

**SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423**

ENVIRONMENTAL ASSESSMENT

Docket No. AB 1250 (Sub-No. 1X)

**HC Railroad, LLC – Abandonment Exemption –
In Rush County, Ind.**

BACKGROUND

In this proceeding, HC Railroad, LLC (HC Railroad)¹ filed a petition for exemption under 49 U.S.C. § 10502 from the prior approval requirements of 49 U.S.C. § 10903 seeking to abandon approximately 6.4 miles of rail line extending from milepost 17.4 to milepost 23.8 in Rush County, Indiana (the Line).² According to HC Railroad, the Line is a single-track and the right-of-way is approximately 66 feet in width. The Line runs south to north between Rushville and Sexton, respectively, through agricultural and some industrial land and terminates at the Morristown Grain Company (Morristown) in Sexton.

HC Railroad states that it purchased the Line in 2010 but has never conducted common carrier operations because it leased the Line to Morristown under private contract, nor has it held itself out to the public to engage in the business of transporting freight. If the abandonment is authorized, HC Railroad intends to leave the tracks in place and use the rail line as private industrial track to serve the current leasee and affiliate, Morristown, under contract arrangements. There would be no material changes in service and no need to salvage the Line. The Line traverses U.S. postal zip code 46173. A map depicting the line in relationship to the area served is appended to this Environmental Assessment (EA).

¹ HC Railroad is an indirect subsidiary of Bunge North of America, Inc. and a Class III common carrier by railroad.

² HC Railroad originally sought authority to abandon its common carrier obligation through a Notice of Exemption filed pursuant to 49 C.F.R. § 1152.50 on January 23, 2017 in Docket No. AB 1250 (Sub-No. OX) because no local common carrier operations have occurred over the Line in over 6 years; there is no overhead traffic on the line; and there are no pending formal complaints from a user of rail service on the line. However, after discussions with Surface Transportation Board staff, HC Railroad withdrew the Notice of Exemption on February 27, 2017 and instead filed the current Petition for Exemption.

ENVIRONMENTAL REVIEW

HC Railroad submitted an environmental report that concludes the quality of the human environment would not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. HC Railroad served the environmental report on a number of appropriate federal, state, and local agencies as required by the Board's environmental rules [49 C.F.R. § 1105.7(b)].³ The Board's Office of Environmental Analysis (OEA) has reviewed and investigated the record in this proceeding.

Diversion of Traffic

HC Railroad states that if the proposed abandonment is granted, there would be no changes in the level of service. Rather, the proposed abandonment would allow for the Line to be converted from a common carrier railroad line to a private rail line. The Line would continue to serve Morristown. Accordingly, the proposed abandonment would not adversely impact the development, use and transportation of energy resources or recyclable commodities; transportation of ozone-depleting materials; or result in the diversion of rail traffic to truck traffic that could result in significant impacts to air quality or the local transportation network.

Salvage Activities

Impacts from salvage and disposal of a rail line typically include removal of tracks and ties, removal of ballast, dismantling of any bridges or other structures that may be present on the rail right-of-way, and regrading of the right-of-way. Salvage may be performed within the right-of-way, or if necessary, via construction of new access points to the right-of-way. If abandonment authority is granted, HC Railroad states that there would be no salvage. The Line would continue to operate and accordingly, there would be no impacts relating to the salvage process, including noise and air emissions.

HC Railroad served notice of the proposed abandonment on the U.S. Army Corps of Engineers (Corps). The Corps commented that a Section 404 permit under the Clean Water Act (33 U.S.C. § 1344) would not be needed because there would be no discharge of dredged or fill material into waters of the United States as a result of the proposed action. Accordingly, OEA concludes that no further coordination with the Corps is necessary in this proceeding.

HC Railroad served notice of the proposed abandonment on the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) regarding the project's applicability to the Farmland Protection Policy Act. NRCS commented that the proposed abandonment would not cause a conversion of farmland. Accordingly, OEA concludes that no further coordination with NRCS is necessary in this proceeding.

³ The Environmental and Historic Reports from the original filing referenced in footnote 2 are available for viewing on the Board's website at www.stb.gov by going to "E-Library," selecting "Filings," and then conducting a search for AB 1250 (Sub-No. 0X).

HC Railroad served notice of the proposed abandonment on the National Geodetic Survey (NGS). NGS commented that approximately one geodetic station marker may be located in the area of the proposed abandonment and that it would need to be contacted 90 days prior to any planned salvage operations. Because the Line is to remain operational and no salvage or other land disturbance activity is contemplated, OEA has determined that no further coordination with NGS is necessary in this proceeding.

HC Railroad served notice of the proposed abandonment on the Indiana Department of Natural Resources (IDNR), Division of Fish and Wildlife. IDNR stated that it has no comments because no land disturbance is contemplated. Accordingly, OEA concludes that no further coordination with IDNR is necessary in this proceeding.

HC Railroad served notice of the proposed abandonment on the Rush County Highway Department for potential impacts to transportation systems. Rush County commented that the proposed abandonment would not affect regional or local transportation systems; transportation of energy resources; or result in an increase or decrease in overall energy efficiency. Accordingly, OEA concludes that no further coordination with Rush County Highway Department is necessary in this proceeding.

Based on all information available to date, OEA does not believe that the proposed abandonment would cause significant environmental impacts. In addition to the parties on the Board's service list for this proceeding, OEA is providing a copy of this EA to the following agencies for review and comment: the U.S. Environmental Protection Agency; the National Park Service; the U.S. Fish and Wildlife Service; the Indiana Department of Transportation; the Indiana Department of Environmental Management; the Indiana Office of the Governor; the Office of the Mayor of Rushville; and the Rush County Commissioners.

HISTORIC REVIEW

HC Railroad served the Historic Report on the Indiana Department of Natural Resources (State Historic Preservation Office or SHPO), pursuant to 49 C.F.R. § 1105.8(c) as required by the Board's environmental rules [49 C.F.R. § 1105.8(a)]. The SHPO commented that there are two resources within the probable area of potential effects (APE) – the Sexton Christian Church (site # 139-391-05061) and the J. Kiser House (site # 139-391-20004) – that may be eligible for inclusion in the National Register of Historic Places (National Register). Based on available information, the SHPO believes that either a “no historic properties affected” or a “no adverse effect” finding would apply because there would be no alterations to the characteristics of the identified properties and the proposed undertaking would have no effect on these resources or their integrity as defined at 36 C.F.R. § 800.16(i). OEA notes that the attached map shows that the two potentially historic resources are outside the project APE, which is generally defined in abandonment proceedings as the rail line right-of-way. Any structures or objects outside the right-of-way or APE would be outside of the Board's jurisdictional control. Accordingly, OEA has determined that the “no historic properties affected” determination is most appropriate here.

Pursuant to the Section 106 regulations of the National Historic Preservation Act at 36 C.F.R. § 800.4(d)(1), and following consultation with the SHPO and the public, we have

determined that the proposed abandonment would not affect historic properties listed in or eligible for inclusion in the National Register. The documentation for this finding, as specified at 36 C.F.R. § 800.11(d), consists of HC Railroad's historic report, all relevant correspondence, and this EA, which have been provided to the SHPO and made available to the public through posting on the Board's website at <http://www.stb.gov>.

Pursuant to 36 C.F.R. § 800.2, OEA conducted a search of two Native American Consultation Databases to identify federally recognized tribes that may have ancestral connections to the project area.⁴ The databases indicated that there are four federally recognized tribes that may have knowledge regarding properties of traditional religious and cultural significance within the right-of-way or APE of the proposed abandonment. The tribes are: the Peoria Tribe of Indians of Oklahoma; the Miami Tribe of Oklahoma; the Seneca-Cayuga Nation; and the Delaware Nation, Oklahoma. OEA has included these tribes in the service list for this proceeding so that they may receive a copy of the EA for review.

CONCLUSIONS

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

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

TRAILS USE

A request for a notice of interim trail use (NITU) is due to the Board, with a copy to the railroad/applicant, within 10 days of the notice's publication in the Federal Register. Nevertheless, the Board will accept late-filed requests as long as it retains jurisdiction to do so in a particular case. This request must comply with the Board's rules for use of rights-of-way as trails (49 C.F.R. § 1152.29) and should address whether the issuance of a certificate of interim trail use in this case would be consistent with the grant of an adverse abandonment application.

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) 245-0238, or mail inquiries to Surface

⁴ Native American Consultation Database, <http://grantsdev.cr.nps.gov/Nagpra/NACD/> (last visited February 8, 2017) and the U.S. Housing and Urban Development's Tribal Directory Assessment Tool at <http://egis.hud.gov/tdat/Tribal.aspx> (last visited February 8, 2017).

Transportation Board, Office of Public Assistance, Governmental Affairs, and Compliance, Washington, DC 20423.

COMMENTS

If you wish to file comments regarding this Environmental Assessment, send an **original and two copies** to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Diana Wood, who prepared this Environmental Assessment. Environmental comments may also be filed electronically on the Board's web site, www.stb.gov, by clicking on the "E-FILING" link. **Please refer to Docket No. AB 1250 (Sub-No. 1X) in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this Environmental Assessment, please contact Diana Wood, the environmental contact for this case, by phone at (202) 245-0302, fax at (202) 245-0454, or e-mail at Diana.Wood@stb.gov.

Date made available to the public: May 12, 2017.

Comment due date: June 12, 2017.

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

Attachment