

September 11, 2015
Ken Blodgett
Surface Transportation Board
395 E. Street, S. W.
Washington, DC 20423

Attn: Office of Environmental Analysis
Docket # 30186

Dear Mr Blodgett:

The Draft Environmental Impact Statement on the Tongue River Railroad makes two fundamental assumptions that do not stand up. These assumptions in turn result in major impacts being ignored. A third important local impact has also not been addressed.

The basic assumptions in the DEIS that do not hold up are that the project will not impact climate change because the coal will simply displace other sources and will not result in any net increase in coal burning. The DEIS concludes from this that it can ignore climate impacts. This assumption is built on the assumption that the coal shipped on this railroad is destined for existing Midwest generating facilities which in turn is used to justify the DEIS ignoring impacts of westbound traffic. These assumptions do not hold up based on the evidence available and basic economics.

The Tongue River Railroad will allow access to huge coal deposits in the Otter Creek area. This is a substantial increase in coal supply. The fundamental economic principal of supply and demand says that increased supply results in reduced price until the price falls enough to create demand for the product. Reduced prices, whether from increased supply or reduced shipping costs, will make coal more competitive with other energy sources. This will improve coal's ability to compete with clean energy sources and will delay the shift away from coal. BNSF already ships the coal coming from this part of the country yet they are prepared to make a significant investment in the Tongue River Railroad. The only logical explanation for this is that they expect the total volume of coal shipped to increase.

The Draft Environmental Impact Statement, including the claim of no net increase in coal consumption, is built around the assumption that the Tongue River Railroad will be shipping coal to the Midwest. This is not supported by the facts nor is it supported by statements of interested parties. The Midwest power plants already have a source of supply. There is also a shrinking market for coal in the Upper Midwest, as several power plants are already slated to close or shift to natural gas. They also face EPA air quality regulations which can be expected to add pressure to shut down or convert. These plants are not presently set up to burn the high sulfur content coal from Otter Creek. It is highly unlikely they would make the investment needed to burn high sulfur coal, given all the other pressures utilities face to move away from coal entirely.

Some of the same out-of-state owners interested in developing Otter Creek coal and the Tongue River Railroad are major players in efforts to build new coal ports on the west coast. Just like the Tongue River Railroad, this is part of a comprehensive plan to ship Otter Creek coal to Asia. BNSF's investment in the Tongue River Railroad only makes financial sense if the railroad ships enough coal *in addition to* what is shipped from existing Powder River Basin mines on BNSF rail to justify the overhead expense. The coal industry's plan to ship Montana coal to Asia is commonly acknowledged

by supporters even while it is dismissed in the DEIS. When interviewed by KTVQ at the June 9th hearing in Miles City, Jim Atcheson of the S.E. Montana Development Corporation, a Tongue River Railroad advocate, spoke about shipping coal to Asia. He said nothing about Midwest destinations. Mr. Atcheson's public statements are consistent with the economic analysis of University of Montana economist Tom Powers, who concludes Otter Creek coal, if developed, will be destined for China. The Surface Transportation Board needs to evaluate this project based on its proponents claim is intended and on the only explanation for the project that really makes sense, not the misinformation about Midwestern destinations that is the focus of the DEIS.

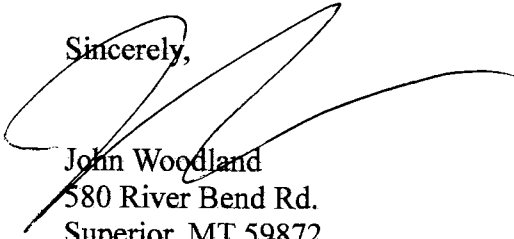
It follows from this that the DEIS needs to recognize the impact of Tongue River coal on climate change, since the hypothesis of no net increase is not credible. One of the impacts on climate change that the DEIS must consider is increased wildfire activity. Even those who deny climate change cannot dismiss the fact that fire seasons are becoming longer and more intense, and are becoming more expensive to fight. In the vicinity of the proposed project, the 2012 Ash Creek fire burned approximately 250,000 acres and was closely followed by the 62,000 acre Taylor Creek Fire. Typical of fires in eastern Montana, these two fires were fast moving, which made them particularly dangerous and difficult to stop. 2015 has already produced a record fire season all along the western path this coal will follow en route to export terminals.

In addition to the impact of burning Otter Creek Coal on climate change, and the resulting increase in intensity and duration of wildfire seasons in the Western U.S., the Tongue River Railroad will make it far more difficult and less safe to fight fires in Rosebud County. One of the first things wildlands firefighters are taught, and something that is drilled into them, is L.C.E.S - Lookout, Communications Escape Route and Safety Zone. Firefighter tragedies can usually be traced to a failure to follow these rules. The Tongue River Railroad, with its limited crossings in a fire prone region, will create vast swaths of land that cannot be readily accessed by firefighters and from which there is no escape route. In some cases, it will also make it more difficult for firefighters to reach a location that can be used as a safety zone. On top of all of this, it is a basic fact that railroads are often the source of fire starts. The antiquated technology used by railroads involves steel wheels on steel rails supporting huge weights. Sparks from wheels, bearing failures and braking systems are common and often start fires. Running through sparsely populated areas distant from roads, fires would often go unobserved along the Tongue River Railroad long enough to get a good start and then be unreachable by firefighters unable to cross the tracks with their engines and escape if conditions require. Much of this railroad will be the equivalent of a fence with a sign, "No Firefighters Beyond This Point". The additional difficulty of fighting fire in Rosebud County needs to be considered in detail in the final EIS.

As previously shown, the proposed Tongue River Railroad will send more coal traffic west. The DEIS dismissed consideration of the resulting impacts based on the unwarranted assumption that coal will largely go east. The impacts on grade crossings across the state will be significant, and will be passed on to taxpayers who do not see the short term benefit of mining jobs—a benefit that will not come close to paying for the damage to other industries. Several of the crossings in Mineral County, where I serve as a fire chief (I do not speak for my employers on this subject) are the only way in and out of significant groups of homes. Some of these crossings have no signals. In at least one case in my fire district, a crossing is blocked by a passing siding. In the case of a fire, it is sometimes necessary to cross the tracks to reach an accessible firefighting water supply. I have personally sat at a crossing waiting for a train to pass on an emergency call. Increased train traffic from the Tongue River Railroad will only exacerbate this risk.

Terrain in my area Mineral County, Mont.. is steep, and some portions of the rail line are not accessible with fire engines. Derailments are common and will become more so with increased traffic. One recent derailment dropped lumber in the Clark Fork River. Another that made national news dropped several Boeing fuselages into the river at the Albertain Gorge Recreation Area. Nineteen years ago, a major disaster involving a chlorine gas release caused a multi-week closure of Interstate Highway 90 and a multi-week evacuation of the Town of Albertain, Montana. Increased traffic will mean more derailments, more cargo dumped in the rivers the tracks follow and cross on the way to the west coast, and more pollution. The DEIS, by artificially dismissing the certainty that Otter Creek Coal is headed for the west coast, fails to consider any of these impacts.

Sincerely,



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