

From: [Ryan Clerico](#)
To: [Uinta Basin Rail Environment](#)
Subject: Uinta Basin Railway - Scoping Comment Letter
Date: Tuesday, July 30, 2019 2:12:01 PM
Attachments: [Enefit Scoping Comment_Uinta Basin Rail_07.30.19.pdf](#)

EI-26696

To whom it may concern,

Please see attached for Enefit American Oil's comments in response to the Surface Transportation Board's notice of intent to prepare an environmental impact statement associated with the Uinta Basin Railway project. Please feel free to contact me directly with any questions.

Kind regards,

Ryan Clerico, CEP
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July 30, 2019

Joshua Wayland
Surface Transportation Board
c/o 9300 Lee Highway
Fairfax, VA 22031
Attention: Environmental filing, Docket No. FD 36284

Submitted via email to uinta.eis@icf.com

RE: Scoping Comments on Uinta Basin Railway

Dear Mr. Wayland,

On June 19, 2019, the Surface Transportation Board (“STB”) published a notice of intent (“NOI”) to prepare an environmental impact statement (“EIS”) for the proposed Uinta Basin Railway (“UBR”) and requested comments from stakeholders on the scope of analysis of the EIS, as well as issues that should be analyzed in the EIS.

As the holder of extensive natural resources located on private lands, as well as state and federal leases, in the Uinta Basin, Enefit American Oil (“EAO”) has a strong interest in the development of the UBR. EAO is an oil shale development company operating in the Uinta Basin of eastern Utah, with planned activities including mining and mineral processing for production of shale oil. EAO respectfully submits these comments and requests that this letter be included in the administrative record for this matter.

I. INTRODUCTION

Enefit’s parent company, Eesti Energia (referred to as Enefit outside of Estonia), was founded in 1939 and is the world’s largest oil shale to energy company. With nearly a century in the oil shale industry, Enefit owns and operates oil shale mines, the world’s largest oil shale fired power plants, and has commercially produced oil from oil shale for nearly four decades. In total, Enefit has mined over one billion tons of oil shale, produced 600 terawatts of power, and produces more than three million barrels of oil every year. Enefit employs nearly 6,000 people in the nation of Estonia.

Enefit’s industrial oil production experience is unique in the world and is drawn from nearly 40 years of commercially operating its patented oil shale processing technology. After decades of research, development, and operations, Enefit has designed and constructed the most efficient oil shale production technology available anywhere in the world. This is an advanced, new generation technology, based on Enefit’s commercially proven technology, which has been operating in Estonia for nearly 40 years. Enefit’s newest generation oil shale plant came online in

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2012 in Estonia, more than doubling Enefit's oil production capacity in that country, and Enefit is currently preparing the investment decision for the next plant. Enefit desires to bring its knowledge and experience with oil shale to the Uinta Basin in Utah to help America meet its domestic energy needs.

EAO owns one of the largest tracts of private oil shale in the United States, and the largest in Utah. EAO's resource holdings include private fee land; state leases; and federal leases, totaling nearly 30,000 acres and containing an estimated 2.6 billion barrels of recoverable shale oil. In 2016, EAO announced 520 million barrels of proven and probable oil reserves, the first oil shale-to-shale oil project in the world to reach this development milestone. EAO recently secured rights-of-way for industrial-scale utilities and an access road across Federal land in the Uinta Basin through a similar EIS process administered by the Bureau of Land Management, and planning, permitting, design and engineering are ongoing for development of a 50,000-barrel-per-day oil shale production facility referred to as the South Project.

EAO plans to make substantial capital investments and provide significant new direct jobs to the State of Utah through the initial development of its private 13,000-acre Enefit South block, not to mention the extensive additional indirect jobs that will further grow and progress the region's long-term economic development. Development of the UBR would provide a valuable means to transport product oil to market and to move equipment and other materials associated with an oil shale industry into the region in a safe, efficient and environmentally-responsible manner.

The following comments relate to the scope of analysis of the EIS; the range of alternatives to be considered; and issues to be addressed in the impact analysis.

II. SCOPE OF ANALYSIS

The EIS analysis should focus on the direct, indirect and cumulative impacts of the construction and operation of the railroad itself. While increased upstream (e.g. crude oil production) and downstream (e.g. crude oil refining and consumption) may be related to the UBR and may be considered as part of the cumulative impact analysis, these types of activities should not be considered *connected actions* to the UBR analysis. The Bureau of Land Management, a cooperating Federal agency, states that actions are *connected* if they a) automatically trigger other actions that may require an EIS; b) cannot or will not proceed unless other actions are taken previously or simultaneously; or c) are interdependent parts of a larger action and depend upon the larger action for their justification. The UBR will neither automatically trigger other actions that require an EIS, nor is it limited by other actions that must be taken previously or simultaneously, and it is not an interdependent part of any larger action. Upstream and downstream development in the oil industry in the Uinta Basin – both conventional and unconventional – will proceed independent of the UBR. Therefore, any impacts beyond those directly and indirectly related to the construction and operation of the UBR should be considered solely as cumulative impacts.

III. RANGE OF ALTERNATIVES

The range of alternatives carried forward for full analysis in the EIS should be limited to those reasonable alternatives that directly respond to, and meet, the stated project purpose and need. Although there may be other means by which goods and services could be moved into and out of the Uinta Basin, the STB should strongly consider whether those alternatives are practical and both technically and economically viable before advancing those alternatives for detailed impact analysis.

The STB has identified three preliminary routes for analysis in the EIS, referred to in the NOI as the “Indian Canyon”, “Craig”, and “Wells Draw” routes, each of which generally follow existing roads and/or utility corridors. The Uintah Railway was a narrow-gauge railway that operated between Mack, Colorado and Watson, Utah between 1904 and 1939, primarily to convey passengers, goods and services between the intercontinental railroad system, connected to in Mack, and the Uinta Basin’s gilsonite mining district in eastern Utah. Although the railway itself has been abandoned and removed, much of the rail grade remains (paralleling existing roads and utilities, as with the other routes) and should be analyzed as an alternative. From the northern terminus of the historic Uintah Railway in Watson, UT, existing roads and/or utilities could be followed north to a logical terminus near the town of Vernal, Utah. If the Uintah Railway route is not carried forward for full analysis, the STB should clearly indicate why this route does not meet the purpose and need and/or is considered not a viable and reasonable alternative.

IV. ISSUES TO BE ADDRESSED

The UBR has the potential to solve a long-identified need for safe, cost-effective and efficient transportation of goods and services in to and out of the Uinta Basin. The current method of moving those goods and services – trucking – has human health and environmental impacts to local communities, wildlife, air quality, and other resources. The STB must analyze these impacts, including their future growth, under the no-action alternative. Rail is the most environmentally responsible method to move crude oil produced in the Uinta Basin, both now and under future growth scenarios. The UBR has the potential to provide economic stability to the region by providing high-paying jobs and increased opportunity for communities, and it is incumbent upon the STB to fully disclose the beneficial socio-economic impacts associated with construction and operation of the new railway.

IV. SUMMARY

The UBR is a logical and necessary solution to the limited takeaway capacity of the Uinta Basin, and the STB’s EIS is an important next step in the development process. The EIS process provides an opportunity for stakeholders to provide useful and constructive input into the potential impacts – both positive and negative – associated with construction and operation of a new railway. EAO is pleased to provide comments on the scope of the EIS analysis, the range of alternatives to be considered, and the issues to be addressed by the STB and their cooperating agencies.

As an affected stakeholder, EAO looks forward to providing useful and informative input throughout the EIS process, and we welcome any requests for clarification on any of the comments provided herein. Should you have any questions regarding these comments, please feel free to contact me directly at 801.363.0206 or ryan.clerico@energia.ee.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Clerico', with a long horizontal stroke extending to the right.

Ryan Clerico, CEP
Chief Executive Officer
Enefit American Oil