



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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PUBLIC AFFAIRS

October 9, 2009

Mr. David Navecky
STB Finance Docket No. 34658
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

**RE: EPA comments on the STB FEIS for the ARRC Northern Rail Extension Project
EPA Project No.:05-063-STB**

Dear Mr. Navecky:

We have reviewed the **Final Environmental Impact Statement (EIS) for Alaska Railroad Corporation Construction and Operation of a Rail Line Between North Pole and Delta Junction, Alaska (CEQ No. 20090327)** in accordance with our responsibilities under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act.

EPA previously expressed substantial environmental concerns with the draft EIS based on potential impacts to water quality, open water habitats, wetlands, stream channels, and riparian areas. We also expressed concerns about impacts to ecological connectivity from rail line and road construction and operation, as well as river crossings. We also asserted that the information regarding the purpose and need for the project was insufficient, as was information on impacts related to potential material sites and construction camps and staging areas.

In addition, we requested more information regarding the EPA designation of Fairbanks North Star Borough as non-attainment for PM 2.5 and the delegation of the National Pollution Discharge Elimination System (NPDES) program to the State of Alaska. Finally, EPA questioned the need for a maintenance road to run the length of the line given that ARRC rail line is operated and maintained without such a road in other areas. We encouraged the STB to continue to refine segment alternatives for the final EIS in order to minimize these impacts in final preferred route development.

After reviewing the final EIS, we have determined that our environmental concerns relating to the project remain, as do our concerns regarding the justification of the project's Purpose and Need and the maintenance road. Additionally, we believe the current Purpose and Need is in conflict with the ICC Termination Act 1995, STB's authorizing statute, which states that the policy of the federal government is to "ensure development....of a sound rail transportation system...to meet the needs of the public and national defense." This public and/or national defense need has yet to be clearly identified, and no cost analysis has been

developed to determine the economic feasibility or soundness of the project. We recommend that this information be developed prior to the issuance of the Record of Decision (ROD). We also encourage the STB to consider including additional commitments in the ROD, such as wildlife crossings, full span bridges, noise/vibration reduction measures, etc., to further mitigate the impacts to aquatic and terrestrial resources.

Also, while we appreciate the fact the Federal Register notice for the PM 2.5 designation of the Fairbanks/North Pole area has not yet been published, and that the area has not been officially designated to date, publication is expected in the next few weeks. We are confident that the Fairbanks/North Pole area will be designated as nonattainment for PM 2.5. As such, if the designation occurs before the publication of the ROD, we encourage the STB to include a discussion of designation impacts on the project in that document, if any.

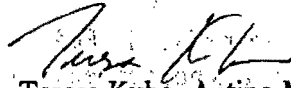
We also have concerns regarding the STB's approach to identifying multiple preferred alternatives for the Eielson and Donnelly segments. Although NEPA regulation, 40 CFR 1502.14(e), states that the lead agency shall "Identify the agency's preferred alternative or alternatives, if one or more exists, in the draft statement and **identify such alternative in the final statement** unless another law prohibits the expression of such a preference", it is typically the practice that the selection of multiple preferred alternatives applies to analyses that include multiple projects or segments. We encourage the STB to clearly identify one preferred alternative for each segment in the ROD.

We recognize that the STB has included a mitigation measure that states the requirement of the project to comply with the Final Mitigation Rule for compensation of losses of aquatic resources, which include all waters of the US. We appreciate that this information has been included per our request. We do not believe that this rule, nor other federal permit and authorization requirements (such as compliance with Clean Water Act Sections 402 and 404, and Spill, Prevention, Control and Countermeasure plans) listed in the mitigation section, should have been termed "voluntary" as has been done in the heading. We believe this is misleading to the reviewer. While the 49 U.S.C. §10501 appears to preclude STB actions from "conflicting" state and local regulations, federal requirements are still valid and compliance with these requirements is not optional.

Finally, we are disappointed with the format of the final EIS. It is extremely difficult to navigate, and likely created undue hardship for agency reviewers and members of the public. It is also unclear why certain comments on the draft EIS, such as those from the US Army Corps of Engineers, have been omitted. We request that in the future the STB use a more traditional format of reproducing the entire revised document in hard copy and electronic formats, and not rely on the reviewer having access to the draft EIS. We also request that, in compliance with 40 CFR §1503.4(b) that all substantive comments received on the draft EIS, including those of cooperating agencies, be included in the Response to Comments section of the final EIS, particularly if these comments were received during the public comment period. We believe this issue should be discussed in the ROD.

Thank you for the opportunity to comment on the final EIS. Please feel free to contact Jennifer Curtis at (907) 271-6324 or by electronic mail at curtis.jennifer@epa.gov with any questions that you may have.

Sincerely,



Teresa Kubo, Acting Manager
Environmental Review and
Sediments Management Unit