

SERVICE DATE – MAY 11, 2009

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423

ENVIRONMENTAL ASSESSMENT

STB Docket No. AB-1022 (Sub-No. 1X)

**Arizona & California Railroad Company – Abandonment Exemption –
in San Bernardino and Riverside Counties, CA**

BACKGROUND

In this proceeding, Arizona & California Railroad Company (ARZC) has filed a petition of exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903 seeking to abandon 49.40 miles of a stub-ended rail line, from milepost 0.0 at Rice, CA, to milepost 49.4 at Ripley, CA, in San Bernardino and Riverside Counties, CA. If approved, ARZC intends to reclassify the northern four miles of the Line between milepost 0.0 and milepost 4.0 as spur track to use as part of its yard operations in Rice and for rail car storage. According to ARZC, the Line contains federally granted rights-of-way and traverses U.S. Postal Service Zip Codes 92225, 92226, and 92280. A map depicting the proposed abandonment in relationship to the area served is appended to this Environmental Assessment (EA).

ENVIRONMENTAL REVIEW

ARZC has submitted an environmental report that concludes that neither the proposed abandonment nor post-abandonment activities, such as salvage and disposition of the right-of-way, would significantly affect the quality of the human environment. ARZC served the environmental report on a number of appropriate Federal, state, and local agencies as required by the Surface Transportation Board's (Board) environmental rules [49 CFR 1105.7(b)]. The Board's Section of Environmental Analysis (SEA) has reviewed and investigated the record in this proceeding.

Diversion of Traffic

As explained above, ARZC seeks approval to abandon 49.40 miles of rail line from milepost 0.0 at Rice, CA, to milepost 49.4 at Ripley, CA, in San Bernardino and Riverside Counties, CA and if approved, it would reclassify the northern four miles of the Line between milepost 0.0 and milepost 4.0 as spur track for use as part of its yard operations in Rice and for rail car storage. ARZC also states that the Line is stub-ended and therefore carries no overhead rail traffic.

ARZC states that in 2007, five shippers generated a total of 210 inbound carloads and zero outbound carloads. The five shippers were: (1) Compton Ag (86 car loads), (2) Helena

(101 carloads), (3) Wilbur Ellis (4 carloads), (4) America Cast Iron (18 carloads) and (5) RDO Equipment (1 carload). According to ARZC, the commodities transported were PTSM Chloride, Urea, M. Phosphate Fertilizer, UN32, Anhydrous Ammonia, pipe, and machinery. Furthermore, ARZC states that since 2006, the following shippers have stopped using the Line: (1) 5 Star Lumber, (2) Siemens Westinghouse, and (3) Cleveland Westinghouse.

According to ARZC, rail service was reduced because of poor track conditions and declining demand. In 2004, ARZC states that it provided rail service, on average, two to three times per week. In 2005, rail service was decreased to approximately twice per week. Then, beginning in 2006, rail service was further reduced to approximately two to three times per month, or as needed, and became sporadic in 2007. On December 18, 2007, the Line was embargoed due to deteriorated track conditions.

In its filing, ARZC states that in 2007, a total of 210 carloads were moved over the Line, 18 of which were for a one-time special project. Therefore, ARZC believes that at most, only 192 carloads would be diverted from rail to truck. Using this information, SEA has determined that, if approved, the abandonment would result in 864¹ additional trucks or 1,728 additional truck trips annually. When the additional trucks are calculated on a per day basis, an estimated 3.6 trucks (7.2 truck trips) per day would result during a 240 day year.² In analyzing transportation impacts, SEA obtained Average Annual Daily Traffic (AADT) for the City of Blythe, CA, which is located near the southern terminus³, proximate to U.S. Interstate 10 and which is also the location of Compton Ag and Helena, receivers of 187 of the 210 carloads moved in 2007.

In a submittal dated November 24, 2008, responding to ARZC's initial request for comments, the City of Blythe, CA, (City) made the following comments: (1) Demand for service would be greatly enhanced if rail service were not unreliable and not had an imposed surcharge of \$800.00 per rail car; (2) ARZC failed to channel any of its surcharge revenues back into track maintenance in furtherance of a systematic plan to deliberately facilitate abandonment; and (3) Due to ARZC's downgrade of rail service, it is appropriate to not only consider the 210 railcars but also that which has already been removed to transloading due to sporadic service and the high surcharge. SEA acknowledges the City's concerns, but notes that it did not provide any different railcar traffic numbers for SEA to evaluate. Even so, SEA notes that additional increases in rail to truck diversions would not likely result in significant traffic related impacts.

As seen in Table 1 below, even if SEA assumes a worst case scenario - that all 864 trucks would travel the exact same roadway and direction - this results in far less than a 10 percent

¹ SEA used a conversion of 4.5 trucks per rail car.

² 240 workdays result when weekends and holidays are subtracted from a 365 day year.

³ Blythe, CA, is located approximately 10 miles northeast of the southern terminus at Ripley, CA.

increase in overall traffic levels which SEA believes would not result in any adverse effects to regional or local transportation systems and patterns.

Table 1. Percent Increase in Traffic

Community	2007 AADT⁴	Estimated New Trucks	Percent Increase in ADT
Blythe (west): U.S. 10 at Jct. of CA-78	25,600	864	3.4
Blythe (east): U.S. 10 at Jct. of U.S. 95	22,700	864	3.8

According to ARZC, in an e-mail dated May 4, 2009, it has been approached by the Trust for Public Lands and the California office of the Rails to Trails Conservancy regarding interim trails use. ARZC also states that it has also been approached to sell the Line for continued rail operations. ARZC states that negotiations on both fronts are in their preliminary stages.

ARZC believes that there are no reasonable alternatives to its proposed abandonment of the Line due to its the stub-ended nature (which prevents overhead traffic), the low traffic volume, high operating and maintenance costs and the costs required to rehabilitate the Line. ARZC also notes that the condition of the Line is very important due to the hazardous commodities that are transported.

Last, according to ARZC, if approved, the abandonment would result in the elimination of 21 public and 25 private at-grade crossings.

Salvage Activities

If the petition becomes effective, ARZC states that it intends to salvage the track and ties and possibly the upper layer of ballast. Furthermore, according to ARZC it does not intend to disturb any sub-grade or sub-grade structures. If approved, ARZC indicates that removal of material would be accomplished by use of the right-of-way for access along with existing public and private crossings. No new access roads are contemplated. ARZC does not intend to disturb any of the underlying roadbed or perform any activities that would cause sedimentation or erosion of the soil, and it does not anticipate any dredging or use of fill in the removal of the track material. Moreover, ARZC states that the crossties and/or other debris would be transported away from the Line and would not be discarded along the right-of-way nor be placed or left in stream or wetlands, or along the banks of such waterways. ARZC also states that during track removal, appropriate measures would be implemented to prevent or control spills from fuels, lubricants or any other pollutant materials from entering any waterways.

⁴ AADT data was obtained from the California Department of Transportation's website: <http://www.dot.ca.gov/hq/traffops/saferesr/trafdata/truck2007final.pdf>.

ARZC believes that the abandonment, as proposed, is consistent with existing land use plans. According to ARZC, with the exception of the communities of Blythe and Ripley, CA, the land adjoining the Line is primarily rural and agricultural in nature. In a submittal dated November 24, 2008, the City of Blythe states that its land use plan has consistently contemplated rail transportation of bulk agricultural commodities.

According to ARZC, the Line crosses many ditches that eventually drain into the Colorado River. ARZC believes that due to the Line's current condition, abandonment would eliminate the possibility of a spill of hazardous materials into waters that would empty into the Colorado River.

In a filing dated November 24, 2008, the City of Blythe, CA (City) notes that it is safer to transport hazardous materials by rail rather than truck. The City states that to date, since receivers have had to rely on transloading of anhydrous ammonia there have been two incidents resulting in its release. ARZC notes that on April 8, 2005, at milepost 43.3, a locomotive developed an internal fuel leak. As a result, a mixture of about 40 gallons of fuel and oil spilled onto the ground. ARZC notified the appropriate environmental and emergency agencies and proceeded to clean-up the spill within 12 hours. ARZC states that it is not aware of any other known hazardous waste site or sites where there have been known hazardous materials spill along the Line.

ARZC states that is no aware of any wildlife sanctuaries or refuges, National or State parks or forests that would be adversely affected by the proposed abandonment.

ARZC believes that the proposed abandonment is consistent with applicable water quality standards. ARZC also believes that no permits under sections 404 or 402 of the Clean Water Act are required for the proposed abandonment and that no designated wetlands or 100-year flood plains would be affected.

In a letter dated November 20, 2008, representatives of Helena Chemical Company, (Helena) located in Blythe, CA, note that its sole means of access to and from its facility is through a private road alongside ARZC's right-of-way. Helena states that it has rights to this private road that are memorialized in an unrecorded Nonexclusive Roadway Agreement dated April 1, 2003, with ARZC. Helena is requesting that ARZC grant it a recorded easement for ingress and egress over the private road before the right-of-way has been sold or otherwise disposed of.

ARZC states that the abandonment would not affect the transportation of energy resources, recyclable commodities, or energy consumption.

SEA believes that any air emissions associated with salvage operations would be temporary and would not have a significant impact on air quality. Noise associated with salvage

activities would also be temporary and should not have a significant impact on the area surrounding the proposed abandonment.

The U.S. Department of Commerce, National Geodetic Survey (NGS) has not completed its review of the proposed abandonment. Therefore, SEA has added NGS to the service list for this EA and specifically invites NGS's comments on this EA

Based on all information available to date, SEA does not believe that salvage activities would cause significant environmental impacts.

HISTORIC REVIEW

In its Environmental and Historic Report, ARZC states that the Line was originally constructed in 1920 as part of the construction of a rail line between Parker, AZ and Cadiz, CA, by the California Southern Railroad (CSR), a subsidiary of the Atchison, Topeka and Santa Fe Railroad (ATSF). The CSR merged with the ATSF and the Line was operated by ATSF until a short line sale in 1991 to the Arizona & California Railroad, a division of ParkSierra Corporation. RailAmerica, Inc., acquired ParkSierra in 2002. Today, the ARZC remains a shortline within the RailAmerica family of railroads.

As explained above, the Line proposed for abandonment begins at milepost 0.0 at Rice, CA to milepost 49.4 at Ripley, CA, in San Bernardino and Riverside Counties, CA. ARZC states that there are no structures 50 year old or older that would be affected by the proposed abandonment. Furthermore, it is ARZC's opinion that there are no archeological resources or other railroad related historic properties within the project area.

ARZC has served the historic report on the California Office of Historic Preservation, Department of Parks and Recreation (SHPO), pursuant to 49 CFR 1105.8(c).⁵ SEA has not heard from the SHPO and therefore has not been able to consider the SHPO's opinion before determining if the Line may be potentially eligible for listing on the National Register of Historic Places. Accordingly, we are recommending a condition requiring the railroad to retain its interest in and take no steps to alter the historic integrity of all historic properties including sites, buildings, structures and objects within the project right-of-way (the Area of Potential Effect) eligible for listing or listed in the National Register of Historic Places until completion of the Section 106 process.

Pursuant to 36 CFR 800.2, SEA conducted a search of the Native American Consultation Database at <http://home.nps.gov/nacd> to identify Federally recognized tribes, which may have ancestral connections to the project area. The database indicated that the following twenty-three Federally recognized tribes that may have ancestral connection to the project area:

⁵ Guidance regarding the Board's historic preservation review process is available on the Board's web site at <http://www.stb.dot.gov/stb/environment/preservation.html>.

(1) Chemehuevi Indian Tribe of the Chemehuevi Reservation, (2) Colorado River Indian Tribes of the Colorado River Indian Reservation of Arizona and California, (3) Fort McDowell Yavapai Nation, (4) Fort Mojave Indian Tribe of Arizona, California and Nevada, (5) Kaibab Band of Paiute Indians of the Kaibab Indian Reservation, (6) Las Vegas Tribe of Paiute Indians of the Las Vegas Indian Colony, (7) Moapa Band of Paiute Indians of the Moapa River Indian Reservation, (8) Paiute Indian Tribe of Utah, (9) San Manuel Band of Serrano Mission Indians of the San Manuel Reservation, (10) Twenty-Nine Palms Band of Mission Indians of California, and (11) Yavapai-Apache Nation of the Camp of the Camp Verde Indian Reservation, (12) Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation, (13) Augustine Band of Cahuilla Mission Indians of the Augustine Reservation, (14) Cabazon Band of Mission Indians, (15) Cahuilla Band of Mission Indians of the Cahuilla Reservation, (16) Ione Band of Miwok Indians of California, (17) Morongo Band of Cahuilla Mission Indians of the Morongo Reservation, (18) Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, (19) Quechan Tribe of the Fort Yuma Indian Reservation, (20) Ramona Band or Village of Cahuilla Mission Indians of California, (21) Santa Rosa Band of Cahuilla Mission Indians of the Santa Rosa Reservation, (22) Soboba Band of Luiseno Indians, (23) Torres Martinez Desert Cahuilla Indians. SEA will ensure that each tribe receives a copy of this EA for its review and that the tribe be added to the service list for this proceeding.

Based on all information available to date, SEA does not believe that salvage activities would cause significant impacts to historic or cultural resources. SEA is providing a copy of this EA to the following agencies for review and comment: California Office of Historic Preservation and the California Environmental Protection Agency.

CONDITIONS

SEA recommends that one condition be imposed on any decision granting abandonment authority.

- 1. The Arizona & California Railroad Company shall retain its interest in and take no steps to alter the historic integrity of all historic properties including sites, buildings, structures, and objects within the project right-of-way (the Area of Potential Effect) that are eligible for listing or listed in the National Register of Historic Places until the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f, has been completed. The Arizona & California Railroad Company shall report back to the Section of Environmental Analysis (SEA) regarding any consultations with the California Office of Historic Preservation, Department of Parks and Recreation and the public. The Arizona & California Railroad Company may not file its consummation notice or initiate any salvage activities related to abandonment (including removal of tracks and ties) until the Section 106 process has been completed and the Board has removed this condition.**

CONCLUSIONS

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

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

PUBLIC USE

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

TRAILS USE

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

ARZC states that it has been approached by the Trust for Public Lands and the California office of the Rails to Trails Conservancy regarding interim trails use. All negotiations are preliminary at this point.

PUBLIC ASSISTANCE

The Board's Office of Public Assistance, Governmental Affairs, and Compliance (OPAGAC) responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact OPAGAC directly at (202) 245-0230, or mail inquiries to Surface Transportation Board, OPAGAC, Washington, DC 20423.

COMMENTS

If you wish to file comments regarding this Environmental Assessment, send an **original and two copies** to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Troy Brady, who prepared this Environmental Assessment. Environmental comments may also be filed electronically on the Board's web site, www.stb.dot.gov, by clicking

on the “E-FILING” link. **Please refer to Docket No. AB-1022 Sub No. 1X in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this Environmental Assessment, please contact Troy Brady, the environmental contact for this case, by phone at (202) 245-0301, fax at (202) 245-0454, or e-mail at Troy.Brady@stb.dot.gov.

Date made available to the public: May 11, 2009.

Comment due date: June 9, 2009.

By the Board, Victoria Rutson, Chief, Section of Environmental Analysis

Anne K. Quinlan
Acting Secretary

Attachment