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EI - 20516

August 29, 2014

VIA E-MAIL

Ms. Victoria Rutson
Director
Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

**Re: Docket No. FD 30186, Tongue River Railroad Company, Inc.—Rail
Construction and Operation—in Custer, Powder River and Rosebud
Counties, Mont.**

**Supplemental Reply of Tongue River Railroad Company, Inc. to 6th
Information Request**

Dear Ms. Rutson:

The Tongue River Railroad Company, Inc. (TRRC) hereby supplements its August 8, 2014 partial response to the June 26, 2014 Sixth Information Request. Specifically, this response will provide TRRC's answer to the second question posed by the Sixth Information Request. As in the case of the response to the first question, the information set forth here is based on engineering that has been undertaken to date at a conceptual level.

2. STB Request: In addition to the cost estimate requested for the Colstrip Alternative in Information Request #5, dated May 5, 2014 please provide the estimated construction cost for the remaining alternatives in 2013 dollars.

TRRC Response:

The table set forth below summarizes the cost estimates that TRRC has prepared for each of the alternatives under environmental review by OEA. A few points merit note concerning the information in the table:

-- The "West Alternatives" for the Colstrip, Tongue River, Tongue River Road, and Moon Creek Alternatives are the alternative routings that do not include any portion of the Ashland East or Terminus One Eastern variations. TRRC's preferred route is the "Colstrip West" alternative. The "East Alternatives" for these routings would follow both the Ashland East and Terminus One Eastern variations or, in the case of the Decker Alternative, the Terminus One Eastern variation.

-- The "Colstrip West" (preferred route) estimate of \$403,300,000 is unchanged from the estimate provided in a May 29, 2014 response to question 3 of the Fifth Information Request. This estimate is based on the refinements to this route previously presented by TRRC to OEA.

-- The estimates are in each case based in substantial part on the estimated cost of grading the volumes of earth that would need to be moved based on TRRC's understanding of the alignments under review by OEA. Accordingly, because there would have to be much more grading and other land disturbance in connection with each of the alternatives in comparison to the Colstrip West alternative, the estimated cost figures are significantly higher for each of the other alternatives under review. Also driving the higher estimates for the Tongue River, Tongue River Road and Moon Creek East routes is the greater cost of constructing higher bridges over US 212 and Otter Creek associated with the Ashland East variation due to the higher terrain through which that route would have to be built.

-- It bears note that the delta between the construction cost of the Colstrip West and Colstrip East alignments is over \$137 million, which is more than 30% of the estimated cost of the Colstrip West alternative.

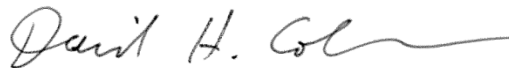
-- The estimates for certain of the alignments are somewhat higher than the figures presented in the Alternative Screening Analyses previously submitted by TRRC to OEA. Specifically, in its January 11, 2013 Alternative Screening Analysis submission, TRRC had estimated that the cost of constructing the Tongue River Road alternative would be \$753 million in 2013 dollars. That estimate has now risen to \$772,100,000 for the West Alternative based on further information developed as to the stream crossings for the routing and the associated cost of bridges and culverts that would be required for this route. Similarly, the estimated cost in 2013 dollars for the West Alternative Moon Creek alignment has risen from \$731 million to \$752,700,000 for largely the same reasons and based on further analysis of the modifications to I-94 that would be required

for this routing. The cost of constructing “East Alternatives” for these routings were not previously estimated by TRRC.

-- The estimated cost for constructing the Decker West and Decker East alignments are higher than the estimates for the “Decker One” and “Decker Two” alternatives presented in TRRC’s April 30, 2013 Supplemental Alternatives Analysis. The higher estimates presented here are the result of additional information that TRRC now has at its disposal concerning the specifics of the proposed Decker routing, allowing for a more refined estimate of grading and other costs. Further, the Decker One and Decker Two alternatives that were under consideration in April 2013 have since been consolidated by OEA into a single routing for most of that alignment and the figures presented here are based on an analysis of that consolidated routing, taking into account the Terminus One Eastern variation for the Decker East alternative.

West Alternatives	East Alternatives
<u>Colstrip</u>	<u>Colstrip East</u>
\$403,300,000	\$540,900,000
<u>Tongue River</u>	<u>Tongue River East</u>
\$625,900,000	\$760,000,000
<u>Tongue River Road</u>	<u>Tongue River Road East</u>
\$772,100,000	\$908,700,000
<u>Moon Creek</u>	<u>Moon Creek East</u>
\$752,700,000	\$886,800,000
<u>Decker</u>	<u>Decker East</u>
\$762,200,000	\$730,000,000

Respectfully submitted,



David H. Coburn
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