNTY ONLY)

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	159	241	400	1
High to very high impact	0	0	0	0
Total	159	241	400	
Column Marginal Probability	0.3975	0.6025		
Expected				
Low to moderate impact	159.00	241.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

TABLE A.7-11
NOISE: CHICAGO PRIMARY METROPOLITAN STATISTICAL AREA
(EXCLUDING COOK COUNTY)

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	27	54	81	1
High to very high impact	0	0	0	0
Total	27	54	81	
Column Marginal Probability	0.33333333	0.666667		
Expected				
Low to moderate impact	27.00	54.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

**TABLE A.7-12
HAZARDOUS MATERIALS TRANSPORT:
CHICAGO PRIMARY METROPOLITAN STATISTICAL AREA
(EXCLUDING COOK COUNTY)**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	26	49	75	0.925926
High to very high impact	1	5	6	0.074074
Total	27	54	81	
Column Marginal Probability	0.333333	0.666667		
Expected				
Low to moderate impact	25.00	50.00		
High to very high impact	2.00	4.00		
Chi-square Probability: 0.36812				

**TABLE A.7-13
HIGHWAY/RAIL AT-GRADE CROSSING SAFETY:
CHICAGO PRIMARY METROPOLITAN STATISTICAL AREA
(EXCLUDING COOK COUNTY)**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	27	54	81	1
High to very high impact	0	0	0	0
Total	27	54	81	
Column Marginal Probability	0.333333	0.666667		
Expected				
Low to moderate impact	27.00	54.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

TABLE A.7-14
NOISE: NORTHERN ILLINOIS

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	115	251	366	1
High to very high impact	0	0	0	0
Total	115	251	366	
Column Marginal Probability	0.31420765	0.685792		
Expected				
Low to moderate impact	115.00	251.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

**TABLE A.7-15
HAZARDOUS MATERIALS TRANSPORT:
NORTHERN ILLINOIS**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	76	162	238	0.650273
High to very high impact	39	89	128	0.349727
Total	115	251	366	
Column Marginal Probability	0.314208	0.685792		
Expected				
Low to moderate impact	74.78	163.21		
High to very high impact	40.21	87.78		
Chi-square Probability: 0.773548				

TABLE A.7-16
HIGHWAY/RAIL AT-GRADE CROSSING SAFETY:
NORTHERN ILLINOIS

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	115	251	366	1
High to very high impact	0	0	0	0
Total	115	251	366	
Column Marginal Probability	0.314208	0.685792		
Expected				
Low to moderate impact	115.00	251.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

TABLE A.7-17
NOISE: SOUTHERN ILLINOIS

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	64	257	321	1
High to very high impact	0	0	0	0
Total	64	257	321	
Column Marginal Probability	0.199376947	0.800623		
Expected				
Low to moderate impact	64.00	257.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

**TABLE A.7-18
HAZARDOUS MATERIALS TRANSPORT:
SOUTHERN ILLINOIS**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Raw Marginal Probability
Actual				
Low to moderate impact	36	183	219	0.682243
High to very high impact	28	74	102	0.317757
Total	64	257	321	
Column Marginal Probability	0.199377	0.800623		
Expected				
Low to moderate impact	43.66	175.34		
High to very high impact	20.34	81.66		
Chi-square: 0.021484				

**TABLE A.7-19
HIGHWAY/RAIL AT-GRADE CROSSING SAFETY:
SOUTHERN ILLINOIS**

Result	EJ Areas of Potential Effect	Non-EJ Areas of Potential Effect	Total	Row Marginal Probability
Actual				
Low to moderate impact	64	257	321	1
High to very high impact	0	0	0	0
Total	64	257	321	
Column Marginal Probability	0.199377	0.800623		
Expected				
Low to moderate impact	64.00	257.00		
High to very high impact	0.00	0.00		
Chi-square Probability: NA				

NA: Chi-square cannot be determined if expected observation includes value of zero.

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APPENDIX B
ADMINISTRATIVE INFORMATION

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APPENDIX B

ADMINISTRATIVE INFORMATION

Appendix B contains Board Decisions, Federal Register Notices, copies of agency correspondence, summaries of agency coordination activities, the list of Preparers of this Final Environmental Assessment, and other administrative information that has become available since the Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) issued the Draft Environmental Assessment in November 1998.

- Section B.1, "Relevant Board Decisions," contains Board Decision Nos. 6, 11, 19, 23, 26, and 30.
- Section B.2, "Agency Coordination Letters," contains copies of agency coordination letters since the Draft EA.
- Section B.3, "Agency Consultation," summarizes the additional consultation and coordination since the Draft EA.
- Section B.4, "List of Preparers," contains a list of the individuals who prepared this Final EA as well as their responsibilities.
- Section B.5, "Safety Integration Plan - Memorandum of Understanding," contains a copy of the Memorandum of Understanding between the Surface Transportation Board and the Federal Railroad Administration.

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B.1 RELEVANT BOARD DECISIONS AND FEDERAL REGISTER NOTICES

The following section contains copies of:

- Board Decision No. 6, Issuance of Final Procedural Schedule.
- Board Decision No. 11, Issuance of Revised Procedural Schedule.
- Board Decision No. 19, Federal Register Notice of Availability of the Draft EA and 30-day Public Comment Period.
- Board Decision No. 23, Errata to the Draft EA.
- Board Decision No. 26, Issuance of Revised Procedural Schedule.
- Board Decision No. 30, Issuance of Revised Procedural Schedule.

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Board Decision No. 6

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EB

SERVICE DATE - AUGUST 14, 1998

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 33556¹

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
GRAND TRUNK WESTERN RAILROAD INCORPORATED--CONTROL--ILLINOIS
CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD COMPANY, CHICAGO,
CENTRAL AND PACIFIC RAILROAD COMPANY, AND CEDAR RIVER RAILROAD
COMPANY

AGENCY: Surface Transportation Board.

ACTION: Decision No. 6 in STB Finance Docket No. 33556; Notice of Acceptance of Primary Application and Related Filing; Issuance of Final Procedural Schedule.

SUMMARY: The Board is accepting for consideration the primary application and related filing filed July 15, 1998, by Canadian National Railway Company (CNR), Grand Trunk Corporation (GTC), and Grand Trunk Western Railroad Incorporated (GTW),² Illinois Central Corporation (IC Corp.), Illinois Central Railroad Company (ICR), Chicago, Central and Pacific Railroad Company (CCP), and Cedar River Railroad Company (CRRC).³ The primary application seeks Surface Transportation Board (Board) approval and authorization under 49 U.S.C. 11321-26 for: (1) the acquisition of control, by CNR, through its indirect wholly owned subsidiary Blackhawk Merger Sub, Inc., of control of IC Corp. and through it of ICR and its railroad affiliates, and (2) for the resulting common control by CNR of GTW and its railroad affiliates and ICR and its railroad affiliates. The related filing, an application for terminal trackage rights, seeks related relief contingent upon approval of the primary application.

Having received public comments on the proposed procedural schedule, as modified by

¹ This decision covers: (i) the primary application, which was filed in the STB Finance Docket No. 33556 lead docket; and (ii) one related filing, an application for terminal trackage rights in Springfield, IL, filed in the embraced docket, STB Finance Docket No. 33556 (Sub-No. 1). Canadian National Railway Company, Illinois Central Railroad Company, The Kansas City Southern Railway Company, and Gateway Western Railway Company--Terminal Trackage Rights--Union Pacific Railroad Company and Norfolk & Western Railway Company.

² CNR, GTC, and GTW, and their affiliates, are referred to collectively as CN.

³ IC Corp., ICR, CCP, and CRRC, and their affiliates, are referred to collectively as IC. CN and IC are referred to collectively as applicants.

the Board, and applicants' reply to those comments, the Board is issuing a final procedural schedule. This schedule provides for the issuance of a final decision no later than May 11, 1999 (300 days after the primary application's filing date of July 15, 1998).

DATES: The effective date of this decision is **August 14, 1998**. Any party who wishes to participate in this proceeding as a party of record must file, no later than **August 31, 1998**, a notice of intent to participate. Descriptions of responsive (including inconsistent) applications, and petitions for waiver or clarification regarding those applications, must be filed by **August 31, 1998**. All comments, protests, requests for conditions, and any other evidence and argument in opposition to the primary application, including filings by the U.S. Department of Justice (DOJ) and U.S. Department of Transportation (DOT), and responsive (including inconsistent) applications must be filed by **October 13, 1998**. Response to comments, protests, requested conditions, and other opposition, response to comments of DOJ and DOT, rebuttal in support of the primary application and related application, and response to inconsistent and responsive applications, must be filed by **November 27, 1998**. For further information respecting dates, see Appendix A (Final Procedural Schedule).

ADDRESSES: Send an original and 25 copies of all pleadings referring to STB Finance Docket No. 33556 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001.⁴ In addition, one copy of all documents in this proceeding must be sent to Administrative Law Judge David Harfeld, Federal Energy Regulatory Commission, Office of Administrative Law Judges, 888 First Street, N.E., Suite 11F, Washington, DC 20426 [(202) 219-2514; FAX: (202) 219-3289] and to each of applicants' representatives: (1) Paul A. Cunningham, Esq., Harkins Cunningham, 1300 19th Street, N.W., Suite 600, Washington, DC 20036-1609; and (2) William C. Sippel, Esq., Oppenheimer Wolff & Donnelly, Two Prudential Plaza, 45th Floor, 180 North Stetson Avenue, Chicago, IL 60601-6710.

In addition to submitting an original and 25 copies of all paper documents filed with the Board, parties also must submit, on 3.5-inch IBM-compatible floppy diskettes (disks) or compact discs (CDs), copies of all textual materials, electronic workpapers, data bases and spreadsheets used to develop quantitative evidence. Textual materials must be in, or convertible by and into, WordPerfect 7.0. Electronic spreadsheets must be in, or convertible by and into, Lotus 1-2-3 97 Edition, Excel Version 7.0, or Quattro Pro Version 7.0. A copy of each disk or CD submitted to

⁴ In order for a document to be considered a formal filing, the Board must receive an original and 25 copies of the document, which must show that it has been properly served. In addition, each formal filing must be accompanied by an electronic submission per our requirements as discussed in detail in this decision. Parties must clearly label each formal filing with an identification acronym and number. See 49 CFR 1180.4(a)(2). Each disk or CD should be clearly labeled with the identification acronym and number of the corresponding paper document, and labeled as containing confidential or redacted materials. Documents transmitted by facsimile (FAX) will not be considered formal filings and are not encouraged because they will result in unnecessarily burdensome, duplicative processing.

the Board should be provided to any other party upon request.⁵ Further details are discussed below.

FOR FURTHER INFORMATION CONTACT: Julia M. Farr, (202) 565-1613. [TDD for the hearing impaired: (202) 565-1693.]

SUPPLEMENTARY INFORMATION: Applicants are seeking approval of a proposed transaction set forth in their primary application (CN/IC-6) filed on July 15, 1998. The proposed transaction involves the acquisition of control by CNR, through its indirect wholly owned subsidiary Blackhawk Merger Sub, Inc., of IC Corp., and through it of ICR and its railroad affiliates, and for the resulting common control by CNR of GTW and its railroad affiliates and ICR and its railroad affiliates.

THE APPLICANTS. CN's rail network consists of approximately 1,150 route miles in the United States, and approximately 14,150 route miles in eight Canadian provinces. CN has principal routes to every major metropolitan area in Canada, and the major U.S. cities of: Buffalo, NY; Detroit, MI; Duluth, MN/Superior, WI; and Chicago, IL. The eastern terminus of CN's network is Halifax, Nova Scotia; the western termini are Prince Rupert and Vancouver, British Columbia; and the southern terminus is Chicago. CN's traffic, between Duluth/Superior and Chicago, is carried under haulage agreements over the lines of The Burlington Northern and Santa Fe Railway Company (BNSF) and Wisconsin Central Ltd. (WC).

IC operates approximately 3,370 route miles of track running north-south between Chicago and the Gulf of Mexico, and east-west between Chicago and Nebraska and Iowa. IC's main north-south route reaches every major metropolitan area on the Mississippi River, including Chicago, IL; St. Louis, MO; Memphis, TN; Jackson, MS; and New Orleans, LA. IC's east-west route extends from Sioux City and Council Bluffs, IA, in the West to Chicago in the East.

The principal routes of the combined CN/IC rail system would be identical to those of the individual railroads. The southern terminus of CN's rail system, Chicago, is the northern terminus of IC's rail system. Applicants state that no track redundancies would be created by the transaction, and no abandonments or substantial rerouting would result from the combination of the two systems.

Tender Offer and Merger. According to applicants, on February 10, 1998, CN, Blackhawk Merger Sub, Inc. (Merger Sub), and IC entered into an Agreement and Plan of Merger (as subsequently amended, the Merger Agreement). In accordance with the Merger Agreement, as of March 14, 1998, the CNR acquired 46,051,761 shares (or approximately 75%)

⁵ In Decision No. 3 (served May 19, 1998, and published on May 22, 1998, in the Federal Register at 63 FR 28442-44), we denied a petition for reconsideration of Decision No. 2, concerning the requirement that parties submit copies of all textual materials on disks or CDs, and stated that parties may individually seek a waiver from the disk-CD requirement.

of the outstanding common stock of IC (the IC Common Shares), at a price of \$39.00 per share⁶ through a cash tender offer (the Tender Offer) by Merger Sub. On June 4, 1998, CN consummated a second-step merger (the Merger) between IC and Merger Sub, with IC being the surviving corporation. In the Merger, the remaining 25% of outstanding IC Common Shares were exchanged for approximately 10.1 million common shares of CN, representing 10.3% of the outstanding common shares of CN after the Merger on a fully diluted basis. As a result of the Tender Offer and the Merger, CN became the indirect beneficial owner of all of the stock of IC.

Voting Trust. Applicants state that, in accordance with the Merger Agreement, the shares acquired by CN in the Tender Offer and in the Merger are held in a voting trust (the Voting Trust) pursuant to an agreement dated as of March 13, 1998, by and among CN, Merger Sub, and The Bank of New York, a voting trustee that is a banking corporation (the Trustee). The Trustee will act by written consent or will vote all IC stock held by the Voting Trust (the Trust Stock) in favor of any proposal necessary to effectuate the Merger pursuant to the Merger Agreement, and, generally so long as the Merger Agreement is in effect, against any other proposed merger, business combination, or similar transaction involving IC. On other matters, including the election or removal of officers, the Trustee generally will vote the Trust Stock in the Trustee's sole discretion unless the holder(s) of trust certificates, with the prior written approval of the Board, directs the Trustee as to any such vote. GTC, a wholly owned subsidiary of CN, currently holds the trust certificate for all IC stock in the Voting Trust.

On February 25, 1998, CN received an informal opinion from the Board's staff to the effect that CN's use of the Voting Trust will be consistent with the Board's policies and will preclude unlawful control of IC by CN.

Related United Transportation Union (UTU) Filing. On July 16, 1998, UTU filed a Motion to Dismiss and Comment on the Procedural Schedule (UTU-3). UTU is the designated representative for various crafts or classes of operating employees on ICR and GTW. The request for dismissal is based upon the ground that these carriers have violated 49 U.S.C. 11323 by effectively merging the properties of these two carriers into one corporation for the management and operation of the previously separately owned properties without the approval or authorization of the Board. UTU further states that IC and CN have violated section 11323 by beginning to coordinate the labor relations functions of these two large carriers without prior approval.

On August 5, 1998, applicants filed a Reply to UTU's Motion to Dismiss (CN/IC-12). Applicants state that: (1) UTU has raised no issue supporting a conclusion that CN may have engaged in unlawful control of IC, and that, even if the particular conduct UTU alleges occurred, it would amount to no more than necessary and proper communication and coordination between merging railroads; (2) UTU has cited no legal authority for its basic premise that the exchange of information it alleges constitutes improper conduct or evidence of unlawful control, and that publicly held railroads negotiating a potential merger agreement are entitled to engage in appropriate due diligence inquiries about each other, as required by the Board's rules and

⁶ Applicants stated that all monetary amounts listed in the application are stated in U.S. dollars, unless otherwise noted.

decisions, and as contemplated by the Board's protective order;⁷ and (3) even if UTU's motion alleged an arguable control violation, it would not warrant dismissal, and that such a violation could not warrant denial of the application unless it were so serious and substantial that it clearly outweighed other public interest factors, which UTU has not alleged or shown. Applicants request that the Board should deny UTU's motion as being substantively without merit, both factually and legally, and procedurally flawed.

The Board shares UTU's concerns that there not be management or operations in common between railroad entities absent our approval of the common management or operations. Here, however, the applicants have satisfactorily addressed the matters raised by UTU and the factors described do not demonstrate unlawful control. Nor does the structure of the proposed arrangement reflect unauthorized common control of two or more carriers. As previously mentioned, by letter dated February 25, 1998, the Board's staff issued an informal opinion concerning a Voting Trust Agreement (VTA) proposed to be entered into by and between CNR, Merger Sub, and a Trustee, and found that the VTA provided for the placement, into an independent and irrevocable voting trust, of all of the common stock of IC Corp. acquired by CN or by any of its affiliates. In the staff opinion, it was found that the voting trust to be established under the VTA will effectively insulate CN and its affiliates from the violation of Subtitle IV of Title 49 of the United States Code and the policy of the Board that would result if CN were to acquire, without authorization, a sufficient interest in the carrier subsidiaries of IC Corp. as otherwise to result in control; and that, under the VTA, control of IC Corp. and its carrier subsidiaries can be exercised by CN and its subsidiaries only subsequent to approval by the Board of the CN/IC control application. We agree with the staff opinion and find that applicants' VTA conforms to Board regulations as well as long-standing Board and Interstate Commerce Commission precedent recognizing that beneficial ownership can be separated from control by an appropriate voting trust instrument.⁸ Thus, UTU's request for dismissal of the proceeding is denied at this time.⁹ Should UTU or any other person obtain evidence of unauthorized common control, through breach of the VTA or otherwise, that person may submit that evidence for our review.

LABOR IMPACT. Applicants have submitted one Labor Impact Statement which

⁷ Applicants note that the Board issued a protective order in Decision No. 1, served February 26, 1998, which provided that exchanges of data or other cooperative efforts between CN and IC for purposes of this proceeding will not be deemed a violation of 49 U.S.C. 11323; UTU alleges that CN and IC filed together a notice of intent to file a joint application for CN control of IC. Applicants state that such joint notices of intent are common in control proceedings, and its use here is of no consequence.

⁸ See CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company--Control and Operating Leases/Agreements--Conrail Inc. and Consolidated Rail Corporation, STB Finance Docket No. 33388, Decision No. 89 (STB served July 23, 1998) (CSX/NS/CR No. 89), slip op. at 127.

⁹ UTU states that the Board should dismiss the proceeding, or alternatively, impose the statutory procedural schedule set forth at 49 U.S.C. 11325(b) to ensure proper review of the transaction.

shows the projected effects of the CN/IC merger on all categories of employment, including both agreement and nonagreement personnel of the combined CN/IC system. The Labor Impact Statement is organized by job classification, and for each classification, it reflects the location at which positions will be created, eliminated, or transferred, if applicable; the number of positions affected at each location; and whether positions will be moved to another location, abolished, or added. If a position is to be relocated, the Labor Impact Statement identifies the new location.

As explained in the Joint Verified Statement submitted with the Labor Impact Statement,¹⁰ the number and percentage of adversely affected employees will be small in relation to the number of employees on the combined CN/IC system. The combined system will have approximately 26,000 employees, of which approximately 5,200 will be in the United States. Approximately 311 positions will be abolished, and approximately 138 other positions will be transferred within the United States. In this regard, applicants anticipate the following: (1) impacts of the transaction will be mostly accommodated by normal attrition during the 3-year implementation period; (2) the transaction should have a positive effect on job opportunities; (3) some employees may be offered the option of receiving a severance package; and (4) some adversely affected employees will refuse relocation offers and voluntarily forfeit their right to protective benefits.

Applicants anticipate that, if we approve the transactions proposed in the primary application and the related filing, we will impose on such transactions the standard labor protective conditions customarily imposed on similar such transactions. See CN/IC-7 at 283.

RELATED FILING. In STB Finance Docket No. 33556 (Sub-No. 1), CN, IC, Kansas City Southern Railway Company (KCS) and its affiliate Gateway Western Railway Company (GWWR), have filed an application for an order under 49 U.S.C. 11102 permitting GWWR to use without restriction three short connected segments of terminal trackage in Springfield, IL. These segments are now owned by Union Pacific Railroad Company (UP) as successor to SPCSL Corp. (SPCSL), and Norfolk & Western Railway Company (N&W), an affiliate of Norfolk Southern Corporation (NS).¹¹ Applicants state that, without such relief, GWWR and IC will be unable to establish an efficient interchange necessary to serve effectively the new competitive traffic movements made possible by the CN/IC combination, as augmented by an agreement among CN, IC, and KCS dated April 15, 1998.¹²

¹⁰ See CN/IC-7 at 283-84, Joint Verified Statement of Richard J. Dixon, Joseph T. Torchia, and James M. Harrell.

¹¹ Applicants in this sub-numbered docket have advised that they have contacted UP about securing consent for use of the trackage involved in order for GWWR and IC to be able to interchange traffic in Springfield without regard to the limitations of the Ridgely Yard agreement, and are willing to continue such discussions after the filing of this application. They will advise the Board if those discussions make it unnecessary to act on this application.

¹² Applicants state that this agreement creates a strategic alliance among the parties and provides for their cooperative undertakings to provide joint-line service in specified areas competitive

ACCEPTANCE OF PRIMARY APPLICATION AND RELATED FILING. We are accepting the primary application for consideration because it is in substantial compliance with the applicable regulations, waivers,¹³ and requirements. See 49 U.S.C. 11321-26; 49 CFR part 1180. We are also accepting for consideration the related filing, which is also in substantial compliance with the applicable regulations and requirements.¹⁴

PUBLIC INSPECTION. The primary application and related filing, including the various accompanying exhibits, are available for inspection in the Docket File Reading Room (Room 755) at the offices of the Surface Transportation Board, 1925 K Street, N.W., in Washington, DC.

PROCEDURAL SCHEDULE. In Decision No. 5, served June 23, 1998, and published June 26, 1998, in the Federal Register at 63 FR 34956-59, we issued a proposed procedural schedule, and invited all interested parties to submit written comments on the proposed procedural schedule by July 16, 1998, with applicants' reply due by July 27, 1998. In response, we received the following comments: (1) UTU-3, UTU's motion to dismiss and comment on procedural schedule; (2) The Fertilizer Institute's (TFI) comments; and (3) CN/IC-10, applicants' comments. Applicants also filed reply comments (CN/IC-11) on July 27, 1998 and Allied Rail Unions responded (ARU-2) on August 5, 1998, to that filing, and argued against shortening the proposed schedule. We have carefully reviewed and considered all of these comments.

As we noted previously in our discussion of UTU's motion to dismiss, UTU requests that we dismiss the proceeding, or alternatively, impose the statutory procedural schedule set forth at 49 U.S.C. 11325(b) to ensure proper review of the transaction. The statute allows 16 months for the processing of major consolidation proceedings. Under 49 U.S.C. 11325(b)(3), the Board must conclude the evidentiary stage of the proceeding within 13 months of the application's filing date,¹⁵ and must issue the final decision by the 90th day after the conclusion of the evidentiary stage.

In their comments and reply comments, applicants request that we adopt their original 180-day proposed schedule or, at least, adopt a middle-ground schedule and a single filing date

with other rail carriers, and provides that the alliance will use Springfield as one of two main interchanges for designated traffic. The agreement also provides that the railroads will use their best efforts to remove any impediments to the full utilization of an efficient connection between IC and GWR in the vicinity of Springfield.

¹³ In Decision No. 4, served June 23, 1998, we granted to the extent set forth in the decision, applicants' CN/IC-4 petition for waiver or clarification, and related relief.

¹⁴ We reserve the right to require the filing of supplemental information from applicants or any other party or individual, if necessary to complete the record in this matter.

¹⁵ Specifically, the statute requires the completion of the evidentiary stage within 12 months after publication of the Federal Register notice accepting the application. That publication is due no later than 30 days after the application is filed.

approach. Applicants further state that, while the CN/IC transaction is important, it does not compare in size and complexity to the recent control transactions in CSX/NS/CR, UP/SP, and BN/SF. TFI also urges that we adopt a schedule similar to the 180-day schedule proposed by applicants.

Specifically, applicants request that we eliminate the proposed bifurcation and trifurcation of filings because it will create needless problems and burdens on all parties. TFI also urges the elimination of staggered filing dates for different parties. Applicants propose that all comments, protests, and requests for conditions, any other evidence or argument in opposition to the application by all parties, and any inconsistent or responsive applications, be due at the same date (F+90 days under the Board's proposed schedule), and that applicants' rebuttal or other responses to those filings be due 30 days later (F+120 days). Applicants note that no major merger in this decade has been considered under a fragmented procedural format, and that there is nothing inherent in the CN/IC transaction to warrant such a departure from consistent prior practice.

We will grant applicants' and TFI's request that we eliminate the staggered filing dates. As suggested by applicants, all comments, protests, and requests for conditions, any other evidence or argument in opposition to the application by all parties, and any inconsistent or responsive applications, will be due on the same date (F+90 days). Applicants' rebuttal and other responses to those filings will be due 45 days later. Other relevant due dates are discussed in detail under our discussion of filing due dates.

Few objections have been raised to the 10-month proposed procedural schedule. In light of UTU's concerns, we are reluctant at this time to reduce the time for processing the application. Earlier comments in opposition to applicants' 6-month proposed procedural schedule were filed by the Brotherhood of Maintenance of Way Employees (BMWE) on June 2, 1998, and the UTU on June 8, 1998. Both BMWE and UTU had stated that applicants' 180-day proposed schedule was too short and urged the Board to adopt the statutory procedural schedule set forth at 49 U.S.C. 11325(b). Alternatively, UTU urged the Board to adopt a 350-day schedule modeled upon the procedural schedule issued by the Board in CSX/NS/CR No. 6 (STB served May 30, 1997). We believe that a 10-month procedural schedule would not delay unnecessarily any benefits that would flow from the proposed integration of the CN and IC systems and is middle-ground schedule that would allow sufficient time to develop the record upon which the Board's decision would be based. If, at some point in this proceeding (perhaps after Board receipt of filings due on F+90 days), it becomes clear that there are few contested issues to be resolved, we would be open to a reexamination of whether a shorter schedule and a more expeditious resolution can be accommodated.

NOTICE OF INTENT TO PARTICIPATE. Any person who wishes to participate in this proceeding as a party of record (POR) must file with the Secretary of the Board, no later than August 31, 1998, an original and 25 copies of a notice of intent to participate, accompanied by a certificate of service indicating that the notice has been properly served on Judge Hartfeld and on applicants' representatives. In addition, as previously noted, parties must submit one electronic copy of each document filed with the Board. Further details respecting such electronic submissions are provided below.

We will serve, as soon as practicable after August 31, 1998, a notice containing the official service list (the service list notice). Each party of record will be required to serve upon all other parties of record, within 10 days of the service date of the service list notice, copies of all filings previously submitted by that party (to the extent such filings have not previously been served upon such other parties). Each party of record also will be required to file with the Secretary of the Board, within 10 days of the service date of the service list notice, an original plus five copies of a certificate of service, along with an electronic copy, indicating that the service required by the preceding sentence has been accomplished. Every filing made by a party of record after the service date of the service list notice must have its own certificate of service indicating that both Judge Harfeld and all PORs on the service list have been served with a copy of the filing. Members of the United States Congress (MOCs) and Governors (GOVs) are not parties of record (PORs), and therefore, need not be served with copies of filings, unless any such Member or Governor has requested to be, and is designated as, a POR.

We will serve copies of our decisions, orders, and notices only on those persons who are designated on the official service list as either POR, MOC, or GOV. All other interested persons are encouraged to make advance arrangements with the Board's copy contractor, DC News & Data, Inc. (DC News), to receive copies of Board decisions, orders, and notices served in this proceeding. DC News will handle the collection of charges and the mailing and/or faxing of decisions, orders, and notices to persons who request this service. The telephone number for DC News is: (202) 289-4357.¹⁶

DESCRIPTIONS OF, AND FILINGS RESPECTING, RESPONSIVE (INCLUDING INCONSISTENT) APPLICATIONS.¹⁷ Because the transaction proposed by applicants constitutes a major transaction within the meaning of our rail consolidation rules (49 CFR part 1180),¹⁸ parties intending to file responsive (including inconsistent) applications must

¹⁶ An interested person does not need to be on the service list to obtain a copy of the primary application or any other filing made in this proceeding. Our Railroad Consolidation Procedures provide: "Any document filed with the Board (including applications, pleadings, etc.) shall be promptly furnished to interested persons on request, unless subject to a protective order." See 49 CFR 1180.4(a)(3), as recently amended in Railroad Consolidation Procedures—Modification of Fee Policy, STB Ex Parte No. 556, 62 FR 9714, 9717 (Mar. 4, 1997) (interim rules), 62 FR 28375 (May 23, 1997) (final rules). Furthermore, DC News will provide, for a charge, copies of the primary application or any other filing made in this proceeding, except to the extent any such filing is subject to the protective order heretofore entered in this proceeding.

¹⁷ An original and 25 copies of such descriptions, petitions for waiver or clarification, Responsive Environmental Reports, and Verified Statements must refer to STB Finance Docket No. 33556 (lead docket) and must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, parties must submit one electronic copy of each document filed with the Board. Further details respecting such electronic submissions are provided below.

¹⁸ See Decision No. 2, served March 13, 1998, and published that day in the Federal Register at 63 FR 12574-75.

submit descriptions of those applications by August 31, 1998. The description must state that the commenting party intends to file an application seeking affirmative relief that requires an application to be filed with the Board (e.g., divestiture, purchase, trackage rights, inclusion, construction, or abandonment) and must include a general statement of what that application is expected to include. This will be considered a prefiling notice without which the Board will not entertain applications for this type of relief.

Petitions for waiver or clarification by responsive (including inconsistent) applicants must be filed by August 31, 1998. Each responsive (including inconsistent) application filed and accepted will be consolidated with the primary application in this proceeding.

Any responsive (including inconsistent) applicant must file by September 21, 1998, either: (1) a verified statement that the responsive (including inconsistent) application will have no significant environmental impact; or (2) a responsive environmental report (RER) that contains detailed environmental information regarding the responsive (including inconsistent) application.

The RER. The RER should comply with all requirements for environmental reports contained in our environmental rules at 49 CFR 1105.7. The RER should be based on consultations with the Board's Section of Environmental Analysis (SEA) and the various agencies set forth in 49 CFR 1105.7(b). In addition, the information in the RER should be organized as follows: Executive Summary; Purpose and Need for Agency Action; Description of the Inconsistent or Responsive Application and Related Operations; Description of the Affected Environment; Description of Alternatives; Analysis of the Potential Environmental Impacts; Proposed Mitigation; and Appropriate Appendices that include correspondence and consultation responses, bibliography, and a list of preparers.

The purpose of an RER is to provide us the information we need to assess the potential environmental impacts of all inconsistent and responsive applications in the context of the overall merger proposal. After an RER is received, SEA will verify the information contained in the document. If the RER is acceptable, SEA will include the RER with the Draft Environmental Assessment (Draft EA) for the entire merger that will be served and made available for public comment.

In order to ensure timely, consistent, and appropriate environmental documentation, inconsistent and responsive applicants must consult with SEA as early as possible. If an RER is insufficient, we may require additional environmental information or reject the inconsistent or responsive application.

A verified statement of no significant impact. If an action proposed under an inconsistent or responsive transaction would typically fall within 49 CFR 1105.6(c)(2), an RER would not be required because such an action is generally exempt from environmental review. In such a case, the inconsistent or responsive applicant would be required to file only a verified statement. The verified statement must demonstrate that the inconsistent or responsive application meets the exemption criteria of 49 CFR 1105.6(c)(2). Again, anyone desiring to file an inconsistent application or responsive application must consult with SEA as early as possible regarding the

appropriate environmental documentation.

SEA will review the verified statements. If a verified statement is insufficient, we may require additional environmental information or reject the inconsistent or responsive application. The verified statements, like the RERs, will be included in the Draft EA, which will be available for public review and comment.

COMMENTS, PROTESTS, REQUESTS FOR CONDITIONS, AND OTHER OPPOSITION EVIDENCE AND ARGUMENT, INCLUDING FILINGS BY DOJ AND DOT; RESPONSIVE (INCLUDING INCONSISTENT) APPLICATIONS. Any interested persons, including the U.S. Attorney General and the U.S. Secretary of Transportation, may file written comments, protests, requests for conditions, and any other opposition evidence and argument, as well as responsive (including inconsistent) applications no later than **October 13, 1998**. This deadline applies to comments, etc., addressing the primary application or the related filing submitted with the primary application.

Parties filing comments, protests, requests for conditions, and any other opposition evidence and argument (including filings by DOJ and DOT) must submit an original and 25 copies of such documents, referring to STB Finance Docket No. 33556 (lead docket). Parties filing responsive (including inconsistent) applications must contact the Office of the Secretary, Case Control Unit, at (202) 565-1681 to obtain docket numbers for their respective applications, and must submit an original and 25 copies of each responsive (including inconsistent) application, referring to the assigned sub-docket number for that application and must accompany such application with the appropriate filing fee. All submissions must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, as previously noted, parties must submit one electronic copy of each document filed with the Board. Further details respecting such electronic submissions are provided below.

Written comments, etc., must be concurrently served by first class mail on the U.S. Attorney General and the U.S. Secretary of Transportation, Judge Harfeld, applicants' representatives, and all other parties of record.

Written comments, etc., must include: (1) the docket number and title of the proceeding; (2) the name, address, and telephone number of the commenting party and its representative upon whom service shall be made; (3) the commenting party's position, i.e., whether it supports or opposes the proposed transaction; (4) a list of any specific protective conditions sought; and (5) an analysis of the issues with particular attention to our general policy statement for the merger or control of at least two Class I railroads (49 CFR 1180.1), the statutory criteria (49 U.S.C. 11324), and antitrust policy.

Protesting parties are advised that, if they seek either the denial of the primary application or the imposition of conditions upon any approval thereof, on the theory that approval without imposition of conditions will harm either their ability to provide essential services and/or competition, they must present substantial evidence in support of their positions. See Lamoille Valley R.R. Co. v. ICC, 711 F.2d 295 (D.C. Cir 1983).

RESPONSE TO COMMENTS, PROTESTS, REQUESTED CONDITIONS, AND OTHER OPPOSITION, INCLUDING DOJ AND DOT; REBUTTAL IN SUPPORT OF PRIMARY APPLICATION AND RELATED APPLICATION. Parties submitting responses to comments, protests, requested conditions, and other opposition, including DOJ and DOT, and rebuttal in support of the primary application and related application, must be filed with the Board by November 27, 1998.

OTHER DATES. The procedural schedule adopted in this decision further provides: (1) that applicants must file a Safety Integration Plan on August 14, 1998, as they have proposed; (2) that responses to any responsive (including inconsistent) applications must be filed by November 27, 1998; (3) that rebuttal in support of responsive (including inconsistent) applications must be filed by December 28, 1998; (4) that briefs must be filed by February 5, 1999; (5) that oral argument will be heard on March 8, 1999; (6) that, at the discretion of the Board, a voting conference will be held on March 15, 1999; and (7) that the final written decision, addressing the primary application and the related filing, and also addressing any responsive (including inconsistent) applications will be served on May 11, 1999.

DISCOVERY. In Decision No. 2, served March 13, 1998, this proceeding was assigned to Judge Harfeld for the handling of all discovery matters and the initial resolution of all discovery disputes. Parties wishing to engage in discovery must consult with Judge Harfeld, who is designated to handle discovery matters and disputes. Judge Harfeld has the authority to rule on discovery matters but not to modify the procedural schedule.

DEADLINES APPLICABLE TO APPEALS AND REPLIES. Any appeal to a decision issued by Judge Harfeld must be filed within 3 working days of the date of his decision; any response to such appeal must be filed within 3 working days of the date of filing of the appeal; and any reply to any motion filed with the Board itself in the first instance must be filed within 3 working days of the date of filing of the motion.

ENVIRONMENTAL REVIEW PROCESS. SEA has determined that preparation of an Environmental Assessment (EA) is appropriate in this proceeding. This approach is consistent with the Board's environmental rules at 49 CFR 1105.6(b)(4), which call for an EA in a merger or acquisition such as this one. In making its determination to prepare an EA, SEA considered the nature and scope of environmental issues that could arise in this proceeding, as well as its consultation with applicants and its evaluation of the information to date, including the operating plan and associated environmental data that CN/IC submitted with their primary application filed on July 15, 1998. We agree with SEA that an EA is warranted in this proceeding.

The procedural schedule that we are adopting will permit us to take a hard look at environmental issues required by the National Environmental Policy Act (NEPA) and related regulations of the Council on Environmental Quality, and will provide the necessary time to enable us to prepare an EA and to include public participation by federal, state, and local agencies, as well as other concerned parties. If SEA determines that this proceeding has the potential for significant environmental impacts, then SEA may prepare an Environmental Impact Statement, as required by NEPA.

The EA will address potential environmental impacts of activities associated with the proposed merger, including rail line traffic density increases and decreases, rail yard and intermodal facility activity changes, and new construction. Specifically, the EA will address potential environmental impacts on safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, historic and cultural resources, environmental justice, and socioeconomic effects directly related to changes in the environment, and will also include SEA's recommendations for environmental mitigation.

Applicants originally proposed to file an environmental report 30 days after they filed their application. In a letter dated June 18, 1998, however, applicants requested that SEA conduct a modified environmental review process in this proceeding. SEA concurs with this approach. Under this approach, applicants provided, with their application and operating plan, an environmental overview rather than an environmental report. See CN/IC-6, Environmental Data - Exhibit 4, at 22-34. This is consistent with the Board's environmental rules at 49 CFR 1105.10(d), which waive the requirement for an environmental report for applicants that retain an independent third-party contractor to work under SEA's direction to prepare the necessary environmental documentation. For this proceeding, applicants have retained the requisite independent third-party contractor.

With direction and guidance from SEA, applicants will prepare and submit to SEA a Preliminary Draft Environmental Assessment (PDEA). Preparation of a PDEA is consistent with the Council on Environmental Quality regulations at 40 CFR 1506.5(b) that permit preparation of an environmental assessment by an applicant. Upon receipt of applicants' PDEA, SEA will review and verify the environmental information provided by applicants in this document. SEA will then prepare a Draft EA for public review and comment. The Draft EA will include SEA's independent preliminary recommendations for mitigation to address potentially adverse environmental impacts.

As part of the environmental review process, applicants will also submit a Safety Integration Plan, which will fully describe the extensive plans they have for maximizing the safe operation of the combined system.

After reviewing all of the public comments on the Draft EA and conducting additional analyses, SEA will prepare a Final Environmental Assessment (Final EA). The Final EA will include SEA's final recommendations for environmental mitigation. The Board will consider all public comments, the Draft EA and Final EA, and SEA's environmental recommendations in making its final decision in this proceeding.

For additional information on preparation of the EA, contact SEA's Project Manager for the proposed CN/IC Acquisition, Michael Dalton, at (202) 565-1530.

ELECTRONIC SUBMISSIONS. As already mentioned, in addition to submitting an original and 25 paper copies of each document filed with the Board, parties must submit, on disks or CDs, copies of all textual materials, electronic workpapers, data bases and spreadsheets used to develop quantitative evidence. Data must be submitted on 3.5 inch IBM-compatible floppy disks or CDs. Textual materials must be in, or convertible by and into, WordPerfect 7.0.

Electronic spreadsheets must be in, or convertible by and into, Lotus 1-2-3 97 Edition, Excel Version 7.0, or Quattro Pro Version 7.0. Each disk or CD should be clearly labeled with the identification acronym and number of the corresponding paper document, see 49 CFR 1180.4(a)(2), and a copy of such disk or CD should be provided to any other party upon request. Also, each disk or CD should be clearly labeled as containing confidential or redacted materials. The data contained on the disks and CDs submitted to the Board will be subject to the protective order granted in Decision No. 1, served February 26, 1998, and will be for the exclusive use of Board employees reviewing substantive and/or procedural matters in this proceeding. The flexibility provided by such computer data will facilitate timely review by the Board and its staff.¹⁹

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. UTU's motion to dismiss is denied.
2. The primary application in STB Finance Docket No. 33556, and the related filing in the embraced docket, STB Finance Docket No. 33556 (Sub-No. 1), are accepted for consideration.
3. Parties must comply with the Final Procedural Schedule adopted by the Board in this proceeding as shown in Appendix A.
4. Parties must comply with the procedural requirements described in this decision.
5. Any appeal to a decision issued by Judge Harfeld must be filed within 3 working days of the date of his decision, and any response to any such appeal must be filed within 3 working days of the date of filing of the appeal.
6. Any reply to any motion filed with the Board itself in the first instance must be filed within 3 working days of the date of filing of the motion.

¹⁹ The electronic submission requirements set forth in this decision supersede, for the purposes of this proceeding, the otherwise applicable electronic submission requirements set forth in our regulations. See 49 CFR 1104.3(a), as amended in Expedited Procedures for Processing Rail Rate Reasonableness, Exemption and Revocation Proceedings, STB Ex Parte No. 527, 61 FR 52710, 52711 (Oct. 8, 1996), 61 FR 58490, 58491 (Nov. 15, 1996).

7. This decision is effective on August 14, 1998.

Decided: August 10, 1998.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary

APPENDIX A: FINAL PROCEDURAL SCHEDULE

July 15, 1998	Primary application and related application filed.
August 14, 1998	Board notice of acceptance of primary application and related application published in the <u>Federal Register</u> .
August 14, 1998	Safety Integration Plan due.
August 31, 1998	Notification of intent to participate due.
August 31, 1998	Description of anticipated inconsistent and responsive applications due; petitions for waiver or clarification due with respect to such applications.
September 21, 1998	Responsive Environmental Report and Environmental Verified Statements for inconsistent and responsive applicants due.
October 13, 1998	All comments, protests, requests for conditions, and any other evidence and argument in opposition to the primary application due, including filings of the U.S. Department of Justice (DOJ) and the U.S. Department of Transportation (DOT). Inconsistent and responsive applications due.
November 2, 1998	Notice of acceptance (if required) of inconsistent and responsive applications published in the <u>Federal Register</u> .
November 27, 1998	Response to comments, protests, requested conditions, and other opposition due. Response to comments of DOJ and DOT due. Rebuttal in support of primary application and related applications due. Response to inconsistent and responsive applications due.
December 28, 1998	Rebuttal in support of inconsistent and responsive applications due.
February 5, 1999	Briefs due, all parties (not to exceed 50 pages for applicants and not to exceed 25 pages for all other parties).
March 8, 1999	Oral argument (close of record).
March 15, 1999	Voting conference (at Board's discretion).
May 11, 1999	Date of service of final decision.

Immediately upon each evidentiary filing, the filing party will place all documents relevant to the filing (other than documents that are privileged or otherwise protected from discovery) in a depository open to all parties, and will make its witnesses available for

depositions. Access to documents subject to protective order will be appropriately restricted. Discovery relating to applications and other filings (including responsive and inconsistent applications), where permitted, will begin immediately upon their filing. The Administrative Law Judge (ALJ) assigned to this proceeding will have the authority initially to resolve any discovery disputes.

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Board Decision No. 11

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SERVICE DATE - LATE RELEASE OCTOBER 2, 1998

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33556

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
GRAND TRUNK WESTERN RAILROAD INCORPORATED--CONTROL--ILLINOIS
CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD COMPANY, CHICAGO,
CENTRAL AND PACIFIC RAILROAD COMPANY, AND CEDAR RIVER RAILROAD
COMPANY

Decision No. 11

Decided: October 2, 1998

We consider, in this decision: the petition (hereinafter referred to as the CPR-7 petition)¹ for modification of the procedural schedule, filed September 28, 1998, by Canadian Pacific Railway Company, Delaware and Hudson Railway Company, Inc., Soo Line Railroad Company, and St. Lawrence & Hudson Railway Company Limited (referred to collectively as CPR), Norfolk Southern Railway Company (NSR), Rubicon Inc. (Rubicon), Uniroyal Chemical Company, Inc. (Uniroyal), and Vulcan Chemicals (Vulcan);² the compendium (hereinafter referred to as the CPR-7 compendium) of discovery requests, responses, and discovery-related pleadings submitted in support of the CPR-7 petition;³ the undesignated letter (hereinafter referred to as the CPR-7 supplement) intended to supplement the CPR-7 petition, filed September 29, 1998, by petitioners;⁴ the petition (hereinafter referred to as the CPR-8 petition)⁵ for waiver of service of the CPR-7 compendium, filed September 29, 1998, by petitioners; the CSX-8 request for an extension of the procedural schedule, filed September 30, 1998, by CSX Corporation and CSX Transportation, Inc. (referred to collectively as CSX); the BNSF-5 response to the CPR-7 petition, filed September 30, 1998, by The Burlington Northern and Santa Fe Railway Company (BNSF); the UP-5 response to the CPR-7 petition, filed September 30, 1998, by Union Pacific Railroad Company (UP); the undesignated letter

¹ This petition is designated CPR-7/NS-3/RUB-9/UCC-9/VUL-2.

² CPR, NSR, Rubicon, Uniroyal, and Vulcan are hereinafter referred to as petitioners.

³ The CPR-7 compendium was intended to accompany the CPR-7 petition, but was filed September 29, 1998.

⁴ Although the CPR-7 supplement purports to be filed by all of the five petitioners, it is signed by representatives of only two (CPR and NSR) of the five petitioners.

⁵ This petition is designated CPR-8/NS-4/RUB-10/UCC-10/VUL-3.

(hereinafter referred to as the KCS letter) in the nature of a response to the CPR-7 petition and the CPR-7 supplement, filed September 30, 1998, by Kansas City Southern Railway Company (KCS); the undesignated letter, filed October 1, 1998, by Occidental Chemical Company (Occidental) in support of a 30-day extension of the procedural schedule; the letter filed October 1, 1998, by the Brotherhood of Maintenance of Way Employees (BMW), opposing modification of the procedural schedule;⁶ and the CN/IC-25 reply to the CPR-7 petition and the CPR-7 supplement, filed October 1, 1998, by Canadian National Railway Company (CNR), Grand Trunk Corporation (GTC), Grand Trunk Western Railroad Incorporated (GTW), Illinois Central Corporation (IC Corp.), Illinois Central Railroad Company (ICR), Chicago, Central & Pacific Railroad Company (CCP), and Cedar River Railroad Company (CRRC).⁷

The CPR-7 Petition. The CPR-7 petition seeks a 30-day extension (until November 12, 1998) of the due date for evidentiary submissions in response to the primary application, and a corresponding adjustment of the remaining dates contained in the procedural schedule governing this proceeding. Petitioners cite the following circumstances (described in their words) in support of the CPR-7 petition: the decision of CN and IC to construct their application in a manner that obscures the effects of the proposed CN/IC transaction by, among other things, inextricably intermingling in the application's merger-impact studies and public-benefits estimates the combined effects of both the CN/IC transaction (which is subject to Board review) and the recent strategic "Alliance" between applicants and KCS (which applicants are said to claim is not part of the "transaction" before the Board); the intransigent and improper resistance by applicants and KCS to petitioners' legitimate attempts to obtain discovery of needed information about the competitive and other effects of the proposed CN/IC transaction and, importantly, about the relationship of the CN/IC/KCS Alliance and Access agreements to the CN/IC transaction,⁸ and applicants' inexcusable delay in producing relevant workpapers underlying their merger-impact studies; the inability of the parties, due to the unavailability of Administrative Law Judge Harfeld in scheduling an immediate hearing, to obtain a prompt resolution of the dozens of outstanding discovery disputes engendered by the stonewalling tactics of applicants and KCS;⁹ the resulting inability of the parties to arrange a feasible, realistic deposition schedule for applicants' witnesses that will allow petitioners and other interested parties adequate time to obtain and review the relevant documents before the depositions take place; and other procedural

⁶ This letter is designated BMW-3.

⁷ CNR, GTC, and GTW, and their affiliates, are referred to collectively as CN. IC Corp., ICR, CCP, and CRRC, and their affiliates, are referred to collectively as IC. CN and IC are referred to collectively as applicants.

⁸ The CN/IC/KCS Alliance is a 15-year marketing alliance that is already under way. See CN/IC-6 at 142 (filed July 15, 1998). The CN/KCS Access agreement, which IC will join if the CN/IC transaction is approved by the Board and implemented by applicants, involves the granting of certain haulage and trackage rights. See CN/IC-6 at 144.

⁹ We understand that, although motions to compel were filed as early as September 14, 1998 (by CPR), and shortly thereafter by other parties, Judge Harfeld's schedule did not allow for a discovery conference until September 28, 1998. See CSX-8 at 2.

delays that are directly attributable to applicants' own strategy or are beyond the control of the parties. Petitioners insist that adherence to the current procedural schedule, particularly in light of applicants' conduct, would reward discovery abuse and prevent the development of a complete evidentiary record necessary to a sound Board decision on the application.

The CPR-7 Supplement. The CPR-7 supplement seeks an order temporarily suspending the procedural schedule (including applicants' proposed schedule for depositions of applicants' witnesses) pending the final resolution of all outstanding discovery disputes and a ruling on the CPR-7 petition. Petitioners state that, on the first day (September 28, 1998) of the 2-day hearing held by Judge Harfeld, Judge Harfeld indicated: that he intends to grant the motions filed by various parties to compel applicants and KCS to produce documents and information relating to the negotiation, implementation, and effects of the CN/IC/KCS Alliance; and that he intends to grant petitioners' motion to require applicants to produce, under the "Highly Confidential" designation provided for in the protective order, complete unredacted copies of the Alliance and Access agreements. Petitioners further state that, during the September 28th hearing: applicants also agreed to produce, subject to a limited redaction, additional documents and information to which they previously had objected (this material apparently relates to the consideration and review of the proposed CN/IC transaction and the Alliance by applicants' Boards of Directors); and, in response to NSR's motion to compel production of full and complete computerized workpapers underlying the application's traffic diversion study, applicants agreed to reexamine the issue and to consult with NSR's consultants to determine what additional data should be produced. Petitioners add: that, in response to Judge Harfeld's statement that additional documents and information to be produced under his rulings should be produced by Friday, October 2, 1998, several opposing parties indicated that they needed the relevant documents (particularly Alliance-related materials) in order to take meaningful depositions of applicants' witnesses, who applicants propose to make available on Friday, October 2, 1998; and that, in response to these concerns, Judge Harfeld stated his view that an extension of the current procedural schedule is clearly warranted.

The CPR-8 Petition. The CPR-8 petition seeks a waiver of the service rule¹⁰ for the approximately one-inch thick CPR-7 compendium. Petitioners argue: that the parties of record identified in Decision No. 9 have been, or very soon will be, served with copies of the CPR-7 petition and the accompanying cover letter, both of which make reference to the CPR-7 compendium; that all of the material contained in the compendium has previously been served; and that, in any event, petitioners have pledged to make the CPR-7 compendium available to authorized parties upon request.

The CSX-8 Request. The CSX-8 request seeks a 30-day extension (until November 12, 1998) of the due date for evidentiary submissions in response to the primary application, and a corresponding adjustment of the remaining dates contained in the procedural schedule governing this proceeding. CSX indicates: that Judge Harfeld's rulings in the 2-day discovery conference (held September 28 and 29, 1998) require applicants to produce documents and information in response to numerous requests; that, given that applicants have a right to appeal Judge Harfeld's discovery rulings to the Board, CSX (and other opposition parties) face the very real possibility

¹⁰ See 49 CFR 1104.12.

that they will obtain no meaningful discovery from applicants prior to the current due date (October 13, 1998) for evidentiary submissions in response to the primary application; and that, even if no appeals are filed, the discovery documents clearly will not be produced in time for CSX (and other opposition parties) to prepare for depositions of applicants' witnesses, which are scheduled over this week and next.

The BNSF-S Response. BNSF urges approval of the CPR-7 petition. The parties to this proceeding, BNSF contends, must be afforded a reasonable opportunity to develop a full evidentiary record through discovery.

The UP-S Response. UP agrees that the present schedule does not allow sufficient time for the parties to make any meaningful use of the discovery that CN/IC and KCS have been ordered to produce. UP does not join in the CPR-7 petition, however, because, in UP's view, a modification of the procedural schedule will ultimately serve no purpose. The CN/IC application, UP claims, is fundamentally deficient; it fails to describe the effects of the CN/IC transaction as distinct from the effects of the CN/IC/KCS Alliance. The transaction that is actually before us, UP insists, is not the CN/IC transaction presented in the CN/IC application; it is, rather, a three-way CN/IC/KCS common control (or pooling) transaction. UP therefore insists that the CN/IC application must be re-filed (and this, apparently, is what UP intends to argue when it submits its evidence and arguments in opposition to the CN/IC application).

The KCS Letter. KCS urges denial of the CPR-7 petition, which (KCS claims) represents nothing more than an attempt by CPR and NSR (major competitors of CN, IC, and KCS) to stall, delay, and otherwise obstruct the procompetitive benefits of the proposed transaction. KCS adds: that petitioners delayed in propounding their discovery;¹¹ that petitioners chose not to avail themselves of discovery guidelines that would have shortened the time frames available for response; and that petitioners, having waited until the last minute to file discovery, now seek to extricate themselves from their self-inflicted bind by asking the Board to delay the entire transaction.

Occidental Letter. Occidental generally supports other parties' requests to extend the procedural schedule in this proceeding by 30 days.

BMW Letter. BMW generally opposes other parties' requests to modify the procedural schedule.

The CN/IC-25 Reply. Applicants, urging denial of the CPR-7 petition and the CPR-7 supplement, contend: that they have neither improperly resisted discovery nor engaged in

¹¹ KCS claims that the first discovery served on KCS by any of the petitioners was served on September 4, 1998. KCS suggests that petitioners should have served their discovery requests at a much earlier date (certainly, KCS suggests, soon after the filing of the application on July 15, 1998; and perhaps even, KCS adds, at any time following the filing, on February 12, 1998, of applicants' pre-filing notice of intent).

dilatory discovery tactics;¹² that blame for the delays that have occurred should be assigned to CPR and NSR, which, for reasons known only to themselves, neglected to initiate their discovery requests in a timely manner; that CPR and NSR are attempting to use the regulatory process to forestall the new competition promised by the CN/IC transaction and to chill the competition they are already facing from the CN/IC/KCS Alliance; and that even a 1-month delay in approving the CN/IC transaction could mean a loss of more than \$10 million in public benefits. Applicants add: that Judge Harfeld did not state that an extension of the procedural schedule is clearly warranted;¹³ that, even if applicants decide to appeal Judge Harfeld's orders,¹⁴ they will produce documents and allow testimony pending appeal, without prejudice to seeking a ruling that such evidence cannot be used if the Board decides the appeal in applicants' favor; that, because all parties have made plans based on the current deposition schedule, it would be enormously disruptive and prejudicial to change that schedule; and that, if CPR and NSR suffer any actual, demonstrable prejudice, they can seek other relief (e.g., they can seek to supplement their October 13th submissions for good cause shown).

DISCUSSION AND CONCLUSIONS

We will grant a 2-week extension (to October 27, 1998) of the due date (previously set as October 13, 1998) for the submission of comments, protests, etc., in opposition to the primary application.¹⁵ We caution and urge applicants and all parties to avoid discovery disputes where possible and to use the discovery process properly for obtaining necessary information and not as a litigation tactic. To the extent Judge Harfeld is called upon to resolve any further discovery disputes, we urge all parties to work cooperatively with the Judge so that he may resolve issues promptly as they arise.

We recognize that some of the discovery controversy relates to the CN/IC/KCS Alliance. Applicants have brought the Alliance into the case in their primary application,¹⁶ and have argued, in essence, that the benefits of the CN/IC transaction include certain benefits flowing from the CN/IC/KCS Alliance, but we are not today resolving the extent of the relevance of the

¹² Applicants note, by way of illustration, that, at the discovery conference held September 28-29, 1998, Judge Harfeld sustained applicants' objections in significant respects.

¹³ Applicants claim that Judge Harfeld stated only that he had some sympathy for the positions of both sides.

¹⁴ Applicants indicate that they have not yet decided whether to appeal Judge Harfeld's orders.

¹⁵ We will also grant the CPR-8 petition for waiver of service of the CPR-7 compendium, for the reasons stated in the CPR-8 petition.

¹⁶ See, e.g., CN/IC-6 at 142-49 (statement by applicants' witnesses of the benefits that will flow from the Alliance and the related Access agreement).

Alliance.¹⁷

We encourage all parties to this proceeding to cooperate in good faith in fulfilling their discovery obligations. We also encourage all parties to this proceeding to cooperate in good faith in serving papers on all other parties. All of the leading parties in this proceeding are represented by attorneys with offices located in a relatively small geographic area; and there is, therefore, no particularly obvious obstacle to delivering pleadings to such attorneys at approximately the same time as such pleadings are filed with the Board. There is no excuse, in this context, for delayed deliveries.¹⁸

We also encourage all parties to bring to our attention, as early as possible, problems similar to those we address in this decision. Clearly, the parties to this proceeding knew, prior to September 28th, that there was a delay in scheduling a discovery conference. We hope that the parties to this proceeding will endeavor to avoid such delays in the future.¹⁹

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The CPR-8 petition for waiver of service of the CPR-7 compendium is granted.
2. The dates in the procedural schedule are modified as indicated in the Appendix to this decision.
3. This decision is effective on the date of service.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary

¹⁷ Nor are we prejudging our assessment of UP's anticipated argument that the transaction that is actually before us is a three-way CN/IC/KCS transaction and not a two-way CN/IC transaction.

¹⁸ See, e.g., the KCS letter at 2 n.2. The delays there described, if such delays in fact occurred, are simply unacceptable.

¹⁹ We do not understand why the parties to this proceeding neglected to pursue the kind of discovery guidelines that were adopted in the recently concluded Conrail proceeding in STB Finance Docket No. 33388. That proceeding involved far more parties; and yet, thanks perhaps to the discovery guidelines, discovery in that proceeding seemed to move along more smoothly. Although all parties may bear a portion of the responsibility for the present situation, we will not countenance stalling tactics of any sort.

APPENDIX: REVISED PROCEDURAL SCHEDULE

October 27, 1998	All comments, protests, requests for conditions, and any other evidence and argument in opposition to the primary application due, including filings of the U.S. Department of Justice (DOJ) and the U.S. Department of Transportation (DOT). Inconsistent and responsive applications due.
November 17, 1998	Notice of acceptance (if required) of inconsistent and responsive applications published in the <u>Federal Register</u> .
December 11, 1998	Response to comments, protests, requested conditions, and other opposition due. Response to comments of DOJ and DOT due. Rebuttal in support of primary application and related application due. Response to inconsistent and responsive applications due.
January 11, 1999	Rebuttal in support of inconsistent and responsive applications due.
February 19, 1999	Briefs due, all parties (not to exceed 50 pages for applicants and not to exceed 25 pages for all other parties).
March 22, 1999	Oral argument (close of record).
March 29, 1999	Voting conference (at Board's discretion).
May 25, 1999	Date of service of final decision.

Immediately upon each evidentiary filing, the filing party will place all documents relevant to the filing (other than documents that are privileged or otherwise protected from discovery) in a depository open to all parties, and will make its witnesses available for depositions. Access to documents subject to protective order will be appropriately restricted. Discovery relating to applications and other filings (including responsive and inconsistent applications), where permitted, will begin immediately upon their filing. The Administrative Law Judge (ALJ) assigned to this proceeding will have the authority initially to resolve any discovery disputes.

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Board Decision No. 19

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BOARD DECISION NO. 19

**TEXT OF NOTICE OF AVAILABILITY OF DRAFT ENVIRONMENTAL ASSESSMENT AND 30-DAY
PUBLIC COMMENT PERIOD**

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board
[Finance Docket No. 33556]

Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated--Control--Illinois Central Corporation, Illinois Central Railroad Company, Chicago, Central and Pacific Railroad Company, and Cedar River Railroad Company

AGENCY: Surface Transportation Board.

ACTION: Decision No. 19; Notice of Availability of Draft Environmental Assessment and 30-day public comment period.

SUMMARY: The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) issued a Draft Environmental Assessment (Draft EA) for the proposed acquisition of control of Illinois Central Corporation and its railroad affiliates (IC) by Canadian National Railway Company (CN). The Draft EA is available for public review and comment for 30 days. Public comments are due by December 11, 1998. Any interested party may request a copy of the Draft EA or submit comments on the Draft EA by following the procedures discussed below. The Draft EA addresses potential acquisition-related environmental impacts and includes SEA's preliminary environmental mitigation recommendations. In addition, the Draft EA includes a Safety Integration Plan prepared by CN and IC that explains how they propose to safely integrate their separate operations if the Board approves the proposed acquisition. After fully considering all public comments, SEA will consult with appropriate public agencies and conduct additional environmental analysis, as appropriate, in preparing a Final Environmental Assessment (Final EA). SEA plans to issue the Final EA prior to the Board's Oral Argument and Voting Conference, which are currently scheduled for March 1999. In making its final decision on the proposed acquisition, the Board will consider the entire environmental record, including all public comments; the Draft EA; and the Final EA, including SEA's environmental mitigation recommendations. The Board plans to serve the final written decision on May 25, 1999. Any party may file an administrative appeal within 20 days of the Board's final written decision.

DATES: The Draft EA is available for public review and comment for 30 days. Public comments are due by December 11, 1998.

ADDRESSES: All interested agencies, organizations, and individuals are encouraged to comment on the Draft EA by submitting written comments (include an original plus 10 copies) to the address listed below by December 11, 1998, the close of the comment period:

Office of the Secretary, Case Control Unit, Finance Docket No. 33556,
Surface Transportation Board, 1925 K Street, N.W., Washington, DC
20423-001, Attn: Elaine K. Kaiser, Environmental Project Director,
Environmental Filing

FOR FURTHER INFORMATION CONTACT: To request a copy of the Draft EA or further information on the proposed CN/IC acquisition, interested parties may call SEA's toll-free Environmental Hotline at 1-888-869-1997 (TDD for the hearing impaired: (202) 565-1695), or access SEA's website for the CN/IC acquisition at <http://www.cnicacquisition.com>. For additional information regarding environmental issues, or the environmental review process, contact SEA's Project Manager for the proposed CN/IC acquisition, Michael Dalton, at (202) 565-1530.

SUPPLEMENTARY INFORMATION: On July 15, 1998, CN and IC, collectively referred to as CN/IC or applicants, filed a joint application ¹ with the Board seeking authority for CN to acquire control of IC. The proposed CN/IC system would extend to both the east and west coasts of North America and the Gulf of Mexico. The Chicago area would serve as the hub of the combined system. This new system would cover approximately 18,670 miles of rail lines and related facilities, of which approximately 4,520 miles would be in the United States. The applicants state that integrating CN and IC operations would allow both rail systems to provide more reliable, efficient, and competitive service. The applicants also state that they anticipate relatively minor changes in rail operations as a result of the proposed acquisition. The applicants have proposed no rail line abandonments and only five minor construction projects (one rail line connection and four rail yard bypass tracks) as part of the proposed acquisition.

\\Canadian National Railway Company, Grand Trunk Corporation,
and Grand Trunk Western Railroad Incorporated--Control--Illinois
Central Corporation, Illinois Central Railroad Company, Chicago,
Central and Pacific Railroad Company, and Cedar River Railroad
Company, STB Finance Docket No. 33556.

By the Board, Elaine K. Kaiser, Chief of the Section of
Environmental Analysis.

Vernon A. Williams,

Secretary.

[FR Doc. 98-29981 Filed 11-6-98; 8:45 am]

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Board Decision No. 23

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**DECISION NO. 23
ERRATA TO THE DRAFT ENVIRONMENTAL ASSESSMENT**

SERVICE DATE - NOVEMBER 24, 1998

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33556

**CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
GRAND TRUNK WESTERN RAILROAD INCORPORATED**

-- CONTROL --

**ILLINOIS CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD
COMPANY, CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, AND CEDAR
RIVER RAILROAD COMPANY**

Decision No. 23

Dated: November 23, 1998

NOTICE TO THE PARTIES:

On November 9, 1998, the Surface Transportation Board (Board) served the Draft Environmental Assessment (Draft EA), prepared by the Board's Section of Environmental Analysis (SEA), regarding potential environmental effects of the proposed acquisition of Illinois Central Corporation by Canadian National Railway Company. The purpose of this notice is to provide you with an Errata to the Draft EA.

The Draft EA reflects SEA's independent analysis of a number of environmental issue areas and incorporates input from Federal, state, and local agencies. Included in the Draft EA are SEA's preliminary recommendations for mitigating any potential environmental impacts. The Draft EA also includes the Safety Integration Plan prepared by CN and IC which explains how they will safely integrate their separate operations. SEA is seeking public comment on the Draft EA, which it will consider in preparing a Final EA. Public comments are due by December 11, 1998.

SEA prepared the enclosed Errata for the Draft EA to clarify some of the information contained in the document. This Errata is intended to ensure that all information is presented clearly and does not change or alter SEA's analysis, results, or preliminary mitigation recommendations. These corrections do not affect the integrity of the information contained in the Draft EA, the procedural schedule, or the review and comment period for the Draft EA.

For further information on the proposed CN/IC acquisition, interested parties may call SEA's toll-free Environmental Hotline at 1-888-869-1997 (TDD for the hearing impaired: (202) 565-1695), or access SEA's website for the proposed CN/IC acquisition at <http://www.cnicacquisition.com>. For additional information regarding environmental issues or

the environmental review process, you may contact SEA's Project Manager for the proposed CN/IC acquisition, Michael Dalton, at (202)565-1530.

Vernon A. Williams
Secretary



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

November 23, 1999

Re: Finance Docket No. 33556 - Canadian National Railway Company - Canada -
Interleaved Corridor: Notification of Intent to Draft EA (Decision No. 23)

To: Interested Parties

On November 9, 1999, you were mailed a copy of the Draft Environmental Assessment (Draft EA), that the Surface Transportation Board's Section of Environmental Analysis (SEA) prepared regarding potential environmental effects of the proposed Acquisition of Interleaved Corridor by Canadian National Railway Company. The purpose of this letter is to provide you with an Errata to the Draft EA.

The Draft EA reflects SEA's independent analysis of a number of environmental issues and incorporates input from federal, state, and local agencies. Included in the Draft EA are SEA's preliminary recommendations for mitigating any potential environmental impacts. The Draft EA also includes the Safety Impacts that prepared by CN and IC which explains how they will safely integrate their respective operations. SEA is seeking public comments on the Draft EA, which it will consider in preparing a Final EA. Public comments are due by December 11, 1999.

SEA prepared the enclosed Errata to clarify some of the information contained in the Draft EA. This Errata is intended to ensure that all information is presented clearly and does not change or alter SEA's analysis, results, or preliminary mitigation recommendations. These corrections do not affect the integrity of the information contained in the Draft EA, the procedural schedule, or the review and comment period for the Draft EA.

For further information on the proposed CN/IC Acquisition, interested parties may call SEA's toll-free Environmental Meeting at 1-800-696-1997 (TDD) for the hearing period (200) 544-1049, or access SEA's website for the proposed CN/IC Acquisition at <http://www.stb.gov/cn-ic>. For additional information regarding environmental impacts on the transportation system, you may contact SEA's Project Manager for the proposed CN/IC Acquisition, Michael Dalton, at (202) 544-1536.

Sincerely yours,

Blaine R. Kneer
Blaine R. Kneer
Environmental Project Director
Section of Environmental Analysis

Enclosure

Section of Environmental Analysis
Surface Transportation Board
Washington, D.C. 20423

November 23, 1999

PROPOSED CN/IC ACQUISITION
FINANCE DOCKET NO. 33556
ERRATA TO DRAFT ENVIRONMENTAL ASSESSMENT
DECISION NO. 23

Background

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) prepared this Errata following issuance of the Draft Environmental Assessment (Draft EA) for the proposed Acquisition of Interleaved Corridor by Canadian National Railway Company (CN) which was served on November 9, 1999.

During printing of the Draft EA, the Board granted Burlington Northern Santa Fe (BNSF) a 48-hour extension for submitting an incorporation or responsive (R) Application pending its settlement negotiations with the Applicants. Because BNSF and the Applicants entered into a Settlement Agreement, BNSF did not submit an R Application. We have made updates to Chapter 3, "Project Description," and Appendix B, "List of Incarcerations and Responsive Applications" Verified Statements," to reflect this as detailed in the table that follows.

SEA also notes several minor corrections and clarifications to the Draft EA, which are listed in the table. Please note the following:

- Information is organized by Chapter.
- Paragraph numbers refer to full paragraphs on each page.
- Text that contains strikethrough (i.e., corrections) should be deleted from the Draft EA.
- Text that appears in bolded letters (i.e., added) should be inserted into the Draft EA.

PROPOSED CN/IC ACQUISITION
FINANCE DOCKET NO. 33556
ERRATA TO DRAFT ENVIRONMENTAL ASSESSMENT

Line	Page	Correction
Chapter 3: Overview of Public Participation		
2-4	1	Delete the word "disproportionate" in the sentence that reads as follows: Upon publishing the Draft EA, SEA studied the following 13 communities with environmental justice populations that could experience disproportionate high and adverse environmental impacts as a result of the proposed CN/IC Acquisition. Change the sentence of the paragraph to read as follows.
2-1	1	Appendix B also contains copies of correspondence SEA sent to several other appropriate public agencies regarding the proposed CN/IC Acquisition.

Page 1

[illegible]

Page	Page/Tab	Classification
PROPOSED CHAC ACQUISITION STANLEY BUCKLEY NO. 10466 TRAILATA TO DRAFT ENVIRONMENTAL ASSESSMENT		
Approximate T: List of Agency Characteristics and Subject Characteristics		
T-1	Table T-1	Add the following telephone conversations and meeting with EPA-Region V: Dates of meetings: 10/28/88, 11/2/88, 11/23/88 Participants: [illegible] Meeting summary: [illegible] Action items: [illegible] Add the following meetings with EPA - Headquarters: Dates of meetings: 10/28/88, 11/2/88 Participants: [illegible] Meeting summary: [illegible]

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Board Decision No. 26

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29825
SEC

SERVICE DATE - LATE RELEASE NOVEMBER 30, 1998

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33556

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
GRAND TRUNK WESTERN RAILROAD INCORPORATED—CONTROL—ILLINOIS
CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD COMPANY, CHICAGO,
CENTRAL AND PACIFIC RAILROAD COMPANY, AND CEDAR RIVER RAILROAD
COMPANY

Decision No. 26

Decided: November 30, 1998

This decision considers the emergency petition (designated as CN/IC-53) to modify the procedural schedule in this proceeding.²⁰ By petition filed November 30, 1998, applicants request an extension of time of 5 business days from December 11, 1998, for applicants to file their rebuttal and response to comments and requested conditions. Applicants refer to an extraordinary circumstance as the reason for their extension request.

An extension of 5 calendar days will be granted. Accordingly, the due date for applicants' rebuttal and response to comments and requested conditions will be extended to December 16, 1998. Rebuttal in support of inconsistent and responsive applications will be due 30 days later on January 15, 1999, instead of on January 11, 1999. The remainder of the procedural schedule will not change.

It is ordered:

1. The emergency extension request in CN/IC-53 is granted in part, as discussed in this decision. The due date for applicants' rebuttal and response to comments and requested conditions is extended to December 16, 1998. The due date for rebuttal in support of inconsistent and responsive applications is extended to January 15, 1999. The procedural schedule, as revised, is set forth in the Appendix to this decision.

²⁰ By application filed July 15, 1998, Canadian National Railway Company (CNR), Grand Trunk Corporation (GTC), and Grand Trunk Western Railroad Incorporated (GTW) (collectively with their affiliates, CN), Illinois Central Corporation (IC Corp.), Illinois Central Railroad Company (ICR), Chicago, Central and Pacific Railroad Company (CCP), and Cedar River Railroad Company (CRR) (referred to collectively as IC) seek approval and authorization under 49 U.S.C. 11321-26 for: (1) the acquisition of control by CNR of IC Corp., ICR, and ICR's railroad affiliates; and (2) for the resulting common control by CNR of GTW and its railroad affiliates and ICR and its railroad affiliates. CN and IC are referred to collectively as applicants.

2. This decision is effective on the date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams
Secretary

APPENDIX: REVISED PROCEDURAL SCHEDULE

December 16, 1998 Response to comments, protests, requested conditions, and other opposition due. Response to comments of DOJ and DOT due. Rebuttal in support of primary application and related application due. Response to inconsistent and responsive applications due.

January 15, 1999 Rebuttal in support of inconsistent and responsive applications due.

February 19, 1999 Briefs due, all parties (not to exceed 50 pages for applicants and not to exceed 25 pages for all other parties).

March 22, 1999 Oral argument (close of record).

March 29, 1999 Voting conference (at Board's discretion).

May 25, 1999 Date of service of final decision.

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Board Decision No. 30

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29953
EB

SERVICE DATE - JANUARY 28, 1999

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33556

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
GRAND TRUNK WESTERN RAILROAD INCORPORATED--CONTROL--ILLINOIS
CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD COMPANY, CHICAGO,
CENTRAL AND PACIFIC RAILROAD COMPANY, AND CEDAR RIVER RAILROAD
COMPANY

Decision No. 30

Decided: January 27, 1999

In Decision No. 6, served on August 14, 1998, we accepted for consideration the primary application and related filing, and issued the procedural schedule to be followed in this proceeding, including tentative dates for the oral argument and voting conference.²¹

To accommodate the Board's schedule, we are adjusting the dates for the oral argument and the voting conference, as follows. Oral argument will be held in this proceeding on Thursday, March 18, 1999, and the voting conference will be held on Thursday, March 25, 1999, at 10:00 a.m., in the Surface Transportation Board Hearing Room (Room 760) at 1925 K Street, N.W., in Washington, D.C. The date of May 25, 1999, for service of the final decision, remains the same.

Oral argument procedures. It is anticipated that the time for oral argument will be set for 2 hours, with the applicants,²² on the one hand, having a total of 1 hour, and all other participants, on the other, having a total of 1 hour.

An extensive written record has been developed in this proceeding. Each party is

²¹ In Decision No. 11, served on October 2, 1998, the procedural schedule was modified due to discovery-related issues, and the Board extended the previously established procedural schedule by 2 weeks to accommodate certain filings, which resulted in the changing of the dates for the oral argument to March 22, 1999, the voting conference to March 29, 1999, and the date of service of the final written decision to May 25, 1999.

²² In the context of this proceeding, Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated, and their affiliates, are referred to collectively as CN. Illinois Central Corporation, Illinois Central Railroad Company, Chicago, Central and Pacific Railroad Company, and Cedar River Railroad Company, and their affiliates, are referred to collectively as IC. CN and IC are referred to collectively as applicants.

therefore encouraged to use oral argument to state simply and concisely why the evidence it has submitted supports its position, and to call our attention to points that it believes are particularly important. The purpose of oral argument is not to restate the written arguments previously made, but to provide an opportunity for questions from Members of the Board, and to summarize and emphasize the key points of each party's case.

Parties who wish to participate in oral argument must indicate: (1) the issue or issues they will address; (2) whether they support or oppose the primary application, the responsive applications, or the various requests for conditions; (3) how much speaking time they require; and (4) the full name(s) and title(s) of the speaker(s). Parties must provide this information to the Office of the Secretary no later than Tuesday, February 9, 1999, by letter (an original with 25 copies and an electronic copy),²³ addressed to:

Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: STB Finance Docket No. 33556 Oral Argument

A decision will then be issued setting a schedule for argument and delineating any issues we request the participants specifically to address. Parties are encouraged to consolidate and coordinate their presentations.

Because seating space in the Board's hearing room is limited, the Board will provide an overflow room (the Brick Room) on the first floor of the building with a closed-circuit telecast of the entire oral argument.

Any party wishing to enhance its argument by using a map as a visual aid is encouraged to do so. Participants are limited, however, to projector-adaptable visual displays and/or handouts. The Board will provide space for handouts participants wish to bring to the hearing for dissemination to the public. The staff of the Office of the Secretary will be available to demonstrate the Hearing Room's projection system on Tuesday, March 16, 1999, from 2:00 p.m. to 4:00 p.m. Please call (202) 565-1650 to make arrangements.

This action will not affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

²³ In addition to submitting an original and 25 copies, the parties shall also submit an electronic copy on 3.5 inch IBM-compatible floppy diskettes or compact discs. Textual materials must be in, or convertible by and into, WordPerfect 7.0, and parties must identify the compatible format if such is being used.

1. Oral argument in this proceeding will be held on Thursday, March 18, 1999, at 10:00 a.m., in the Surface Transportation Board Hearing Room (Room 760), at 1925 K Street, N.W., in Washington, D.C.
2. Parties who wish to participate in the oral argument must inform the Board no later than Tuesday, February 9, 1999, and provide the specific information requested above.
3. The voting conference in this proceeding will be held on Thursday, March 25, 1999, at 10:00 a.m., in the Surface Transportation Board Hearing Room (Room 760), at 1925 K Street, N.W., in Washington, D.C.
3. The procedural schedule, as revised, is set forth in the Appendix to this decision.
4. This decision is effective on the date of service.

By the Board, Chairman Morgan and Vice Chairman Clyburn.

Vernon A. Williams
Secretary

APPENDIX: REVISED PROCEDURAL SCHEDULE

February 9, 1999	Parties who wish to participate in the oral argument must inform the Board by this date, and provide the specific information requested in this decision.
February 19, 1999	Briefs due, all parties (not to exceed 50 pages for applicants and not to exceed 25 pages for all other parties).
March 18, 1999	Oral argument (close of record).
March 25, 1999	Voting conference (at Board's discretion).
May 25, 1999	Date of service of final decision

B.2 AGENCY COORDINATION LETTERS

After issuing the Draft EA, SEA continued to coordinate with several agencies regarding historic resources and natural resources issues surrounding the construction projects at Cicero, Illinois and Jackson Mississippi. The following pages contain copies of letters from these agencies in response to SEA's request for information.

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United States Department of the Interior

FISH AND WILDLIFE SERVICE

1. **Identify the main idea of the passage.**
 2. **Identify the supporting details.**
 3. **Identify the author's purpose.**
 4. **Identify the author's tone.**
 5. **Identify the author's bias.**
 6. **Identify the author's point of view.**
 7. **Identify the author's audience.**
 8. **Identify the author's style.**
 9. **Identify the author's structure.**
 10. **Identify the author's language.**

U.S. DEPARTMENT OF JUSTICE

1981 & 1982



John H. Eakin, R. K. Meeker
Environmental Program Director
Bureau of Environmental Analysis
Georgia Transportation Board
Washington, D.C. 20001

Deputy Editor

This correspondence was dated October 27, 1998, acknowledging the proposed construction of a "utility" system in Jackson, Mississippi, and several other very important on the industrial site. The project is located in the Mississippi River Valley, near the Mississippi River, Louisiana to the north, Mississippi, Tennessee and Vicksburg City, Mississippi to the south, and the Mississippi River to the east. The project is located in the Mississippi River Valley, near the Mississippi River, Louisiana to the north, Mississippi, Tennessee and Vicksburg City, Mississippi to the south, and the Mississippi River to the east. The project is located in the Mississippi River Valley, near the Mississippi River, Louisiana to the north, Mississippi, Tennessee and Vicksburg City, Mississippi to the south, and the Mississippi River to the east.

In our October 23 issue, we noted that we had previously listed threatened or endangered species occurring within the proposed and typical distribution areas in Indiana, Massachusetts. This information is correct. However, we did not address the impact of increased rainfall on the distribution of portions of the land area which could potentially impact land snail species. We understood that this portion of the map was used to approximate an increase in the current volume of land snails throughout the state through the following counties: Pike, Lincoln, Copiah, Hancock, Madison, Monroe, Jefferson, Tallapoosa, Calhoun, Randolph, York, Lincoln, and DeSoto.

Thinking along the Minsky/Johnson argument line and website resources including the following are helpful to those students:

[illegible]

The increase in trans-splA transposon frequency could have a significant, in part to be determined, impact on the evolution of the genome. However, providing a full description of the mechanisms for changing the frequency of the transposon will be of extreme value. Therefore, the genetic mechanisms for all existing cellular transposons will be taken up in the next section. The genetic mechanisms for all existing cellular transposons will be taken up in the next section. The genetic mechanisms for all existing cellular transposons will be taken up in the next section.

enter into aquatic or terrestrial life and wildlife habitat. Emergency management plans should include guidelines for management and allow with serving personnel regarding potential adverse impacts to local resources.

We will notify the Environmental Association, that your office is currently preparing and will make additional comments at that time.

6. The following are the names of the persons who have been appointed as members of the committee:

5/19/2014

Curtis D. James
Curtis D. James
Acting Field Supervisor

et al.: PURE Ludox® Arts



United States Department of the Interior
Wildlife Service
 1000 North Main Street
 Butte, Montana 59701
 406-241-1111 Fax 406-241-1112

RECEIVED
MAR 11 1998
U.S. DEPT. OF THE INTERIOR

FD 33556

Wildlife Service
 Section of Environmental Analysis
 Surface Transportation Branch
 Washington D.C. 20425

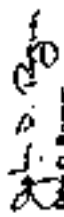
Elaine K. Kaiser
 Dear Mr. Kaiser:

This is in response to your letter dated October 9, 1997 requesting our comments with your comments of no adverse effects to threatened or endangered species for the Canadian National Railway Company/Canadian Central Corporation acquisition proposal. Specifically, the only portions of the acquisition that would involve potential environmental impacts in Illinois would be the single rail connection between the IC's line and the BNSF Railway Company in Chicago, Illinois.

Based on the information provided in the limited and a review of our records, we do not believe that any federally endangered or threatened species occur in the vicinity of the site. Based on the information provided, it does not appear that the project is likely to adversely affect the continued existence or adversely modify critical habitat of such species. This precludes the need for further action on this project site as required under the Endangered Species Act of 1973, as amended. Should project modifications or new information indicate that endangered or threatened species may be affected consultation with the Service should be initiated by the Federal Transit Administration.

You were also seeking input concerning wetland impacts under Section 404 of the Clean Water Act. From the photographs and information submitted, it appears that there may be some impacts to waters of the U.S. including wetlands. A final determination of jurisdiction must come from the Corps of Engineers. It does appear that any wetlands or waters would be relatively small and degraded given the surrounding intensive industrial development.

If you have any questions, please contact Mr. Jeff Wright at 202/721-2222, ext. 236.

Sincerely,

 John D. Roper
 Field Supervisor

EKB:Romeo

COPY

DEPARTMENT OF THE ARMY
 CHIEF OF STAFF, CORPS OF ENGINEERS
 1215 NORTH GALE STREET
 WASHINGTON, D.C. 20315-5061

CONSTRUCTION-Operations Division
 Regulatory Branch
 159900133

SUBJECT: Request for Jurisdictional Determination for Canadian National/Williams Central Rail Line Connection in Chicago, Cook County, Illinois (FARROW Docket No. 33556)

DATE: FEB 01 1998

RECEIVED
FEB 01 1998
U.S. DEPT. OF THE ARMY

Elaine K. Kaiser
 Surface Transportation Branch
 Section of Environmental Analysis
 1215 N. GALE ST.
 WASHINGTON, DC 20315-5061

Dear Mr. Kaiser:

This is in response to your January 26, 1998 letter in which you requested the U.S. Army Corps of Engineers complete a jurisdictional determination for the above-referenced site.

Following a review of the draft Environmental Assessment for the proposed acquisition of Illinois Central by Canadian National, including Chapters 5 and 6 and Appendix 2, this office concurs that the subject site contains "waters of the United States", including wetlands, under its jurisdiction. A wetland delineation will need to be prepared for a precise determination of the extent of the jurisdictional areas.

Pursuant to Section 404 of the Clean Water Act, the U.S. Army Corps of Engineers regulates the discharge of dredged or fill material into waters of the United States, including wetlands. If the proposed rail line connection is to result in the filling of jurisdictional areas, a Department of the Army permit would be required. Any work in wetlands on the project site will likely qualify for authorization under the Nationwide Permit Program, under existing terms and conditions.

If you have any questions, please contact Michael Jewell of my staff by telephone at (202) 373-6400, extension 6030, or email at michael.e.jewell@usda.army.mil.

Sincerely,

 Michael E. Jewell
 Chief, Permit Section
 Regulatory Branch



Illinois Historic Preservation Agency

1001 S. Dearborn Street • Springfield, Illinois 62761-1007 • (217) 789-4400 • FAX (217) 789-4710

Case County

Close

FD 3056

192023

October 28, 1988

Blaine K. Zaiser
Section of Environmental Analysis
Subject: Transportation Board
1825 E. State St.
Washington, DC 20523-0003

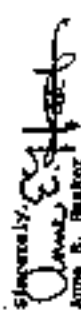
Dear Mr. Zaiser:

This letter is to inform you that we have reviewed the information provided concerning the referenced project(s).

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area(s).

It appears that this letter in your files is evidence of compliance with section 106 of the National Historic Preservation Act of 1966, as amended. This clearance remains in effect for one year from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Historic Sites Act (20 ILCS 3400).

If you have any further questions, please contact Mr. Tracey A. Scullie, Cultural Resource Manager, Illinois Historic Preservation Agency, 1 Old State Capital, Springfield, Illinois 62701, 217/789-3977.

Sincerely,

Anne E. Baeker
Deputy State Historic Preservation Officer

ABN:YAG:ly



DNR

Illinois Department of Natural Resources

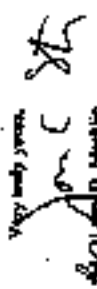
November 17, 1988

Blaine K. Zaiser
Environmental Project Director
Section of Environmental Analysis
Subject: Transportation Board
1825 E. State St.
Washington, DC 20523-0003

Dear Mr. Zaiser:

We have reviewed the draft environmental assessment regarding the Illinois Central Railroad by the Canadian National Railroad to Lake, Peoria, LaPorte and St. Joseph counties, Illinois (Project Number 33158). This review is being conducted pursuant to Section 106 of the National Historic Preservation Act (16 U.S.C. Section 470) and implementing regulations found at 36 C.F.R. Part 800.

We concur with the conclusions stated in the draft environmental impact statement that no known historical buildings, structures, districts, objects or archaeological sites listed in or eligible for inclusion in the National Register of Historic Places will be affected by the acquisition. However, if any construction project is to be built on the easement or near the project, we recommend that the project be reviewed to determine if any individual buildings are proposed for inclusion in the National Register of Historic Places. If you have any further questions, please call Michael H. DeGroot, Project Director, at (217) 237-1444. Thank you for your cooperation.

Very truly yours,

Michael H. DeGroot
State Historic Preservation Officer

LMH:MDH:RJS:W:aw

1001 S. Dearborn Street • Springfield, Illinois 62761-1007 • (217) 789-4400 • FAX (217) 789-4710

EDUCATION, ARTS AND HISTORICAL COUNCIL
KENTUCKY HERITAGE COUNCIL
The State Historic Preservation Office

Paul E. Patton
Governor
Big Campground
Chattanooga, TN

David L. Morgan
Executive Director
State Historic Preservation Office
and SHPO

November 11, 1988

Ms. Elaine K. Kaiser, Child
Section of Environmental Analysis
Office of the Secretary
Surface Transportation Board
1973 K Street, N.W.
Washington, D.C. 20423-0001

RE: Railroad General Application, Tennessee Railroad No. 30856
Crossville National Cemetery - Illinois Chapter
Polk County, Kentucky

Dear Mr. Kaiser:

Thank you for your letter concerning the above referenced project. Our review of this project indicates that it will have no effect on any property listed in the National Register of Historic Places.

If you have any questions concerning this project please feel free to contact David Patton of my staff at 299-2641/6005.

Sincerely,
David L. Morgan
David L. Morgan, Director
Kentucky Heritage Council and
State Historic Preservation Office

ENVIRONMENTAL DOCUMENT

CH/107 PROJECT OF FIVE
RESD: 13/1/84
DOCUMENT # 13/1/84

David L. Morgan
Executive Director
State Historic Preservation Office
and SHPO

November 24, 1988

Paul G. Peters
Director
Big Campground
Chattanooga, TN

Ms. Elaine K. Kaiser
Section of Environmental Analysis
Surface Transportation Board
Washington, DC 20423

RE: Railroad General Application, Tennessee Railroad No. 30856
Crossville National Cemetery Illinois Chapter
Compliance with Section 106 of the NHPA for Nominations

Dear Mr. Kaiser:

We have received the above referenced project for review and have the following findings. The project as proposed will have no effect upon any property on listed National Register property, and it is to be further considered.

If you have any questions, please feel free to contact Regis G. Foy of my staff at 299-2641/6005.

Sincerely,
David L. Morgan
David L. Morgan, Director
Kentucky Heritage Council and
State Historic Preservation Office

cc: Mark Spang

299 Washington Street
Chattanooga, Kentucky 37402
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FAX (623) 264-5900
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Chattanooga, Kentucky 37402
An equal opportunity employer M/F/H/V

Telephone (623) 264-1700
FAX (623) 264-5900
Printed on recycled paper

MelCARMAN DPM/INTM OF STRATG
 CLASSIC 3. NHTA, Forestry at 3:00
 Leaving Melbourne 4:00 PM-4:00

STAFF HISTORIC PRESERVATION OFFICE
Michigan Historical Center
917 Owen Avenue Detroit
Detroit, Michigan 48201-1000

November 16, 1994

MRS ELAINE K. KAISER
SURFACE TRANSPORTATION BOARD
SECTION OF ENVIRONMENTAL ANALYSIS
WASHINGTON DC 20423

RE: ER-99-31
Canadian National Railway Acquisition of Illinois Central Corporation,
Finance Docket No. 3356. Various Comments to Southern Railway
(STB)

Answer Key

Under the authority of the National Historic Preservation Act of 1966, as amended, we have reviewed the above-titled project at the location noted above. Based on the information provided for our review we are unable to concur at this time with the Borel's finding that the proposed development will have no effect on Michigan properties within the area of potential effects that were the subject for listing in the National Register of Historic Places. We request the Michigan State Historic Preservation, current planer, and a site plan of the South Check GTW Incorporated repair shop building, which your letter states will no longer serve its present purpose, be submitted to our office for review and comment. In our view, obtaining this facility without provision for its future use and maintenance could constitute an adverse effect on the historic shop if they prove to meet the criteria for listing on the national register.

Please note that the Section 106 process cannot proceed until we have received the information requested above. This letter does not clear the project. If you have any questions, please contact Patricia McFarlane, the Environmental Review Coordinator, at (313) 313-2731. Thank you for this important contribution to the review and record.

St. Lawrence

Ernest D. Conarty
State Historic Preservation Officer

ADDITIONAL INFORMATION

DATE OF
7/17/2014
01/14/2014

72	STATE OF MISSISSIPPI	APPLICANT
Lab	STATE CLERK/MISSISSIPPI PUB. EXAMINER	APPLICANT
90		APPLICANT

COMPANY: STANLEY J. DALLAN
PHONE: (416) 462-7877

RESEARCH DESIGN

Individual	Personal	Local	Total
------------	----------	-------	-------

DISCUSSION: This case confirms our previous findings, showing that the use of a single case study can be used to identify the factors that influence the use of a single case study. The results of this study suggest that the use of a single case study can be used to identify the factors that influence the use of a single case study.

continued on p. 22

1000 KOLUMBIA UNIVERSITY BLVD., 7TH FL. NEW YORK, NY 10027-7003 (212) 854-1373

• Mayo Leadership on 9.11

TO: DIRECTOR, FBI (100-442654) FROM: SAC, NEW YORK (100-100000) (P)
SUBJECT: JAMES EARL RAY; AKA; ALIEN REGISTRATION; CUBAN
RE: NEW YORK TELETYPE TO BUREAU, 10/10/68.

[illegible]

Proposed CM/IC Acquisition

March 1909

66

NE NEBRASKA STATE HISTORICAL SOCIETY
 204 L STREET, FOURTH FLOOR, LINCOLN, NEBRASKA 68502-3534
 (402) 471-1111 FAX (402) 471-1112

November 16, 1998

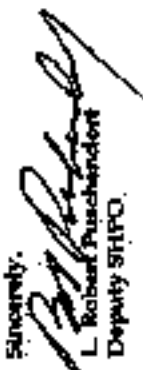
Office of the Secretary
 Case Control Unit
 Finance Docket No. 33556
 Surface Transportation Board
 1925 K Street, NW
 Washington, DC 20423-0001

Attn: Elaine K. Kaiser
 Environmental Project Director
 Environmental Filing

RE: CN/IC Acquisition
 Draft Environmental Assessment

Dear Ms. Kaiser:

Our review of the referenced project indicates that there are no properties within the State of Nebraska which will be affected by the proposed action. Therefore, no further review and comment is required by our office.

Sincerely,

 L. Robert Puschendorf
 Deputy SHPO

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 MAIL ROOM
 204

NEBRASKA STATE HISTORICAL SOCIETY

NEW YORK STATE OFFICE OF PLANNING, REGENERATION AND HOUSING (NYORH)
 Historic Preservation Field Services Bureau
 Peabody Island, PO Box 486, Westford, New York 12146-0486
 518-237-6843

November 4, 1998

FD-33556

Miss E. Kaiser
 Environmental Project Director
 Section of Environmental Appeals
 Surface Transportation Board
 Washington, DC 20423

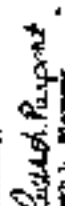
Dear Ms. Kaiser:

Re: CN/IC Acquisition
 Draft Environmental Assessment
 Statewide

Thank you for requesting the comments of the State Historic Preservation Office (SHPO). We have reviewed the project in accordance with Section 106 of the National Historic Preservation Act of 1966.

Based upon this review, it is the SHPO's opinion that your project will have no effect upon cultural resources in or adjacent to location in the National Register of Historic Places.

If further correspondence is required regarding this project, please be sure to advise the SHPO Project Review Unit (SHPO) within 90 days.

Sincerely,

 Ruth L. Blagovest
 Director, Historic Preservation
 State Historic Bureau

NYORH

NYORH/SHPO/PLANNING AND HOUSING

State Historical Society of Wisconsin
 480 Lincoln Drive • Madison, Wisconsin 53706-1408 • 608/261-8000 • Fax: 608/261-8001

Division of Historic Preservation
 608/261-4000

November 18, 1989

Ms. Elaine K. Kaiser
 Environmental Project Director
 Section of Environmental Analysis
 Surface Transportation Board
 Washington, D.C. 20423

IN REPLY PLEASE REFER TO
 BHSW COMPLIANCE CASE #98-1069VA

RE: Canadian National Railroad Acquisition Of Illinois Central Railroad
 ID: Finance Docket #33550

Dear Ms. Kaiser:

We have reviewed the Draft Environmental Assessment for the above-entitled project as required for compliance with Section 106 of the National Historic Preservation Act and 36 CFR Part 800: Protection of Historic Properties, the regulations of the Advisory Council on Historic Preservation governing the Section 106 review process.

There are no archaeological or architectural properties listed in the National Register of Historic Places located within the area of potential effect of the proposed undertaking. Furthermore, we are not aware of any properties that may be eligible for the National Register in this area.

We remind you that 36 CFR 800.4 includes the requirement that you seek information, as appropriate to the undertaking, from parties likely to have knowledge of or concerns with historic properties in the project area - such as federal, state, local governments, and public and private organizations.

If there are any questions concerning this matter, please contact Don Duckert at (608) 261-4505.

Sincerely,

 Chad Henry Brown III, J.D.
 Compliance Coordinator

CHLH/DH/1989
 To Balance Understanding and Appreciation of Our Local, State and National Heritage

ON/10 PROJECT OFFICE
 RECD: 11/16/89
 SERVICE TRANSPORTATION BOARD DOCUMENT # 11/16/89 10344
 Washington, DC 20423

October 1, 1989

ENVIRONMENTAL DOCUMENT

Ms. Emily Wolfson
 New Haven Preservation Office
 National Division for Historic Preservation
 National Historic Building, Room 20
 Washington, DC 20540-4044

Re: National Council Application Transmitted Re: IUSSE - Canadian National -
 Capital - Illinois Central: Compliance with Section 106 of the NHPA for Various

Dear Ms. Wolfson:

On July 17, 1989, Canadian National Railway Company (CN) and Illinois Central Corporation (ICC), and jointly referred to as the Applicants, filed a joint application with the Surface Transportation Board (STB) under 49 U.S.C. 1122-23, seeking authority for CN to acquire control of ICC (proposed CN/ICC Acquisition). The Board is the Federal agency with responsibility over the CN/ICC Acquisition. Because the CN/ICC Acquisition has the potential to affect lands properties, the Board's Section of Environmental Analysis (SEA) is seeking your comments for your program, which the Board's jurisdiction is under its authority with Section 106 of the National Historic Preservation Act as amended (Antiquities Act, 16 U.S.C. 433). The purpose of this letter is to inform you of the SEA's review of the proposed acquisition and the significance of the proposed acquisition with your office to coordinate with the significance of the proposed acquisition with your office. This document is being included as part of the preparation of an Environmental Assessment in accordance with the National Environmental Policy Act.

SEA's review of the proposed CN/ICC Acquisition indicates that the proposed acquisition will have significant effects on historic properties, including historic buildings, and other historic resources. The proposed acquisition will have significant effects on historic properties, including historic buildings, and other historic resources. The proposed acquisition will have significant effects on historic properties, including historic buildings, and other historic resources. The proposed acquisition will have significant effects on historic properties, including historic buildings, and other historic resources.

We look forward to your response to this letter at your earliest convenience. If you have any questions, please feel free to call Mr. Michael Cohen, SEA's Program Manager, at

(202) 565-1536, or the editorial transcripts required reviews for the proposed CMMC Acquisition. Mr. Richard Smith of Myers L. Frank & Associates, Inc., at (212) 567-2746, for assistance. You may also get additional information from the national CMMC Acquisition Pool Page. Thank you for your contribution to this matter.

Summary

John J. [Signature]

William R. Kinney
Environmental Program Director
Bureau of Environmental Analysis

Industrie: **CEC** **and** **the** **Year** **2000**

Richard Tisdale, Section of Environmental Analysis
 Vincent Korman, Section of Environmental Analysis
 Richard Bunnick, Myra L. Povich & Associates, Inc.
 Scott Schneider, Public Affairs, Metropolitan

CONCUR
Cally Shuford
08/10/2010



General Information

System of Management of Technology

February 29, 1989

Mr. Brian D. Conway
State Police Personnel Officer
Michigan Highway Corps
717 West Allegan Street
Lansing, MI 48203-1160

Address: 145 Maiden Way, Exeter, Devon, UK. Ex4 4DQ

Re: Railroad Car and Appliances, Finance Division No. 22336 - Grand Jury No. 10400 - 1900's Census; Complaints with Summary of the 1900's for Michigan, Michigan SMO File No. 100-44-12

From the Customer

As you know, on July 15, 1994, Canadian National Railway Company (CN) and Illinois Central Company (ICC), collectively referred to as the Applicants, filed a joint application with the Surface Transportation Board (STB) under 49 U.S.C. § 1332-29, seeking authority for CN to acquire the assets of ICC (referred to as the Respondent). The Board is due to hold a public hearing on this matter on September 14, 1995. The Board's Section of Enforcement and Compliance (SEC) has been assigned to review the Applicants' application. The Board's Section of Enforcement and Compliance (SEC) has been assigned to review the Applicants' application. The Board's Section of Enforcement and Compliance (SEC) has been assigned to review the Applicants' application.

As announced on October 1, 1994, the award of the rail operations at O'Hare Stage would be passed from the Illinois and Mid-America (I/M) to the proposed CNYC. Aqueo claims to represent the railroads meeting the bid for the Stage 16, 1045, 1254, and 1255. He claims to be the only bidder for the Stage 16 and 1254, and the only bidder for the Stage 1255. Aqueo claims to be the only bidder for the Stage 1045 and 1255.



ENVIRONMENTAL DOCUMENT

February 22, 1999

Ohio Wildlife Propagation Office
141 East Hudson Drive
Columbus, Ohio 43211-0446
614-265-3420 Fax 614-265-4446
http://www.ohiodnr.gov/wildlife/propagation

Michael E. Eiden
Section of Environmental Analysis
Surface Reclamation Board
Washington, DC 20540

Re: Cleveland National Wildlife Control, Project Number No. 14154, Ohio
Dear Mr. Eiden:

This is to certify in correspondence (with your letter dated October 1, 1998) regarding Chapter 15 regarding the above referenced project, with additional information provided in our first Environmental Analysis Amendment received November 12, 1998. The applicant of the Ohio Wildlife Propagation Office (OWPO) has indicated in accordance with provisions of the National Wildlife Conservation Act of 1966, as amended (94 U.S.C. 470 [47 CFR 2079].

Based on available information, we agree with your assessment that the project will have no effect on Ohio as the project affects no habitats as included in the National Program of Wildlife Refuge. The project includes no wetlands or riparian areas. The project includes no changes to the surface of water that would be detrimental to any other natural resources in Ohio.

Any questions concerning this matter should be addressed to David Snyder at (614) 467-3200, but not the form of a fax or e-mail. Thank you for your cooperation.

Sincerely,

David Snyder
David Snyder, Acting Manager
Wildlife Propagation and Control

DMS/MS

cc: Michael Snyder, Myra L. Ryan, and Michael Ryan, Ohio

provided by long term plans for the State and the current project operations of CN and EC are completed and the funding capacity at historical is spent. CN informed SEA that the CNW Stage would include in the final the necessary publications and reports for the necessary necessary forms. SEA has asked CN to keep your information about the long term plans for the CNW Stage at this location below.

Your letter also requested historical information, current photographs, and a site plan of the CNW Stage. In copies with this report, SEA has asked CN to submit to Historic Report to you, according to the format described in the Bureau's guidelines (15 CFR 1157.10). We appreciate the time you are taking to respond to our request. We have been working to determine what operational changes at the existing national facilities for the CNW Stage are under the Board's jurisdiction and are part of the proposed CNW Acquisition.

Please let us know if you have any concerns regarding the approach we have proposed. If you have any questions, please feel free to call Mr. Michael Eiden, SEA's Program Manager, at (614) 265-3420 or the national historical facilities provided for the proposed CNW Acquisition, Mr. Michael Snyder at Myra L. Ryan, at (614) 265-3420, or (614) 265-3420, for assistance. Thank you for your cooperation in this matter.

Sincerely,

David Snyder
Michael E. Eiden
Environmental Project Director
Section of Environmental Analysis

Michael Eiden, Section of Environmental Analysis
Wildlife Refuge, Section of Environmental Analysis
Michael Eiden, Ohio Wildlife Control
Michael Snyder, Myra L. Ryan, and Michael Ryan, Ohio
State Department, Wildlife Acquisition

The Board's guidelines for historical information, current photographs, and a site plan of the CNW Stage are provided in the format described in the Bureau's guidelines (15 CFR 1157.10). We appreciate the time you are taking to respond to our request. We have been working to determine what operational changes at the existing national facilities for the CNW Stage are under the Board's jurisdiction and are part of the proposed CNW Acquisition.

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B.3 AGENCY CONSULTATION

Throughout its evaluation of the proposed Canadian National (CN)/Illinois Central (IC) Acquisition, the Board consulted with appropriate Federal, state, regional, county, and municipal agencies. To inform agencies of Acquisition-related activities, the Board also published notices in the *Federal Register*. SEA issued an Environmental Fact Sheet describing the proposed Acquisition and SEA's environmental review process to Federal, state, and local elected and public officials, community organizations and groups, individual members of the public, and public agencies, and it established a website (www.cnicaacquisition.com) and a toll-free telephone hotline (1-888-869-1997).

Table B-1, "Consultation with Agencies," summarizes the additional consultation and coordination that SEA conducted with Federal, state/regional, and local agencies between SEA's issuance of the Draft EA and this Final EA.

**TABLE B-1
CONSULTATION WITH AGENCIES**

Agency	Dates of Contact	State of Site	Major Topic
Federal			
EPA - Office of Federal Activities	November 4, 1998 (letter) January 27, 1999 (meeting)	NA	Transmittal letter for pieces of the Draft EA. Comments on the Draft EA.
Federal Railroad Administration	September 1, 1998 (telecon)	NA	Consultation on STB/FRA MOU for CN/IC Safety Integration Plans.
Federal Railroad Administration	October 19, 1998 (telecon)	NA	Consultation on STB/FRA MOU for CN/IC Safety Integration Plans.
Federal Railroad Administration	September 1, 1998	NA	E-Mail transmitting drafts of an STB/FRA MOU for the CN/IC Safety Integration Plans.
U.S. Army Corps of Engineers	December 11, 1998 (letter)	Illinois	Consultation pursuant to the Clean Water Act.
U.S. Army Corps of Engineers	December 11, 1998	Mississippi	Consultation pursuant to the Clean Water Act.
U.S. Army Corps of Engineers	December 16, 1998 (letter)	Mississippi	Consultation pursuant to the Clean Water Act.
U.S. Army Corps of Engineers	January 19, 1999 (letter)	NA	Consultation pursuant to the Clean Water Act.
State/Regional			
Illinois State Historic Preservation Officer	October 28, 1998 (letter)	Illinois	No historic properties found. Compliance under Section 106 of the National Historic Preservation Act.
Indiana State Historic Preservation Officer	November 17, 1998 (letter)	Indiana	Concurred with no effect under Section 106 of the National Historic Preservation Act.

TABLE B-1
CONSULTATION WITH AGENCIES

Agency	Dates of Contact	State of Site	Major Topic
Kentucky State Historic Preservation Officer	November 24, 1998 (letter)	Kentucky	Concurred with no effect under Section 106 of the National Historic Preservation Act.
Louisiana State Historic Preservation Officer	October 23, 1998 (letter)	Louisiana	Concurred with no effect under Section 106 of the National Historic Preservation Act.
Michigan State Historic Preservation Officer	November 16, 1998 (letter) December 3, 1998 (telephone) February 2, 1999 (telephone) February 25, 1999 (letter)	Michigan	SHPO requested more information on Baule Creek Locomotive Shops. SEA notified SHPO that it is requesting more information from CN. SEA notified SHPO that CN is still preparing the information. SEA provided SHPO with additional information on the Baule Creek Locomotive Shops. (See letter following table.)
Minnesota State Historic Preservation Officer	October 22, 1998 (letter)	Minnesota	No historic properties found in review made pursuant to Section 106 of the National Historic Preservation Act.
Nebraska State Historic Preservation Officer	November 16, 1998 (letter)	Nebraska	No historic properties would be affected, no further consultation required.
New York State Historic Preservation Officer	November 4, 1998 (letter)	New York	Concurred with no effect under Section 106 of the National Historic Preservation Act.
Ohio State Historic Preservation Officer	November 16, 1998 (telephone) February 5, 1999 (telephone) February 22, 1999 (letter)	Ohio	Has not yet had a chance to review under Section 106 of the National Historic Preservation Act. (Both calls.) Concurred with no effect under Section 106 of the National Historic Preservation Act.
Vermont State Historic Preservation Officer	November 17, 1998 (fax) of letter with concurrence stamp dated October 8, 1998	Vermont	Concurred with no effect under Section 106 of the National Historic Preservation Act.
Wisconsin State Historic Preservation Officer	November 18, 1998 (letter)	Wisconsin	No historic properties found in review pursuant to Section 106 of the National Historic Preservation Act.

B.4 LIST OF PREPARERS

The following list shows the individuals who prepared this Final EA and describes their area of responsibility.

B.4.1 Surface Transportation Board, Section of Environmental Analysis

ELAINE K. KAISER	Program Director/Legal Counsel, Section of Environmental Analysis
MICHAEL J. DALTON, III	Program Manager, Section of Environmental Analysis
HAROLD M. McNULTY	Environmental Protection Specialist, Rail Operations Analyst, Section of Environmental Analysis
VICTORIA J. RUTSON	Staff Attorney/Legal Review, Section of Environmental Analysis
DANA G. WHITE	Environmental Protection Specialist, Section of Environmental Analysis

B.4.2 Contractors

Public Affairs Management and its subcontractors were responsible for supporting the Section of Environmental Analysis in conducting its environmental analysis and preparing environmental documents. The following individuals were key members of the Public Affairs Management Team:

Name and Firm	Background	Project Function
Public Affairs Management CHARLES L. GARDINER	B.A. Chemistry and Political Science; 15 years experience in public outreach and agency coordination for environmental review and transportation-related projects.	Project Director
ICF Kaiser ALAN SUMMERVILLE	M.A. City Planning, B.A. Economics and Political Science; 10 years experience in environmental analysis and planning.	Project Manager
Public Affairs Management SCOTT STEINWERT	B.A. Biology; over 10 years experience in environmental analysis and planning.	Technical Director
Public Affairs Management BONNIE A. NIXON	B.A. Communications; 15 years experience in strategic management of public participation programs for Federal, state, and regional agencies.	Outreach Director

Appendix B: Administrative Information

Name and Firm	Background	Project Function
Public Affairs Management KAY A. WILSON	M.S. Community and Regional Planning, B.A. Political Science; over 25 years experience in community and environmental planning, with emphasis in transportation.	SEA Advisor/ Technical Reviewer
Public Affairs Management DANI HAMILTON	Master of City and Regional Planning, B.A. Environmental Studies; over 10 years experience in environmental analysis and planning.	Technical Manager
Public Affairs Management MATTHEW CLARK	B.A. Analytical Philosophy; 12 years experience in systems acquisition/project management for Federal agencies.	Project Office/ Controls Director
Public Affairs Management ALONSO RODRIGUEZ	B.A. Management/Finance; 8 years experience in telecommunications.	Documents Manager
Public Affairs Management JULIE ORTIZ	M.A. Communications, B.A. Political Science and English; 10 years experience in communications for transportation and environmental projects.	Areas of Concern/ Outreach Manager
Public Affairs Management MATTHEW ROYCE	M.F.A. Management; 10 years experience in public meeting planning and communications.	Areas of Concern Associate
Public Affairs Management TROY BRADY	M.S. Soil Chemistry, B.S. Soil Science; 10 years experience in environmental regulation and hazardous waste investigations.	Areas of Concern Coordinator
Public Affairs Management VICTORIA PIKE BOND	B.A. Political Science; 5 years experience in community outreach and media relations for transportation issues and projects.	Outreach Associate/ Writer
Public Affairs Management DEBRA L. RICHARDS	M.B.A., B.S. Business Administration; 10 years experience in project management, with expertise in NEPA documents.	SEA Support Manager
Kutak Rock BARRY P. STEINBERG, Esq.	LLB, B.A. Psychology; 35 years experience as a military and private-sector environmental attorney.	SEA Advisor/ Technical Reviewer
World Wide Rail PHIL OLEKSZYK	M.B.A. Behavioral Science; B.S.M.E. Mechanical Engineering; 12 years experience in railroad Federal safety enforcement, 10 years experience in railroad research.	SEA Advisor/ Technical Reviewer

Name and Firm	Background	Project Function
Straughon Environmental Services, Inc. EILEEN K. STRAUGHAN	B.S. Natural Resources and Conservation; 17 years experience in environmental analysis, mitigation planning and design, and NEPA documentation.	Production Director/Technical Reviewer—Natural Resources
Straughon Environmental Services, Inc. EILEEN B. HUGHES	B.A. Urban Studies; 10 years experience in community transportation issues and environmental planning.	Production Manager/Writer
Accentech DAVID E. COATE	M.S. Energy Technology, B.A. Mathematics, B.A. Chemistry, B.A. Physics; 20 years experience in acoustics and environmental studies.	Technical Reviewer—Noise
Accentech CHRIS MAXON	Bachelor of Engineering, Ocean Engineering; 13 years experience in noise acoustics and vibrations.	Technical Reviewer—Noise
ARCADIS/Geraghty & Miller DAN LUSCHER	M.P.P., B.S. Civil Engineering; 10 years experience in economic and policy analysis and management.	Technical Reviewer—Air Quality
ARCADIS/Geraghty & Miller DOUGLAS COLEMAN	B.S. Mechanical Engineering; 4 years of experience in air quality and transportation analysis.	Technical Reviewer—Air Quality
Arthur D. Little, Inc. TODD BURGER	B.S. Accounting; 22 years experience in rail transport operations, safety, organizational change strategy, and process improvement.	Technical Reviewer—Safety
Arthur D. Little, Inc. LISA BENDIXON	M.S. Operations Research, B.S. Applied Mathematics; 18 years in transportation risk assessment and risk management.	Technical Reviewer—Safety
Arthur D. Little, Inc. ALAN BING	Ph.D. Mechanical Engineering. Over 30 years experience in transportation systems specializing in railroad track and equipment engineering, management and technology, and railroad and transit system safety.	Technical Reviewer—Safety
Ecology & Environment CRAIG THRASHER	B.S. Naval Engineering, MBA. 33 years experience in on-site emergency response, design, implementation, and operation of emergency response systems.	Technical Reviewer—Emergency Response
Ecology & Environment NERMIN AHMAD	B.A. Government and International Relations, M.S. International Relations. 17 years experience in environmental planning management.	Technical Reviewer—Waste Sites

Name and Firm	Background	Project Function
FRAN DUBROWSKI, Esq.	J.D. 25 years experience in environmental law.	Technical Reviewer—Environmental Justice
Myra L. Frank & Associates, Inc. RICHARD STARZAK	M.A. Architecture, Sc.B. Biology; 19 years in historic and architectural surveys including NEPA compliance.	Technical Reviewer—Cultural Resources
Parsons Brinckerhoff ROBERT VANDERCLUTE	B.S. Business Administration; 30 years in railroad management, marketing, and operations.	Technical Reviewer—Passenger Rail
Parsons Brinckerhoff/Tri Rail DAN BOEHR	B.B.A. Management; 25 years in railroad operations and management.	Technical Reviewer—Rail Operations
Parsons Brinckerhoff JACK BOORSE	B.S. Civil Engineering; 40 years experience in engineering for urban transportation projects.	Technical Reviewer—Traffic and Delay
Richards & Associates HOY RICHARDS	M.S. Economics, B.S. Engineering; 20 years research experience in railway economics, safety, and planning.	Technical Reviewer—Grade Crossing Safety
TranSystems Corporation MARK WALBRUN	B.S. Transportation Engineering; 25 years experience in rail line and facility research, rebuilding, and construction.	Technical Reviewer—Rail Operations
TranSystems Corporation JAMES MARTIN	B.S. Education; 51 years experience in railroad operations and management.	Technical Reviewer—Rail Operations
TranSystems Corporation ALAN DERNER	B.S. Civil Engineering; 17 years experience in design and construction in the railroad industry.	Technical Reviewer—Rail Operations

B.5 SAFETY INTEGRATION PLAN - MEMORANDUM OF UNDERSTANDING

After submitting their Safety Integration Plan to FRA, the Applicants revised it to address FRA concerns. The Board and FRA have entered into a Memorandum of Understanding (MOU), with concurrence of the U.S. Department of Transportation, that outlines the ongoing processes for ensuring that the plan is implemented, how potential issues will be addressed, and how and when FRA will provide status reports to the Board. A copy of the MOU follows.

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**Memorandum of Understanding Between the
Surface Transportation Board and the
Federal Railroad Administration**

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE SURFACE TRANSPORTATION BOARD
AND THE FEDERAL RAILROAD ADMINISTRATION**

**CN AND IC MERGER, FINANCE DOCKET NO. 33556
IMPLEMENTATION OF SAFETY INTEGRATION PLANS**

WHEREAS, the Surface Transportation Board (Board), the United States Department of Transportation (DOT), and the Federal Railroad Administration (FRA), the agency within DOT responsible for enforcement of railroad safety regulations, are concerned about the effect that the proposed acquisition (hereafter "Acquisition") of the Illinois Central Corporation by the Canadian National Railway Company (together hereafter "Applicants") might have on rail safety; and

WHEREAS, the Board, in its Decision No. 5 and Decision No. 6, issued on June 23, 1998 and August 14, 1998, respectively, directed Applicants to prepare and submit to the Board a detailed Safety Integration Plan (SIP) explaining the process by which they intended to integrate the operations of the properties involved in a manner that will maintain safety at every step of the process, in the event the Board approves the proposed Acquisition; and

WHEREAS, the Applicants have developed a SIP and submitted it to the Board on August 14, 1998, and the Board's Section of Environmental Analysis (SEA) intends to include the SIP and any revisions or additions to the SIP based on continued discussion with FRA, and FRA's written comments regarding the SIP, in the draft Environmental Assessment (EA) for the proposed Acquisition to be issued by SEA, in order to provide an opportunity for review and comment by all interested persons; and

WHEREAS, the FRA and the Board wish to enter into a memorandum of understanding (MOU) to clarify the actions each will take to assure the successful implementation of the SIP process in the event the Board approves the Acquisition,

NOW, THEREFORE, the DOT, FRA and the Board do hereby agree as follows:

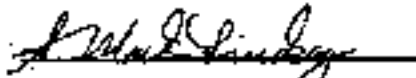
1. FRA will provide written comments on the SIP to the Board prior to the Board's issuance of the draft EA for public review and comment. After the issuance of the draft EA, FRA will continue to work with the Applicants to correct any inadequacies which FRA may have identified in the SIP, and to address issues that arise subsequently.
2. FRA and the Board recognize that safety integration is an ongoing process that involves both agencies. Accordingly, FRA will exercise its authority over all rail safety matters to monitor, evaluate and review the Applicants' progress in implementing the SIP.
3. FRA will keep the Board informed of the Applicants' progress. If deemed necessary by FRA, FRA may request the Board to exercise its oversight authority over the Applicants and take action to correct identified deficiencies and address safety problems arising out of the approved transaction. FRA will be responsive to the requirements of public safety and the safe implementation of post-acquisition rail operations by the Applicants.
4. In those circumstances where FRA informs the Board of a concern which may require Board action, FRA will provide sufficient information to the Board to identify the safety deficiency, describe the implications of the deficiency, and provide recommendations for correcting the deficiency.
5. FRA agrees to report significant safety integration issues to the Board if and when

they occur. FRA also will report to the Board from time to time, as FRA deems appropriate, but not less than biannually, regarding safety integration of the Acquisition. FRA's reporting will continue until safety integration implementation has been completed to the satisfaction of FRA and FRA affirms to the Board in writing that the proposed integration of the Applicant's operations has been completed satisfactorily.

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the 28th day of September, 1998.



Henri F. Rush
General Counsel
Surface Transportation Board



S. Mark Lindsay
Chief Counsel
Federal Railroad Administration

The Department of Transportation concurs in this memorandum of understanding.



Nancy E. McFadden
General Counsel
U.S. Department of Transportation

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APPENDIX C
APPLICANT INFORMATION

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APPENDIX C APPLICANT INFORMATION

Appendix C contains information the Applicants submitted to the Surface Transportation Board (Board), Section of Environmental Analysis (SEA) in response to public comments or requests for additional information, as follows:

- Section C.1, "Operating Plan," contains updated information regarding the Applicants' Operating Plan.
- Section C.2, "Information Requests," contains information SEA requested of the Applicants.
- Section C.3, "Settlement Agreements—Verified Statements," contains a Verified Statement regarding a Settlement Agreement the Applicants entered into with Norfolk Southern Railway Company (NS).

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C.1 OPERATING PLAN

The Applicants provided SEA with information describing changes in its Operating Plan, including the source for these changes and revised rail line segment, rail yard, and intermodal facility activity tables. The letter containing this information follows.



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**OPERATING PLAN
LETTER FROM APPLICANTS**



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Mr. Elaine B. Kahan, Chief

February 9, 1999

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At that point, we could have adjusted the basic (reflecting the pre-Transaction CN and IC systems) for the traffic studies and the cross plan model, then re-run the traffic studies and the Operating Plan simulations. It was Applicant's judgment, however, that such a costly and time-consuming re-run (which could have significantly delayed the filing of the Application) was unnecessary, since all or nearly all of the traffic gains resulting from the new baseline agreement with WC were non-Transaction-related.

Certain other parties to this proceeding, however, filed comments alleging that the traffic studies and Operating Plan had improperly omitted traffic directions attributable to the WC baseline agreement. For our rebuttal filing of December 16, 1998, therefore, we took a conservative approach and assumed that all traffic gained to CNMC as a result of the WC agreement was Transaction-related. At our request, ALX sent its traffic direction model in calculation these gains.

Using ALX's numbers for directions in these two categories, we have determined that the additional traffic would require an amendment to the basic train service plan described in the Operating Plan. There would be minor changes in traffic volumes carried over individual segments, in carload activity at selected rail yards, and in all activity at intermodal terminals; these changes are reflected in the tables attached hereto as Exhibits A, B, and C.

Interaction of Traffic with CSX

In developing the Operating Plan, the Operating Team planned that, after consolidation of the Transactions, certain traffic to and from Western Canada that CN presently interchanges with CSX at Clearing Yard in Chicago could instead be interchanged at CSX's Blue Yards. We calculated changes in traffic volumes over individual rail segments in Chicago and changes in yard activity on the assumption that this shift in interchange location would take place.

Moreover, if we had taken the time and expended the resources necessary for the work, we would have set a precedent that would require yet another reconfiguration of the train yard and another re-run of the traffic studies and Operating Plan models. If the railroad should ever seek to deal with another railroad that would affect the pre-Transaction status quo.

Mr. Elaine B. Kahan, Chief

February 9, 1999

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Based on the development of the Operating Plan, however, CSX has informed us that it does not agree to revising the interchange location. Accordingly, we have adjusted our projections of Transaction-related changes in traffic over specific rail segments and yard activity to reflect the fact that the interchange point for this traffic will remain at Clearing Yard. (The changes were necessary to the basic train service plan, since the traffic was merely shifted from certain trains in the plan to others.) These adjustments are reflected in the tables attached as Exhibits A and B.

If you have any further questions about changes in rail operations projected by the Operating Plan, CN will gladly do whatever possible to provide you with the necessary information.

Very truly yours,


Terry R. McManis
General Manager - CNMC Integration

Enclosure (Exhibits A, B, C)

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Please don't miss it with all the other great things

Exhibit C: Intersectal Terminal Adjustment

Reference	Item	Change in Activity per year			Adjusted Change in Activity per year		
		Change in Crash/Death per year	Change in Switch Life	Change in Total Life	Adjusted Change in Crash/Death per year	Adjusted Change in Switch Life	Change in Total Life
Q1	Intersectal TSPS	70	0	70	6.9	0	67.5
Q2	Intersectal TSPS	151	0	151	14.7	0	137.9

NOTE: Only Intersectal Terminals with adjustments are shown

C.2 INFORMATION REQUESTS

To prepare responses to public comment, SEA requested information from the Applicants regarding specific details concerning existing operations and planned activities. The Applicants responded to SEA's request with the following letter.

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INFORMATION REQUESTS

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Mr. Brian K. Rainer, Chief
February 10, 1999
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Environmental Assessment (NREPC-9). Applicants would nevertheless like to address certain criticisms which Amtrak made of the line capacity analysis contained in the Draft EA.

The Draft EA concluded that there was sufficient capacity to accommodate anticipated additional freight traffic on the IC line over which Amtrak operates. Amtrak argued that this conclusion was flawed because the Draft EA "looks only at the theoretical maximum capacity of a rail line segment over a 24-hour period" and does not consider "disturbances that cause greater strain on capacity than 3 traffic hours evenly distributed over the day, week, and year. In fact, however, the "theoretical maximum capacity" of the Carbonide-Cairo bottleneck is not 26 trains per day, as Amtrak suggested, but 43 trains per day (see: I Draft Environmental Assessment at 4-75). In calculating capacity of the line, the Draft EA cut this number by a safety factor of 40 percent, precisely because Applicants underscored that "disturbances in actual traffic volumes may cause greater than average use of existing capacity. Measuring average traffic volumes against a capacity of 26 trains a day, rather than the theoretical maximum of 43 trains, provides a cushion against peak volumes. The use of such a cushion is accepted in the industry as a valid method of testing capacity" (see American Railway Engineering Association, Manual for Railway Engineering, Chapter 16, Section 4.2 (1994)).

A review of recent actual IC traffic over the Carbonide-Cairo bottleneck reveals very little variation over the course of a week; over 85% of the trains (including all intermodal trains) operate seven days a week, and another 10% run six days a week. Similarly, there is little seasonal variation of traffic on this segment; the near significant variation is due to additional grain traffic in October and November, which is limited to one or two additional trains a day.

Finally, local trains were not included in the capacity analysis because there are no regularly scheduled local trains on the Carbonide-Cairo segment.

Southwest Michigan Council of Governments

We have been asked to provide information about delays to highway traffic as a result of train blocking grade crossings in Port Huron, Michigan, as mentioned in the staff memo that was attached to the Southwest Michigan Council of Governments ("SEMDCOG") comments. During the past summer, CN experienced an increase in crossing delays in Port Huron because of increased scrutiny of trains by U.S. customs inspectors.² After a meeting with city officials in August 1998, CN

² Applicants would also note that there are two grade-separated crossings adjacent to the Port Huron Yard, at 24th Street and 7-94. No train delays do not completely block first and emergency.

CN

Mr. Brian K. Rainer, Chief
February 10, 1999
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February 10, 1999

Mr. Brian K. Rainer, Chief
Section of Environmental Analysis
1025 K Street, N.W., Room 304
Washington, D.C. 20001

Re: Canadian National Railway Company, et al. - Carbonide - Detroit Corridor
Comments, et al. (SEMDCOG) dated Feb. 23, 1999

Dear Mr. Rainer:

Please find enclosed additional information based on our review of public comments on the Draft Environmental Assessment ("Draft EA").

U.S. Fish and Wildlife Service

Applicants will modify their emergency response plans, where necessary, to add the Fish and Wildlife Service to the list of agencies to be notified in the event of a hazardous materials release.

National Railroad Passenger Corporation (Amtrak)

Amtrak's comments on the Draft EA have been received by the individual of Amtrak's Comments and Response for Condition (NREPC-2) and of its Comments on Draft

Certain proprietary information contained in this letter has been designated as "Highly Confidential" under the protective order in this proceeding. This material is designated by triple brackets ("[[[]]"). and we would appreciate it if you could take care to protect its confidentiality. (We are providing a redacted version of this letter that omits the designated material.)

Mr. Elaine K. Kaiser, Chief
February 10, 1999
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agreed to convene the local sheriff's department to give notice of any extended crossing delays. In addition, after the August meeting, CN has

- offered to move twice blocking crossings if contacted by the City's Fire Department or Ambulance Department;
- installed motion detectors at the crossings of concern, so that crossing gates will not remain closed if a train occupies the adjacent block but not the crossing itself; and
- installed return-to-station devices to allow faster movements of trains using the main line to back in and out of the Port Huron Yard

For a more permanent solution, CN is currently working with Canadian Pacific Railway Company ("CPR") to establish an electronic commerce solution to four U.S.-Canada border crossings (including Port Huron). This initiative will automate customs procedures, significantly reducing times for customs inspections and document processing, greatly alleviating problems with crossing delays in Port Huron. CN has discussed the issue of delay with SEAMCOG's Senior Transportation Planner, who agreed that the plan outlined above would improve the situation.

We have also been asked to explain how the CN/NC Translocation would cause significant increases in the volume of hazardous materials moved over Segments 1131 and 1170 in Monroe County, Michigan, but not a comparable increase in road usage. A review of traffic volumes by traffic category moving over these segments shows that the correspondence for traffic moving over these segments with very little CN/NC cleared than the rest in the basin corridor. While the aggregate data reported in the Operating Plan masked the specific changes, the changes observed in individual traffic categories ranged from 0 to 10 cars per day. The increase in hazardous materials transported over Segments 1131 and 1170 (4 and 3 cars/day, respectively) is well in this range. Since the base traffic levels are so small (23 and 6 vehicles of hazardous materials per day, respectively), even small increases in volume with cargo light freight percentage increases

City of Chicago

The City of Chicago has challenged the reliability of Applicants' traffic diversion studies and the accuracy of the resulting traffic projections, which were the basis for the Draft EA's vehicle.

Mr. Elmer K. Kaiser, Chief
February 10, 1999
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analysis of environmental effects of the CN/NC Translocation. The City suggests that "the number of trucks on the Air Line Route will at least double, not remain the same as Applicants project" and that "the increase on that line will triple, not increase by 48% as Applicants project" (Chicago Comments at 1).

The City provides no evidence to support its criticisms of Applicants' studies, but attempts to rely on traffic studies conducted by NS and described in that railroad's opposition filing (NS-3 and NS-9).³ NS's traffic studies are so seriously flawed that they provide no reliable basis for projecting traffic levels over any part of Applicants' system. Applicants' rebuttal filing showed in detail not only how methodological errors and flaws led NS's witnesses to overstate diversions to CN/NC, but also that those overstatements explain the differences between Applicants' and NS's projected diversions (see CN/NC-568 at 560-69, 601-20, 624-721, 723-74).

In its criticism of Applicants' traffic studies, the City claims that Applicants "have chosen to withhold from the Board and the public" the impediments alleged to the junction between CN and NC at Chicago and the junction between CN and Wisconsin Central Limited ("WCL") at Superior, Wisconsin (CN-11 at 11 & n.6). Neither the City nor any other party sought this information in written discovery, so it is misleading to say that Applicants "withheld" it. (Not surprisingly, Applicants' traffic study witnesses could not recall the precise impediment for every individual location, including Chicago and Superior. In response to questions at their oral deposition.) In any event, the diversion analysis by ALK Associates, Inc. ("ALK," the consulting firm that conducted Applicants' rail-overall diversion study) did not use alleged impediments, as suggested by the City. To the contrary, for Chicago, ALK used the lowest possible inter-firmly impedance of 11

III. Moreover, in modeling the effects of the WC haulage agreement for publication in part, NS introduced the results of its traffic studies to support its request for conditions, but has since withdrawn its request, declaring that it is now "irrelevant" that the concerns which led it to introduce that evidence have been "fully and adequately addressed" by Applicants' settlement agreement with NS (NS-14 at 1).

In any event, the record contains no evidence of NS's projections of traffic on the Air Line Route. The City has attempted to fill this evidentiary gap by assuming that all traffic projected to move over Segment 173 must also move over Segments 170 and 171 (see Air Line Route). But that assumption is invalid, since the Operating Plan and Draft EA clearly show that less traffic moves over the Air Line Route than over Segment 173 (see CN/NC-7 at 261, 267; 2 Draft Environmental Assessment at B-2-1).

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Mr. Blaine K. Kaiser, Chief
February 10, 1999
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of Applicants' rebuttal, ALK treated the WTC line as if it were CN's own line, effectively eliminating impedance entirely.

The City has also challenged the impedance values which ALK assigned to the junctions at Springfield and Jackson (CH-11 at 6). The rebuttal verified treatment of Applicant Wisconsin Woodland and Rogers specifically addressed in detail each argument raised by the City and showed that each of the impedances used by ALK were appropriate and that the lowest impedances suggested by the City are not (see CNRC-388 at 377-393).

Finally, it is not correct that "Applicants admit" that their traffic study and Operating Plan "seriously underestimate the volume of traffic that will be diverted to the lines of the merged carriers and the number of new trains those lines will have to carry to handle the diverted traffic" (see CH-11 at 2). Applicants have thoroughly refuted the City's arguments to that effect in their rebuttal filing of December 16, 1998 (see CNRC-36A at 406-08).

As noted in Applicants' rebuttal filing, NS identified two categories of traffic diversions to CNMC that had been omitted from Applicants' own studies and would arguably be caused in part by the CNMC Translocation. Those categories are: (1) diversions of rail movements that in the base year terminated at points in Canada on CP and (2) traffic between Duluth, Minnesota/Superior, Wisconsin and Chicago that did not traverse via bridge over The Burlington Northern and Santa Fe Railway Company ("BNSF") in the base year but is projected to move via bridge over WTC after consummation of the Translocation. Adding this traffic would not trip any thresholds for environmental analysis on any additional rail segments, since it would cause no changes in train counts and neither decrease in tonnage from those reported in the Operating Plan and the Draft EA. These changes would not have any material impact on the environmental analyses already performed by SEA on the basis of the traffic projections reported in the Operating Plan.

In Terry R. McElman's letter to you of February 9, 1999, Mr. McElman described these categories more fully, and explained how adding them to Applicants' traffic would affect the Operating Plan.

"The addition of the traffic from the two categories described in the EA is one of only two adjustments that Applicants have made to the Operating Plan since submission of the Application in July 1998. These adjustments are described in Mr. McElman's letter of February 9, 1999, referred to in footnote 6, above.

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Mr. Blaine K. Kaiser, Chief
February 10, 1999
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South East Chicago Commission

We have been asked to respond to the concerns of the South East Chicago Commission ("SECC") concerning about (1) bridge maintenance on Segments J71, (2) train delays at the 44th Street and 67th Street interlockings, and (3) noise reduction practices.

NS's Bridges and Structures Department has stated that the current bridges on the lake front line in Chicago (Segment J71) are structurally sound and will have no difficulty handling the traffic levels anticipated following consummation of the CNMC Translocation. In addition, track standards and maintenance will reflect the "commensurate with the increased tonnage" on this segment (see South East Chicago Commission Comments at 2). The gross tonnage of traffic moving onto a bridge or rail segment is one of many factors considered in track and bridge maintenance and inspection programs. As stated in both the Operating Plan and the Safety Management Plan, a key benefit of the CNMC merger will be the sharing of best practices, including track and bridge maintenance and inspection programs.

Applicants discussed the issue of train delays at 44th St. and 67th Street and the noise issue with a SECC representative who indicated that train delays were brought to SECC's attention by one of SECC's members and were considered "occasional" and "not frequent." The Applicant stated the SECC representative did not mention any of the delays or noise issues that the Applicant will address to the community.

Applicants would note that they generally try to reduce train noise through such measures as optimizing locomotive throttle settings (eliminating over-throttling), minimizing the amount of time idling, limiting use of whistles to the minimum necessary (e.g., grade crossings and emergency situations), and use of dynamic braking (which does not require use of the air compressor and thus allows the locomotive to idle at lower engine speed).

Center for Neighborhood Technology

We have been asked to describe current and planned related practices for rail safety detection and track geometry inspections on key routes and major key (routed, in light of the Center for Neighborhood Technology's request for the imposition of inspection requirements).

The frequency of track inspection is determined by several factors, including gross tonnage, train speeds, weather, grades, whether the track is painted or continuously welded rail, the

REDACTED

Ms. Elaine K. Kaiser, Chief
February 10, 1999
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weight of rail, how the rail was made, the old infrastructure and bath, and the number of crossings, curves, diamonds, bridges, culverts, and tunnels.

CN owns and operates a track geometry car, and its standard operating procedures call for its use for inspections twice per year on class 4, 5, and 6 track, twice per year on class 1, 2, and 3 track with over 2.5 million gross tons per year, and once a year on other track. In practice, CN uses the track geometry car for track inspection three to four times per year on the main line and one to three times a year on more lightly traveled routes. CN's rail flow inspection program is contracted to a third party. Rail flow inspections are made three to five times a year on the main line, and one to three times per year on more lightly traveled routes but in no case less frequent than every 40 million gross tons of traffic on track classes 3, 4 and 5. As stated in both the Operating Plan and the SIP, a key benefit of the CNRC Transaction would be the sharing of best practices, including track engineering and maintenance. CN and XC plan to coordinate their rail flow inspection programs and share the use of the track geometry car over both systems.

In addition, the methods of conducting track inspection, the minimum frequencies for those inspections, and the responses to various problems detected are all tightly regulated by the PRA, Track Safety Standards. Further considerations for hazardous materials traffic is provided for in AAR Circular OT-55-B, which has been incorporated into SEAs Preliminary Recommended Environmental Mitigation. There does not appear to be any justification or value for additional track inspection requirements.

Midland Township

We have been asked to describe specific conditions of the grade crossing at Bodysville Road and the proximity of any regulated grade crossings.

Ms. Elaine K. Kaiser, Chief
February 10, 1999
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A grade-separated (overhead) crossing is available two miles to the north of the Bodysville Road crossing, at Pleasant Hill Road. Applicants have discussed the Bodysville Road crossing and other issues with a member of Bradford County's Fire Department. The Engineering Department has inspected and determined that the rails have sunk slightly below the profile of the road surface. It recommends milling the asphalt of the approaches to the crossing to level the crossing surface.

City of Carbondale

We have been asked to describe any voluntary railroad actions related to train speeds for key trains and any voluntary railroad actions in response to the City's request for an additional crossing between Carbondale and Carbondale. We have also been asked to describe any response by Applicants to other hazardous materials transport mitigation requests. The following paragraphs address the issues raised in numbered paragraphs in the City's comments.

1. **Hazardous materials transport restrictions.** The process of identifying local needs for additional equipment is ongoing. A hazardous materials incident assessed with the railroad is consistent with Condition 4 of SEAs Preliminary Recommended Environmental Mitigation. It is Applicant's position, however, that responsibility for purchasing such equipment belongs to the individual communities, as is consistent with practice in past control proceedings.

2. **Train speed limits.** Train speed is already tightly regulated by the PRA, and additional restrictions have been made for hazardous materials transportation in AAR Circular OT-55-B. There does not appear to be any justification for or value to imposing additional constraints on the railroads. Many factors must be taken into consideration when setting maximum train speeds, including track curvature, super-elevation, and grades. For example, trains moving over curves slower than would design will place excessive force on the inner rail and increase the probability of wheel climb and consequent derailment. In addition, slower train speeds will increase at-grade crossing delays. The placement of multiple points to establish the size of operating blocks and the activation/deactivation of crossing devices are also partial determined by train speed. In Applicant's opinion, the wide range of factors related to train speeds would make blanket speed restrictions, such as those proposed by the City, unwarranted and undesirable.

3. **Crossing.** The location where the City wishes a crossing to be installed at through Carbondale Yard, Carbondale, as a grade crossing would not be appropriate in this location. However, Applicant will work with the City to explore a grade-separated crossing, provided that

Ms. Elaine K. Kaiser, Chief
February 10, 1999
Page 9

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there is no expectation that the railroad will be required to fund the construction. Applicants also note bids are to be requested for construction of an additional grade-separated (underpass) crossing at Hill Street (approximately one mile south of Carbondale Yard) during spring of 1999. IC is contributing funding for the construction of this underpass. In addition, IC plans in consultation with the City's report, to upgrade signaling on one of the double-tracked lines through Carbondale, so that the maximum speed may be increased from 20 miles per hour to 40 miles per hour, thus reducing delays at grade crossings.

4. **Emergency shelters** Applicants understand that the process of identifying the impact (if any) of a hazardous material incident, and the consequent need for emergency shelter facilities, will be consistent with Condition 4 of SEAs: Preliminary Recommended Environmental Mitigation. It is Applicants' position, however, that the responsibility for providing items needed to prepare any emergency shelters belongs to the individual communities, as is consistent with practice in past federal proceedings.

5. **Wind indicators** Applicants believe that the cost of installing and maintaining wind direction indicators at rail crossings for incidents that are likely to happen less frequently than once every 600 years would greatly exceed the benefits to the public. Any such benefits to likely to be minimal, since local residents are unlikely to recognize what the indicators are, nor, in the event of a hazardous materials incident, are they likely to know their appropriate response (e.g., evacuate or stay indoors). In any event, any public address system that would instruct the public to evacuate would also instruct them when to proceed in order to avoid contact with the released material. In the meantime, a wind indicator would be an additional existing structure that would require maintenance, that could obstruct the track if hit by a vehicle, and that could provide a visual distraction to drivers approaching the tracks, diverting their attention from the road and the crossing.

6. **Liability** Applicants accept such financial responsibility as they would bear under applicable local law, but vigorously oppose any imposition of strict liability as a condition of STB approval of the CHMC Transaction. Such a condition would be disproportionate to the effects of the Transaction, and would far exceed any conditions imposed on covered applicants in comparable proceedings.

Applicants have discussed these issues with a manager from the City of Carbondale. The manager stated that the presence of the yard in Carbondale has been an issue for many years and agreed that the problem was not easily resolved. The manager was enthusiastic about the site-specific hazardous materials emergency response plans provided for in SEA's Preliminary Recommended Environmental Mitigation, and agreed his belief that such plans would be a good fit for the City's

Ms. Elaine K. Kaiser, Chief
February 10, 1999
Page 10

REDACTED

emergency plan, which was receiving a \$500,000 grant under the Federal Emergency Management Administration's Project Impact. The City of Carbondale manager complimented the good relationship between the City and IC.

Village of Madison

We have been asked to provide a response to the issues raised by the Village regarding train speed and track inspection. These issues have been addressed above (track inspection in response to comments of Center for Neighborhood Technology; train speed in response to comments of City of Carbondale).

City of Champaign

We have been asked to provide recent on-line performance for Amtrak service to Champaign, and to respond to the concerns raised by the City regarding bridge maintenance.

Applicants have discussed on-line performance with an Amtrak manager in Chicago. The manager indicated that Amtrak does not keep statistics on train performance on intermediate points such as Champaign, but only over an entire route. The manager stated, however, that Amtrak was not aware of any performance problems between Chicago and Champaign and mentioned that IC has been a "strong on-time performance partner."

IC conducts formal inspections on all railroad bridges every year. It conducts additional inspections in the spring on concrete bridges that are known to be susceptible to spalling (the breaking away of surface concrete, as observed in Champaign) during freeze-thaw cycles. If the railroad inspector observes such spalling, the loose concrete is removed. IC is testing a technique that will allow a waterproofing compound to be injected through the crack bed to the concrete surface of the bridge. If this technique proves successful, IC plans to apply the process on other bridges that are susceptible to spalling because of freeze-thaw cycles. Applicants have discussed the issue with an engineer for the City's Public Works office. IC will follow up with the engineer to discuss the spalling concrete issue further and to familiarize him with IC's inspection procedures and other initiatives.

Applicants note that the City has not identified any relationship between the CHMC Transaction and the pre-existing bridge conditions it has identified. Applicants note further that spalling (the breaking away of surface concrete, as observed in Champaign) does not affect the structural

Mr. Bruce E. Kaler, Chief February 18, 1999 Page 11 ***** If you have any further questions regarding issues raised by commenters, please feel free to call on me. Very truly yours, <i>B. Kaler</i> Harmond Perkins Assistant Vice President Environment	REDACTED	integrity of bridges. It is caused primarily by infiltration of water beneath the surface of the concrete, and rises with weather conditions rather than with traffic volumes. Finally, Applicants observe that some loosening of concrete from railroad bridges is caused by cracks colliding with the bridge supports, and that this would be unaffected by the CHMC Transaction or by any resulting changes in traffic volumes.
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C.3 SETTLEMENT AGREEMENTS—VERIFIED STATEMENTS

The Applicants submitted the following Verified Statement to SEA. The statement documents the potential environmental impacts of the Applicants' Settlement Agreement with Norfolk Southern Railway Company (NS).

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SETTLEMENT AGREEMENTS—VERIFIED STATEMENTS

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BLAIRING CUNNINGHAM

ATTORNEYS AT LAW
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WASHINGTON, D.C. 20004-1008
202 922-1800
FACSIMILE 202 973-1810

WILLIAM HARTMAN
CMT 873-3000

THE CANADIAN RAILWAY
TRUCK TRAILER UNIT
FACSIMILE 416 596-2000
R.R. 101-1000
MONTREAL, QUEBEC H3T 1B6

January 26, 1989

Mr. Elaine K. Kaiser, Chief
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20003-0001

Re: Canadian National Railway Company, et al. --
Control -- Illinois Central Corporation, et al.
(see Illinois Docket No. 3358)

Dear Mr. Kaiser:

Enclosed is the January 16, 1989, Verified Statement of
Terry R. McManus, General Manager, CN/IC Integration, for
Canadian National Railway Company, responding to your letter of
December 28, 1988, requesting information regarding environmental
effects of the settlement the Applicants in this case have made
with the Burlington Northern and Santa Fe Railway Company, CN
Transportation, Inc., and Norfolk Southern Railway Company.

Very truly yours,

James M. Blumstein
James M. Blumstein

Burlington

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Principals Docket No. 33588

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION,
AND GRAND TRUNK WESTERN RAILROAD INCORPORATED

- CONTROL -

ILLINOIS CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD
COMPANY, CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, AND
CEDAR RIVER RAILROAD COMPANY

VERIFIED STATEMENT OF TERRY R. MCMANUS

My name is Terry R. McManus. I am General Manager, CNIC
Integration, for Canadian National Railway Company.¹ I am the same Terry R.
McManus who sponsored a joint verified statement, together with Thomas F.
Ullrich, that was submitted with the Application in this proceeding (CNIC-7 at 122-
120).² My qualifications are set forth in that statement. I co-lead the team that developed
the Operating Plan submitted as part of the Application (CNIC-7 at 121-280N). I am
personally familiar with the projected operations of the combined CNIC system, as
described in the Operating Plan and with projected operations resulting from
settlements made with other railroads, as well as with current CN operations.

CN has asked me to provide this statement in response to the letter of
December 28, 1988, from Elaine K. Kaiser, Chief of the Property Section of

In this statement, "CN" refers collectively to Canadian National Railway Company,
Grand Trunk Corporation, Grand Trunk Western Railroad ("GTWR"), Illinois Central
Corporation, Illinois Central Railroad Company, Chicago, Central & Pacific Railroad
Company ("C&P"), and Cedar River Railroad Company are referred to herein
collectively as "IC." CN and IC are referred to together as "Applicants."

I also sponsored a joint verified statement, together with Thomas J. Eschert, that
was submitted with Applicants' rebuttal to this proceeding (CNIC-86A at 241-08).

Environmental Analysis ("SEA") to Norman Pollack, CN's Assistant Vice President - Environment, in which Mr. Kohler requests certain information regarding the environmental effects of settlement agreements which Applicants have reached with The Burlington Northern and Santa Fe Railway Company ("BNSF"), CSX Transportation, Inc. ("CSX"), and Norfolk Southern Railway Company ("NS").

As noted in greater detail below, the information currently available to CN and IC does not indicate any changes in freight traffic that are reasonably foreseeable as a result of these agreements.²

BNSF Settlement Agreement

Applicants' settlement agreement with BNSF provides certain "principles of agreement" regarding potential rail construction by BNSF and CN at a location in Chicago. As part of their consideration for BNSF's withdrawal of its opposition to the Transaction, Applicants agreed to permit BNSF to construct and use a crossing of IC's line in Chicago. This provision gives BNSF the option to use IC's property, to the extent that it might be necessary, should BNSF decide to construct a connection between its line and that of a third railroad in Chicago. Applicants do not know what use BNSF would make of the connection, if it were constructed, and to the best of Applicants' knowledge, BNSF has no definitive plans to construct the connection. BNSF could not make use of the connection without first acquiring bridge rights over the line of the railroad with which it would connect, and Applicants are not aware that BNSF presently has such bridge rights. In any event, it is possible that BNSF could construct an

² In order to avoid disclosure of confidential terms of the settlement agreements, the discussion below will refer only to such terms of the agreements as have been disclosed in press releases announcing the settlements or other public statements by the parties.

alternative connection, not using IC's property, that would accomplish the same effect as the crossing of the IC line. If BNSF were to exercise its option under the settlement agreement, it could construct the connection entirely on railroad right-of-way, on the site of a previously existing connection. Given the lack of any certainty regarding BNSF's exercise of its construction option, Applicants find no environmental effects that are reasonably foreseeable at present as a result of that option.

Also in the BNSF settlement agreement, BNSF agreed to permit Applicants to build across BNSF property in the same area of Chicago as the crossing described above, for the purpose of constructing a crossover. This provision merely gives Applicants an option to use BNSF's property for construction of the proposed crossover, which would be located entirely on the existing BNSF and IC rights-of-way. Applicants could not make use of that crossover without first acquiring bridge rights over a third railroad, and they have no present plans to acquire those bridge rights or exercise the construction option. Consequently, no environmental effects are reasonably foreseeable as a result of that option.

Ms. Karsar's letter of December 28, 1998, requested information about traffic changes resulting from the CN/IC and BNSF agreement to amend and consider further changes in the 1997 BNSF-IC voluntary marketing agreement under which IC moves BNSF traffic between Effingham, IL, and Memphis, TN.³ The amendments to the voluntary marketing agreement ("VMA") are not expected to cause any increase in traffic volumes. Applicants and BNSF have agreed to consider further amendments to the VMA, but they have not decided on the terms of any such amendments, or even that such amendments would be necessary. Accordingly, no traffic changes as a result of any further changes to the VMA are reasonably foreseeable at present.

CSX Settlement Agreement

Applicant's settlement agreement with CSX provides for a grant of trackage rights to CSX over certain CHL lines between Michigan and Ontario. Applicants anticipate that their grant of trackage rights will cause no increase in traffic over CHL's lines that would exceed the Surface Transportation Board's thresholds for environmental analysis.

The CSX settlement agreement also contains provisions regarding existing switching service which IC provides to CSX, but these provisions are not expected to cause any increases in traffic, since they do not provide any additional rights but merely provide for assurance of service quality in connection with existing rights.

NS Settlement Agreement

Applicant's settlement agreement with NS does not provide for any new trackage or holding rights, and Applicants are unaware of any reasonably foreseeable increases in traffic over any rail lines as a result of that agreement.

- 4 -

VERIFICATION

I, Terry R. Moldanunas, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verifical Statement.

Executed on January 15, 1999.


Terry R. Moldanunas

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APPENDIX D
COMMENT LETTERS

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APPENDIX D COMMENT LETTERS

In November 1998, the Surface Transportation Board (Board), Section of Environmental Analysis (SEA) issued a Draft Environmental Assessment (EA) that evaluated the potential environmental impacts that could result from the proposed CN/IC Acquisition. SEA prepared the Draft EA in accordance with the requirements of the National Environmental Policy Act (NEPA), as amended (42 U.S.C. 4321); the Board's environmental rules (49 CFR Part 1105); and other applicable environmental statutes and rules.

This Final EA addresses the comments on the Draft EA and other environmental comments that SEA received during its ongoing environmental review. In addition, it contains SEA's final environmental mitigation recommendations to the Board. The Board will consider SEA's recommendations and the environmental record before making a decision in this proceeding.

This appendix contains the 20 letters SEA received on the Draft EA. Although the formal 30-day comment period ended December 11, 1998, SEA has included copies of comments received until January 31, 1999. (SEA also includes written responses to these letters in Chapter 2, "Comments and Responses.") Table D-1, "Comments Received on the Draft EA" lists each commentor and the date of each comment letter.

**TABLE D-1
COMMENTS RECEIVED ON THE DRAFT EA**

Commentor	Comment Date
Federal Agencies	
U.S. Department of the Interior, Fish and Wildlife Service, Vicksburg, MS, C.B. James	11/23/98
U.S. Department of the Interior, Office of Environmental Policy and Compliance, GA, J.H. Lee	12/30/98
U.S. Department of Transportation, N.E. McFadden	12/11/98
U.S. Environmental Protection Agency, R.E. Sanderson	12/11/98
State Agencies	
Illinois Environmental Protection Agency, B.P. Killian	12/10/98
Michigan Department of Environmental Quality, P.R. Shon	12/8/98
Local and County Governments	
City of Carbondale, IL, J.W. Doherty	12/4/98
City of Champaign, IL, M.J. Anderson	12/11/98
Makanda Township Fire Department, IL, W.E. Dirks	12/8/98
Village of Maiteson, IL, R.H. Wilcox	12/9/98
City of New Orleans, LA, M.H. Morial	12/11/98
Southeast Michigan Council of Governments, Detroit, MI, R.W. Pfaff, Jr.	12/10/98
Southeast Michigan Council of Governments, Detroit, MI, R.W. Pfaff, Jr.	1/5/99
Southeast Michigan Council of Governments, Ferndale, MI, R.W. Pfaff, Jr.	1/14/99
DeSoto County, MS, V. Lynchard	1/5/99
Groups/Associations	
Center For Neighborhood Technology, Chicago, IL, J. Rast	12/11/98
Center For Neighborhood Technology, Chicago, IL, J. Rast	12/17/98
South East Chicago Commission, Chicago, IL, R.C. Mason	12/1/98
Passenger Rail Service Provider	
National Railroad Passenger Corporation (Amtrak), R.G. Slattery	12/14/98
Applicants	
Applicants, CN/IC, P.A. Cunningham	12/11/98

**FEDERAL AGENCY:
UNITED STATES DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE
COMMENT LETTER**

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United States Department of the Interior

FISH AND WILDLIFE SERVICE
225 South Lincoln Road, Suite 19
Washington, Maryland 20005-5508

November 21, 1999



**ENVIRONMENTAL
DOCUMENT**

Mr. Blaine K. Korte
Environmental Program Director
Section of Environmental Analysis
Surface Transportation Board
Washington, D.C. 20002

FD-33556

Dear Mr. Korte:

The U.S. Fish and Wildlife Service (Service) has reviewed the Draft Environmental Assessment (EA) dated November 1998, on the proposed acquisition of Illinois Central Corporation by (ICC) Canadian National Railway Company (CN). We have the following comments in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 461-467a) and the Endangered Species Act (16 U.S.C. 1531 et seq.).

The Service had previously expressed concerns for a letter dated November 5, 1998, about the impact of construction activities, which could have significant impacts to some resources if a spill were to occur. We recommended that all existing safety provisions be taken to ensure that no significant adverse effects, which has some and adverse effects on fish and wildlife, does not occur into aquatic or terrestrial fish and wildlife habitat. Additionally, we recommended that emergency management plans should include guidelines for immediate action taken with Service personnel regarding potential adverse impacts to listed species.

According to the EA, ICC and CN will follow all Department of Transportation regulations covering shipment of hazardous materials. Additionally, CN has an "Emergency Response Plan" outlining procedures for protecting personnel, property, and the environment at the point of an accident spill, as well as during emergency response activities. However, we continue to recommend that emergency management plans should include guidelines for personnel consultation with Service personnel regarding potential adverse impacts to listed species which occur in several counties along the Mississippi portion of the rail line.

We appreciate the opportunity to comment on the EA. If you have any questions please contact Donald Craig at (507) 623-6512.

Sincerely,
Carlisle B. Jones
Carlisle B. Jones
Acting Field Supervisor

46 FWS, MISSOURI, MS

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**FEDERAL AGENCY:
UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF ENVIRONMENTAL POLICY AND COMPLIANCE
COMMENT LETTER**

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OFFICE OF THE SECRETARY

OFFICE OF ENVIRONMENTAL POLICY AND COMPLIANCE

Richard B. Russell, Jr., Governor

711 Spingarn Street, S.W.,
Atlanta, Georgia 30334

December 10, 1931



Q-14731

Office of the Secretary

Case Control Unit

Prisoner Pocket No. 13434

PLANNED ACTIVITIES FOR 2010

1955 E. 81004, 1955

Time-Saver for 'usability'

REPRESENTATIVE TIMOTHY K. KAISER, Environmental Project Director

Prof. Dr. Wolfgang

The Department of the Interior has reviewed the Draft Environmental Assessment for the Proposed Acquisition of the Villavale Central Corporation by Canadian National Railway Company, 501, 12, 14, 16, 18, 20, 22, and 24, as requested.

Previously, the Fish and Wildlife Service (FWS) expressed concern (in a letter dated 13/9/90) about the transport of hazardous materials, which could have significant impacts to trust natural resources if a spill were to occur. The FWS recommended that all radiating safety prescriptions be taken to ensure that transported hazardous waste, which has acute and chronic effects on fish and wildlife, does not enter into aquatic or terrestrial fish and wildlife habitat. Additionally, the FWS recommended that emergency management plans should include guidelines for immediate consultation with FWS personnel regarding potential adverse impacts to threatened and endangered (TSE) species.

According to the document, Illinois Natural Corp. and Canadian National (CN) would follow the Department of Transportation (DOT) regulations covering shipment of hazardous materials. Additionally, CN has an "Emergency Response Plan" outlining procedures for protecting personnel, property, and the environment from the onset of an accidental spill, as well as alerting emergency response authorities. However, we continue to recommend that emergency response plans should include guidelines for immediate consultation with the personnel regarding potential adverse impacts to listed species which occur in the several states served by the rail line.

If you have any questions concerning fish and wildlife committee, please contact Steve Hall, FWS Regional Environmental Officer, at 404/475-7049.

Thank you for the opportunity to discuss my involvement in this program and the proposed acquisition.

discovery.

Stevens, W. Lee

Indication: Everyman's Elegance

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**FEDERAL AGENCY:
UNITED STATES DEPARTMENT OF TRANSPORTATION
COMMENT LETTER**

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materials would both double and exceed 20,000 carloads annually (so-called "Major Key Routes").¹ AAR has promulgated industry guidelines for Key Routes that entail use of defect detection equipment, inspections, and repairs operating requirements. Id. at 4-13; AAR Circular OT-55-B. SEA preliminarily recommends that the Applicants comply with AAR guidelines for all Key Routes and Major Key Routes, cooperate and coordinate with local authorities in communities along these routes in developing response plans, and provide such authorities with immediate telephone access to emergency response personnel in Applicants' dispatch centers. Id. at 4-17 and -18.² Adoption of these recommendations, in SEA's view, would ensure that the proposed merger would have no significant impact on the environment. Id.

Through the Federal Railroad Administration ("FRA"), the Department has consistently promoted emergency response planning and community awareness programs with respect to rail shipments of hazardous materials. We therefore agree that the Applicants should be involved in such planning with the intent of local communities. We consent, however, to delete an approach that treats AAR guidelines as though they were federal regulatory standards.

DOT regulations establish minimum requirements for packaging, handling, and transporting hazardous materials. 49 C.F.R. Parts 171-180. These rules provide mandatory, uniform safety standards applicable to all movements of dangerous commodities, including those that move by more than one mode. These rules were also promulgated with FRA input that took into account factors such as crew size, train length/mileage limits, increased railcar inspections, and specialized training for train crews and inspectors. It is not apparent whether these considerations entered into AAR's processes resulting in Circular OT-55-B, which sets forth guidelines narrowly focused on large volume movements of a selected group of chemicals, and which is written and intended as a "good practices" guide rather than a binding regulatory standard. The Circular, for instance, restricts the shunting and passing of trains carrying hazardous materials "when practicable," and requests "maximum reasonable effort" to reduce coupling speeds of loaded, placarded tank cars to no more than "4 mph." As voluntary in the industry efforts represented in this document are, to accord them the status of a mandatory federal standard would be a mistake because it could confuse the regulated community in general, and the Applicants in particular, as to their duty to comply with the Code of Federal Regulations.

DOT is also concerned that the adoption of the circular's "key train" concept (a train with more than a minimum number of cars or intermodal containers loaded with certain classes of hazardous materials) could lead to lower standards of care for other trains carrying hazardous materials. The Department's hazardous materials regulations

¹ "Key Routes" is a term adopted by the Association of American Railroads ("AAR") and "Major Key Routes" is a term developed by SEA. Id. at 4-11, note 10.

² SEA also urges that the Applicants comply with AAR guidelines applicable to "key trains" (i.e., those with a certain composition of hazardous materials carloads). Id. at 8-4.

DOT-1

Before the
Surface Transportation Board
Office of the General Counsel
Washington, D.C.

DEC 11 2008

Public Notice

Christian National Railway Co., Grand Trunk Corp.
and Grand Trunk Western Railway, Inc. - Control -
Illinois Central Corp., Illinois Central Railroad Co.,
Chicago, Central and Pacific Railroad Co., and
Crescent Silver Railroad Co.

FRA Case Docket No. 33336

Comments of the
United States Department of Transportation
on the Draft Environmental Assessment

Introduction

The Surface Transportation Board ("Board" or "STB") determined early in this proceeding to require the preparation of an environmental assessment ("EA") of the potential environmental impacts of the proposed merger between the Canadian National Railway Company ("CN") and the Illinois Central Railroad Company ("IC"). Decision No. 6, served August 14, 1998. At the same time, the STB directed the Applicants to submit a Safety Integration Plan ("SIP") detailing the manner in which they would safely integrate their respective operations following regulatory approval. Id. On November 9, 1998, the Board's Section of Environmental Analysis ("SEA") issued a draft EA that included the Initial SIP, and sought comments thereon.

The United States Department of Transportation ("DOT" or "Department") would like to comment on two aspects of the draft EA: the measures recommended to mitigate the potential impact of hazardous materials transportation, and the SIP. In brief, the Department believes that federal regulations should generally provide the only legally binding standards on the transportation of hazardous materials by rail, and that the Applicants have made progress in refining their SIP, including a commitment to include all relevant rail carriers.

Hazardous Materials Issues

The draft EA identifies the Applicants' transportation of hazardous materials as the only aspect of the proposed merger with the potential to have a significant impact on the environment. Draft EA at 4-1. Systems-wide, the transaction would result in four new line segments on which 10,000 carloads of hazardous materials would be transported (so-called "Key Routes"), and ten new line segments on which the volume of hazardous

3

impose higher standards for packaging, handling, and documentation of more dangerous commodities, and less stringent standards for less dangerous items, in order to secure the same low level of risk for the transportation of all regulated commodities. The "key train" concept, made mandatory, would tend to frustrate this intent.

We do not question that the industry may adopt higher standards for itself, so long as such standards are in addition to, and not inconsistent with, existing federal standards. DOT would, however, consider it merits for the STB to attempt to create objective, legally binding standards in this area.³ DOT urges the STB merely to commend them "good practice" to the Applicants for appropriate use consistent with federal hazardous materials regulations. Finally, it is important to underscore that in the SIP the Applicants have developed plans to comply with all federal hazardous materials regulations.

The Department raised these same concerns in the flow of virtually identical recommendations in the draft environmental impact statement prepared in the recent Consolidated Safehull Standardization Proceedings (Framton Docket No. 33384). DOT-46 at 7-2, filed February 2, 1998. Unfortunately, the Board's final decision in that case upheld those recommendations without any discussion of our concerns. Decision No. 89, served July 23, 1998, Appendix Q at 365. DOT therefore respectfully requests that the STB and the STB specifically address these issues if they decide to accept the draft EA's recommendations with regard to AAR guidelines.

Safety Information Plan

The Board required the Applicants to submit a SIP by August 14, 1998. Decision No. 6, supra. The Applicants then worked with FRA and produced a revised SIP on September 18, 1998. Draft EA at 7-1. It is this revised SIP that is set forth in the draft EA.

Consistent with the approach followed in the Consolidated Safehull Standardization Proceedings, the STB and FRA thereafter entered into a memorandum of understanding ("MOU") setting out the respective agencies' roles in overseeing the safe integration of the proposed acquisition. Id. Pursuant to the MOU, FRA subsequently committed that the revised SIP was an improvement over the initial SIP, but that the Applicants needed to continue to work with FRA to achieve the level of planning, resource allocation, and similar commitments appropriate to safeguard implementation of their merger. Id. The draft EA, preliminarily concludes that complete cooperation by the Applicants with the safety oversight process and a SIP responsive to FRA's comments would address all safety integration issues. Id. at 7-3 and -4.

The Department's preliminary comments on the proposed consolidation noted the need for additional refinements of the SIP. DOT-1 at 5. We also emphasized a concern that the Applicants had failed to cooperate fully with FRA as regards the safety integration aspects of their marketing and operating arrangements with the Kansas City

³ From a regulatory standpoint, it is important to note that AAR guidelines are not supported by any risk-based or cost-benefit analysis. They simply represent a consensus approach premised on uncertain underlying data for reasons.

Southern Railroad Company ("KCS"). Id. at 6-7. Since then FRA has reiterated these views in discussions with the Applicants.

There remains a need for additional detail in many items in the current SIP, and -- because a SIP is an evolving document -- the parties must be open to needed new issues in the SIP as merger planning proceeds. The Applicants have also now argued in that they will address in their planning and cooperation with the SIP all relevant safety issues presented by their arrangements with the KCS. Pursuant to the MOU in place, FRA will notify the Board if there are other difficulties arise again.

Conclusion

The Department urges the Board not to transform subject industry hazardous materials guidelines into regulatory conditions binding upon the applicants to individual merger cases. Federal rules create the appropriate degree of safety with regard to these matters on a uniform, industry-wide basis. DOT also wishes to emphasize that SIPs are evolving documents, and the one applicable to this proceeding is no different. The Applicants have assured FRA that they will expedite to refine their safety planning, and that they will incorporate therein all relevant matters arising from their agreements with the KCS. We anticipate continued cooperation on this basis and we will inform the Board of further difficulties if the need arises.

Respectfully submitted,

Nancy E. McFadden
NANCY E. MCFADDEN
General Counsel

December 11, 1998

⁴ In light of this merger's clear implications for NAFTA traffic, DOT considered it prudent to inform Canadian and Mexican authorities of details of projected operations and planning by the Applicants that might affect the foreign interests of those countries. FRA therefore forwarded to Transport Canada and to the Secretary of Communications and Transportation of Mexico the Applicants' Operating Plan and initial SIP. Both governments have informed us that they have no concerns arising from these materials that require the Board's attention.

**FEDERAL AGENCY:
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
COMMENT LETTER**

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

15263

Office of the Secretary
Class Control Unit
Planned Order No. 3336
Statutes Transportation Board
1925 X Street, N.W.
Washington, D.C. 20423-0004

December 11, 1998

Office of the Secretary
DEC 11 1998
RECEIVED
DEC 11 1998
U.S. ENVIRONMENTAL PROTECTION AGENCY

Attention: Elizabeth E. Kaiser
Environmental Project Director
Environmental Filing

Dear Mr. Kaiser:

In accordance with the National Environmental Policy Act (NEPA) and Section 300 of the Clean Air Act (CAA), the Environmental Protection Agency (EPA) is providing comments on the Draft Environmental Assessment (EA) for the "Proposed Central National/Minerals Control (CMNC) Acquisition," November 1998. Our general comments are highlighted below, with detailed comments enclosed for your consideration.

On October 29, 1998, we sent you comments on the preliminary draft sections of Chapter 4 of the Draft EA relating to noise, environmental justice, and air impacts. The comments below expand on our earlier comments and that we have had the benefit of reviewing the entire EA, including this appendix. We appreciate your response to our October 29 comments which indicated that our comments would be considered in the Final EA. In particular, we would like to acknowledge the effort recorded by EPA to evaluate the potential cumulative effects of the Central acquisition in conjunction with this transaction.

EPA's October 29 letter expressed concerns about the level of detail discussed, the methodologies used to identify affected populations and the criteria for determining significant impacts. These concerns still remain, and our review of the information provided in the Draft EA has identified additional concerns. These relate to the use and justification of certain conceptual frameworks, problems with the degree to which data has been aggregated, conclusions which are over-simplified, and impacts-related concerns relative to noise, air quality and environmental justice. Please see the attached Detailed Comments.

You will note in the Detailed Comments section that we continue to disagree with the Board about the analytical methodology for determining environmental justice impacts. This was

also an issue with the EIS for the Acquisition and Division of Control. We would like to work with you to develop a mutually agreeable methodology as soon as possible so that we do not continue to differ on this issue.

Thanks you for the opportunity to review and provide comments on the Draft EA for this Acquisition. If you believe it would be useful, we would be happy to meet with you and your staff to discuss these comments. Otherwise, if you have any questions, please contact Susan Absher of my staff at 202-564-7153.

Sincerely,

Robert E. Sanderson
Robert E. Sanderson
Director
Office of Federal Activities

Enclosure

DETAILED COMMENTS--Canadian National/Milwaukee Canal Acquisition

EPA has concerns with the methodologies used to evaluate the environmental impacts associated with the proposed acquisition. Other information, evaluation steps, assumptions or basic conclusions were not documented. We are also concerned about thresholds to screen out areas of potential effect, especially where thresholds have not been promulgated in STP rules.

EPA is also concerned that the use of multiple thresholds may underestimate overall risk, especially in those situations where several environmental impacts are near but below threshold. The Draft EA aggregates data on adverse impacts across a large area, usually the entire system. This approach makes it difficult for the reader to discern where local areas of impact may be significant.

Finally, we could not thoroughly evaluate every part of the analyses in the Draft EA because not all the maps were documented.

Our concerns are explained below.

The Use of Thresholds

The Draft EA employs a number of thresholds to analyze impacts of the CNMC Acquisition, both in determining whether an environmental analysis is needed and if there is a threshold of significance. In the Environmental Justice section, an additional threshold is used to designate a special Area of Potential Effect. With the exception of the Board's thresholds for environmental analysis for air and noise which are specified in Title 49 of the Code of Federal Regulations (CFR) Part 1106, the basis for these other thresholds is not documented in the Draft EA. Without establishing the basis for these thresholds, the analysis appears to be arbitrary. We note that the CNMC Draft EA makes numerous references to methodologies used in the Council Acquisition draft and final EIS for which EPA cited deficiencies.

The EA should document that thresholds used are effective and protective tools for screening out activities that do not have significance. The following are examples of thresholds which may screen out impacts that could potentially be significant:

- (1) The threshold for passenger train safety of an increase of 24% or more in the rate of accidents. The Draft EA did not discuss how this threshold was derived or what level of protection it provides.
- (2) The threshold for hazardous materials transportation. EPA believes that a more appropriate and protective threshold for hazardous materials transportation would be "the segments that exceed 20,000 railcars of hazardous materials" rather than "20,000 or more railcars and a two-fold increase in hazardous materials railcars".

Further, EPA believes that the use of threshold values underestimates cumulative effects from multiple environmental sources (see cumulative effects discussion below).

Aggregation of Data

The Draft EA's aggregation of data across the entire system makes it difficult to discern local impacts. This way of reporting data may overlook areas of significant impacts by averaging these areas with others across the system. EPA believes it is important to look at impacts at the local level where mitigation can often achieve effects.

Examples of where data is aggregated include the frequency of mainline accidents and freight rail accidents. There may be areas impacted by the acquisition which have a higher than average rate of freight and passenger freight accidents which this methodology fails to identify. See also the comment under "Air Quality" about the need to conduct a hot spot analysis for carbon monoxide.

Unquantified Conclusions

Some statements made in the Draft EA could be misleading because they are stated in a qualitative and qualitative way when they are meant to cover only a particular environmental aspect. For example, Section 4.1 of the Draft EA states "An evaluation of individual rail line segments SEA found that most of the rail line segments in the proposed CNMC would experience rail activity levels that would meet or exceed the Board's Thresholds for Environmental Analysis." This statement was made in a section dealing with safety and the conclusion was meant to be specific to safety, but the broad wording makes it appear to be a universal conclusion.

A second example is on page 4-31 of the EA section where the Board indicates it did not develop criteria of significance for air because no change in emissions would result from the proposed CNMC acquisition. Again, this is an oversimplification as there are indeed changes in emissions as a result of the acquisition.

Another example is Attachment D-4 which presents the cost savings associated with track to rail conversions. The table has one part of the equation, that of the cost savings associated with taking trucks off the road. The associated costs of rail operations (due to congestion, traffic delays, accidents, delays) need to be included as well.

Notes

After reviewing Appendix C, we reiterate the concerns raised in our letter of October 20 about the need to more fully disclose impacts. The final EA should include noise contour maps for the affected segments and the specific locations of affected populations, including

environmental justice populations. We also remain very concerned about the EA adding the 300A increase criteria to the 43 dB(A) L_{eq} adverse impact criteria, in contradiction of the Board's policy criteria at 49 CFR § 1102.7.

Also, EPA remains concerned that the Board is not using a standard methodology for noise analysis. This inconsistency gives the appearance, perhaps unfairly, of creating an approach that rules the desired outcome for the given document's conclusion. On page G-3 (Volume 2) of the EA, the Board discussed the approach used to develop the noise model for CH2M. We recommended that the Board develop a peer reviewed noise model that can be used consistently for Board actions. We also note on page G-4 that the Board relies on other Federal agencies' noise guidelines to justify treating noise levels below L_{eq} 43 dB(A) as not adverse. It would be more appropriate to describe noise levels in terms of comparable land use than whether they are "adverse".

We also question whether it is appropriate to rely on highway models when analyzing train impacts. Page G-5 notes that the "SEA made adjustments to the contours to account for the effects of economic shielding by intervening buildings. SEA based these adjustments on the approach of an item used for highway noise projections". Because train noise differs from highway noise in its frequency range and other aspects, one expects to be no justification for adopting the projected levels based on intervening buildings.

Air Quality

EPA is concerned with the use of 1980 transport models for carbon monoxide as a screening tool. While general commentary sets up a de minimis level for determining which projects need a full conformity analysis, this level should not be used equitably in an EA to avoid doing a carbon footprint for every analysis. A tier level analysis should be used to evaluate impacts at individual facilities and rail yards.

Environmental Justice

As noted in the supplemental letter, EPA continues to disagree with the Board on the environmental justice methodology. We also request that additional information and documentation be provided on evaluation steps, assumptions and basic conclusions so that EPA can conduct a full evaluation. Based on the information that was presented we learn a number of concerns. We prefer that the Board use a stronger statistical method to analyze the potential of disproportionately high and adverse impacts on environmentally justice populations. Generally, we oppose the use of representative residential units such as chi-squared test. However, if the Board chooses to retain this test, EPA recommends that it be strengthened as follows:

- 1) Assign logarithmic values, rather than a linear scale, for the Environmental Resource Scores (ERS) for hazardous materials transport. The logarithmic scale distinguishes situations with a significant impact from those to which do not have a significant impact. Using the logarithmic scale would mean that a situation that has 55,000+ hazardous materials carloads per year would be recognized as being significantly worse than a situation that had 50,000, and the

50,000 carload would be recognized as significantly worse than 35,000, etc.

- 2) Do not average the three individual Environmental Resource Scores to determine the final Environmental Resource score. The impact of an individual value is lost when averaging the three scores. (Note: It appears that the 2nd and 3rd columns of Table L-2 reflect the same impact. EPA recommends that the third column be eliminated because it duplicates the accuracy of ERS scores.)

In any use of the chi-squared test, it is important to provide complete documentation for all the steps of the statistical analysis. The contents of the frequency table, column and row headings, cell frequencies, obtained chi-squared values and critical chi-squared values should all be provided. Publication of the statistical results will allow the reader to determine the significance of the chi-squared test.

Based on the information presented in the draft EA, EPA does not know if the test is measuring people or impact. The Draft EA included a second statistical test, the ratio of means test, but there was little explanation of what is actually being measured. For example, it is unclear what the numerator and denominator represent. More supporting documentation is needed to address this.

The EA identified areas of potential effect that would occur in areas with minority or low-income populations. The EA begins this analysis by describing an area of potential effect for each rail activity, but it is not clear to EPA how the values of 400 feet and 1,500 feet were derived (Table L-1).

Further, EPA is concerned about the footcandle on page 4-123 which discusses the scaling of demographic data for block groups that partially fall within an area of potential effect. This methodology assumes that low-income and minority populations are evenly dispersed within a block group. While assumptions must be made for the low-income population, EPA recommends using actual Census tract block data to provide greater accuracy on the location of the minority population. When we checked Census data against the numbers in Attachment L-1 we found much higher numbers of minorities in the area of potential effect than indicated in L-1.

The mitigation proposed for the EJ communities identified in the Draft EA consisted of: 1) modify the local component of the hazardous materials emergency response plan to account for the special needs of minority and low-income populations; 2) provide training at the local emergency response center serving minority and low-income populations; and 3) fund participation of training at AAR's Transportation Technology Center in Pueblo, Colorado. These mitigation steps are workable as they will improve emergency response in these areas. However, they do not address the increased risk due to the proposed activities in a preventative way nor do they compensate those communities that are disproportionately impacted. EPA would like to encourage the Board to work with the affected communities to develop a mitigation plan that addresses these two concerns.

Comparative Effects

The Draft EA provided information regarding hazardous materials (HMA) incidents by route for each state encompassed by the CNVIC system. According to the historical data, the Illinois Central portion of the system has had 75 percent of the HMA incidents and a substantial portion of the historical incidents have been in Illinois. The potential for more hazardous materials incidents is high because a number of rail line segments on the IC portion of the system will experience increased HMA activity, so much so that they will become major key points (Segments 175, 187, 199, and 203, for example). Many of these rail segments are near the crowded stipulated for increased freight activity (3 train/day or more increase). The cumulative effect of increased freight activity, including the associated risks of major key route hazardous material activity, should be evaluated in the context of the history of hazardous materials incidents occurring over these line segments.

In addition to the 10 key routes that will become major key points, the STB should consider the cumulative effects of segments that have HMA activity at 20,000 or more carloads. This evaluation should be made irrespective of how much of an increase over the existing conditions the 20,000+ carloads represents. Finally, the stipulative impacts due to passenger rail activity, freight HMA incidents and other factors should be considered in addition to HMA activity.

**STATE AGENCY:
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
COMMENT LETTER**

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

401 North Central Avenue East, P.O. Box 11076, Springfield, Illinois 62766-0107 Mary A. Galt, Director

217/752-0547

December 10, 1999

Ms. Elaine K. Kiser
Office of the Secretary
Clean Control Unit
Fluoride Division c. 33556
Services Transportation Board
1924 K Street, N.W.
Washington, DC 20003-0001

Re: Railroad Corridor Acquisition

Thank you for the opportunity to comment on the proposed Acquisition of Illinois Corridor Corporation by Canadian National Railway Company.

Since the Agency has no jurisdiction authority in the area of taxation, no project review will be conducted. Please contact MURKIN Network at 217/536-1286 for further assistance.

Sincerely,

Bernard P. Kallian

Bernard P. Kallian
Deputy Director

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DEC 11 1999
M.A. GALT

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**STATE AGENCY:
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
COMMENT LETTER**

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STATE OF MICHIGAN
JOHN CHILDS, JR., Governor
DEPARTMENT OF ENVIRONMENTAL QUALITY
Attn: Robert R. Buehler
1000 State Office Building
Lansing, Michigan 48201-1000
Telephone: (313) 373-7000
Fax: (313) 373-7000

RECEIVED
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
JAN 17 1999

December 8, 1998

Mr. Charles K. Kutzner
Office of the Secretary
Clean Air Act Unit
Purdue Research Center
600 West Main Street, Room 300
Lansing, Michigan 48201-1000
Washington, DC 20433-6001

Dear Mr. Kutzner:

This letter is in response to your request for review of the Draft Environmental Assessment on the proposed acquisition of Detroit Central Corporation (DC) by Chesapeake National Railway Company (CN). We will be holding our comments to the air quality related issues associated with the acquisition.

Our comments are only minor in nature and concern the assessment status identified for several counties in southeast Michigan. The information in Volume 1, Chapter 4, Figure 4.3, page 4.45, is somewhat confusing since the assessment status for multiple problems is assigned to be represented as a single classification. The map should be modified to reflect that Oakland County is now classified assessment for ozone. The standing counties in southeast Michigan had the 1-hour ozone standard revised by EPA in 1998 but are not considered nonattainment counties. This should be reflected for Oakland and Monroe counties. Please see the attached information for references. In addition, a portion of Macomb County is nonattainment for carbon monoxide.

The related information in Volume 2, Appendix F, Attachment F-1, "Air Quality Assessment Status by County" is correct, with the exception of Oakland County. However, it is not clear how the Summary County Status was determined, especially when considering Oakland and Monroe counties. Both have the same nonattainment area classifications but a different Summary County Status.

This paragraph of comments on the Draft Environmental Assessment. If you have any further questions, please contact Mr. Robert Buehler, at 313-373-7001.

Sincerely,

Paul R. Buehler
Air Quality Evaluation Section
Air Quality Division
313-373-7000

PHD:ARJ/CE
Attachments

12/08/98 11:00 AM

147

Ozone Attainment Areas

As of July 13, 1998

On June 5, 1998, the EPA revised the 1-hour ozone standard from 1.0 ppm to 0.9 ppm. This revision will affect the ozone attainment status of several counties in southeast Michigan.

Legend:

- Attainment (Ozone 0.9 ppm)
- Nonattainment (Ozone 1.0 ppm)
- Attainment (Ozone 1.0 ppm)
- Nonattainment (Ozone 1.0 ppm)

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**LOCAL AND COUNTY GOVERNMENT:
CITY OF CARBONDALE, ILLINOIS
COMMENT LETTER**

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140 South Main Street
P.O. Box 2047
Carbondale, Illinois 62901-2047
Telephone: 618-535-5328
Fax: 618-535-5323
www.carbondale.il.us

Carbondale
Illinois

December 4, 1998

Office of the Secretary
Case Control Unit
Finance District No. 33566
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0004

Attn: Elaina K. Kaller
Environmental Project Director
Environmental Files

Dear Madama/Sir:

Thank you for providing the City of Carbondale with an opportunity to respond to the Draft Environmental Assessment on the proposed "Acquisition of Illinois Central Corporation by Canadian National Railway Company."

The City of Carbondale strongly opposes the increase in the amount of hazardous materials that will be handled through Carbondale as a result of the merger of the Illinois Central and Canadian National railroads. In the event that the merger is approved, then the following additional mitigation measures need to be imposed on the resulting Railroad:

1. The Railroad shall be required to work with each community with a key route or major key route to identify additional equipment needed locally to respond to a hazardous materials incident related to the railroad, and the railroad shall then purchase and provide that equipment to the community.
2. The Railroad shall be required to limit within cities and areas of minority justice populations key route to less than one hour slower than permitted for one-way travel. This is comparable with the requirement that key routes are restricted to 40 miles per hour where non-key routes are permitted to operate at 60 miles per hour.
3. The Railroad shall cooperate with the City to provide an additional railroad crossing between southern and northern Carbondale. The cooperation shall include contributing the cost of building and maintaining railroad crossing gates or crossing armatures and joining the City in a petition to the Illinois Commerce Commission in parallel the rail crossing.

Home of Southern Illinois University

Page 2

Residents of the predominantly low-income, minority northeast have long complained about poor access to their neighborhood. One particular complaint has been the lack of access for emergency vehicles and the hospital in the railroad crossings are blocked. If there were a hazardous materials incident in the south portion of the City which blocked the rail crossings, another rail crossing in the north part of the City would be important in case evacuation was necessary or access was needed by emergency vehicles.

4. The Railroad shall be required to work with each community with a key route or major key route to identify the impact of a hazardous materials incident associated with the Railroad on emergency shelter facilities in each community. The Railroad shall provide for each community those items needed to prepare the emergency shelter to address hazardous materials incidents which may result from the presence of the Railroad.

5. The Railroad shall install and maintain wind direction indicators at each rail crossing in each community with a key route or major key route. These wind direction indicators will enable the public to know which way to go to avoid wind borne hazardous materials released from an incident on the Railroad.

6. The Railroad shall be required to accept full financial responsibility for all damage to property, economic losses and medical expenses associated with hazardous materials incidents resulting from the Railroad.

Section 4.11 of the Draft Environmental Assessment discusses Air Quality Impacts. On page 4-81 there is a reference to Prevention of Serious Deterioration Class I areas. Impacts on various national parks and wildlife refuges are discussed. There is no discussion of the Crab Orchard National Wildlife Refuge or the Panther Den Wetlands Area which is in the Crab Orchard National Wildlife Refuge and the Shawnee National Forest. These areas are within ten miles of the proposed Illinois Central Railroad east end southeast of Carbondale. There are also other wilderness areas located within the Shawnee National Forest. Without ready access to a list of Prevention of Serious Deterioration Class I areas, it is not possible to determine whether the Crab Orchard Wildlife Refuge and the nearby wilderness areas should have been discussed or not in the Draft Environmental Assessment. This should be examined to see if there was an oversight.

The City desires to receive a copy of the Final Environmental Assessment for this matter.

Sincerely,

Jeffrey W. Dobbs
Jeffrey W. Dobbs
City Manager

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**LOCAL AND COUNTY GOVERNMENT:
CITY OF CHAMPAIGN, ILLINOIS
COMMENT LETTER**

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City of Champaign

Mary J. Anderson, Director

December 11, 1999

Statewide Department
for Highway Safety
Champaign, IL 61820
(815) 244-4444
Fax: (815) 244-4444

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FIVE
MAYOR'S
OFFICE

Office of the Secretary
Open Content Unit
Finance Control No. 33556
Surface Transportation Board
925 K Street, NW
Washington, DC 20423-0801

ATTN: Elaine K. Kiefer, Environmental Project Director

IN RE: Proposed CN&C Acquisition

Dear Ms. Kiefer:

Thank you for the opportunity to comment on the Draft Environmental Assessment (DEA) of the potential acquisition of the Illinois Central Railroad by the Canadian National Railway. The City of Champaign has a proud history as a railroad community and a strong, ongoing relationship with the nation's railroads, and we are pleased to provide our input on this proposed action. The Illinois Central right-of-way cuts a north-south pathway through Champaign's major commercial areas, and, as such, is a critically viable corridor of the impact of rail transport to our community.

The City's concerns and concerns are specified in the following sections:

1. **Million of Hazardous Materials Transported** - This issue is of paramount importance to the City, since the DEA identifies the City of Champaign as at risk due to substantially increased levels of hazardous materials transported as a result of the acquisition. Obviously, the City is concerned about the increased levels of transport, which are approximately double the current level of activity on the Illinois Central through Champaign, and the increased potential risk for "leakage" which is identified by the DEA. I have been in touch with representatives of the Champaign Fire Department, the agency that is charged with responsibility for any hazardous materials which might occur within the City's boundaries. According to the Fire Department, the proposed mitigation measures outlined in the DEA should allow the successful management of the increased level of transport. In addition, officials noted that there has been a 100%

Office of the Secretary
Open Content Unit
December 11, 1999
Page 2

working relationship between the City of Champaign and the IC during any past incidents of this nature. For your information, the following officials are the designated contacts for the City of Champaign for the purposes of HAZMAT training and emergency response purposes which arise as a result of the proposed mitigation:

Benjamin Chief Charles Webber (or Benjamin Chief on Duty)
Champaign Fire Department Headquarters
207 South Broadway
Champaign, IL 61820
Telephone: (217) 251-4521 or -4520

2. **Impact on Mobile Air Quality** - The DEA indicates that the acquisition should not result in noticeably increased mobile or fugitive air quality impacts in the City, and that no mitigation measures will be necessary. However, the assessment also states that it is possible that the City of Champaign will be a non-attainment area for Marginal Ambient Air Quality Standards (MAAQ) by the time that the acquisition is finalized, based on existing conditions, and changes in the standards that were adopted by the EPA in September 1997. The assessment also indicates that the railroad will be using more "air quality friendly" locomotives beginning in the year 2000. As such, should the City's designation shift from attainment to non-attainment area, the railroad will already be using measures which will not offset the positive efforts that the City will have to undertake to come into compliance with MAAQ standards.

3. **Static Conditions** - Since the City of Champaign does not have any at-grade crossings along the Illinois Central right-of-way, we will not comment on the specific plans for improvements or mitigation of risk in this regard. The overall safety records for both the IC and the Canadian National are considered to be very good, and the efficiencies to be achieved through the acquisition should not result in a change for the worse.

4. **Impact on Passenger Rail Activity** - Amtrak passenger service to and through the City of Champaign is an integral service for our citizens and visitors to our community, which is the location of the University of Illinois' main campus, home to nearly 40,000 students. The on-time performance of passenger rail service is the best benchmark to determine whether or not the service will continue to be a viable means of travel compared with auto and air alternatives. The DEA indicates that passenger rail activity in this corridor will not be negatively impacted, since passenger rail service leaves passenger over freight service in the corridor per agreement between the IC and the National Rail Passenger Corporation (Amtrak). The impact of the increased levels of freight traffic, and the longer lines that will be in service once acquisition is complete, should continue to be carefully monitored so that quality passenger service is maintained. The City notes that the railroad continues to even sufficient light-railway to expand the number of tracks operating here, if needed.

Office of the Boundary
 Commissioners
 December 11, 1999
 Page 2

1. **Conclusion** - Overall, the potential acquisition appears to be beneficial to our community. Although there are some negative impacts, as outlined in the OEA, the mitigation measures that have been recommended seem to be appropriate. There are some impacts which are not covered directly through the environmental assessment process that deserve some consideration by all parties in this process, but we believe these are best addressed primarily through open communications between adjacent communities and railroad officials.

For example, the assessment does not specifically address the condition of railroad bridges and the resulting impact on the adjacent community. Given the central location of IC track in Champaign, the railroad is located above virtually all of the City's major east-west corridors. Last year, the City identified several areas where concerns relating to railroad bridges could damage vehicles passing under the bridge. This issue has been discussed between the City and Illinois Central officials. The City performed an initial strategy to determine whether significant repairs were needed, and determined that some repairs should be undertaken. The Illinois Central indicated that they were conducting their own study to determine whether the bridges were safe. However, they have not shared the results of their analysis with the City.

Once again, thank you for providing an opportunity to provide input on this very important matter. If you have any questions or comments regarding the issues raised by this letter, please contact me at (217) 551-1421.

Sincerely,


 Mary D. Sullivan
 Public Works Director

Atty

**LOCAL AND COUNTY GOVERNMENT:
MAKANDA TOWNSHIP FIRE DEPARTMENT, ILLINOIS
COMMENT LETTER**

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MARIANNA TOWNSHIP FIRE DEPARTMENT

Box 200 U.S. Highway 24
Crestwood, IL 60011
630-454-0212

December 8, 1988

Office of the Secretary
Case Control Unit

Finance District No. 30558

Surface Transportation Board

1825 K Street NW

Washington, D.C. 20423-0001

Enrico K. Kueber

Environmental Policy Director

Section of Environmental Analysis

Environmental Policy

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Although the Village of Melinda and Melinda Township Illinois were not notified of the potential merger between the Illinois Central and Canadian National Railroads, we are a community that will be seriously affected by the 11% increase in hazardous materials cars transported on the railroad between Cairo and Carbondale.

Melinda Township is one of the fastest growing areas in Southern Illinois and a hazardous materials spill in our community could seriously affect the health and well being of our people and bring about a situation that our fire department is neither prepared or equipped to handle. We consider this serious situation because the railroad divides our township through the middle meaning an estimated 90% of our population, including two school buildings within 1.6 miles of the railroad tracks. These two school buildings have a combined concentrated population of approximately 1,050.

The 3.7 average increase in train traffic and 11% longer train creates concerns to fire apparatus travel. Double-deck Road which crosses a seriously deteriorated ICH crossing is the major access road from the current fire station to the west side of the fire jurisdiction. More and longer trains will increase the chance of fire apparatus being considerably delayed by a train.

While we are sure there is nothing we can do to influence and prevent the increased level of hazardous materials, more and longer trains, it is necessary for our department to request assistance from both the federal government and involved railroad corporations. Melinda Township Fire Department offers the

following option on this situation and request the following mitigation factors be included with this merger agreement:

- 1) Assistance to Melinda Township Fire Department in identifying training and equipment needs so as to appropriately mitigate a hazardous materials incident in our fire jurisdiction.
- 2) Funding assistance to Melinda Township Fire Department for the purchase of mitigation equipment and training of all fire department personnel so as to safely deal with a hazardous materials incident.
- 3) SIGNIFICANT improvements to the Boleydel Railroad crossing grade.
- 4) 40 mile per hour speed limit on all hazardous materials trains traveling through Melinda Township and strict enforcement by railroad authorities.
- 5) A 24 hour railroad personnel staffed emergency crisis center with a 800 telephone number to assist local fire departments and hazardous materials teams in identifying materials on-board tank cars and conference calling capability with a agency such as CHEMTREC, INFOTRAC or CHEM-TEL for advice on mitigating the incident.

The increased traffic of hazardous materials traffic through Southern Illinois will place many local governments, fire department administrators, and firefighters in a less than comfortable situation when considering that one tank car of hazardous materials traveling through their town can wipe out the entire population should it leak.

We would appreciate to hear how the Surface Transportation Board, Illinois Central Railroad and Canadian National Railroad are prepared to deal with this situation and our requests. Thank you for your cooperation and we look forward to hearing from any of the parties involved.

Respectfully,

Edmund T. T. T.
Edmund T. T. T.
Fire Chief

cc: Glen City School Board
Linsy Point School Board
Village of Melinda Council
Melinda Township Board

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**LOCAL AND COUNTY GOVERNMENT:
VILLAGE OF MATTESON, ILLINOIS
COMMENT LETTER**

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Elaine Kalver, Program Director
Surface Transportation Board
1923 K Street NW, Suite 500
Washington, DC 20006

Dear Mr. [Name]:

After careful review of the draft Environmental Assessment prepared by the Service of Environmental Analysis, the Village of Matamoras would like to go on record as objecting to the above resolution.

The Village of Mendota will be adversely affected if this condition is approved. Our Village is bordered approximately 30 miles South of the City of Chicago, and is a true residential and commercial property. Our development pattern is rather typical from other collar communities with a high percentage of our development being retail and related business. A lot of the commercial base would have a devastating impact on our Village.

For that reason, the Village has done everything possible to limit the volume of household materials transported through our economy, thereby reducing our exposure to a catastrophic loss from a hazardous material leak. It is our understanding that should this regulation be approved, the Village can anticipate an estimated 30% increase in the hazardous materials shipped through our economy. This exposure is under stress of debt for our community in relation to the movement of hazardous materials to and from the village.

In the event the Budget Transportation Board approves the social ideas over our objection, that stage must be taken by the National Union of Government and Employees who refuse to accept the compromise. The situation is now unclear.

- Link the main speech of key budget items with a maximum of 20 words. The Village will be drafting an ordinance making the speed limit of 15 mph, while it travels through our Fire Protection Area.
- Use of red traffic lights on our highway, main roads, and village to perform as a signifier of importance, to let them be seen.

THE UNIVERSITY OF CHICAGO

UNIVERSITY OF MICHIGAN • 215 S. School Avenue • Ann Arbor, MI 48103 • For (734) 748-2376

Surface Transportation Board
December 9, 1994

- Use of black-gelatinized impaction can to improve road strength and things, or perform an equivalent level of inspection, no less than quarterly.

The solution was to

- * Adhere to existing "Stay Tidy" guidelines.
- * Provide toll-free telephone numbers to the Madison Fire Department.
- * Distribution of hazardous materials response plan to all levels of local government.
- * Work with the Village of Madison to develop local Incident Specific Hazardous Materials Emergency Response Plan.
- * Implement a simulated emergency response drill with the Madison Fire Department.
- * Provide operating response software and any necessary training to the Madison Fire Department and local hazardous materials team annually.
- * Post a website notice for fire notifications of the Madison Fire Department.

At a minimum level of protection, the Surface Transportation Board should impose the above measures as a condition of the acquisition. If the Surface Transportation Board continues to approach the consolidation of the railroad industry, more additional steps should be taken to ensure the safety of the public while our economy.

1

**Robert H. White, Chief
Executive Vice President**

Appendix

Doc: Mark Buchter, Village President
 Ralph Cozzolino, Village Administrator

THE CINCINNATI ENQUIRER

50,000 flee new toxic flareup

Delayed car repairs as crews fight it



80 wreck left no lingering effects

Derail

...the two dogs had been left
with their own dogs.

[illegible]

The boat has been loaded for loading and unloading of cargo, and is being used for carrying out the work of the river police.

There will be no more of the "I'm not a doctor" type of statements. The public will be kept informed of the progress of the investigation and the results of the inquiry.

1. The first step is to identify the problem. This involves understanding the symptoms and the context in which they are occurring.

— 1900 —

[illegible][illegible]

The reason for the discrepancy was that whenever Wednesday, the day after the election, is a holiday, the poll is in conjunction with the following day. For example, in 1992, the election was held on Tuesday, and the poll was held on Wednesday.

He said the only way to get past the red herring is to get rid of the law.

Friday will depend in large measure on the strength of the dollar in foreign markets.

[illegible][illegible]

14. District Attorney Steven G. Owen, Richard Caputo, the former city solicitor, and a Public Utilities Commissioner of Owen's previous firm, by defendant's counsel.

"It's wrong that it is by the old-fashioned thinking that we are going to have a new constitution in the next few years," says the author.

[illegible]

Residents recall days of chaos

For some, even evacuation centers weren't safe from gas.

Residents who lived through the days of chaos following the earthquake and nuclear disaster at Fukushima Daiichi are still haunted by the memories. Some recall the days of chaos following the earthquake and nuclear disaster at Fukushima Daiichi are still haunted by the memories. Some recall the days of chaos following the earthquake and nuclear disaster at Fukushima Daiichi are still haunted by the memories.



Evacuation

Residents who lived through the days of chaos following the earthquake and nuclear disaster at Fukushima Daiichi are still haunted by the memories. Some recall the days of chaos following the earthquake and nuclear disaster at Fukushima Daiichi are still haunted by the memories.

Chronology

The chronology of the disaster is as follows: On March 11, 2011, a massive earthquake struck off the coast of Japan, causing a tsunami that hit the Fukushima Daiichi nuclear power plant. The earthquake and tsunami caused the plant to lose power, leading to a series of meltdowns and hydrogen gas explosions. The explosions caused the release of radioactive material into the environment. The disaster led to the evacuation of thousands of people from the area around the plant. The evacuation centers were overcrowded and lacked proper facilities, leading to health and safety concerns. The disaster also led to the closure of schools and businesses in the area. The government and the nuclear industry have been criticized for their handling of the disaster. The Fukushima Daiichi nuclear power plant is still under investigation, and the release of radioactive material remains a concern.

**LOCAL AND COUNTY GOVERNMENT:
CITY OF NEW ORLEANS, LOUISIANA
COMMENT LETTER**

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CITY OF NEW ORLEANS
Office of the Mayor
400 Poydras Street, Suite 2000
New Orleans, Louisiana 70112
Phone: 504-685-4000



RECEIVED
U.S. ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

December 11, 1999

William E. Kates
Environmental Project Director
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20413-0004

RE: Frances Broderick No. 31554 - Canadian National Railway
Company - Coastal - Double Track Corridor; DRAFT
Environmental Assessment and Public Consultation Period

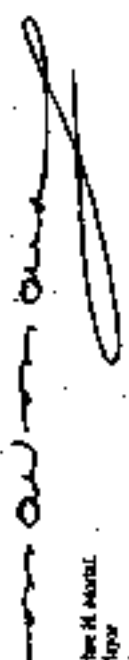
Dear Mr. Kates:

After careful review of the CNR/USRA EA, we have found no evidence of significant adverse environmental impacts upon Orleans Parish. As a result, we note no objections to the CNR/USRA EA. However, I must state that the applicant's analysis of impacts upon Orleans Parish - specifically regarding the great amount of property loss of historic and other.

I also request that the applicant work with the city's emergency response team and state officials to develop a Hazardous Materials Emergency Response Plan. Please contact me at (504) 545-4115 if you have additional questions or concerns.

Respectfully,
Mayor

Very truly yours,



Marc M. Morial
Mayor

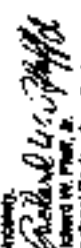
cc: City/State
Ann Rasmussen
Krisa M. Ford
Marta Gomez
Jared L. Wilson

cc: [Redacted]

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**LOCAL AND COUNTY GOVERNMENT:
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS
COMMENT LETTERS**

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SEMCOD Planning For The Future Today American Highway Builders • 1400 Franklin • Suite 100 • Chevy Chase, MD 20815 • (301) 951-1000 • FAX (301) 951-1001		RECEIVED MAR 14 1989 U.S. DEPARTMENT OF TRANSPORTATION	
Office of the Secretary Civil Control Administration Division No. 30504 Surface Transportation Board Attention: Elmer K. Galt, Environmental Policy Director 1025 K Street, N.W. Washington, D.C. 20430-0041		December 19, 1988	
RE: Draft Environmental Assessment on the Proposed Acquisition of Great Lakes Corporation by Canadian National Railway Company ADMCOG File No. TR-880417			
Dear Mr. Galt:			
SEMCOD, the Southeast Michigan Council of Governments, has presented a review of the above Draft Environmental Assessment in response to a request for comments and review procedures established by the U. S. Department of Transportation's Surface Transportation Board.			
As both the State of Michigan's Multi-modal Regional Planning Agency and the Federal Transit Administration's Regional Planning Agency for Transportation Planning for Southeast Michigan, we noticed the following local government agencies in the subject project and requested their comments:			
Michigan, Warren, Oakland, St. Clair & Wayne County Planning Offices Civil Planning & Development Department			
As of this date, the Wayne County Planning Commission and the Oakland County Development & Planning Division have responded. We will forward additional comments, if any, for your information and action.			
SEMCOD's staff has reviewed the Draft Environmental Assessment and finds that the proposed acquisition action does not appear to conflict with applicable laws and does not appear to have a significant impact on the environment. Please note the comments included in the attached staff study regarding some concerns in the subject area of Hazardous Material Transport Safety and Environmental Consequences. We would appreciate a response with regard to these concerns.			
Sincerely,  Richard W. Pratt, Jr. Regional Review Coordinator			
cc: Oakland County Development & Planning Division National County Planning Commission			

Proposed CMAC Acquisition

March 1989

D-53

Final Environmental Assessment



MICHIGAN COUNTY PLANNING DEPARTMENT & COMMISSION

 13500 Greenfield • Warren, Michigan 48090-1357
 Phone: (313) 464-4400 • Fax: (313) 464-4401
 E-mail: E-Mail: MICHIGAN@AOL.COM

December 9, 1988

 Mr. Alex Demagou
 Transportation Planner
 Southeast Michigan Council of Governments
 660 Plaza Drive, Suite 1900
 Detroit, MI 48226

Dear Mr. Demagou:

The Michigan County Planning Department would like to register a concern with the Surface Transportation Board regarding the Draft Environmental Assessment for the proposed acquisition of Illinois Central by Canadian National. Two line segments that run through Monroe County, Michigan specifically segments 1158 and 1170 show substantial increases in movement of cargo of hazardous materials resulting from the merger. Segment 1158 runs from 8th Tower to Wayne County to the City of Monroe, and segment 1170 runs from 8th Tower to 10th Tower in Wayne County to the City of Monroe. These hazardous materials carried increase amount to 25% and 20% respectively, despite little or no projected increases in freight tonnage. Freight tonnage is expected to increase by 1% in segment 1158 and 0% in segment 1170.

We do not understand why this merger would cause such high increases in hazardous materials shipments, accompanied by little or no increases in overall freight tonnage. This represents an increased risk to the residents of Monroe County, and increased costs to our County Emergency Management Division of preparing for and responding to emergencies resulting from hazardous materials accidents.

In light of this situation, we would request that Canadian National provide assistance, financially and possibly otherwise, in dealing with potential and real hazardous materials emergencies.

Sincerely,


 Robert R. Moulton, MPP
 Planning Director

 cc: Michael Todman, Director/Coordinator
 Monroe County Emergency Management Division



L. BRONKHORST, G. VAN DER KAMPE, AND J. VAN DER KAMPE
Chemical Engineering Department, University of Twente, Enschede, The Netherlands

December 5, 1989

Mr. Richard W. Peck, Jr.
Regional Review Office Coordinator
15154000
6640 Plaza Drive, Suite 1900
Overland Park, KS 66204

Re: **Orill Environmental Assessment on the Proposed Acquisition of Island
United Corporation by Canadian National Railway Company**

Our list of

Our office has received and reviewed the above project as submitted by the Surface Transportation Board.

As a part of our review process, our office sent information on this project to Bloomfield, Holyoke, Keene, Springfield, Indianapolis, and Watertown Townships, and the City of Bloomfield Hills, Farmington, Pleasanton, Napa, and Oak Ridge. We also sent information to the Village of Holyoke for their comments. To date, we have not received back any comments.

1

John Brown
John Brown
John Brown


University of Illinois
 606 S E 230
 Champaign, IL 61820

bioRxiv preprint doi: <https://doi.org/10.1101/000000>; this version posted January 1, 2016. The copyright holder for this preprint (which was not certified by peer review) is the author/funder, who has granted bioRxiv a license to display the preprint in perpetuity. It is made available under aCC-BY-NC-ND 4.0 International license.

2000

MEMO

Southwest Medical Center of Connecticut
600 Plaza Drive, Suite 1000
Bloomington, NH 03023
(603) 854-0200
Fax: (603) 851-0000
2009/06/04/2009-06-05/

Document ID: 13069

Richard E. Smith

FROM: Alex Bourgeois, Tom Bratt and Elm Park, Inc.

SUBJECT: Draft Environmental Assessment (France Docet No. 24) on the Proposed Acquisition of Minot Central Corporation by Canadian National Railway Company

We have reviewed the Draft Environmental Assessment on the Proposed Acquisition of Kinross Central Corporation by Canadian National Railway Company (Draft EA) submitted by the Surface Transportation Board's Section of Environmental Analysis (SEA). The Draft EA was reviewed for its consistency with the adopted 2020 Southeast Michigan Regional Transportation Plan Goals and Objectives. In our review process we worked with representatives from the Michigan Department of Transportation, individual counties and communities, interest groups and the Canadian National Railway Company (CN).

The review includes input from Southern Michigan community representatives, shippers and other stakeholders in the region's rail systems gathered via a public information meeting held December 7, 1988. SEMCOG worked with CM in conducting this meeting on the proposed acquisition and its effect on Southeast Michigan. Questions and comments from meeting participants are incorporated in this memorandum.

Based on information provided in the Draft EA we agree with SEA's conclusion that, with the proposed mitigation, the project will not result in any significant adverse impacts to the environment. Although we have no major concerns with the proposed project, some concerns and questions have been identified which require clarification from the SEA. These concerns primarily pertain to two Draft EA subject areas: Hazardous Material Transport Safety and Environmental Consequences—Cumulative Effects. Our comments follow under the appropriate subject heading.

General Comments

A general concern lies with the timing of the specified review and comment period. This is an important project for Southeast Michigan and deserves careful review. SEACOG's sponsoring the informational meeting is a reflection of the importance of this proposed acquisition. However, the relatively short review period, which was also interrupted by the Thanksgiving Holiday, left some potentially impacted communities inadequate time to review the document prior to attending the meeting. A longer review period would have allowed Southeast Michigan communities, businesses and other attendees of our informational meeting adequate time for the thorough analysis a transmission such as this deserves.

Given the short review period, we appreciate and commend SEA on this organization of the Draft EA. This Draft EA is organized in an easy to follow format which allowed our staff to provide an analysis of the potential impact of this acquisition.

Hazardous Materials Transport Safety

SEA identified four rail line segments in Southeast Michigan which will incur an increase in hazardous materials carloads that exceed its Key Route designation threshold of 10,000 carloads per year. The number of carloads of hazardous materials on the four new Key Routes is expected to increase 50 percent from 8,385 to 12,775. We agree that the methodology used is reasonable and the recommended mitigation associated with the Key Route designation will limit potential safety impacts. However, we have identified two concerns relative to the proposed mitigation.

First, any costs incurred by Southeast Michigan counties and communities associated with emergency response plans need to be identified and addressed. Southeast Michigan communities have limited resources and any additional costs resulting from increased emergency response planning and/or implementation should not be borne by them.

Second, the proposed mitigation Condition 2 (in 8-5) under section 8.2 Preliminary Recommended Mitigation Measures states that the "applicant shall continue to manage the four rail line segments as key routes for a period of at least 3 years from the effective date of the Board's decision." We recommend operating these segments as Key Routes as long as the number of car loads is above the threshold of 10,000. Should the number of cars fall below the threshold, then the operating guidelines should be re-evaluated.

Environmental Consequences — Cumulative Effects

We understand that the SEA does not have authority to require mitigation of pre-existing environmental impacts. However, just as the Draft EA points out, analysis of potential cumulative effects from this project when added to a past action is allowed under National Environmental Policy Act regulations.

It has been brought to our attention by a representative of St. Clair County Transportation Study that the improvements made to CTR's tunnel between Sarnia, Ontario and Port Huron, Michigan have resulted in lengthier and more frequent highway/fairly at-grade crossing blockages in Port Huron. In fact, one such delay resulted in a fatal crash in the past year. It is our understanding that these delays are caused by necessary customs and immigration inspection procedures.

While the Draft EA estimates that the actual number of trains using the rail segment from Sarnia to Port Huron (CTR's segment number 1000) will decrease by 9 percent, the volume of freight is expected to increase by 8 percent. This concern is that this acquisition could result in less frequent, but longer trains thereby causing lengthier delays and blockages of more crossings than under the current conditions. SEA needs to consider the potential for cumulative impacts from the acquisition in the final EA.

CM representatives have indicated that they are working to alleviate the current at-grade crossing problems. In addition, to the extent possible, STB should assist CM in resolving both the existing and future at-grade railroad crossing delays and blockages.

MEMORANDUM FOR THE RECORD Local Government Permitting For Progress

National Highway Council of Governors • 400 First Street, N.W. • Suite 1400 • Washington, D.C. 20001 • Tel: 202-462-4000 • Fax: 202-462-4001

January 5, 1999

Office of the Secretary
Casey C. Smith, Director
Surface Transportation Bureau
Attention: Susan K. Miller, Communications Project Director
1025 K Street, N.W.
Washington, D.C. 20001-2001

RE: Draft Environmental Assessment on the Proposed Acquisition of Maine
Coastal Corporation by Canadian National Railway Company
ME8000 File No. TR 00041D

Dear Ms. Miller:

We are forwarding the enclosed comments for your information and inclusion regarding the above Draft Environmental Assessment.

Sincerely,
Richard W. Pike Jr.
Richard W. Pike, Jr.
Regional Review Office Coordinator

RMW/PLS
Enclosure

RECEIVED
JAN 15 1999
U.S. DEPARTMENT OF TRANSPORTATION

RECEIVED
DEC 30 1998
U.S. DEPARTMENT OF TRANSPORTATION

December 11, 1998

Mr. Richard W. Pike, Jr., Coordinator
Regional Review Office
Surface Transportation Bureau
National Highway Council of Governors
400 First Street, Suite 1400
Washington, DC 20001

Re: Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)
Regional Transportation Planning

Applicant/Project: Office of the Secretary/Casual Users, Regular District (SR0000)
Surface Transportation Bureau
Draft Environmental Assessment on the Proposed Acquisition of
Maine Coastal Corporation by Canadian National Railway
Company. CTR's Michigan subsidiary is Grand Trunk and Western
Railroad. The study project is located in Grand Trunk and Western
Area 187 to 193 of CTR's Grand Trunk and Western Area. The
total area per day of the study's Grand Trunk and Western Area is
725.

Dear Mr. Pike:

The above referenced Draft Environmental Assessment has been reviewed by the City of Everett
Planning and Development Department. The Planning and Development Department supports
the Draft Environmental Assessment.

Sincerely,
J. J. Vanille
Joseph J. Vanille
Deputy Director

JJV/PLS

Donna W. Adams, Mayor

[illegible]

January 14, 1968

Office of the Secretary
 Code Council Uniform Codebook No. 33556
 Barbra Thompson Board
 Attention: Elaine A. Heller, Conference of Project Director
 1125 N. 4th St., NY
 New York, N.Y. 10012-4001

FILE: Draft Environmental Assessment on the Proposed Acquisition of India
Canal Corporation by Canadian National Railway Company
ENR/MSDB File No. TR 940410

Donnerstag, 12. September 2013

We are forwarding the enclosed materials for your information and further request to the above Don Environmental Assessment.

Keywords:

Richard W. Poff, Jr.
Richard W. Poff, Jr.
Regional Referral Office Coordinator

Implications

Standard

[illegible]

FAX TRANSMISSION

U.S. PLANTING AND ECONOMIC DEVELOPMENT SERVICE
1609 N. Main Street, Dayton, Ohio
Phone, 444-4444
Telex 444444
PO Box 400000

To: **Rich Platt, Jr., Regional Review Officer**
 Office Coordinator
 (P 33) 961-4189
 Federal Reserve, Planning Activities
 Subject: **Federal Communications Code Title 47 USC 310**
 January 1, 1979
 2. Including this cover sheet.

Conclusion

全

[illegible]

1

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF MICHIGAN LIBRARY

CITY OF PUEBLO 200 EAST MAIN STREET PUEBLO, COLORADO 81001-2977 TEL: (719) 544-3550 FAX: (719) 544-3550	CITY OF PUEBLO 200 EAST MAIN STREET PUEBLO, COLORADO 81001-2977 TEL: (719) 544-3550 FAX: (719) 544-3550	December 28, 1998 Mr. John Brundage, Planning Manager Central County Development & Planning Division 1200 North Telegraph Road - Dept. 412 Fort Collins, Colorado 80521-0714 Dear Mr. Brundage: Thank you for your correspondence of November 24, 1998 regarding the proposed "Civic" project. We have a number of questions about the proposed facility on the National property. Specifically: 1. How many used vehicles do not currently have at least one day of use? 2. How many additional used vehicles are anticipated? 3. What transportation alternatives are currently being investigated? 4. What future location is being considered for the proposed facility? 5. Can the facility be used for transportation of people between downtown Denver and Fort Collins, and how would this impact other facilities? Please forward this to the appropriate personnel for a response or return the letter to the contact person. Thank you for your consideration. <i>George W. B. B.</i> George W. B. B. City Manager TWB:mas ENCLOSURE
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**LOCAL AND COUNTY GOVERNMENT:
DESOTO COUNTY, MISSISSIPPI
COMMENT LETTER**

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DESOTO COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
1000 N. Main Street
Des Moines, IA 50319
Phone: 515-281-1100

RECEIVED
JAN 11 1999
DESOTO COUNTY

January 5, 1999

Barbara Thompson Board
Attn: Elaine K. Kiefer
Environmental Project Director
Section of Environmental Analysis
Washington, DC 20003

RE: Acquisition of Illinois Central Corporation by
Canadian National Railway Company

Dear Ms. Kiefer:

Enclosed herewith please find a copy of the Notification of Events to Draft EA (Des Moines No. 23) in connection with the above mentioned acquisition of Illinois Central Corporation. Please understand that the Office of the County Administrator did not receive the Draft Environmental Assessment.

[Enclosed for Notification of Events to the Board Attorney, Bill Austin, for review and recommendation the document be sent to the Director of Civil Defense. Also attached is a memo from the Director of Civil Defense with comments and requests for more information.]

realize we have raised the deadline for the public comments, but we would appreciate a response to the issues from the Director of Civil Defense.

Thank you in advance for your response. If you have any questions, or if you need any other information, please call. Please send your response to the lead, if possible, a complete copy of the Draft Environmental Assessment. I will forward the information to the appropriate departments.

Sincerely,
Viviana Lynch
Viviana Lynch
Director of Administrative Services

Enclosure

cc: T. H. Walker, Director of Civil Defense

Proposed CNIC Acquisition

March 1999

D-61

Final Environmental Assessment

DESOTO COUNTY

DESOTO COUNTY EMERGENCY MANAGEMENT

217 Taylor Avenue, Des Moines, IA 50319
Phone: (515) 281-1337 Fax: (515) 466-1166
T. H. Walker, CEM, Manager



MEMORANDUM

TO: Viviana Lynch
FROM: T. H. Walker
DATE: 29 December 1998
SUBJ: Railroad Acquisition

I have read the correspondence you sent to me re the railroad acquisition. Quinn Beasley, a Des Moines resident, sent me a letter that all that was sent to us in a connecting sheet. Not having the documentation which the errors shown correct, leave me in a guessing position.

My concerns are basically in three areas: (1) Will there be any changes in the emergency railroad response as result of the change of ownership, and (2) given the shipments of radioactive materials to a disposal plant are scheduled to start in 1999, will the railroad be involved in the decision either then or hereafter planned, and (3) the question of any change in railroad emergency policy regarding loading of shipments of hazardous materials.

We have been handling safely and supply with the railroad for years. The railroad basically hasn't changed, though the acquisition of parts of the materials carried makes those materials much more dangerous when they do occur. Also, whereas the railroads through Des Moines County carry more in sparsely populated areas, normal growth and development has placed more homes and business closer to the tracks. This means that if a 1990 level accident occurs in 1999, more people are at risk simply because more people will be in an incident area.

My office certainly has no objection to a normal business process, but I do feel the chance to do so, at some point would like to have railroad comments on these changes.

Interoffice

MEMORANDUM

TO: T. H. Weather
FROM: Vanessa Lynchard
DATE: December 27, 1998
SUBJECT: Railroad Acquisition

Attached herewith please find a document in connection with the acquisition of I C Railroad. I sent the document to Bill Avella and he recommended that I forward this to you.

I realize we are a little late in respect to the public hearing, but I just received this answer.

Please let me know if there is any other action necessary for this item. Thanks and have a Merry Christmas!!

For Railroad C Railroad

M E M O R A N D U M

To: Executive BUD Avella
From: Vanessa Lynchard
Date: November 24, 1998
Subject: Railroad Acquisition

Attached herewith please find a document in connection with the acquisition of I C Railroad. I will file this document, but if any other action is necessary, please let me know. If there is no need to file this document, please let me know. If any other action is necessary, please let me know.

I appreciate your help. There is no need to file things that are not necessary, but I do not need to drive anything away that we need to keep. Thanks for your help.

For Railroad C

Review that T.H. Weather is in the room. He is not.

DATA



SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423

Section of Environmental Analysis

November 23, 1998

Re: Finance Decision No. 34516 - Canadian National Railway Company (CN) v. United States Coast Corporation. Not Rejected or Denied by Draft EA (Decision No. 23).

The Honorable Peter

On November 9, 1998, you were mailed a copy of the Draft Environmental Assessment (DEA) that the Surface Transportation Board's Section of Environmental Analysis (SEA) prepared regarding potential environmental effects of the proposed Acquisition of United States Coast Corporation by Canadian National Railway Company. The purpose of this letter is to provide you with an item to the Draft EA.

The Draft EA reflects SEA's independent analysis of a number of environmental issues and incorporates input from Federal, state, and local officials. Included in the Draft EA are SEA's preliminary recommendations for mitigating any potential environmental impacts. The Draft EA also includes the Public Participation Plan prepared by CH and EC which explains how they will carry out their public participation. SEA is seeking public comment on the Draft EA, which is still complete in preparing a Final EA. Public comments are due by December 11, 1998.

SEA prepared the attached letter to clarify some of the information contained in the Draft EA. This letter is intended to assist you in understanding the information and to provide you with an item to the SEA's analysis, results, or preliminary mitigation recommendations. These comments do not affect the integrity of the information contained in the Draft EA, the proposed action, or the review and decision period for the Draft EA.

For further information on the proposed CNAC Acquisition, interested parties may call SEA's toll-free Environmental Hotline at 1-888-869-1999 (TDD) for the hearing impaired, (202) 545-4445, or access SEA's website for the proposed CNAC Acquisition at <http://www.stb.dhs.gov/cnac>. For additional information regarding environmental issues or the environmental review process, you may contact SEA's Project Manager for the proposed CNAC Acquisition, Michael Pickett, at (202) 653-1338.

Sincerely yours,

Elaine K. Kaler
Elaine K. Kaler
Environmental Project Director
Section of Environmental Analysis

Enclosure

received
11/23/98

Section of Environmental Analysis
Surface Transportation Board
Washington, D.C. 20423

PROPOSED CNAC ACQUISITION
FINANCE DECISION NO. 33956
EMITATA TO DRAFT ENVIRONMENTAL ASSESSMENT
RECESSION NO. 23

Introduction

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) prepared this Draft following initiation of the Draft Environmental Assessment (Draft EA) on the Proposed Acquisition of United States Coast Corporation (USCC) by Canadian National Railway Company (CN) which was carried on November 9, 1998.

During preparation of the Draft EA, the Board granted Burlington Northern Santa Fe (BNSF) a 4-hour extension for submitting an Amendment or Responsive (R) Application pending its settlement negotiations with the Applicants. Because BNSF and the Applicants entered into a Settlement Agreement, BNSF did not submit an R Application. We have made updates to Chapter 3, "Project Description," and Appendix B, "List of Knowledge and Responsive Applications: Verified Statements," to reflect this as detailed in the table that follows.

SEA also makes several other corrections and clarifications to the Draft EA, which are listed in the table. Please note the following:

- Information is organized by Chapter.
- Paragraph numbers refer to full paragraphs on each page.
- Text that contains corrections (i.e., crossed-out) should be deleted from the Draft EA.
- Text that appears in bolded italics (i.e., added) should be inserted into the Draft EA.

PROPOSED CNAC ACQUISITION FINANCE DECISION NO. 33956 EMITATA TO DRAFT ENVIRONMENTAL ASSESSMENT	
Date	Comments
Chapter 3: Overview of Project Participants	
2-4	1. Update the scope "Responsiveness" to the estimate table to include: Upon publishing the Draft EA, SEA will issue the following 13 corrective and environmental issues that could impact the proposed project high and adverse environmental impacts as a result of the proposed CNAC Acquisition. 2. Change last sentence of the paragraph to read as follows: Appendix T also contains copies of correspondence SEA seeks through appropriate public agencies regarding the proposed CNAC Acquisition.
2-9	1. Change last sentence of the paragraph to read as follows: Appendix T also contains copies of correspondence SEA seeks through appropriate public agencies regarding the proposed CNAC Acquisition.

Section of Environmental Analysis: Status: Proposed Final Mississippi D.C. 2002		Section of Environmental Analysis: Status: Proposed Final Mississippi D.C. 2002	
THOMSON CHANC ACQUISITION FINANCE DOCUMENT NO. 1000 REGULATORY DRAFT ENVIRONMENTAL ASSESSMENT		THOMSON CHANC ACQUISITION FINANCE DOCUMENT NO. 1000 REGULATORY DRAFT ENVIRONMENTAL ASSESSMENT	
Page	Paragraph	Comment	Change
3-1	5	Change section number 1.5 to 1.4 so that the sentence reads as follows: Complete inspections to be performed in accordance with SEA regarding the proposed CHNC Acquisition are contained in Chapter 1, "Description and Background," Appendix A, 1.4 "Flow in Status Inspection Documents."	Table 3-1
Chapter 2: Project Description			Table 3-1
3-1	2	Change the RMA sentence to read as follows: Whereas 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 2.0, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.0, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 4.0, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.0, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 6.0, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 7.0, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 8.0, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 9.0, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9, 10.0, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 11.0, 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 12.0, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 13.0, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 14.0, 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 15.0, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 16.0, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 17.0, 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 18.0, 18.1, 18.2, 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, 18.9, 19.0, 19.1, 19.2, 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, 20.0, 20.1, 20.2, 20.3, 20.4, 20.5, 20.6, 20.7, 20.8, 20.9, 21.0, 21.1, 21.2, 21.3, 21.4, 21.5, 21.6, 21.7, 21.8, 21.9, 22.0, 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, 22.7, 22.8, 22.9, 23.0, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.8, 23.9, 24.0, 24.1, 24.2, 24.3, 24.4, 24.5, 24.6, 24.7, 24.8, 24.9, 25.0, 25.1, 25.2, 25.3, 25.4, 25.5, 25.6, 25.7, 25.8, 25.9, 26.0, 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 27.0, 27.1, 27.2, 27.3, 27.4, 27.5, 27.6, 27.7, 27.8, 27.9, 28.0, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6, 28.7, 28.8, 28.9, 29.0, 29.1, 29.2, 29.3, 29.4, 29.5, 29.6, 29.7, 29.8, 29.9, 30.0, 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 30.7, 30.8, 30.9, 31.0, 31.1, 31.2, 31.3, 31.4, 31.5, 31.6, 31.7, 31.8, 31.9, 32.0, 32.1, 32.2, 32.3, 32.4, 32.5, 32.6, 32.7, 32.8, 32.9, 33.0, 33.1, 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8, 33.9, 34.0, 34.1, 34.2, 34.3, 34.4, 34.5, 34.6, 34.7, 34.8, 34.9, 35.0, 35.1, 35.2, 35.3, 35.4, 35.5, 35.6, 35.7, 35.8, 35.9, 36.0, 36.1, 36.2, 36.3, 36.4, 36.5, 36.6, 36.7, 36.8, 36.9, 37.0, 37.1, 37.2, 37.3, 37.4, 37.5, 37.6, 37.7, 37.8, 37.9, 38.0, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 38.7, 38.8, 38.9, 39.0, 39.1, 39.2, 39.3, 39.4, 39.5, 39.6, 39.7, 39.8, 39.9, 40.0, 40.1, 40.2, 40.3, 40.4, 40.5, 40.6, 40.7, 40.8, 40.9, 41.0, 41.1, 41.2, 41.3, 41.4, 41.5, 41.6, 41.7, 41.8, 41.9, 42.0, 42.1, 42.2, 42.3, 42.4, 42.5, 42.6, 42.7, 42.8, 42.9, 43.0, 43.1, 43.2, 43.3, 43.4, 43.5, 43.6, 43.7, 43.8, 43.9, 44.0, 44.1, 44.2, 44.3, 44.4, 44.5, 44.6, 44.7, 44.8, 44.9, 45.0, 45.1, 45.2, 45.3, 45.4, 45.5, 45.6, 45.7, 45.8, 45.9, 46.0, 46.1, 46.2, 46.3, 46.4, 46.5, 46.6, 46.7, 46.8, 46.9, 47.0, 47.1, 47.2, 47.3, 47.4, 47.5, 47.6, 47.7, 47.8, 47.9, 48.0, 48.1, 48.2, 48.3, 48.4, 48.5, 48.6, 48.7, 48.8, 48.9, 49.0, 49.1, 49.2, 49.3, 49.4, 49.5, 49.6, 49.7, 49.8, 49.9, 50.0, 50.1, 50.2, 50.3, 50.4, 50.5, 50.6, 50.7, 50.8, 50.9, 51.0, 51.1, 51.2, 51.3, 51.4, 51.5, 51.6, 51.7, 51.8, 51.9, 52.0, 52.1, 52.2, 52.3, 52.4, 52.5, 52.6, 52.7, 52.8, 52.9, 53.0, 53.1, 53.2, 53.3, 53.4, 53.5, 53.6, 53.7, 53.8, 53.9, 54.0, 54.1, 54.2, 54.3, 54.4, 54.5, 54.6, 54.7, 54.8, 54.9, 55.0, 55.1, 55.2, 55.3, 55.4, 55.5, 55.6, 55.7, 55.8, 55.9, 56.0, 56.1, 56.2, 56.3, 56.4, 56.5, 56.6, 56.7, 56.8, 56.9, 57.0, 57.1, 57.2, 57.3, 57.4, 57.5, 57.6, 57.7, 57.8, 57.9, 58.0, 58.1, 58.2, 58.3, 58.4, 58.5, 58.6, 58.7, 58.8, 58.9, 59.0, 59.1, 59.2, 59.3, 59.4, 59.5, 59.6, 59.7, 59.8, 59.9, 60.0, 60.1, 60.2, 60.3, 60.4, 60.5, 60.6, 60.7, 60.8, 60.9, 61.0, 61.1, 61.2, 61.3, 61.4, 61.5, 61.6, 61.7, 61.8, 61.9, 62.0, 62.1, 62.2, 62.3, 62.4, 62.5, 62.6, 62.7, 62.8, 62.9, 63.0, 63.1, 63.2, 63.3, 63.4, 63.5, 63.6, 63.7, 63.8, 63.9, 64.0, 64.1, 64.2, 64.3, 64.4, 64.5, 64.6, 64.7, 64.8, 64.9, 65.0, 65.1, 65.2, 65.3, 65.4, 65.5, 65.6, 65.7, 65.8, 65.9, 66.0, 66.1, 66.2, 66.3, 66.4, 66.5, 66.6, 66.7, 66.8, 66.9, 67.0, 67.1, 67.2, 67.3, 67.4, 67.5, 67.6, 67.7, 67.8, 67.9, 68.0, 68.1, 68.2, 68.3, 68.4, 68.5, 68.6, 68.7, 68.8, 68.9, 69.0, 69.1, 69.2, 69.3, 69.4, 69.5, 69.6, 69.7, 69.8, 69.9, 70.0, 70.1, 70.2, 70.3, 70.4, 70.5, 70.6, 70.7, 70.8, 70.9, 71.0, 71.1, 71.2, 71.3, 71.4, 71.5, 71.6, 71.7, 71.8, 71.9, 72.0, 72.1, 72.2, 72.3, 72.4, 72.5, 72.6, 72.7, 72.8, 72.9, 73.0, 73.1, 73.2, 73.3, 73.4, 73.5, 73.6, 73.7, 73.8, 73.9, 74.0, 74.1, 74.2, 74.3, 74.4, 74.5, 74.6, 74.7, 74.8, 74.9, 75.0, 75.1, 75.2, 75.3, 75.4, 75.5, 75.6, 75.7, 75.8, 75.9, 76.0, 76.1, 76.2, 76.3, 76.4, 76.5, 76.6, 76.7, 76.8, 76.9, 77.0, 77.1, 77.2, 77.3, 77.4, 77.5, 77.6, 77.7, 77.8, 77.9, 78.0, 78.1, 78.2, 78.3, 78.4, 78.5, 78.6, 78.7, 78.8, 78.9, 79.0, 79.1, 79.2, 79.3, 79.4, 79.5, 79.6, 79.7, 79.8, 79.9, 80.0, 80.1, 80.2, 80.3, 80.4, 80.5, 80.6, 80.7, 80.8, 80.9, 81.0, 81.1, 81.2, 81.3, 81.4, 81.5, 81.6, 81.7, 81.8, 81.9, 82.0, 82.1, 82.2, 82.3, 82.4, 82.5, 82.6, 82.7, 82.8, 82.9, 83.0, 83.1, 83.2, 83.3, 83.4, 83.5, 83.6, 83.7, 83.8, 83.9, 84.0, 84.1, 84.2, 84.3, 84.4, 84.5, 84.6, 84.7, 84.8, 84.9, 85.0, 85.1, 85.2, 85.3, 85.4, 85.5, 85.6, 85.7, 85.8, 85.9, 86.0, 86.1, 86.2, 86.3, 86.4, 86.5, 86.6, 86.7, 86.8, 86.9, 87.0, 87.1, 87.2, 87.3, 87.4, 87.5, 87.6, 87.7, 87.8, 87.9, 88.0, 88.1, 88.2, 88.3, 88.4, 88.5, 88.6, 88.7, 88.8, 88.9, 89.0, 89.1, 89.2, 89.3, 89.4, 89.5, 89.6, 89.7, 89.8, 89.9, 90.0, 90.1, 90.2, 90.3, 90.4, 90.5, 90.6, 90.7, 90.8, 90.9, 91.0, 91.1, 91.2, 91.3, 91.4, 91.5, 91.6, 91.7, 91.8, 91.9, 92.0, 92.1, 92.2, 92.3, 92.4, 92.5, 92.6, 92.7, 92.8, 92.9, 93.0, 93.1, 93.2, 93.3, 93.4, 93.5, 93.6, 93.7, 93.8, 93.9, 94.0, 94.1, 94.2, 94.3, 94.4, 94.5, 94.6, 94.7, 94.8, 94.9, 95.0, 95.1, 95.2, 95.3, 95.4, 95.5, 95.6, 95.7, 95.8, 95.9, 96.0, 96.1, 96.2, 96.3, 96.4, 96.5, 96.6, 96.7, 96.8, 96.9, 97.0, 97.1, 97.2, 97.3, 97.4, 97.5, 97.6, 97.7, 97.8, 97.9, 98.0, 98.1, 98.2, 98.3, 98.4, 98.5, 98.6, 98.7, 98.8, 98.9, 99.0, 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7, 99.8, 99.9, 100.0, 100.1, 100.2, 100.3, 100.4, 100.5, 100.6, 100.7, 100.8, 100.9, 101.0, 101.1, 101.2, 101.3, 101.4, 101.5, 101.6, 101.7, 101.8, 101.9, 102.0, 102.1, 102.2, 102.3, 102.4, 102.5, 102.6, 102.7, 102.8, 102.9, 103.0, 103.1, 103.2, 103.3, 103.4, 103.5, 103.6, 103.7, 103.8, 103.9, 104.0, 104.1, 104.2, 104.3, 104.4, 104.5, 104.6, 104.7, 104.8, 104.9, 105.0, 105.1, 105.2, 105.3, 105.4, 105.5, 105.6, 105.7, 105.8, 105.9, 106.0, 106.1, 106.2, 106.3, 106.4, 106.5, 106.6, 106.7, 106.8, 106.9, 107.0, 107.1, 107.2, 107.3, 107.4, 107.5, 107.6, 107.7, 107.8, 107.9, 108.0, 108.1, 108.2, 108.3, 108.4, 108.5, 108.6, 108.7, 108.8, 108.9, 109.0, 109.1, 109.2, 109.3, 109.4, 109.5, 109.6, 109.7, 109.8, 109.9, 110.0, 110.1, 110.2, 110.3, 110.4, 110.5, 110.6, 110.7, 110.8, 110.9, 111.0, 111.1, 111.2, 111.3, 111.4, 111.5, 111.6, 111.7, 111.8, 111.9, 112.0, 112.1, 112.2, 112.3, 112.4, 112.5, 112.6, 112.7, 112.8, 112.9, 113.0, 113.1, 113.2, 113.3, 113.4, 113.5, 113.6, 113.7, 113.8, 113.9, 114.0, 114.1, 114.2, 114.3, 114.4, 114.5, 114.6, 114.7, 114.8, 114.9, 115.0, 115.1, 115.2, 115.3, 115.4, 115.5, 115.6, 115.7, 115.8, 115.9, 116.0, 116.1, 116.2, 116.3, 116.4, 116.5, 116.6, 116.7, 116.8, 116.9, 117.0, 117.1, 117.2, 117.3, 117.4, 117.5, 117.6, 117.7, 117.8, 117.9, 118.0, 118.1, 118.2, 118.3, 118.4, 118.5, 118.6, 118.7, 118.8, 118.9, 119.0, 119.1, 119.2, 119.3, 119.4, 119.5, 119.6, 119.7, 119.8, 119.9, 120.0, 120.1, 120.2, 120.3, 120.4, 120.5, 120.6, 120.7, 120.8, 120.9, 121.0, 121.1, 121.2, 121.3, 121.4, 121.5, 121.6, 121.7, 121.8, 121.9, 122.0, 122.1, 122.2, 122.3, 122.4, 122.5, 122.6, 122.7, 122.8, 122.9, 123.0, 123.1, 123.2, 123.3, 123.4, 123.5, 123.6, 123.7, 123.8, 123.9, 124.0, 124.1, 124.2, 124.3, 124.4, 124.5, 124.6, 124.7, 124.8, 124.9, 125.0, 125.1, 125.2, 125.3, 125.4, 125.5, 125.6, 125.7, 125.8, 125.9, 126.0, 126.1, 126.2, 126.3, 126.4, 126.5, 126.6, 126.7, 126.8, 126.9, 127.0, 127.1, 127.2, 127.3, 127.4, 127.5, 127.6, 127.7, 127.8, 127.9, 128.0, 128.1, 128.2, 128.3, 128.4, 128.5, 128.6, 128.7, 128.8, 128.9, 129.0, 129.1, 129.2, 129.3, 129.4, 129.5, 129.6, 129.7, 129.8, 129.9, 130.0, 130.1, 130.2, 130.3, 130.4, 130.5, 130.6, 130.7, 130.8, 130.9, 131.0, 131.1, 131.2, 131.3, 131.4, 131.5, 131.6, 131.7, 131.8, 131.9, 132.0, 132.1, 132.2, 132.3, 132.4, 132.5, 132.6, 132.7, 132.8, 132.9, 133.0, 133.1, 133.2, 133.3, 133.4, 133.5, 133.6, 133.7, 133.8, 133.9, 134.0, 134.1, 134.2, 134.3, 134.4, 134.5, 134.6, 134.7, 134.8, 134.9, 135.0, 135.1, 135.2, 135.3, 135.4, 135.5, 135.6, 135.7, 135.8, 135.9, 136.0, 136.1, 136.2, 136.3, 136.4, 136.5, 136.6, 136.7, 136.8, 136.9, 137.0, 137.1, 137.2, 137.3, 137.4, 137.5, 137.6, 137.7, 137.8, 137.9, 138.0, 138.1, 138.2, 138.3, 138.4, 138.5, 138.6, 138.7, 138.8, 138.9, 139.0, 139.1, 139.2, 139.3, 139.4, 139.5, 139.6, 139.7, 139.8, 139.9, 140.0, 140.1, 140.2, 140.3, 140.4, 140.5, 140.6, 140.7, 140.8, 140.9, 141.0, 141.1, 141.2, 141.3, 141.4, 141.5, 141.6, 141.7, 141.8, 141.9, 142.0, 142.1, 142.2, 142.3, 142.4, 142.5, 142.6, 142.7, 142.8, 142.9, 143.0, 143.1, 143.2, 143.3, 143.4, 143.5, 143.6, 143.7, 143.8, 143.9, 144.0, 144.1, 144.2, 144.3, 144.4, 144.5, 144.6, 144.7, 144.8, 144.9, 145.0, 145.1, 145.2, 145.3, 145.4, 145.5, 145.6, 145.7, 145.8, 145.9, 146.0, 146.1, 146.2, 146.3, 146.4, 146.5, 146.6, 146.7, 146.8, 146.9, 147.0, 147.1, 147.2, 147.3, 147.4, 147.5, 147.6, 147.7, 147.8, 147.9, 148.0, 148.1, 148.2, 148.3, 148.4, 148.5, 148.6, 148.7, 148.8, 148.9, 149.0, 149.1, 149.2, 149.3, 149.4, 149.5, 149.6, 149.7, 149.8, 149.9, 150.0, 150.1, 150.2, 150.3, 150.4, 150.5, 150.6, 150.7, 150.8, 150.9, 151.0, 151.1, 151.2, 151.3, 151.4, 151.5, 151.6, 151.7, 151.8, 151.9, 152.0, 152.1, 152.2, 152.3, 152.4, 152.5, 152.6, 152.7, 152.8, 152.9, 153.0, 153.1, 153.2, 153.3, 153.4, 153.5, 153.6, 153.7, 153.8, 153.9, 154.0, 154.1, 154.2, 154.3, 154.4, 154.5, 154.6, 154.7, 154.8, 154.9, 155.0, 155.1, 155.2, 155.3, 155.4, 155.5, 155.6, 155.7, 155.8, 155.9, 156.0, 156.1, 156.2, 156.3, 156.4, 156.5, 156.6, 156.7, 156.8, 156.9, 157.0, 157.1, 157.2, 157.3, 157.4, 157.5, 157.6, 157.7, 157.8, 157.9, 158.0, 158.1, 158.2, 158.3, 158.4, 158.5, 158.6, 158.7, 158.8, 158.9, 159.0, 159.1, 159.2, 159.3, 159.4, 159.5, 159.6, 159.7, 159.8, 159.9, 160.0, 160.1, 160.2, 160.3, 160.4, 160.5, 160.6, 160.7, 160.8, 160.9, 161.0, 161.1, 161.2, 161.3, 161.4, 161.5, 161.6, 161.7, 161.8, 161.9, 162.0, 162.1, 162.2, 162.3, 162.4, 162.5, 162.6, 162.7, 162.8, 162.9, 163.0, 163.1, 163.2, 163.3, 163.4, 163.5, 163.6, 163.7, 163.8, 163.9, 164.0, 164.1, 164.2, 164.3, 164.4, 164.5, 164.6, 164.7, 164.8, 164.9, 165.0, 165.1, 165.2, 165.3, 165.4, 165.5, 165.6, 165.7, 165.8, 165.9, 166.0, 166.1, 166.2, 166.3, 166.4, 166.5, 166.6, 166.7, 166.8, 166.9, 167.0, 167.1, 167.2, 167.3, 167.4, 167.5, 167.6, 167.7, 167.8, 167.9, 168.0, 168.1, 168.2, 168.3, 168.4, 168.5, 168.6, 168.7, 168.8, 168.9, 169.0, 169.1, 169.2, 169.3, 169.4, 169.5, 169.6, 169.7, 169.8, 169.9, 170.0, 170.1, 170.2, 170.3, 170.4, 170.5, 170.6, 170.7, 170.8, 170.9, 171.0, 171.1, 171.2, 171.3, 171.4, 171.5, 171.6, 171.7, 171.8, 171.9, 172.0, 172.1, 172.2, 172.3, 172.4, 172.5, 172.6, 172.7, 172.8, 172.9, 173.0, 173.1, 173.2, 173.3, 173.4, 173.5, 173.6, 173.7, 173.8, 173.9, 174.0, 174.1, 174.2, 174.3, 174.4, 174.5, 174.6, 174.7, 174.8, 174.9, 175.0, 175.1, 175.2, 175.3, 175.4, 175.5, 175.6, 175.7, 175.8, 175.9, 176.0, 176.1, 176.2, 176.3, 176.4, 176.5, 176.6, 176.7, 176.8, 176.9, 177.0, 177.1, 177.2, 177.3, 177.4, 177.5, 177.6, 177.7, 177.8, 177.9, 178.0, 178.1, 178.2, 178.3, 178.4, 178.5, 178.6, 178.7, 178.8, 178.9, 179.0, 179.1, 179.2, 179.3, 179.4, 179.5, 179.6, 179.7, 179.8, 179.9, 180.0, 180.1, 180.2, 180.3, 180.4, 180.5, 180.6, 180.7, 180.8, 180.9, 181.0, 181.1, 181.2, 181.3, 181.4, 181.5, 181.6, 181.7, 181.8, 181.9, 182.0, 182.1, 182.2, 182.3, 182.4, 182.5, 182.6, 182.7, 182.8, 182.9, 183.0, 183.1, 183.2, 183.3, 183.4, 183.5, 183.6, 183.7, 183.8, 183.9, 184.0, 184.1, 184.2, 184.3, 184.4, 184.5, 184.6, 184.7, 184.8, 184.9, 185.0, 185.1, 185.2, 185.3, 185.4, 185.5, 185.6, 185.7, 185.8, 1	

Appendix D: Comment Letters

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Appendix D: Comment Letters

[illegible]

Office of Environmental Analysis State Representative Anne Manning D.C. 2007	
RESPONSES CIVIC ACQUISITION FRANK'S DOCKET NO. 3886. ISSUES TO RAISE ENVIRONMENTAL ASSESSMENT.	
Title	Description / Comments
Appendix T: List of Agency Consultations and Relevant Correspondence:	
T-1	All the following telephone conversations and existing with EPA-Agency V: After Visit: Substantiated Justice 7/9/2009 7/22/2009 <i>Public, environmental justice Agreement materials completed</i> <i>meeting ref epd</i>
	All the following meetings with EPA - Headquarters After Visit: 8/19/09 10:30am <i>As promised, with environmental justice</i>

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**GROUP/ASSOCIATION:
CENTER FOR NEIGHBORHOOD TECHNOLOGY, ILLINOIS
COMMENT LETTERS**

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BEFORE THE
SURFACES TRANSPORTATION BOARD

CANADIAN NATIONAL AND ILLINOIS CENTRAL,
CONTROLLING ACQUISITION
Finance Docket No. 35536



COMMENTS ON THE DRAFT ENVIRONMENTAL ASSESSMENT

CENTER FOR NEIGHBORHOOD TECHNOLOGY
VILLAGE OF EDGEWOOD, IL

On July 15, 1992, two major freight railroads, Canadian National Railway Company (CN) and Illinois Central Corporation (IC), filed a joint application with the Surface Transportation Board (STB) seeking approval for Canadian National to acquire control of Illinois Central. As part of the environmental review of the application, the STB directed its Section of Environmental Analysis (SEA) to prepare a Draft Environmental Assessment (Draft EA) to address environmental issues and provide preliminary recommendations for mitigating possible effects of the Proposed Acquisition. The SEA has in the Draft EA available for public review and is currently seeking public comments from all interested parties. The Petitioners submit the following comments in response to the SEA's request.

The application currently before the STB represents the latest in a series of railroad mergers and acquisitions that have drastically altered the structure of the rail freight industry during the 1990s. Disruption of railroad industry restructuring leaves the railroads in a position of uncertainty and opens up new opportunities for single-line service. By obtaining the need for costly and time-consuming intermodalism switching on many routes, single-line service is used to improve service options to shippers. However, railroad consolidation has also led to major increases in freight rates and in certain rail segments. For communities located along single-line rail segments, additional rail traffic has been incorporated in many instances by increases in the transport of hazardous materials.

The SEA has determined that the proposed CN/IC acquisition would result in a significant increase in hazardous materials transport along certain rail segments in Illinois, Kentucky, and Michigan. Under SEA guidelines, railroad segments carrying more than 10,000 carloads of hazardous materials annually are designated as "Key Routes," while segments in which hazardous materials carloads double and exceed 20,000 carloads per year are designated as "Major Key Routes." Under the Proposed Acquisition, fourteen rail

segments covering 370 miles would become new Key Routes or Major Key Routes. In ten of these cases, annual hazardous materials carloads are projected to increase by 100 percent or more. Areas affected include five communities in southern Illinois with concentrations of minority and low-income residents (environmental justice populations).

According to the Draft EA, "rail related accident occurrences contribute to the level of rail activity" (p. 4-18). To the extent that the Proposed Acquisition increases hazardous materials transport and handling activity along certain rail segments, the risk that communities along those rail segments will suffer the consequences of a hazardous materials release is increased. Such incidents are not altogether infrequent. CN, IC, and their operating subsidiaries reported 164 incidents involving hazardous materials from June 1993 through May 1998.

To address safety concerns, the Draft EA recommends mitigation measures for the four new Key Routes and the ten Major Key Routes. These measures would require the railroads:

- to adhere to existing "key train" guidelines
- to provide toll-free telephone numbers to emergency response organizations along Key Routes and Major Key Routes
- to disperse their hazardous materials emergency response plans to each emergency response organization along Key Routes and Major Key Routes
- to work with local emergency response organizations in communities along Key Routes or Major Key Routes to develop local hazardous materials emergency response plans
- to implement a simulation emergency response drill with local emergency response organizations along Major Key Routes

In communities with environmental justice populations, railroads would be required to undertake additional mitigation measures, including:

- develop and implement a hazardous materials emergency response plan tailored to account for unique needs of the affected low-income and minority populations
- provide Operational Response software and any necessary training at the local emergency response center serving the affected minority and low-income populations
- fund a training session for two representatives of the local emergency planning organizations serving the affected low-income and minority populations

The STB should impose the above measures as a condition of the Acquisition. However, the Petitioners believe that these measures alone are insufficient to adequately mitigate the additional risks that communities along new Key Routes and Major Key Routes are being asked to bear. The problem is that the mitigation measures in the Draft EA focus predominantly on addressing the consequences of toxic releases after they occur. The Petitioners believe that more should be done to prevent releases from

occurring in the firm place. To that end, the Petitioners recommended that, in addition to the above conditions, the railroad should be required:

- to limit train speeds of freight trains within either end areas with environmental justice populations to no more than 10 mph before speeds permitted for non-city trains
- to use rail before diesel cars to replace local freight and delivery, or perform an equivalent level of inspection, no less than three times per year on major key routes
- to use biotechnology inspection cars to inspect major track and bridges, or perform an equivalent level of inspection, no less than once per year on major key routes

If the STB continues its prescriptive approach to the canalization of the railroad industry, this significant step should be taken to ensure that communities located along heavily used railroad corridors are not forced to shoulder an unfair share of the risks involved in the movement of goods, including hazardous materials, by rail. The development of emergency response plans and related efforts, while important, is not enough. The STB should require the railroads to develop more resources to minimizing the chance that hazardous materials releases will occur. By imposing the above requirements as a condition of the Acquisition, the STB can take significant steps toward meeting this goal.

The Center for Neighborhood Technology requires that it receive a copy of the final Environmental Analysis.

Center for Neighborhood Technology

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For the Center for Neighborhood Technology



Joel Klein
Executive Assistant

Center for Neighborhood Technology

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December 17, 1999

Mr. Brian K. Kainer
Environmental Project Director
Section of Environmental Analysis
Surface Transportation Board
1925 K Street NW
Washington DC 20005-4001

Dear Mr. Kainer:

FD 33534

The Center for Neighborhood Technology and the Village of Edgewood recently submitted comments in response to the Draft Environmental Analysis prepared in connection with the proposed acquisition of Marsh Creek Corporation by Canadian National Railway.

On December 14, the City of Chicago passed a resolution, a copy of which is attached, endorsing the above-referenced comments. In addition, the Village of Edgewood requested in writing that it be included in the comments. This letter is also attached.

I would appreciate it if you would add this material to the comments that were mailed to your office by the Center for Neighborhood Technology last week.

Best regards,

[Signature]
Joel Haupt
Research Associate

RESOLUTION NO. R 98-34

A RESOLUTION URGING THE SURFACE TRANSPORTATION BOARD TO GIVE SERIOUS CONSIDERATION TO THE RECOMMENDATIONS OF THE CENTER FOR NEIGHBORHOOD TECHNOLOGY

WHEREAS, the Canadian National Railway Company and the Marsh Creek Corporation are seeking approval for Canadian National to acquire control of the Marsh Creek, and

WHEREAS, said merger reportedly would result in a significant increase in hazardous materials transported through the City of Chicago, said City being designated a "Major Key Route" with over 20,000 barrels per year of hazardous material, and

WHEREAS, the Center for Neighborhood Technology has made certain recommendations regarding safety.

NOW, THEREFORE, be it resolved by the City Council of the City of Chicago, Illinois, that the Surface Transportation Board give serious consideration to adopting those recommendations of the Center for Neighborhood Technology.

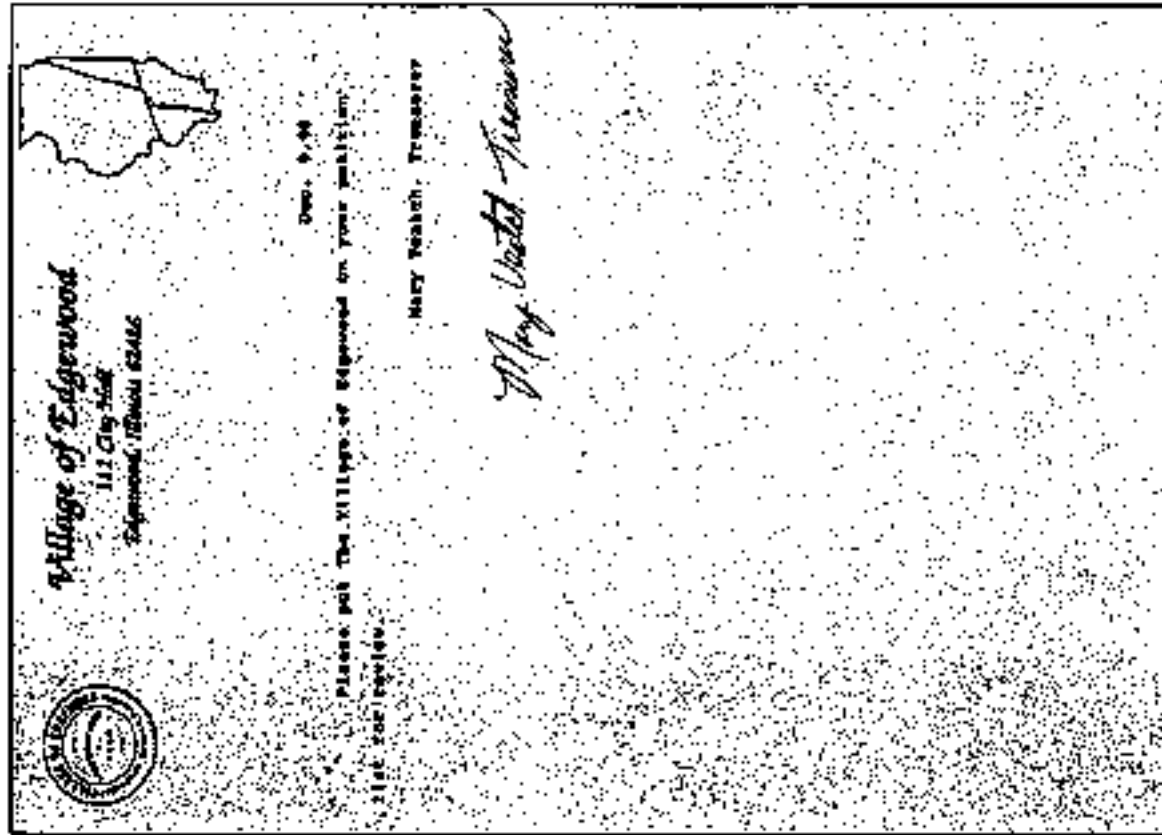
ADOPTED THIS 14TH DAY OF December 1999

[Signature]
SAYOR

ATTEST:

[Signature]
CITY CLERK

[Signature] Daniel J. J.
Arlene J. J.
Arlene J. J.
Arlene J. J.
Arlene J. J.
Arlene J. J.



**GROUP/ASSOCIATION:
SOUTH EAST CHICAGO COMMISSION, ILLINOIS
COMMENT LETTER**

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ENVIRONMENTAL DOCUMENT

Office of the Secretary

Chief Counsel Unit

Finance Division No. 31556

Surface Transportation Board

1923 K Street N.W.

Washington, DC 20433-0066

Aime Elaine K. Keller

Environmental Policy Director

Environmental Policy

EE-Comments on Draft Environmental Assessment for Proposed

Acquisition of Illinois Central by Canadian National

Finance Division No. 31556

Surface Transportation Board

The South East Chicago Commission (SECC) is a community organization in the Hyde Park-Kenwood neighborhood of Chicago. The SECC is involved in neighborhood issues pertaining to housing, public safety and transportation. Our community is located by the Illinois Central Railroad main line. According to the CHRC Acquisition Line Segment Map and Table (Attachment B-1 of the Draft EA), and map of Chicago Rail Line Segments (Figure B-3), we are located along Line Segment 171, Chicago, IL - Chicago 14th Street, IL.

We have reviewed key portions of the Draft EA and have concerns in the areas of safety, air quality, and noise. Our comments on the Draft EA are made in the context of the following: (1) Hyde Park-Kenwood, particularly the area near the IC tracks, is one of Chicago's most densely populated communities; and (2) the Hyde Park-Kenwood area has many existing and new businesses, and is increasingly becoming a key area for the city.

Safety

Our concern with regard to safety is based on the forecasted post-construction 46% increase in gross tons and 27% increase in hazardous materials (Hazardous) loads through our community. Specifically:

Given the significant gross ton increase, are the many IC bridges over streets in the area fit to handle it? Some of the bridges show signs of deterioration. Also, will track standards and maintenance be commensurate with the increased volume?

Although a slight post-construction decrease in local freight trains is predicted along Line Segment 171, the forecasted increase in gross tons and a greater per-ton chance of a derailment. This could affect the community in two ways:

- (1) A derailment could send freight cars off the IC right-of-way and into streets, houses, and commercial buildings and trees. SECC's analysis notes that the chance of a derailment at a given time and location are remote; nevertheless they will be increased. This situation might apply over the length of the joint IC/CHRC Electric right-of-way. A few years ago, a freight train derailed on the IC just north of our neighborhood. Fortunately it did not injure residents, and due to the early hour, commuter trains were not present.

- (2) A Hazardous release could have effects far beyond the railroad right-of-way. The Hazardous release increases from formerly near SECC's thresholds. This, combined with the longer trains, and relative frequency with which freight trains are stopped in Hyde Park-Kenwood, increases the likelihood of exposure to a Hazardous release. Freight trains stopped at interlocking signals at 67th Street and 49th Street will increase the length of time that the Hazardous is in the area. Further, stopped trains are subject to vandalism, which can be particularly dangerous in the presence of Hazardous. It is our strong preference that the railroad be operated in a manner which minimizes community exposure to potential Hazardous releases.

We note that, in the Draft EA, SEA specifies detailed and elaborate mitigation and emergency preparedness requirements for the proposed railroad system, and that the railroad must prepare a Safety Integration Plan. We are pleased that this is the case, and we hope that this is being coordinated with City of Chicago police, fire and emergency medical services.

However, we are concerned that the FRA's letter of October 30, 1998 to SEA states that the Safety Integration Plan "is still lacking in some respects." We note that STB will

2

withhold final approval of the CN/CAC Acquisition until the Safety Integration Plan is satisfactory.

Finally, on the subject of safety, we are interested in the Draft EA's Appendix P, Voluntary Railroad Mitigation Plan, which contains the CN's TransCAER program of community workshops related to hazard and emergency preparedness. We would like to receive information about this program.

Air Quality

Line Segment 171's forecasted tonnage increase of 46% is only slightly below the 50% threshold for air quality mitigation measures in non-attainment areas such as Chicago. Given the population density in this area, we request that Line Segment 171 be considered for air quality mitigation. We are pleased that the Draft EA describes recent legislation of reduction of locomotive emissions.

Noise

We note the forecasted post-rampet operations on Line Segment 171 will not approach BSA's mitigation threshold for noise. Nevertheless, we request that the Final EA require that railroad operations be conducted in as quiet a manner as practicable. This might include, but not be limited to, locomotive and track maintenance, horn blowing, and operating practices. Given the absence of multi-highway grade crossings in our community, freight train horn blowing has not been a serious problem to date, we would like to keep it that way.

Conclusion

Finally, we would like information on the conditions attached to the forecasted freight traffic levels. Specifically, after this request, are the railroads bound to good-faith efforts not to exceed the forecasted levels by certain amounts, over certain periods of time, when they employ mitigating measures? We realize that, over the long-term, traffic levels and operations will change, but we believe that long-term environmental harm could result if a continuing mitigation mechanism is not put in place. We request that a continuing review process be established.

We are glad to take this opportunity to submit our comments on the Draft Environmental Assessment. Our neighborhood and the Illinois Central Railroad share a history-and-a-half of history. We are interested in working with the railroads and SEA to ensure a future successful relationship as good neighbors.

Sincerely,



Robert C. Martin
Executive Director

**PASSENGER RAIL SERVICE PROVIDER:
NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)
COMMENT LETTER**

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ENC. 7

MEMORANDUM
SURFACE TRANSPORTATION BOARD

FINANCIAL DOCKET NO. 13556

CANDIDINE NATIONAL RAILWAY COMPANY
GRAND TRUNK CORPORATION,
AND GRAND TRUNK WESTERN RAILROAD INCORPORATED

-- CONTINUED --

ILLINOIS CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD
COMPANY, CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, ANDAMTRAK'S COMMENTS ON DRAFT
ENVIRONMENTAL AGREEMENT

The National Railroad Passenger Corporation ("Amtrak") hereby submits its comments on the draft Environmental Assessment ("DEA") prepared by the Board's Section of Environmental Analysis ("SEA") in this proceeding.¹

It appears from the DEA that SEA agreed with Amtrak Interagency's Chief Operating Officer that IC's Chicago-to-New Orleans main line was the line on which Amtrak trains were most likely to experience adverse impacts as a result of the acquisition of IC by CN ("the Acquisition").² However, the DEA's conclusion that Amtrak's operations over that line will not be

1 Amtrak requests that SEA consider these comments although they are filed one business day later than the comment filing date specified in the DEA. In addition to having two other filings on the same day that Amtrak's comments were due, undisputed events have been unexpectedly required to devote the last two weeks to resolving issues relating to two other SEA proceedings in order to avoid the need for Amtrak to seek Board resolution of those issues.

2 See Amtrak's Comments (DEC-94), Verified Statement of Travis C. Blanton, p. 10.

adversely impacted is based on a methodology that is badly flawed.

According to the DEA, SEA analyzed the portion of the Chicago-to-New Orleans line that it found to be "the most restricted in terms of capacity", a 54.4 mile segment between Carbondale, IL and Cairo, IL. SEA concluded that this line segment could accommodate a total of 26 trains per day, or 2.2 trains more than the post-acquisition total of 23.7 trains (20.7 freight trains and 3.0 passenger trains) projected in Applicants' Operating Plan. Since the projected number of post-acquisition trains was slightly below the theoretical capacity that SEA calculated, SEA concluded that this line segment, and therefore the entire IC main line from Chicago to New Orleans, would be able to accommodate the additional freight traffic that would result from the Acquisition. (DEA, vol. 7, pp. D-3 to D-4.)

The obvious problem with the DEA's approach is that it looks only at the theoretical maximum capacity of a rail line segment over a 24-hour period. It does not consider whether that segment will actually be able to accommodate all of the existing and additional freight trains that Applicants plan to operate at the times when Applicants plan to operate them, as shown in the projected schedules they have submitted. Instead, it assumes that all trains operating over the line segment will be spread in a perfectly even fashion throughout the day, seven days a week, 365 days a year.

Unfortunately, this perfect world assumption does not comport with reality. On virtually all rail lines, there are numerous peaks and valleys in freight traffic throughout the day. They result from, among many other things, the need to etc schedules based upon shipper requirements rather than optimal track utilization; the tendency of trains moving in the same direction on heavily-trafficked single track lines like IC's main lines to bunch up in "fleets"; and the performance of maintenance-of-way work. Similarly, there are both seasonal and day-to-day fluctuations in the number of freight trains operated over most rail lines. For example, volumes are often higher during the week than on weekends, when many intermodal and local trains do not operate, and agricultural products are not shipped at uniform levels throughout the year. While the STB has recognized that such traffic fluctuations can significantly increase delays attributable to increases in freight traffic,³ the OEA's approach assumes that they do not exist.

May does the OEA's approach take into account the need on nearly all rail lines to accommodate local train switching operations, which can consume a significant portion of available

³ See STB Service Order No. 1519, Joint Petition for Service Order, Decision served Oct. 21, 1993, at 3 (noting that the service problems the Board had identified were likely to be exacerbated by "increased demands for the movement of intermodal and unit train traffic associated with holiday and other seasonal demands, and with the increased service demands associated with the imminent grain harvest").

track time. More again, the OEA's approach differs from the STB's findings in recent cases.⁴

In short, the approach taken in the OEA to analyze the Acquisition's impact on Amtrak's operations is seriously flawed, and clearly offers no support for the conclusion the OEA reaches. What the OEA's analysis demonstrates is that, under optimal conditions that would never be encountered in the real world, portions of IC's Chicago-to-New Orleans have just barely enough capacity to accommodate post-acquisition increases in freight traffic without adversely impacting the on-time performance of Amtrak's trains. But this merely underscores the validity of Amtrak's concerns about the Acquisition's impacts on its operations. It also demonstrates why the final Environmental Assessment should reassess the imposition of the limited on-time

⁴ See STB Service Order No. 573, Rail Service, re the Kentucky United Railroads, Decision served July 31, 1993, at 3 (projecting approximately that a rail line could accommodate additional train operations on the ground that "the single limitation is need for a large portion of each day to switch traffic for adjacent shippers").

performance condition that Amtrak has asked the Board to impose
"if it approves the Acquisition.

Respectfully submitted,

Richard G. Blatte

Richard G. Blatte
NATIONAL RAILROAD PASSENGER
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Attorney for
National Railroad Passenger
Corporation (Amtrak)

Date: December 14, 1998

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**THE APPLICANTS'
COMMENT LETTER**

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U.S. DEPARTMENT OF TRANSPORTATION

REPORT THE
SURFACE TRANSPORTATION BOARD

FINESSE DOCKET NO. 3356

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION,
AND GRAND TRUNK WESTERN RAILROAD INCORPORATED
-- CONTROL --
ILLINOIS CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD
COMPANY, CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, AND
CHESAPEAKE RIVER RAILROAD COMPANY

APPLICANTS' COMMENTS ON
DRAFT ENVIRONMENTAL ASSESSMENT

December 11, 1988

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Western Railroad Incorporated

REPORT THE
SURFACE TRANSPORTATION BOARD

FINESSE DOCKET NO. 3356

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION,
AND GRAND TRUNK WESTERN RAILROAD INCORPORATED
-- CONTROL --
ILLINOIS CENTRAL CORPORATION, ILLINOIS CENTRAL RAILROAD
COMPANY, CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, AND
CHESAPEAKE RIVER RAILROAD COMPANY

APPLICANTS' COMMENTS ON
DRAFT ENVIRONMENTAL ASSESSMENT

In accordance with the request for comments issued by
the Board's Section of Environmental Analysis ("SEA"),
Applicants' hereby submit their comments on the Draft
Environmental Assessment ("DEA"), served by SEA on November 9,
1988.

1. The Transaction is Environmentally Favorable, and will not
have significant adverse effects.

In their application, filed with the Board on July 15,
1988, Applicants stated that "all operating and environmental
information Applicants have received to date indicates that the
environmental effects of the transaction would be quite modest,
both in absolute scale and in geographic scope," and that "those

as used herein, "Applicants" means Canadian National
Railway Company, Grand Trunk Corporation, Grand Trunk Western
Railroad Incorporated (collectively, "GT"), and Illinois Central
Corporation, Illinois Central Railroad Company, Chicago, Central
& Pacific Railroad Company, and Chesapeake River Railroad Company
(collectively, "IC").

effects would be especially slight in comparison with the effects of recent Class 1 railroad control proceedings.¹ CN/IC-4 at 74.)

The DEA confirms that preliminary judgment. After extensive analysis of the effects of the Transaction on a wide range of environmental factors,² DEA has concluded that the Transaction is conditioned on mitigation proposed by ZEB, "would not have any significant adverse environmental impacts." 1 DEA at 82-1. Applicants concur with DEA's conclusion.

As the DEA shows, the overall environmental effects of the Transaction are generally favorable or neutral. The Transaction is a simple end-to-end combination of the two existing Class 1 railroads in the United States (as measured by miles of road operated). There are no abandonment related to the Transaction, and therefore no diversions of rail traffic to less environmentally-friendly truck transportation. Only two small construction projects (for connections at Jackson, Mississippi, and Cairo, Illinois) would have effects outside the existing railroad rights-of-way, and those effects, described in detail in the DEA, would be minor. Traffic diversions to the

The Application noted that the CN/IC Transaction would involve many fewer route miles and employees in the United States than the three major western rail mergers, and that it would cause very fewer rail segment, rail yards, or intermodal facilities to have increased rail activity that would require environmental analysis. CN/IC-4 at 23-24 & n.3, 31 n.9, 32-33 n.10, 32 n.11.

Including safety involving freight rail operations, passenger rail operations, grade crossings, and transportation of hazardous materials), delay to traffic (including emergency vehicles) at grade crossings, and passenger rail operations, energy consumption, air pollution, navigation, and noise.

combined system would be relatively minor, as would such local effects as increases in noise or air emissions.

The contrast between the scope and environmental effects of this Transaction and those of the recent acquisition and division of Consolidated Rail Corporation³ is especially stark. As a result of the massive restructuring of the rail network in the East proposed in that transaction, many rail lines would see increases of 20, 30, even 40 trains per day, with attendant effects on noise, safety, and air quality. The CN/IC Transaction, on the other hand, would result in traffic gains of less than eight trains a day on any CN/IC rail segments. The consequent adverse environmental effects on particular locations and communities would be correspondingly modest.

As the DEA demonstrates, the system-wide effects of the Transaction would be favorable to the environment. Among other things, the DEA projects that, largely as a result of truck-to-rail rail diversions, the Transaction would bring about substantial net reductions in emissions of volatile organic compounds, carbon monoxide, oxides of nitrogen, and particulate matter, and insignificant net increases in emissions of sulfur dioxide. 1 DEA at 4-6. In addition, the DEA projects that truck-to-rail diversions would contribute to a net savings in fuel consumption

Approved by the Board in 1990. -- Control and Operating Requirements -- Control Inc., EPA Finance Report No. 31308, Decision No. 84 (1978) served July 23, 1990).

of 4.22 million gallons per year, and would reduce highway maintenance costs and traffic congestion. Id. at 4-60, 4-77.²

11. There is no need for mitigation in addition to that proposed in the EIS.

Given the substantial environmental benefits from the Transaction, the Board should not be swayed by parties that, exploiting this proceeding to resist competition or to seek administrative remedies for pre-existing conditions, challenge the EIS's conclusions with groundless criticisms of the methodologies used to arrive at those conclusions, or insist, contrary to EIS's findings, that the environmental effects in their backyards are significant and require dramatic mitigation measures.³

²This figure does not include savings resulting from more efficient routing or from the elimination of interchange switch movements because of extended hauls.

³We note that Norfolk Southern Railway Company ("NS"), before it withdrew its request for conditions, introduced testimony in support of that request, purporting to demonstrate that Applicants understated the Transaction-related traffic increases on their lines, which EIS relied on as the basis for its environmental analysis.

The methodological flaws in NS's analysis will be explained in detail in Applicants' rebuttal filing on December 16, 1998. And Applicants respectfully request that the Board not discuss or rely on NS's traffic studies in that filing as it is accompanied by references to the same comments. Applicants will demonstrate in their rebuttal why the testimony submitted by NS gives no reason to doubt the reliability of traffic projections on which the Operating Plan, and thus EIS's environmental analyses, were based.

(It should also be noted that NS, which introduced testimony about its own traffic studies in order to support its claims that increased traffic would cause problems for NS operations on IC, (continued...))

The EIS correctly notes that "[t]he Board's practice consistently has been to mitigate only those conditions that result directly from a proposed transaction" (EIS at E8-4). Applicants urge the Board to adhere to that practice, and not to yield to the demands of those who would exploit this proceeding in an attempt to obtain administrative remedies for pre-existing conditions.

Among those seeking to exploit the proceeding in that manner is the City of Chicago, which has filed extensive comments (CM-7) on the record regarding the transportation impacts of the Transaction, even though the thrust of those comments are that the Transaction will bring about dramatic increases of traffic on vital rail lines in downtown Chicago, causing unacceptable environmental and safety effects, unless the Board imposes mitigating conditions. Not by coincidence, the conditions the City seeks attribute to removal of through traffic from what the City calls the "St. Charles Air Lane Route," a goal the City has been seeking in discussions with IC for many years now -- since long before the CM/IC Transaction was announced. An Applicant will explain in greater detail in their rebuttal filing, the City's purported concern about traffic increases on the Air Lane is a red herring, not only because those traffic increases will in fact be too low to cause any serious problems, but most

(...continued)
times, has now withdrawn the request for conditions to address those alleged problems, and has stated that it is now "satisfied" that those concerns have been "fully and adequately addressed" by NS's settlement agreement with Applicants (NS-14 at 1).

importantly because the City's real grievance is not with increases in traffic, but with the fact that any traffic comes over the Air Line Route. As it interferes with the City's plans for commercial development of adjoining communities. There is no need for the Board to impose any mitigation to address this pre-existing condition, which should be left to ongoing negotiation between the railroads and the City.

Similarly, there is no need for any mitigating conditions to deal with effects of traffic over what the City calls the "Western Route," which includes CN's line between Harvey and Mayford. The City has attacked the credibility of Applicant's projection that traffic on this line will decrease as a result of the Transaction. As will be detailed in Applicant's rebuttal filing on December 16, this attack, made without any supporting evidence, demonstrates that the City does not understand how the Transaction will allow traffic to move between CN and IC at Markham Yard, avoiding use of the Western Route to reach interchange points with other carriers. The Transaction will therefore reduce the very problems on this route that the City cites as a ground for requiring conditions. There is no need for the Board to impose mitigating conditions, since the Transaction itself will mitigate rather than cause environmental and safety problems on the Western Route.

Applicants also request that BSA regard their filing of December 16 as if incorporated by reference herein, to the extent that it will address the City's comments on environmental questions.

- 6 -

As the BSA notes, Applicants are continuing to work with the Federal Railroad Administration (FRA) to address BSA's concerns regarding safety implementation in connection with the Transaction. We urge BSA to adhere to the recommendations found in the BSA, which would provide for that process to continue and for FRA, the agency with special expertise on rail safety, to take the lead in addressing issues that may arise from integrating two rail systems with different safety practices.

CONCLUSION

In its Draft Environmental Assessment, BSA has thoroughly examined the potential environmental impacts of the IC/IC Transaction, and appropriately concluded that the Transaction, if conditioned on the standard mitigating conditions set forth in the BSA, will not have significant adverse environmental effects. Applicants respectfully request that BSA

- 7 -

continue to recommend those mitigating conditions, and no others, in the Final Environmental Assessment:

Respectfully submitted,

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Consent for Illinois Central
 Corporation, Illinois Central
 Railroad Company, Chicago
 Central & Pacific Railroad
 Company, and Cedar River
 Railroad Company

December 11, 1998

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Consent for Canadian National
 Railway Company, Grand Trunk
 Corporation, and Grand Trunk
 Western Railroad Incorporated

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GLOSSARY OF TERMS FOR THE DRAFT AND FINAL ENVIRONMENTAL ASSESSMENTS

abandonment:	The discontinuance of service on a rail line segment, with no intention of resuming that service.
Acquisition:	The proposal by CN and IC for CN to acquire control of IC's assets and its basic railroad operations.
active warning devices:	Traffic control devices that give positive notice to highway users of the approach or presence of a train. These devices may include a flashing red light signal (a device which, when activated, displays red lights flashing alternately), a bell (a device which, when activated, provides an audible warning, usually used with a flashing red light signal), automatic gates (a mechanism added to flashing red light signals to provide a cantilevered arm that can lower across the lanes of the roadway equipped with flashing red light signals and extending over one or more lanes of traffic).
adverse environmental impact:	A negative effect, resulting from the implementation of a proposed action, that serves to degrade or diminish an aspect of human or natural resources.
Advisory Council on Historic Preservation (ACHP):	An independent Federal agency charged with advising the President and Congress on historic preservation matters and administering the provisions of Section 106 of the National Historic Preservation Act.
Applicants:	Canadian National Railway Company (and subsidiaries Grand Trunk Corporation and Grand Western Railroad Incorporated) and Illinois Central Corporation (and subsidiaries Illinois Central Railroad Company, Chicago, Central & Pacific Railroad Company; and Cedar River Railroad Company).
Application:	A formal filing with the Surface Transportation Board related to certain railroad transactions such as railroad mergers, acquisitions, constructions, or abandonments. For the proposed CN/IC Acquisition, applications may be either Primary Applications or Inconsistent and Responsive (IR) Applications. See <i>Primary Application</i> and <i>Inconsistent and Responsive (IR) Application</i> .
attainment area:	An area that EPA has classified as complying with the National Ambient Air Quality Standards specified under the Clean Air Act.
bad order cars:	Rail cars that fail routine inspections.
bad order support tracks:	Tracks used to store bad order cars until they can be repaired.
ballast:	The portion of the track bed that lies below the railroad ties and consists of crushed stone or other material.
Best Management Practices (BMPs):	Techniques that the construction industry uses to provide protection from adverse impacts to the environment. The Board may designate these techniques as mitigation measures.

Block:	(1) A defined length of track, with defined limits, on which operators govern train movements. (2) A group of freight cars handled as one unit for a portion or all of their journey from origin to destination.
Block swapping:	The process of moving groups of rail cars with a common destination (called "blocks") from one train to another.
blocking:	The process of aggregating freight cars into blocks.
Blocking pattern:	The assignment of a specific freight car to a specific block.
Board:	The Surface Transportation Board, the licensing agency for the proposed CN/AC Acquisition.
bulletins:	Documents addressed to train crews and other operating employees specifying temporary or local operating rules and restrictions.
Bureau of Indian Affairs (BIA):	Administers and manages more than 56 million acres of land the Federal government holds in trust for Native Americans. BIA works with Native American tribes to protect and develop their lands and resources.
Census block group:	The smallest geographic unit for which the U.S. Census provides information on racial background, ethnic heritage, and household income.
Class 1 railroad:	As defined by the Board, any railroad with average annual operating revenue of \$255.9 million or more.
Clean Air Act (Clean Air Act Amendments):	The Clean Air Act of 1970 and the subsequent amendments, including the Clean Air Act Amendments of 1990 (42 U.S.C. 7401-7671g); the primary Federal law that protects the nation's air resources. This act establishes a comprehensive set of standards, planning processes, and requirements to address air pollution problems and reduce emissions from major sources of pollutants.
Clean Water Act:	The Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. 1251 <i>et seq.</i>) is the primary Federal law that protects the nation's waters, including lakes, rivers, aquifers, and coastal areas. The Act provides a comprehensive framework of standards, technical tools, and financial assistance to address the many causes of pollution and poor water quality, including municipal and industrial wastewater discharges, polluted runoff from urban and rural areas, and habitat destruction. Specifically, the Clean Water Act provides for the following: ▪ Requires major industries to meet performance standards to ensure pollution control. ▪ Charges states and tribes with setting specific water quality standards appropriate for their waters and developing pollution control programs to meet them. ▪ Provides funding to states and communities to help them meet their clean water infrastructure needs. ▪ Protects valuable wetlands and other aquatic habitats through a permitting process that conducts land development activities and other activities in an environmentally sound manner.
common corridor:	An area in which passenger and freight rail lines run on adjacent parallel lines.

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA):	The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601-9673; P.L. 96-510); the Federal act that provides EPA with the authority to clean up inactive hazardous waste sites and distribute the cleanup costs among the parties who generated and/or handled the hazardous substances at these sites.
Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS):	Federal database containing information on potential hazardous waste sites that states, municipalities, private companies, and private persons have reported to the EPA, pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act. This database contains sites that are either currently on, or proposed for inclusion on, the National Priorities List (NPL) and sites that are in the screening and assessment phase for possible inclusion on the NPL.
condition:	A provision that the Board imposes as part of any decision approving the proposed CN/IC Acquisition and that requires action by one or more of the Applicants.
control boxes:	Structures at highway/rail at-grade crossings that house the electronics and apparatus that control the warning devices at the crossing.
Council on Environmental Quality (CEQ):	Federal agency responsible for developing regulations and guidance for agencies implementing the National Environmental Policy Act (NEPA). CEQ also provides clarification and guidance on NEPA regulations and evaluates existing and proposed policies and activities of the Federal government involving environmental issues (regulations at 40 CFR Parts 1500-1508).
crew caller:	Term applied to a railroad employee who is responsible for notifying train crews when and where to report for duty.
crew calling:	Process of notifying train crew members when and where their next tour-of-duty will start. Labor agreements commonly specify that railroads call train crews a minimum of 2 hours before crew members are required to begin their tour-of-duty.
criteria of significance:	The criteria SEA developed to determine whether a potential adverse environmental effect is significant and may warrant mitigation.
critical habitat:	The specific sites within the geographical area occupied by threatened or endangered species that include the physical or biological features essential to the conservation of the species. These areas may require special management considerations or protection. These areas include specific sites outside the geographical areas occupied by the species at the time of the listing that are essential for the conservation of the species.
cultural resource:	Any prehistoric or historic district, site, building, structure, or object that warrants consideration for inclusion in the National Register of Historic Places. A cultural resource that is listed in or is eligible for listing in the National Register of Historic Places is considered a historic property (or a significant cultural resource). For the purposes of this Environmental Assessment, the term applies to any resource more than 50 years old for which SEA gathered information to evaluate its significance.

cumulative effects:	Effects resulting from the incremental impacts of the proposed CN/IC Acquisition when added to other past, present, and reasonably foreseeable future actions, regardless of which agency (Federal or non-Federal) or person undertakes such actions, as described in 40 CFR 1508.7. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time.
Day 1:	In the event that the Board approves the proposed CN/IC Acquisition, the date (as the Applicants determine through mutual agreement) when operating responsibility for the acquired railroad is transferred to the Applicants' organization.
decibel (dB):	A unit of noise measured on a logarithmic scale that compresses the range of sound pressures audible to the human ear over a range from 0 to 140, where 0 decibels represents sound pressure corresponding to the threshold of human hearing, and 140 decibels corresponds to a sound pressure at which pain occurs. Noise analysts measure sound pressure levels that people hear in decibels, much like other analysts measure linear distances in yards or meters. A-weighted decibel (dBA) refers to a weighting that accounts for the various frequency components in a way that corresponds to human hearing.
degradation:	Changes to a habitat, either terrestrial or aquatic, so that it no longer meets the survival needs of a particular species of plant or wildlife. Such change could include reducing the feeding area, modifying the vegetation type, and limiting the available shelter.
diamond:	The intersection of two rail lines.
dispatcher (train):	The railroad operating employee responsible for issuing on-track movement and/or occupancy authority through the use of remotely controlled switches, signals, visual displays, voice control written mandatory directives, and/or all of the above.
double-stack freight service:	The transport of two intermodal containers stacked on top of each other on one platform of an intermodal rail flat car.
emissions:	Air pollutants that enter the atmosphere.
Environmental Assessment (EA):	A document that the CEQ regulations implementing the National Environmental Policy Act requires Federal agencies to prepare for major projects or legislative proposals having the potential to significantly affect the environment. A tool for decision-making, it describes the positive and negative environmental effects of the undertaking and alternative actions and measures to eliminate potentially significant environmental impacts.

Environmental Justice (EJ):	For purposes of this document, SEA defines environmental justice as the mission discussed in Executive Order (EO) 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations" (59 FR 7629, February 11, 1994). This EO directs Federal agencies to identify and address "disproportionately high and adverse human health or environmental effects" of their programs, policies, and activities on minority or low-income populations in the United States. EO 12898 also calls for public notification for environmental justice populations, as well as meaningful public participation of environmental justice populations. In this document, SEA used the guidance provided in the Department of Transportation Order on Environmental Justice, the Council of Environmental Quality's <i>Environmental Justice: Guidance under the National Environmental Policy Act</i> and the <i>Interim Final Guidance for Considering Environmental Justice Concerns Under the National Environmental Policy Act</i> to analyze potential disproportionately high and adverse impacts on environmental justice populations for rail segments, intermodal facilities, rail yards, and new construction.
Environmental Justice (EJ) population:	A population within an Area of Potential Effect whose minority or low-income composition meets at least one of the following criteria: (1) the percentage of minority and low-income population in the Area of Potential Effect is greater than 50 percent of the total population in the Area of Potential Effect, or (2) the percentage of minority and low-income population in the Area of Potential Effect is at least ten percentage points greater than the percentage of minority or low-income population in the county of which the Area of Potential Effect is a part.
Environmental Protection Agency (EPA):	The Federal agency that has broad oversight and implementing responsibility for many Federal environmental laws, including the Clean Air Act; Clean Water Act; Comprehensive Environmental Response, Compensation, and Liability Act; and Superfund Amendment and Reauthorization Act. EPA also provides guidance and advice in complying with appropriate Executive Orders.
Environmental Resource Score (ERS):	The impact score determined for an environmental resource category within a (block group) area of potential effect. A typical ERS ranges from 0 to 6, reflecting the relative impact on the Area of Potential Effect compared with impacts on other Areas of Potential Effect. For the Environmental Justice analysis, SEA calculated an ERS for noise, hazardous materials transport, and traffic safety and delay.
equipment:	For a railroad, a term used to refer to the mobile assets of the railroad, such as locomotives, freight cars, and on-track maintenance machines. Also used more narrowly as a collective term for freight cars operated by this railroad.
Executive Order (EO) 12898:	Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority and Low-Income Populations," issued in February of 1994, directs Federal agencies to identify and address as appropriate "disproportionately high and adverse human health or environmental effects," including interrelated social and economic effects of their programs, policies, and activities on minority populations and low-income populations in the United States.
Federal Emergency Management Agency (FEMA):	Identifies 100-year floodplains and reviews projects to ensure that they comply with relevant laws concerning construction in floodplains, such as the National Flood Insurance Act of 1968 and Executive Order 11983 on National Floodplain Insurance.

Federal Railroad Administration (FRA):	FRA, an agency within the Department of Transportation, is the Federal agency primarily responsible for railroad safety matters.
floodplain:	The lowlands adjoining inland and coastal waters and relatively flat areas and flood-prone areas of offshore islands, including, at a minimum, those areas that have a 1 percent or greater chance of flood in any given year (also known as a 100-year or a Zone A floodplain).
frog:	A device permitting the wheels on one rail of a track to cross an intersecting rail.
fugitive dust:	According to EPA regulations, those particulate matter emissions that could not "reasonably pass" through a stack, chimney, vent, or other functionally equivalent opening. Examples of fugitive dust include windborne particulate matter from earth moving and material handling during construction activities.
Geographic Information System (GIS):	A computer system for storing, retrieving, manipulating, analyzing, and displaying geographic data. GIS combines mapping and databases.
grade crossing:	See <i>highway/rail at-grade crossing</i> .
grade separation:	See <i>separated grade crossing</i> .
gross ton-mile:	A measure of railroad production that represents the weight of cars and freight movement in terms of total tons per mile transported system-wide or over a specific rail line segment. Specifically, 1 ton of railroad car and loading carried 1 mile.
haulage right(s):	The limited right (or combination of limited rights) of one railroad to have its freight traffic moved by another railroad over the designated lines of the other railroad.
hazardous materials:	Substances or materials that the Secretary of Transportation has determined are capable of posing an unreasonable risk to human health, safety, and property when transported in commerce, as designated under 49 CFR Parts 172 and 173.
hazardous wastes:	Waste materials that, by their nature, are inherently dangerous to handle or dispose of (e.g., old explosives, radioactive materials, some chemicals, some biological wastes). Usually, industrial operations produce these waste materials.
highway/rail at-grade crossing:	The general area of an intersection of a public or private road and a railroad where the intersecting rail and highway traffic are at the same level.
historic property:	Any prehistoric or historic district, site, building, structure, or object included in or eligible for inclusion in the National Register of Historic Places (NRHP). The term "eligible for inclusion in the NRHP" pertains to both properties that the Secretary of the Interior has formally determined to be eligible and to all other properties that meet NRHP listing criteria.
horn noise (train):	Noise that occurs when locomotives sound warning horns in the vicinity of highway/rail at-grade crossings.
hours-of-service regulations:	Federal Hours of Service Law, which the Federal Railroad Administration enforces, governing maximum shift lengths and minimum rest periods for railroad operating employees. These employees include train crew, train dispatchers, and signal maintainers, as well as mechanical employees who move equipment for the purpose of test and inspection.

Impedances:	The values train traffic forecasters assign to quantify the ease with which a train may pass through a junction. The combination of impedance values for an entire freight route provides the traffic forecasters with an estimate of how attractive or competitive that route might be when compared to the route of another railroad. The train traffic model then projects which routes are most likely to carry each type of freight.
Inconsistent and Responsive (IR) Applications:	Proposals to the Surface Transportation Board that Parties of Record submitted prior to October 21, 1997, requesting modifications of, or alternatives to, the proposed CN/IC Acquisition.
Indian tribe:	According to Indian Self-Determination and Education Assistance Act (25 U.S.C. 450-458; P.L. 93-638), any Indian tribe, band, nation, or other organized group or community recognized as eligible for the special programs and services that the United States provides to Indians because of their status as Indians.
Interchange point:	Point at which two or more railroads join to exchange freight traffic.
interlocking:	An arrangement of switch, lock, and signal devices that is located where rail tracks cross, join, or separate. The devices are interconnected in such a way that their movements must succeed each other in a predetermined order, thereby preventing opposing or conflicting movements.
Intermodal facility:	A site consisting of tracks, lifting equipment, paved and/or unpaved areas, and a control point for the transfer (receiving, loading, unloading, and dispatching) of trailers and containers between rail and highway, or between rail and marine modes of transportation.
Intrastate junctions:	A junction between two rail lines that have an agreement (i.e., a marketing agreement).
Key Route:	For the purposes of this EA, a rail line segment that carries an annual volume of 10,000 or more carloads of hazardous material.
key train:	Any train with five or more tank carloads of chemicals classified as a Poison Inhalation Hazard (PIH) or with a total of 20 rail cars with any combination of PIHs, flammable gases, explosives, or environmentally sensitive chemicals.
L_{dn}:	The day-night average noise sound level, which is the receptor's cumulative noise exposure from all noise events over a full 24 hours. This is adjusted to account for the perception that noise at night is more bothersome than the same noise during the day.
Level of Service (LOS):	A degree of peak congestion experienced by a roadway vehicle traffic stream using procedures that consider factors such as vehicle delay, freedom to maneuver, traffic interruptions, comfort and convenience, and safety. Traffic analysts express LOS as letter grades, ranging from Level of Service A (free flowing) to Level of Service F (severely congested); they measure LOS by the average delay for all vehicles. Specifically, Level of Service A describes operations with very low delay (less than 5.0 seconds per vehicle); Level of Service B describes operations with delay in the range of 5.1 to 15.0 seconds per vehicle; Level of Service C describes operations with delay in the range of 15.1 to 25.0 seconds per vehicle; Level of Service D describes operations with delay in the range of 25.1 to 40.0 seconds per vehicle; Level of Service E describes operations with delay in the range of 40.1 to 60.0 seconds per vehicle; and Level of Service F describes operations with delay in excess of 60.0 seconds per vehicle.

low-income population:	A population composed of persons whose median household income is below the Department of Health and Human Services poverty guidelines.
mainline:	Railroad line that through trains use between terminals.
maintenance area:	An area classified by EPA as meeting National Ambient Air Quality Standards (NAAQS) and which previously (within the last 10 years before reclassification) did not meet NAAQS.
Major Key Route:	For the purposes of this EA, a rail line segment where the annual volume of hazardous material it carries is projected to double and also exceed 20,000 carloads as a result of the proposed CN/IC Acquisition.
minority population:	A population composed of persons who are Black (non-Hispanic), Hispanic, Asian American, American Indian, or Alaskan Native.
mitigation:	An action taken to prevent, reduce, or eliminate adverse environmental effects.
motive power:	Locomotives operated by the railroad.
multi-level rail car:	A two- or three-level freight car, designed for transporting automotive vehicles.
Multiple Resource Score (MRS):	For the Environmental Justice analysis, a measure of aggregate impacts used to identify the geographic areas of greatest concern. This score is an average of the environmental resource scores for hazardous materials transport, noise, and traffic safety and delay, and forms the basis for the tests for disproportionality.
National Ambient Air Quality Standards (NAAQS):	Air pollutant concentration limits established by the EPA for the protection of human health, structures, and the natural environment.
National Environmental Policy Act (NEPA):	The National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347; P.L. 91-190) is the basic national charter for the protection of the environment. It establishes policy, sets goals, and provides means for carrying out the policy. Its purpose is to provide for the establishment of a Council on Environmental Quality and to instruct Federal agencies on what they must do to comply with the procedures and achieve the goals of NEPA.
National Historic Preservation Act (NHPA):	The National Historic Preservation Act of 1966, as amended (16 U.S.C. 470-470i <i>et seq.</i> ; P.L. 89-665), is the basic legislation of the Nation's historic preservation program that established the Advisory Council on Historic Preservation and the Section 106 review process. Section 106 of the NHPA requires every Federal agency to "take into account" the effects of its undertakings on historic properties.
National Priorities List (NPL):	A subset of CERCLIS: EPA's list of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long-term remedial action under the Superfund Program.
National Register of Historic Places (NRHP):	Administered by the National Park Service, the Nation's master inventory of known historic properties, including buildings, structures, sites, objects, and districts that possess historic, architectural, engineering, archeological, or cultural significance at the Federal, state, and local levels.
Native American:	According to the Native American Graves Protection and Repatriation Act of 1990, as amended (25 U.S.C. 3001 <i>et seq.</i> ; P.L. 101-601), of or relating to a tribe, people, or culture that is indigenous to the United States.

Native American lands:	According to the regulations of the Advisory Council on Historic Preservation in 36 CFR 800.2, all lands under the jurisdiction or control of an Indian tribe, including all lands within the exterior boundaries of any American Indian reservation.
Natural Resource Conservation Service (NRCS):	Formerly the Soil Conservation Service, this agency is charged with protecting farmlands, particularly those classified as prime, unique, or of state or local importance. NRCS also provides technical assistance to conservation districts, individuals, communities, watershed groups, tribal governments, and other agencies on reducing soil erosion and wetland loss.
Negotiated Agreement:	An agreement between CN, IC, or both, and one or more communities or other governmental units that addresses potential environmental impacts or other issues.
No-action Alternative:	The proposed acquisition of IC by CN does not take place under this alternative; also, the present setting for the pre-Acquisition conditions.
noise:	A disturbance or annoyance of an intruding or unwanted sound. Noise impacts essentially depend on the amount and nature of the intruding sound, the amount of background sound already present before the intruding or unwanted sound occurred, and the nature of working or living activity of the people occupying the area where the sound occurs.
noise contour:	Line plotted on a map or drawing connecting points of equal sound levels.
noise-sensitive receptor:	Location where noise can interrupt ongoing activities and can result in community annoyance, especially in residential areas. The Board's environmental regulations include schools, libraries, hospitals, residences, retirement communities, and nursing homes as examples of noise-sensitive receptors.
nonattainment area:	An area that EPA has classified as not complying with the National Ambient Air Quality Standards promulgated under the Clean Air Act.
Operating Plan:	The document that CN and IC provided as part of the Application, detailing their planned railroad operations following the proposed CN/IC Acquisition.
operating practices:	Safety and operating rules, practices, and procedures contained in operating rule book, timetable, special instructions, or any other company-issued instructions and the management decisions implementing those rules and instructions that govern the movement of trains and work on or around active tracks.
operating rules:	Written rules of a railroad governing the operation of trains and the conduct of employees responsible for train operations when working on or around active tracks.
particulate matter (PM):	Airborne dust or aerosols.
Party of Record (POR):	Party that notified the Board of their active participation in the proceeding concerning the proposed CN/IC Acquisition. When submitting a filing to the Board, the POR must also serve the entire POR service list.
passive warning devices:	Traffic control devices that do not give positive notice to highway users of the approach or presence of a train. These devices may include signs and pavement markings located at, or in advance of, railroad crossings to indicate the presence of a crossing and the presence of a train. These signs are either regulatory or nonregulatory and may include parallel track signs, crossbucks, stop signs, yield signs, and constantly flashing lights.

positive train separation:	Mechanism included in positive train control, an experimental, automated safety system, using Global Positioning System (GPS) technology, onboard computers, and wayside information inputs to control train movement. In the event of failure on the primary safety system, positive train control reduces the risk of single-point failure (i.e., human error).
posted speed:	Maximum speed permitted at a specific location on the railroad network irrespective of train type.
Prevention of Significant Deterioration (PSD) Class I Areas:	National parks and wilderness areas designated under the Clean Air Act as areas for which users are to maintain air quality at pristine levels, with very small increases in air pollution levels allowed.
Primary Application:	The formal filing of documents with the Surface Transportation Board by applicants for railroad mergers, acquisitions, constructions, or abandonments. The Primary Application contains the Operating Plan and information describing related construction projects.
prime farmland:	According to Natural Resources Conservation Service, land having the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops.
proposed CN/IC Acquisition:	The proposed acquisition of IC's physical assets and operating systems by CN, for which the Applicants are seeking approval from the Board.
public uses:	According to 49 U.S.C. 10905 and STB Regulations "Surface Transportation Manual," Section 1105.7(3)(iv), those identified alternative public purposes for the use of rail properties proposed for abandonment or discontinuance, including highways, other forms of mass transportation, conservation, energy production or transmission, or recreation.
queue:	For the purposes of this Environmental Assessment, the line of vehicles waiting at a highway/rail at-grade crossing for an obstruction to clear.
rail line segment:	For the purposes of this Environmental Assessment, portions of rail lines that extend between two terminals or junction points.
rail line switch:	See <i>turnout</i> .
rail route:	Line of railroad track between two points on a rail system.
rail yard:	A location or facility with multiple tracks where rail operators switch and store rail cars.
receptor:	See <i>noise-sensitive receptor</i> .
Request for Conditions:	A document filed with the Board by a party to this proceeding on or before October 27, 1998 that requests the Board to impose one or more specified requirements on the Applicants as a condition of the Board's approval of the proposed CN/IC Acquisition.
Resource Conservation and Recovery Act (RCRA):	The Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 <i>et seq.</i> ; P.L. 94-580) is a Federal act governing the generating, storing, transporting, treating, and disposing of hazardous waste.
Resource Conservation and Recovery Information System (RCRIS):	Federal database containing information on facilities that generate, transport, store, treat, and/or dispose of hazardous waste.

Responsive Environmental Report (RER):	A report, submitted by an Inconsistent or Responsive Applicant, that contains detailed environmental information regarding the activities proposed in its IR Application and complies with the requirements for environmental reports in the Board's rules at 49 CFR 1105.7(e).
retarder:	In railroad yards, a braking device, usually power-operated, built into a railroad track to reduce the speed of cars by means of brake-shoes which, when set in braking position, press against the sides of the lower portions of the wheels.
riparian:	Relating to, living or located on, or having access to, the bank of a natural water course, sometimes also a lake or tidewater.
riprap:	A loose pile or layer of broken stones erected in water or on soft ground as a guard against erosion.
route miles:	Length of a railroad line, regardless of the number of tracks.
safety culture:	The manner in which management and employees in an organization view and approach the issue of safety, including both formalized rules and informal practices in the organization.
Safety Integration Plan:	Plan that the Applicants prepared and submitted to the Board to explain how they propose to provide for the safe integration of their separate corporate cultures and operating systems, if the Board approves the proposed CN/IC Acquisition.
seamless corridor:	A railroad route that does not require cars or blocks of cars to interchange.
sensitive receptor:	See <i>noise-sensitive receptor</i> .
separated grade crossing:	The site where a local street or highway crosses railroad tracks at a different level or elevation, either as an overpass or as an underpass.
service:	The official notification and delivery of Board decisions and notices (including environmental documents) by the Secretary of the Board to persons involved in a particular proceeding.
Settlement Agreement:	An agreement negotiated between CN or IC, or both, and one or more parties, including other railroads, that addresses concerns or requests of the party (or parties). Generally, such an agreement addresses competitive customer service or labor issues.
siding:	A track parallel to a main track that is connected to the main track at each end. A siding is used for the passing and/or storage of trains.
single-line service:	Service over one railroad, without having to interchange rail cars between railroads.
Sound Exposure Level (SEL):	For a transient noise event such as a passing train, equivalent to the maximum A-weighted sound level that would occur if all of the noise energy associated with the event were restricted to a time period of 1 second. The SEL accounts for both the magnitude and the duration of the noise event; noise analysts use SEL to calculate the day-night average noise level.
switch:	The portion of the track structure used to direct cars and locomotives from one track to another.
switching:	The activity of moving cars from one track to another in a yard or where tracks go into a railroad customer's facility.

tank car:	A type of freight car that shippers use to ship liquids and liquefied gases in bulk.
threshold for environmental analysis:	A level of proposed change in railroad activities that determines the need for SEA's environmental review. In conducting its environmental analysis for the proposed CN/IC Acquisition, SEA first applied the Board's thresholds for environmental analysis at 49 CFR Part 1105. The Board thresholds apply specifically to air quality, noise, and energy resources. For issue areas where the Board does not have specific thresholds for environmental analysis, SEA assessed whether it would be appropriate to apply thresholds developed for the recent Conrail Acquisition. SEA concluded that the analysis thresholds developed for the Conrail Acquisition were also appropriate for environmental analysis of the proposed CN/IC Acquisition.
ton-mile:	The movement of one ton of cargo or equipment over a distance of 1 mile.
track class:	Designation between 1 and 6 by the Federal Railroad Administration to characterize the quality and condition of track. The track geometry and type of track structure govern the allowable speed over the track and the level of upkeep to maintain the track. For Class 3 track the maximum allowable operating speed is 40 mph for freight trains and 60 mph for passenger trains. For Class 4 track the maximum allowable operating speed is 60 mph for freight trains and 80 mph for passenger trains.
train-mile:	The movement of one train over a distance of 1 mile.
truck-mile:	The movement of one truck over a distance of 1 mile.
turnout:	The portion of railroad track structure where a single track divides into two tracks.
U.S. Army Corps of Engineers (Corps):	The Corps is responsible for maintaining and operating certain navigation and flood control projects and for regulating the discharge of dredge or fill materials into the nation's waters, including wetlands. The Corps also regulates, under Sections 9 and 10 of the Rivers and Harbors Act of 1899, activities on navigable waters that could affect the course, location, and capacity of such waters.
U.S. Coast Guard:	The Coast Guard oversees any construction involving navigable waterways (e.g., new bridges or rehabilitated old structures) and ongoing operations on drawbridges to ensure that they meet the Coast Guard's navigational clearance limits or guidelines to avoid obstructions.
U.S. Fish and Wildlife Service (FWS):	Federal agency with primary expertise for fish, wildlife, and natural resources issues. FWS also is responsible for implementing the Endangered Species Act and, through its regional offices, for consulting with other Federal agencies on potential impacts on threatened and endangered species.
Verified Statement:	A party's sworn statement that provides information to the Board.
wayside:	Adjacent to the railroad track, as in "wayside signals" or "wayside defect detectors."
wayside noise:	Train noise adjacent to the right-of-way that comes from sources other than the horn, such as engine noise, exhaust noise, and noise from steel train wheels rolling on steel rails.

wetlands:

According to 40 CFR Part 230.41, those "areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions," generally including swamps, marshes, bogs, and similar areas.

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APPLICABLE LEGISLATIVE CITATIONS

The United States Code (U.S.C.) contains the text of current Public Laws that Congress has enacted; it does not include regulations that executive branch agencies have issued, nor does it contain treaties or decisions of the Federal courts. The Code of Federal Regulations (CFR) contains Federal regulations issued by executive branch agencies; the *Federal Register* contains proposed regulations and recently adopted regulations that are not yet included in the CFR.

SEA referred to numerous acts, regulations, and guidelines throughout its preparation of the Draft EA. The following list contains applicable Acts of Congress identified by the appropriate U.S.C., Public Law (P.L.), and/or Statute (Stat.) information. This list also contains applicable Federal regulations from the CFR and recent regulations published in the *Federal Register* and identified by the applicable issuing agency name.

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- Archaeological and Historic Preservation Act of 1960* [as amended]. 16 U.S.C. 469-469c; P.L. 86-532 (June 27, 1960).
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- Clean Air Act* (also known as "Air Pollution Prevention and Control Act") [as amended]. 42 U.S.C. 7401-7671g; P.L. 360 (July 14, 1955).

- Clean Water Act (also known as "Federal Water Pollution Control Act")* [as amended and reauthorized]. 33 U.S.C. 1251 *et seq.*; P.L. 758 (June 30, 1948).
- Coastal Zone Management Act of 1972* [as amended and reauthorized]. 16 U.S.C. 1451-1464; P.L. 92-583 (October 27, 1972).
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National Trails System Act. 16 U.S.C. 1247 *et seq.*; P. L. 90-543 (October 2, 1968).
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- "Secretary's Standards and Guidelines for Archaeological and Historic Preservation." *Federal Register*, Volume 48, p. 44716 et seq.

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