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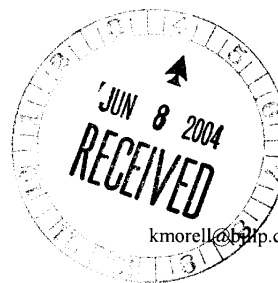
BALL JANIK LLP

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TELEPHONE 202-638-3307
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KARL MORELL

June 8, 2004

BY HAND DELIVERY

Victoria Rutson
Chief
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W. - Room 504
Washington, DC 20423

ENTERED
Office of Proceedings

JUN 08 2004

Part of
Public Record

Re: STB Docket No. AB-872^X Great Northwest Railroad, Inc. --
Abandonment Exemption -- In Clearwater County, Idaho

Dear Ms. Rutson:

Attached please find 10 copies of the Environmental Report and Historic Report in the above-captioned matter. Great Northwest Railroad, Inc. expects to file its Petition for Exemption on or shortly after June 28, 2004.

Sincerely,

Karl Morell

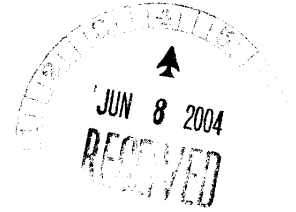
Enclosures

ENTERED
Office of Proceedings

JUN 08 2004

Part of
Public Record

ENVIRONMENTAL REPORT
(49 C.F.R. 1105.7)
Docket No. AB-872X
GREAT NORTHWEST RAILROAD, INC.
--ABANDONMENT EXEMPTION--
IN CLEARWATER COUNTY, IDAHO



(1) Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Great Northwest Railroad, Inc. ("GNR"), proposes to abandon its 31.0-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, Idaho (the "Line"). Upon receipt of abandonment authority, GNR intends to remove the rail, track material, and crossties on the portion of the Line between mileposts 3.5 and 31.0 ("Dormant Line"). Upon receiving abandonment authority, GNR will convert the portion of the Line between mileposts 0.0 and 3.5 ("Active Line") into spur track in order to continue serving the one customer on that section of the Line. There are currently no plans to remove the bridges along the Line.

GNR acquired the Line in February 2004 from the Camas Prairie RailNet, Inc. ("CPR").¹ In its Notice of Exemption, GNR pointed out that no traffic had moved over most of the Line in well over two years and that a majority of the Line is out of service. GNR nevertheless acquired the Dormant Line because, at the time of the acquisition of the other rail lines from CPR, GNR was working with a potential customer on the Dormant Line to see if an

¹ See STB Finance Docket No. 34474, *Great Northwest Railroad, Inc. – Acquisition and Operation Exemption – Camas Prairie RailNet, Inc.* (not printed), served March 19, 2004.

adequate volume of rail traffic could be developed to justify the cost of reopening and operating the Dormant Line. GNR's efforts unfortunately were unsuccessful, thus forcing GNR to now abandon the Dormant Line.

The proposed abandonment will not change rail freight operations or maintenance practices on the Line. No local traffic has been handled on the Dormant Line since June 2001 and GNR will continue to serve the one customer on the Active Line after it is converted into spur track. Since the Line is stub-ended, no overhead traffic moves over the Line. The Line was previously used to ship logs and magnesium chloride.

The only alternative to abandonment would be not to abandon the Dormant Line thereby forcing GNR to absorb the opportunity costs of retaining this inactive Line. This would not be a prudent use of carrier resources.

A map of the proposed abandonment is attached hereto as Exhibit 1.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local traffic has been handled on the Dormant Line in three years and GNR will continue to serve the one customer on the Active Line once it is converted to spur track. Line is not capable of handling overhead traffic. Since the Dormant Line no longer handles rail traffic, the proposed abandonment will have no adverse effects on regional or local transportation systems and patterns.

(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

(i) GNR believes that the proposed abandonment is consistent with existing land use plans. GNR has contacted the Clearwater County Board of Commissioners. See Exhibit 2. To date, no response to this inquiry has been received. A copy of this Report has been mailed to the appropriate local and state agencies for their information and comment.

(ii) GNR notified the Natural Resources Conservation Service of the proposed abandonment and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 3. The State Conservationist concluded that the proposed action is not subject to the Farmland Protection Policy Act. See Exhibit 4. A copy of this Report is being supplied to the Natural Resources Conservation Service for its information and further comment.

(iii) The Line does not pass through a designated coastal zone.

(iv) The corridor appears suitable for alternative public use such as a trail.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have no effect on overall energy efficiency as no local traffic has been handled on the Line in three years and the Line is not capable of handling overhead traffic.

(iv) The proposed abandonment will not cause any diversions of rail traffic to motor carriage, since no local traffic has been handled on the Dormant Line in three years and GNR will continue to serve the one customer on the Active Line. Also, the Line is not capable of handling overhead traffic.

(5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(ii) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater.

If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment will have no detrimental effects on public health and safety.

(ii) The proposed abandonment will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridor of the Line.

(8) Biological Resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) The proposed abandonment will not have an adverse affect on endangered or threatened species or areas designated as a critical habitat. GNR notified the U.S. Fish and Wildlife Service of the proposed abandonment and requested assistance in determining whether

endangered or threatened species or areas designated as a critical habitat are likely to be adversely affected. See Exhibit 5. To date, no response to this request has been received. A copy of this Report is being supplied to the U.S. Fish and Wildlife Service for its information and comment.

(ii) Although the Line traverses the Clearwater National Forest, the Forest will not be adversely affected by the proposed abandonment. GNR has notified the National Parks Service of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 6. To date, no response to this request has been received. A copy of this Report is being supplied to the National Park Service for its information and comment.

(9) Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

(i) GNR is confident that the proposed abandonment will be consistent with applicable water quality standards. GNR contacted the Idaho Department of Environmental Quality and the U.S. Environmental Protection Agency ("EPA") concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 7. The responses of the Department of Environmental Quality and EPA are attached as Exhibit 8.

Consistent with the request of the Department of Environmental Quality, GNR will obtain whatever permits are deemed necessary for the salvaging of the Line. At this time, GNR does not believe any permits will be required because the bridges on the Line will not be removed.

In response to the EPA: (1) the only traffic that moved over the line in recent memory are shipments of logs and magnesium chloride; (2) the only derailments GNR is aware of involved shipments of logs and there were no spills; (3) the adjacent or nearby residential areas are Orofino, Pierce, Jaype, Haley, Omill, Cow Creek and Poorman; (4) the Orofino Creek and Quartz Creek are adjacent to the Line; and (5) GNR has no data related to any samplings along the Line. GNR currently intends to rail bank the corridor pursuant to 16 U.S.C. § 1247(d).

A copy of this Report is being supplied to the EPA and the Idaho Department of Environmental Quality for their information and further comment.

(ii) No designated wetlands or 100-year flood plains will be adversely affected by the proposed abandonment. GNR contacted the Corps of Engineers concerning these matters. See Exhibit 9. The Corps of Engineers' response is attached as Exhibit 10. A copy of this Report is being supplied to the U.S. Army Corps of Engineers for its information and further comment.

(iii) GNR believes the proposed abandonment will not require the issuance of any permits under Section 402 of the Clean Water Act. GNR contacted the EPA concerning this matter and requested assistance in identifying any potential effects on applicable water quality standards and determining whether the proposed abandonment is consistent with applicable

Federal, State, or local water quality standards. See Exhibit 7. A copy of EPA's response is attached as Exhibit 8. A copy of this Report is being supplied to the EPA for its information and further comment.

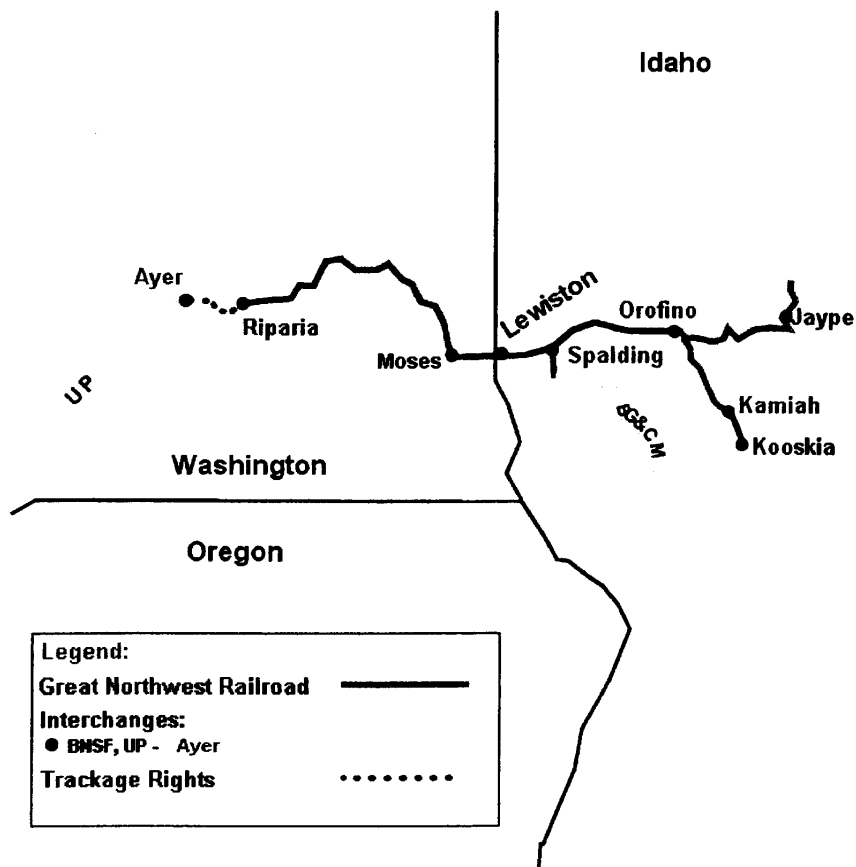
(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

GNR does not expect any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions. GNR will, of course, adhere to any remedial actions suggested by the recipients of this Report and required by the Board.

EXHIBIT 1



WATCO
COMPANIES, INC.
"Your Transportation Specialists"



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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

Clearwater County Board of Commissioners
P.O. Box 586
Orofino, Idaho 83544

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

Dear Sirs:

Great Northwest Railroad, Inc. ("GNR") is planning to file a Petition for Exemption with the Surface Transportation Board ("STB"), on or about May 20, 2004, for the GNR to abandon the 31-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, in Clearwater County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on existing land use plans. We must determine whether the proposed abandonment is inconsistent with existing land use plans.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

April 2, 2004
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karl Morell".

Karl Morell
Attorney for:
Great Northwest Railroad, Inc.

BALL JANIK LLP

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

State Conservationist
USDA Natural Resources Conservation Service
9730 W. Barnes Dr., Suite C
Boise, ID 83709

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

Dear Sir:

Great Northwest Railroad, Inc. ("GNR") is planning to file a Petition for Exemption with the Surface Transportation Board ("STB"), on or about May 20, 2004, for the GNR to abandon the 31-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, in Clearwater County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on prime agricultural land.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

April 2, 2004
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Great Northwest Railroad, Inc.

EXHIBIT 4

United States Department of Agriculture



Natural Resources Conservation Service
9173 W. Barnes Dr., Suite C
Boise, ID 83709-1574

April 26, 2004

Karl Morell
Attorney for:
Great Northwest Railroad, Inc.
1455 F Street, NW, Suite 225
Washington, D.C. 20005

Dear Mr. Morell:

We received your request for information concerning lands subject to the Farmland Protection Policy Act as part of the Great Northwest Railroad, Inc. application to abandon a 31-mile rail line located between milepost 0.0, at Orofino, ID, and milepost 31.0, near Jaype, in Clearwater County, Idaho.

The stated purpose of the Farmland Protection Policy Act as published in the Federal Register on June 17, 1994; (Volume 59, No. 116) is to protect farmland from being irrevocably converted from actual or potential use to a permanent nonagricultural use.

After a careful review of your request, it is our feeling that the proposed action by the Great Northwest Railroad, Inc. is not subject to the Farmland Protection Policy Act. The proposed action does not convert existing or potential cropland to a permanent non-agriculture use.

We appreciate the opportunity to comment on this proposed action. If you have any questions, feel free to contact Hal Swenson, Assistant State Soil Scientist, for NRCS in Idaho. Hal's telephone number is 208-378-5728 or e-mail at Hal.Swenson@id.usda.gov.

Sincerely,

A handwritten signature in cursive script that reads "Richard Sims".

RICHARD SIMS
State Conservationist

cc:

David Hoover, State Soil Scientist, NRCS, 9173 W. Barnes Dr., Ste. C, Boise, ID 83709
Hal K. Swenson, Assistant State Soil Scientist, NRCS, 9173 W. Barnes Dr., Ste., C, Boise, ID 83709
Bob Tribelhorn, Area Conservationist, NRCS, 220 East 5th St., Rm. 229, Moscow, ID 83843
Bruce Hanson, District Conservationist, NRCS, 2200 Michigan Ave., Orofino, ID 83544

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

An Equal Opportunity Provider and Employer

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

U.S. Fish and Wildlife Service
911 NE 11th Avenue
Portland, OR 97232-4181

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

Dear Sir/Madam:

Great Northwest Railroad, Inc. ("GNR") is planning to file a Petition for Exemption with the Surface Transportation Board ("STB"), on or about May 20, 2004, for the GNR to abandon the 31-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, in Clearwater County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

April 2, 2004
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

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Karl Morell
Attorney for:
Great Northwest Railroad, Inc.

BALL JANIK LLP

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WASHINGTON, D.C. 20005

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TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

Exhibit 6

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

National Park Service
Recreational Resources Assistance Division
1849 C Street, NW
Washington, D.C. 20240-0001

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

Dear Sir/Madam:

Great Northwest Railroad, Inc. ("GNR") is planning to file a Petition for Exemption with the Surface Transportation Board ("STB"), on or about May 20, 2004, for the GNR to abandon the 31-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, in Clearwater County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

April 2, 2004
Page 2

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Karl Morell

Attorney for:
Great Northwest Railroad, Inc.

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

Administrator
Division of Environmental Quality
ID Department of Health and Welfare
P.O. Box 83720
1410 North Hilton
Boise, ID 83706-1255

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. The GNR does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

April 2, 2004
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Karl Morell

Attorney for:

Great Northwest Railroad, Inc.

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

Division of Environmental Quality
1118 "F" Street
Lewiston, ID 83501

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

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BALL JANIK LLP

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

U.S. Environmental Protection Agency
1200 Sixth Avenue
Seattle, WA 98101

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

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BALL JANIK LLP

April 2, 2004

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Karl Morell

Attorney for:

Great Northwest Railroad, Inc.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, WA 98101

Exhibit 8

April 5, 2004

Reply To
Attn Of: ORC-158

Karl Morell
Ball Janik LLP
1455 F Street, NW, Suite 225
Washington, D.C. 20005

Re: Docket No. AB-872, Great Northwest Railroad, Inc. -
Abandonment Exemption-In Clearwater County, Idaho

Dear Mr. Morell:

In response to your letter to the U.S. Environmental Protection Agency (EPA) dated April 2, 2004, I am writing to request additional information concerned the matter referenced above.

In order to evaluate the potential environmental concerns with the proposed railroad abandonment, EPA requires the following information: (1) primary materials transported along this rail line; (2) summary of any derailments or spills along this line; (3) identification of any adjoining residential areas; (4) identification of any adjacent surface waters; and (5) data related to any sampling of soils, sediments, surface waters, or groundwater within or adjacent to the railroad right-of-way. In addition, please include any information concerning prospective future use of the right-of-way, including the potential for interim trail use consistent with 16 U.S.C. § 1247(d).

I expect that all information requested above will be readily available in the application for railroad abandonment. However, if you have any questions with this request, please feel free to call me at (206) 553-1185.

Sincerely,

A handwritten signature in black ink, appearing to read "Clifford J. Villa".

Clifford J. Villa
Assistant Regional Counsel



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

RECEIVED
FILED
2004 APR 26 PM 3:00

1410 North Hilton • Boise, Idaho 83706-1255 • (208) 373-0502

Dirk Kempthorne, Governor
C. Stephen Allred, Director

April 20, 2004

Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

RE: Comments Docket No. AB-872, Great Northwest Railroad, Inc. – Abandonment
Exemption, Clearwater County, Idaho

Dear Sir/Madam:

The Lewiston Regional Office of the Department of Environmental Quality has received a request from Ball Janik, LLP, Attorneys for Great Northwest Railroad, Inc. (GNR) for assistance in identifying possible water quality issues that may be involved with the above mentioned project. We appreciate the opportunity to review this project, and offer the following comments regarding state water quality standards and state responsibility under the Clean Water Act as they apply.

Water quality protection will need to be carefully addressed since the proposed abandonment of 31 miles of rail line located between milepost 0.0 at Orofino, and milepost 31.0 near Jaype, Idaho involves stream crossings and drainages with potential discharge to Orofino Creek and the Clearwater River. DEQ believes the railroad abandonment project provides the opportunity to coordinate our efforts to identify and produce an inventory of potential water quality problem areas that may arise from the abandonment of the railroad line.

We have identified the following water quality and environmental project requirements and concerns. This letter does not constitute a 401 certification and additional or different conditions may be specified in connection with the Department's review of specific activities.

1. Railroad abandonment activities, which include placing fill below the high water mark in waters or wetlands of the State, will require a §401 water quality certification, or will be pre-certified under a nationwide §404 permit for the project.
2. A pollution prevention plan for sediment and erosion control should be developed to identify and prevent landslides and erosion resulting from the rail bed abandonment. For example, lack of maintenance could cause plugged culverts, which may deliver large amounts of sediment from slope failures to waters of the state.

3. Method(s) need to be identified to prevent leaching of wood preservatives from newly exposed, treated wood surfaces during dismantling of rail line structures.
4. Rail bed abandonment must not restrict the hydrologic sinuosity of stream reaches. Restricting stream sinuosity may result in stream bed erosion to waters of the state and may exacerbate flooding effects.
5. Railroad tie piles, debris dumps, and contaminated areas should be identified and cleaned up.
6. A hazardous material contingency plan, which includes DEQ notification, should be put in place to address hazardous material remediation if these substances are discovered during abandonment.

Thank you for the opportunity to provide comment on this project. If you would like to discuss these comments or have any questions please contact the DEQ Lewiston Regional Office at (208) 799-4370.

Sincerely,



C. Stephen Alred
Director

CSA/ba

c: Ball Janik LLP, Attorneys, Great Northwest Railroad, Inc.
Douglas Conde, AG/Boise
Kerby Cole, DEQ/Lewiston Regional Office

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307

FACSIMILE 202-783-6947

EXHIBIT 9

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

April 2, 2004

U.S. Army Engineer District, Walla Walla
201 North 3rd Avenue
Walla Walla, WA 99362

**RE: Docket No. AB-872, Great Northwest Railroad, Inc. --
Abandonment Exemption—In Clearwater County, Idaho**

Dear Sir/Madam:

Great Northwest Railroad, Inc. ("GNR") is planning to file a Petition for Exemption with the Surface Transportation Board ("STB"), on or about May 20, 2004, for the GNR to abandon the 31-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, in Clearwater County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. The GNR does not believe any permits under Section 404 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

April 2, 2004
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Great Northwest Railroad, Inc.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
WALLA WALLA DISTRICT, CORPS OF ENGINEERS
201 NORTH THIRD AVENUE
WALLA WALLA, WASHINGTON 99362-9265

EXHIBIT 10

April 20, 2004

Regulatory Division

SUBJECT: NWW No. 040600028

Mr. Karl Morell
Ball Janik, LLP Attorneys
1455 F Street, NW, Suite 225
Washington, District of Columbia 20005

Dear Mr. Morell:

This is in response to your April 2, 2004 letter requesting our comments on the proposed abandonment of 31 miles of rail line between the towns of Orofino and Jaype, Idaho currently owned by Great Northwest Railroad, Inc. Section 404 of the Clean Water Act (33 U.S.C. 1344) requires a Department of the Army permit be obtained for the discharge of dredged or fill material into waters of the United States, including wetlands. Activities regulated under Section 404 include excavation and mechanized landclearing activities that result in the discharge of dredged material and destroy or degrade waters of the United States. The term waters of the United States includes rivers, lakes, streams, (both perennial and intermittent), ponds, and wetlands. Quartz Creek, located adjacent to the rail line, is a water regulated under Section 404.

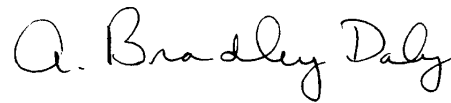
Based on the information provided, we are unable to determine if the proposed project will involve any work subject to waters in our jurisdiction. We would suggest that you have the project area inspected by a qualified wetland consultant to determine if the proposed project will involve work in such areas. If it does, you should then have these areas identified and delineated and submitted for our review and approval. We would also suggest you select someone who is knowledgeable in the methods we use for delineating jurisdictional wetlands. Enclosed for your information is our requirements for preparing wetland delineations and a list of consultants who may be able to assist you.

If the proposed project will involve the discharge of dredged or fill material in waters of the United States, including wetlands, a Department of the Army permit may be required prior to the start of construction. If so, you will need to complete and submit a permit application for processing and evaluation. Please be advised that starting work before obtaining the required Department of the Army permit constitutes a violation of Section 404 and could result in legal

-2-

action. If you have any questions concerning these regulatory matters, please contact Mr. Duane Mitchell at 509-527-7156 (fax 509-527-7820).

Sincerely,

A handwritten signature in cursive script that reads "A. Bradley Daly".

A. Bradley Daly
Chief, Regulatory Division

Enclosures



Information Paper

US Army Corps
of Engineers
Walla Walla District
201 North Third Avenue
Walla Walla, WA 99362-1876

Date: June 9, 1997

Wetland Delineation Requirements

The Regulatory Branch of the Walla Walla District, U.S. Army Corps of Engineers encourages applicants for Department of the Army permits to hire environmental consultants to perform preliminary wetland delineations of their property. We find use of consultants reduces the time required to conduct delineations and expedites this portion of the permit process.

1. Information required: Wetland delineations must be prepared according to the "Corps of Engineers Wetlands Delineation Manual", dated January 1987. They must contain enough documentation to support the wetland boundary. At the minimum, all consultant prepared delineations must contain the following:

a. Delineation map. The map should show the size, location, configuration and boundary of wetlands in relation to identifiable physical characteristics such as roads, fence lines, waterways, or other identifiable features. Where different types of wetlands exist on a site, the map should show the location and acreage of each wetland type. A scale of 1" = 100' is usually adequate. No map should exceed a scale of 1" = 400'. All data points and wetland boundaries must be staked in the field prior to Corps inspection. Data points should be numbered to correspond to numbered data forms. The map must also include:

- 1) Project name.
- 2) Property lines and project boundary.
- 3) Delineated wetland boundary line.
- 4) Name and location of adjacent waterways.
- 5) Data point locations corresponding to the data forms and points staked in the field.
- 6) North arrow and scale.
- 7) Date.
- 8) Name, address and telephone number of property owner and person conducting the delineation.

b. Data forms. An approved data form is attached. A separate, numbered form must be submitted for each data point and referenced to the delineation map. The data for each

sample location must clearly show the basis for determining if the sample location is wetland or upland. The number of sample locations will vary depending on the size and shape of the wetlands at the site, the degree of difficulty in differentiating wetlands and uplands, and the width of transition zones.

c. Additional Information. Additional information often can expedite a wetland verification. Helpful data include topographic maps, ground photographs, aerial photographs, and an explanation of how dominant vegetation was determined. This information should be succinct with only the relevant information presented.

2. Approval procedures: Wetland delineations will be reviewed by the Corps for compliance with the 1987 manual, the August 27, 1991 memorandum for implementing the 1987 manual, and the March 6, 1992 memorandum on clarification and interpretation of the 1987 manual. The 1987 manual may be obtained from the National Technical Information Service 703-487-4650 and is identified as Document Number ADA 176734. Both memorandums may be obtained by calling Walla Walla District Corps of Engineers at 509-527-7150. Delineations not meeting these requirements may be returned to the applicant for more information. We normally field verify each submitted delineation for accuracy and consistency. The Corps will make the final determination of jurisdictional wetlands and notify the applicant with a letter and copy of the final map.

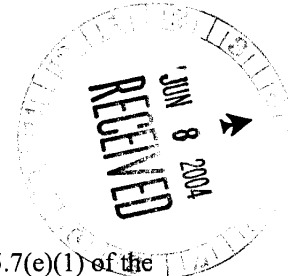
Wetland delineations are reviewed and verified by the Natural Resources Conservation Service when activities are proposed on agricultural lands, instead of the Corps. "Agricultural lands" means lands intensively used and managed for production of food or fiber to the extent that the natural vegetation has been removed and cannot be used to determine whether the area meets hydrophytic criteria in making a wetland delineation. Agricultural lands include cropland, hayland, pastureland, orchards, vineyards and area which support wetland crops such as cranberries, taro, watercress, and rice. Consultants should send delineations on agricultural lands to the Natural Resources Conservation Service.

Wetland delineations are reviewed by the Corps for lands other than agricultural lands, such as rangeland, forest land, wooded lots, tree farms, wet meadows and other land where the natural vegetation has not been removed, even though the vegetation is grazed or mowed regularly.

JUN 08 2004

Part of
Public Record

**HISTORIC REPORT
(49 C.F.R. 1105.8)
Docket No. AB-872
GREAT NORTHWEST RAILROAD, INC.
--ABANDONMENT EXEMPTION--
IN CLEARWATER COUNTY, IDAHO**



The Historic Report should contain the information required by 1105.7(e)(1) of the Environmental Report. The following is excerpted from the Environmental Report prepared for the proposed abandonment:

Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Great Northwest Railroad, Inc. ("GNR"), proposes to abandon its 31.0-mile rail line located between milepost 0.0, at Orofino, and milepost 31.0, near Jaype, Idaho (the "Line"). Upon receipt of abandonment authority, GNR intends to remove the rail, track material, and crossties on the portion of the Line between mileposts 3.5 and 31.0 ("Dormant Line"). Upon receiving abandonment authority, GNR will convert the portion of the Line between mileposts 0.0 and 3.5 ("Active Line") into spur track in order to continue serving the one customer on that section of the Line. There are currently no plans to remove the bridges along the Line.

GNR acquired the Line in February 2004 from the Camas Prairie RailNet, Inc. ("CPR").¹ In its Notice of Exemption, GNR pointed out that no traffic had moved over most of the Line in well over two years and that a majority of the Line is out of service. GNR nevertheless acquired

¹ See STB Finance Docket No. 34474, *Great Northwest Railroad, Inc. – Acquisition and Operation Exemption – Camas Prairie RailNet, Inc.* (not printed), served March 19, 2004.

the Dormant Line because, at the time of the acquisition of the other rail lines from CPR, GNR was working with a potential customer on the Dormant Line to see if an adequate volume of rail traffic could be developed to justify the cost of reopening and operating the Dormant Line. GNR's efforts unfortunately were unsuccessful, thus forcing GNR to now abandon the Dormant Line.

The proposed abandonment will not change rail freight operations or maintenance practices on the Line. No local traffic has been handled on the Dormant Line since June 2001 and GNR will continue to serve the one customer on the Active Line after it is converted into spur track. Since the Line is stub-ended, no overhead traffic moves over the Line. The Dormant Line was previously used to ship logs and magnesium chloride.

The only alternative to abandonment would be not to abandon the Dormant Line thereby forcing GNR to absorb the opportunity costs of retaining this inactive Line. This would not be a prudent use of carrier resources.

A map of the proposed abandonment is attached hereto as Exhibit 1.

HISTORIC REPORT

1. A U.S.G.S. topographic map (or alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;

Six (6) U.S. Geological Survey maps of the Line are attached to the copy of the Report being forwarded to the Idaho State Historical Society ("SHPO"). There are 41 railroad bridges

on the Line. A list of the bridges, including their location and size, and photographs of the bridges are attached as Exhibit 2.²

2. A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;

The right-of-way is of varying widths averaging approximately 100 feet. The 31-mile line traverses a rural, mountainous area and, for the most part, parallels the Orofino Creek.

3. Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediate surrounding area;

Photographs of the 41 bridges on the Line are attached as Exhibit 2.

4. The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

As discussed below, the Line was constructed around 1908. To the best of GNR's knowledge, the 41 bridges on the Line are the original bridges and thus constructed around 1908.

5. A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;

Train service in this area was first provided by the Northern Pacific ("NP") after it built a line from Moscow to Lewiston in 1898. An affiliate of NP, the Clearwater Short Line Railway, constructed a line from Arrow to Grangeville in 1907 and 1908. The Oregon-Washington & Idaho constructed the line from Riparia, WA to Lewiston in 1908. In order to provide more efficient operations, the Camas Prairie Railroad was formed in 1909 by the NP and the Oregon-Washington Railroad and Navigation Company. The Camas Prairie Railroad was sold by The

² Colored photographs are only being furnished to the SHPO.

Burlington Northern And Santa Fe Railway Company and Union Pacific Railroad Company to CPR on April 18, 1998.

As previously noted, the Dormant Line has not had any traffic since June 2001.

Previously, the Dormant Line was used to transport logs and magnesium chloride. The Active will continue to be used to transport outbound shipments of lumber after it is converted to spur track.

6. A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;

There are 41 structures on the Line associated with the abandonment that are potentially 50 years old or older. GNR has no engineering drawings or similar documents regarding the bridges.

7. An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities);

There are 41 bridges on the Line that are potentially 50 years old or older. The 41 bridges are quite common in design and construction. They have no historical significance as to the history of railroad construction or operation. GNR is not aware of any archeological resources or railroad related historic properties in the project area.

8. A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic waste), and the surrounding terrain.

There are no existing records in GNR's possession as to the nature of any known subsurface ground disturbance or fill, or environmental condition that might affect the archeological recovery of any potential resources.

9. Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specific non railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (i.e. prehistoric or native American).

GNR does not foresee the likelihood that any additional information will need to be supplied in association with the proposed line abandonment other than previously submitted. If additional information is requested, GNR will promptly supply the necessary information.

EXHIBIT 1

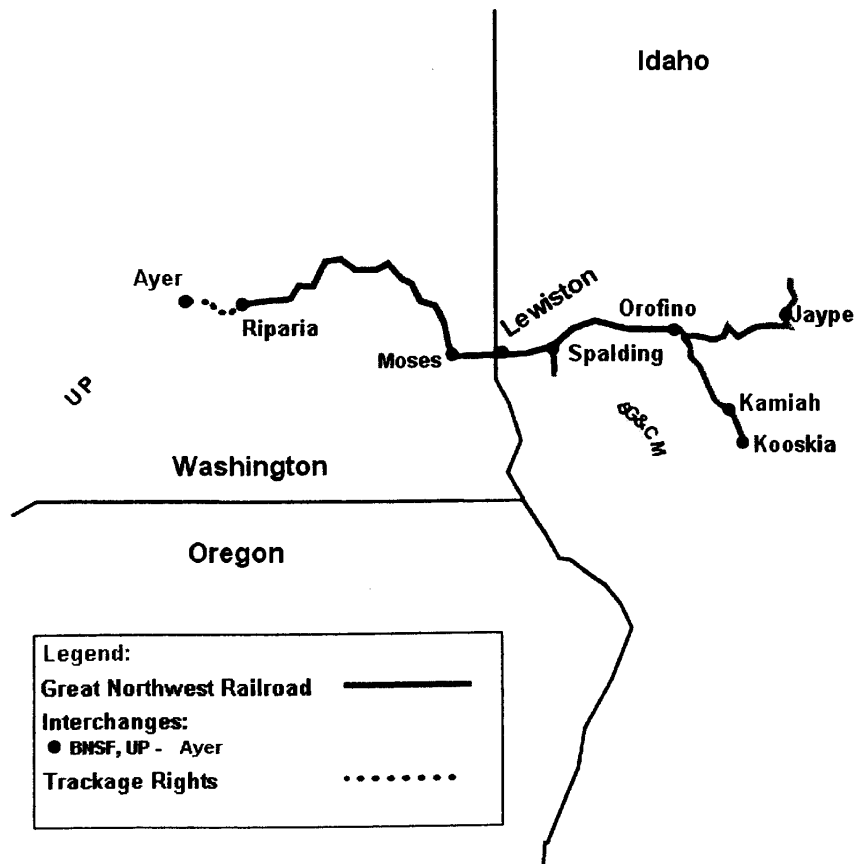
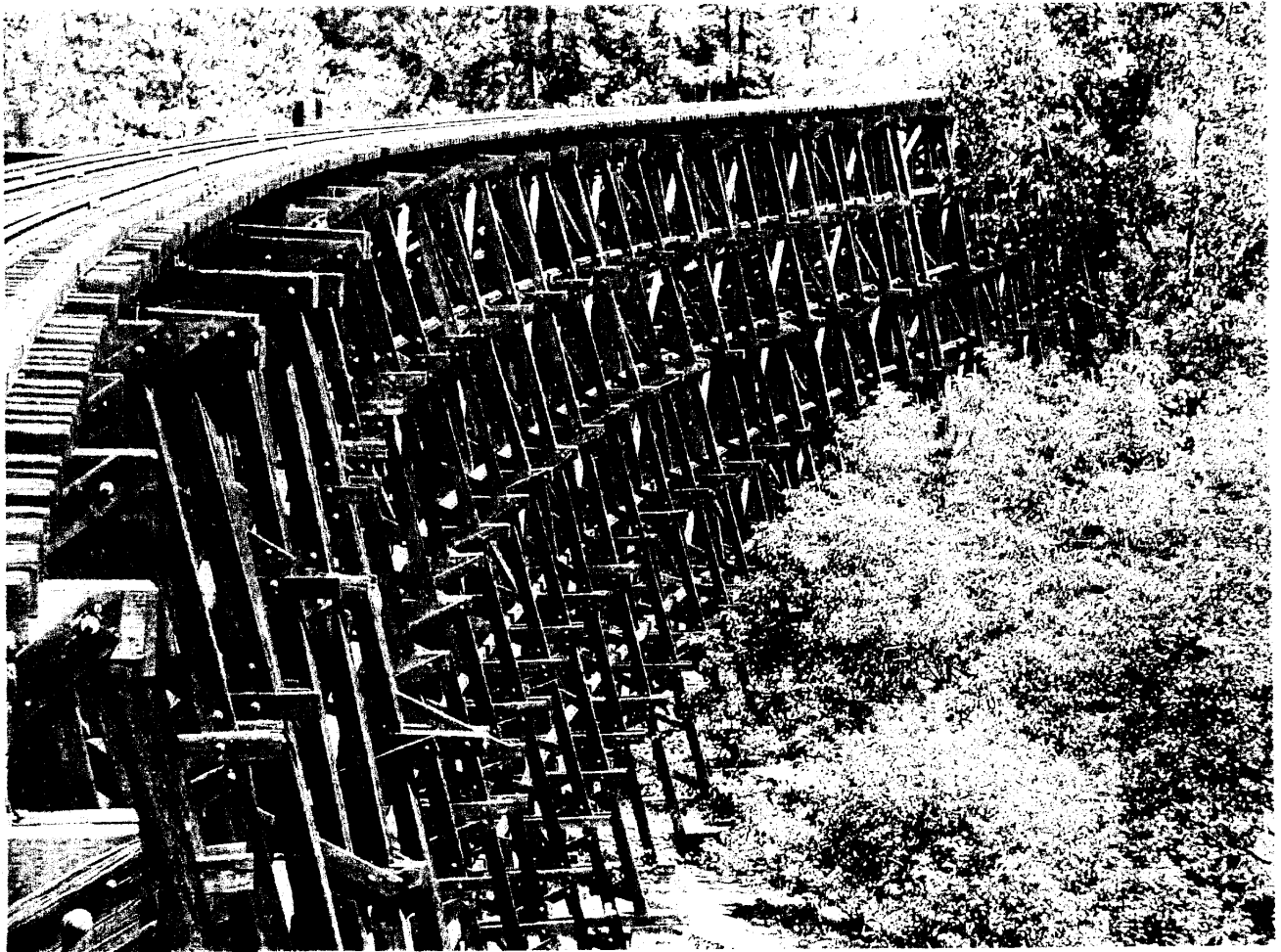


EXHIBIT 2

MILE POST LENGTH FEET HIEGHT SPANS

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9.1	157	17	10
11.16	165	22	10
11.38	133	18	7
13.43	121	11	7
15.2	163	25	14
15.46	147	12	9
15.51	136	14	8
16.3	154	14	9
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17.13	296	31	19
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18.1	195	27	18
18.17	238	33	16
18.22	328	35	21
18.3	245	34	16
18.34	213	30	15
18.42	233	38	14
18.49	378	39	24
19	271	45	7
19.22	179	49	11
19.42	112	31	6
19.46	179	28	11
19.5	103	20	6
21.27	74	19	5
22.55	375	63	25
23.33	169	21	10
23.48	194	37	12
23.52	155	38	10
24.01	152	36	10
24.12	240	38	15
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25.44	169	27	10
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27.22	167	28	7 OVER HWY.

MP 3.26



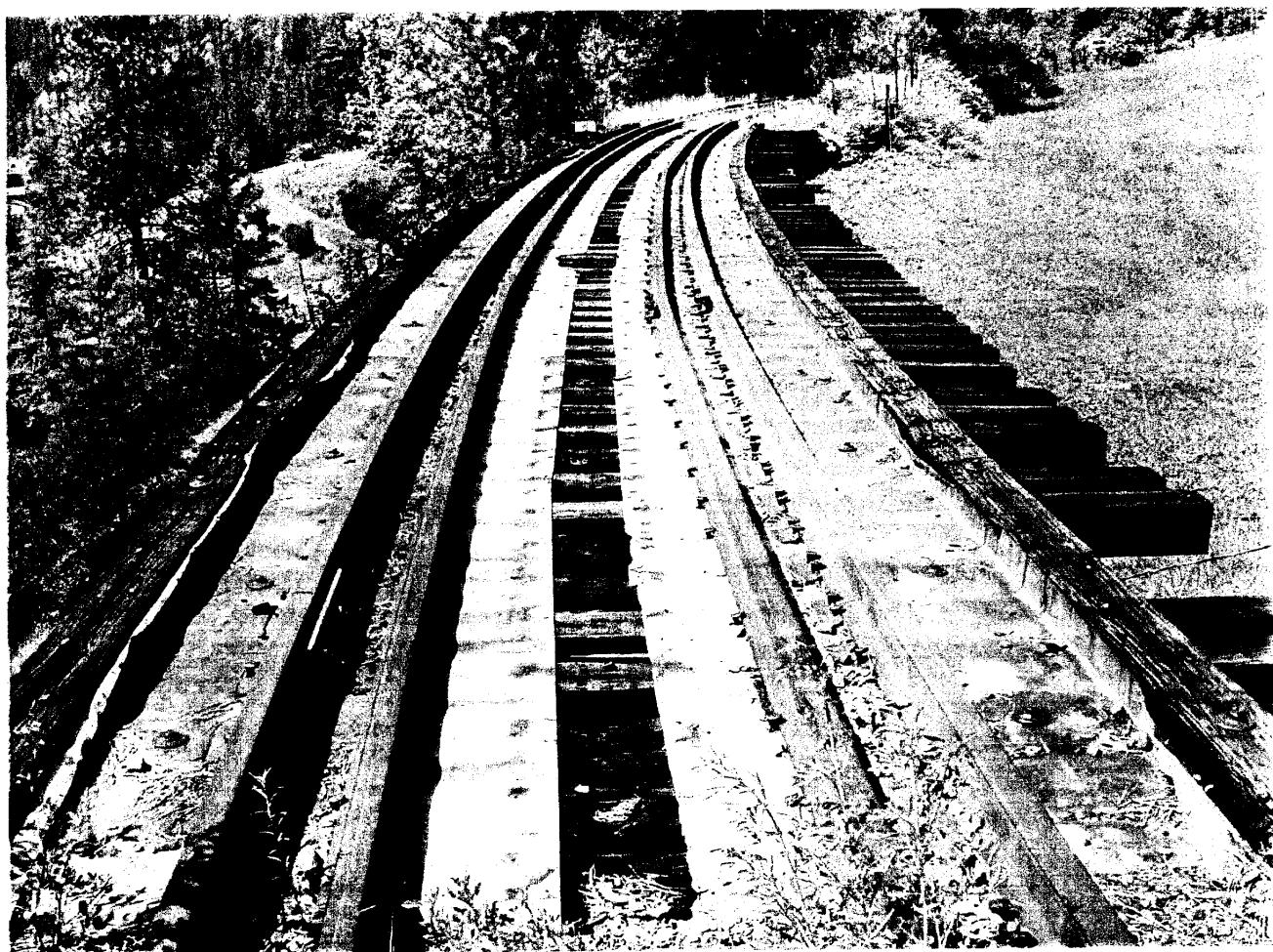
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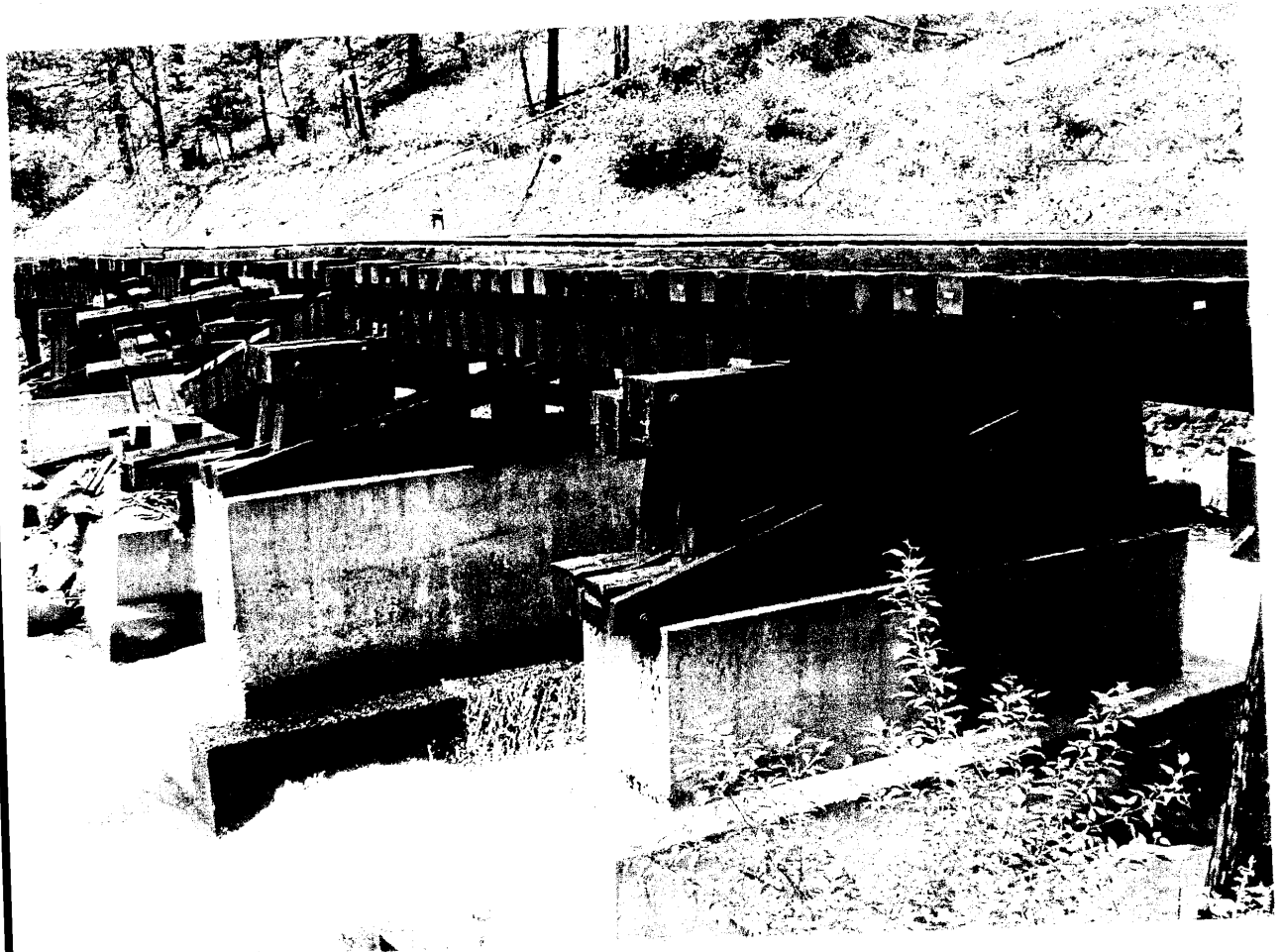
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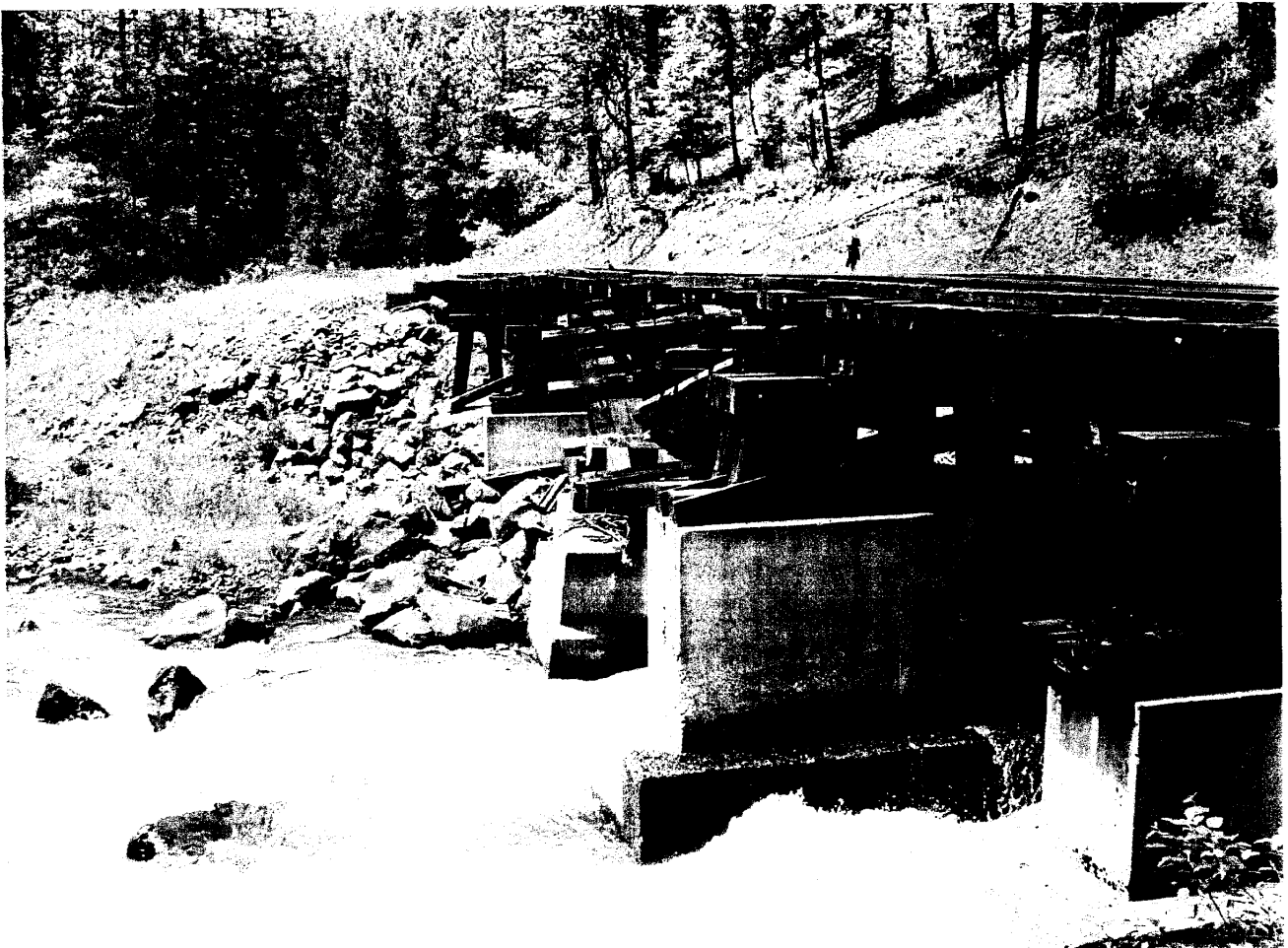
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MP 5.24



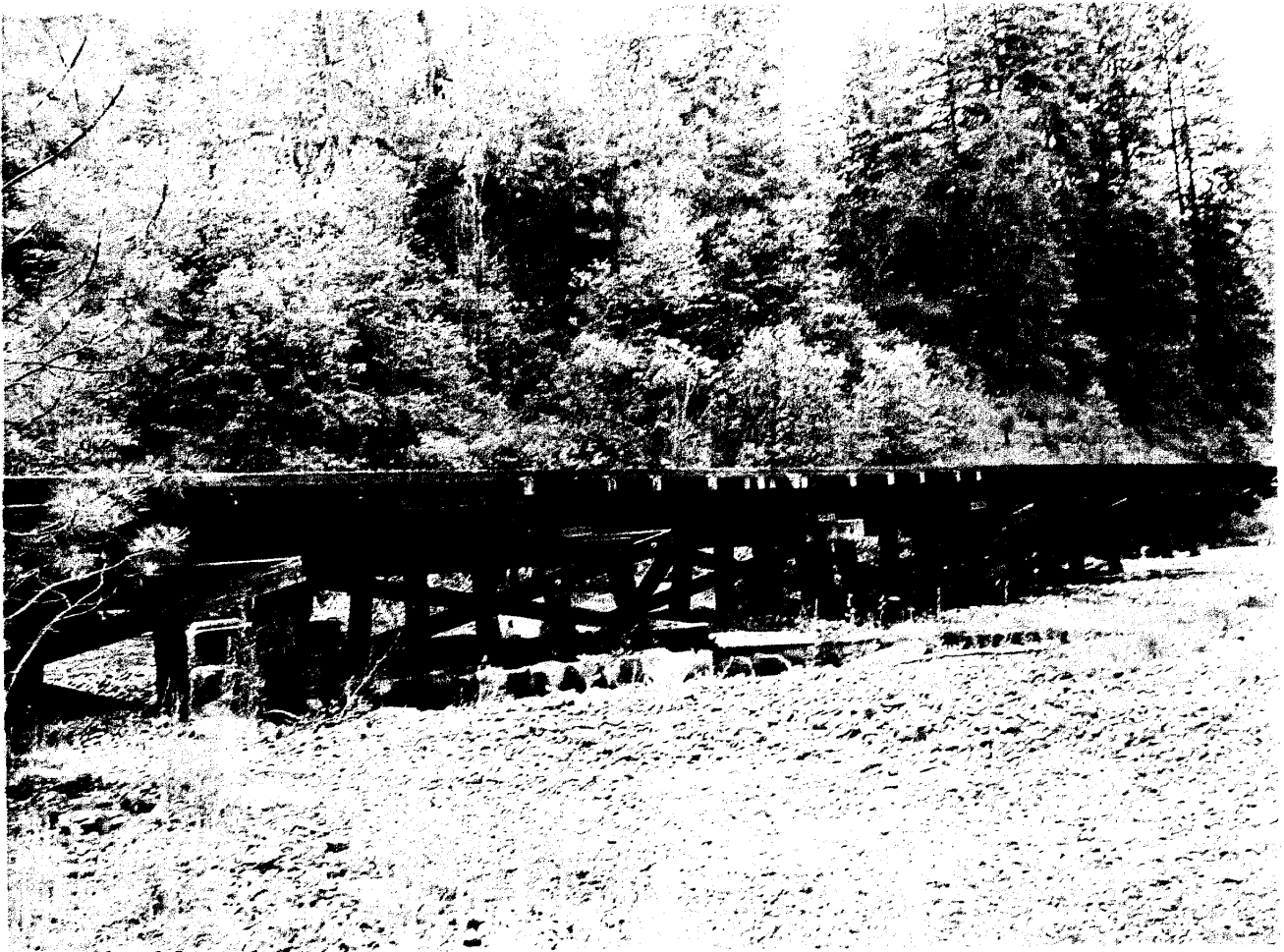
MP 5.24



MP 5.24



MP 6.13



MP 6.13



MP 9.1



MP 9.1



MP 11.16



MP 11.16



MP 11.38



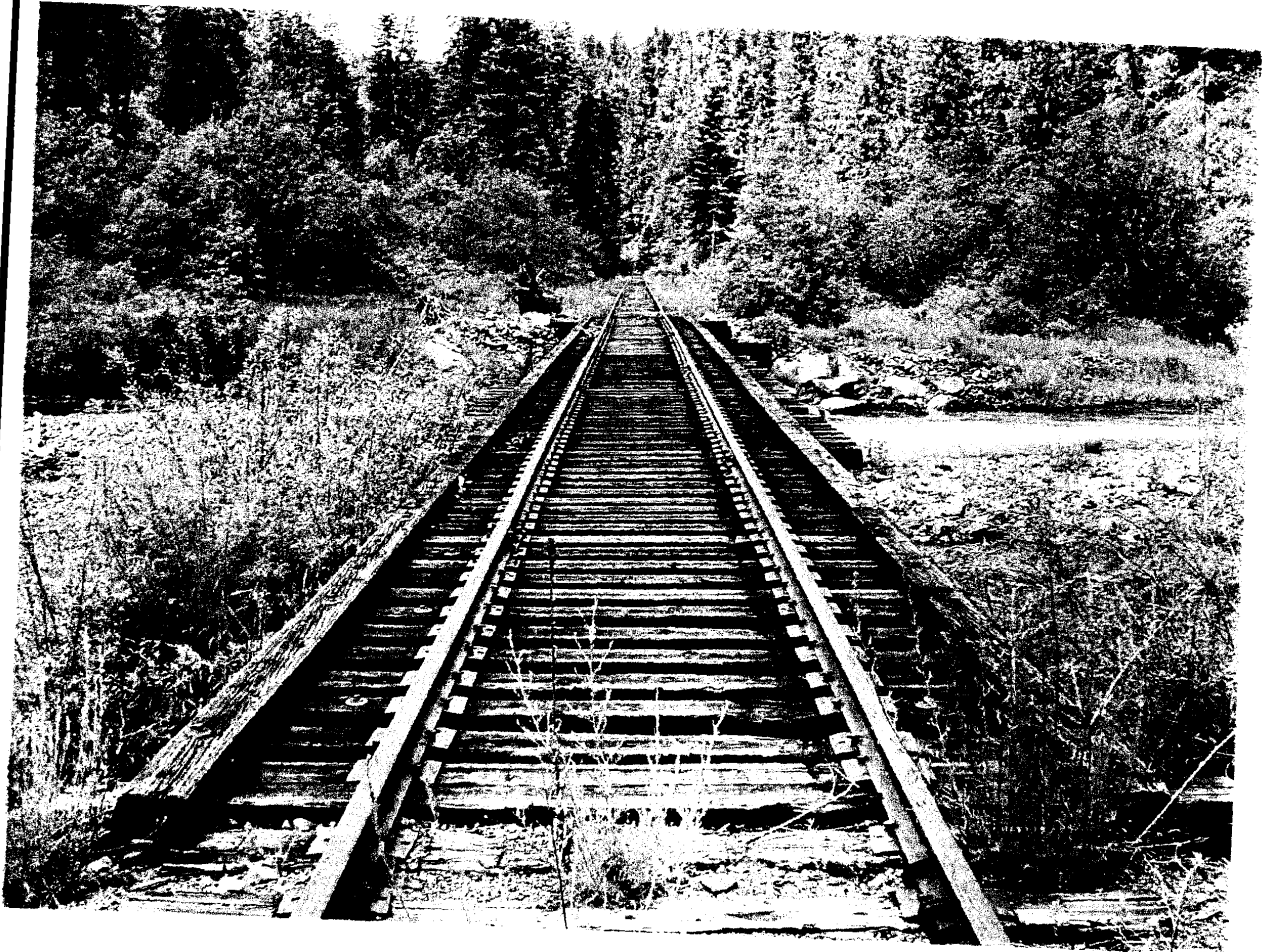
MP 11.38



MP 13.43



MP 13.43



MP 15.2



MP 15.2



MP 15.46



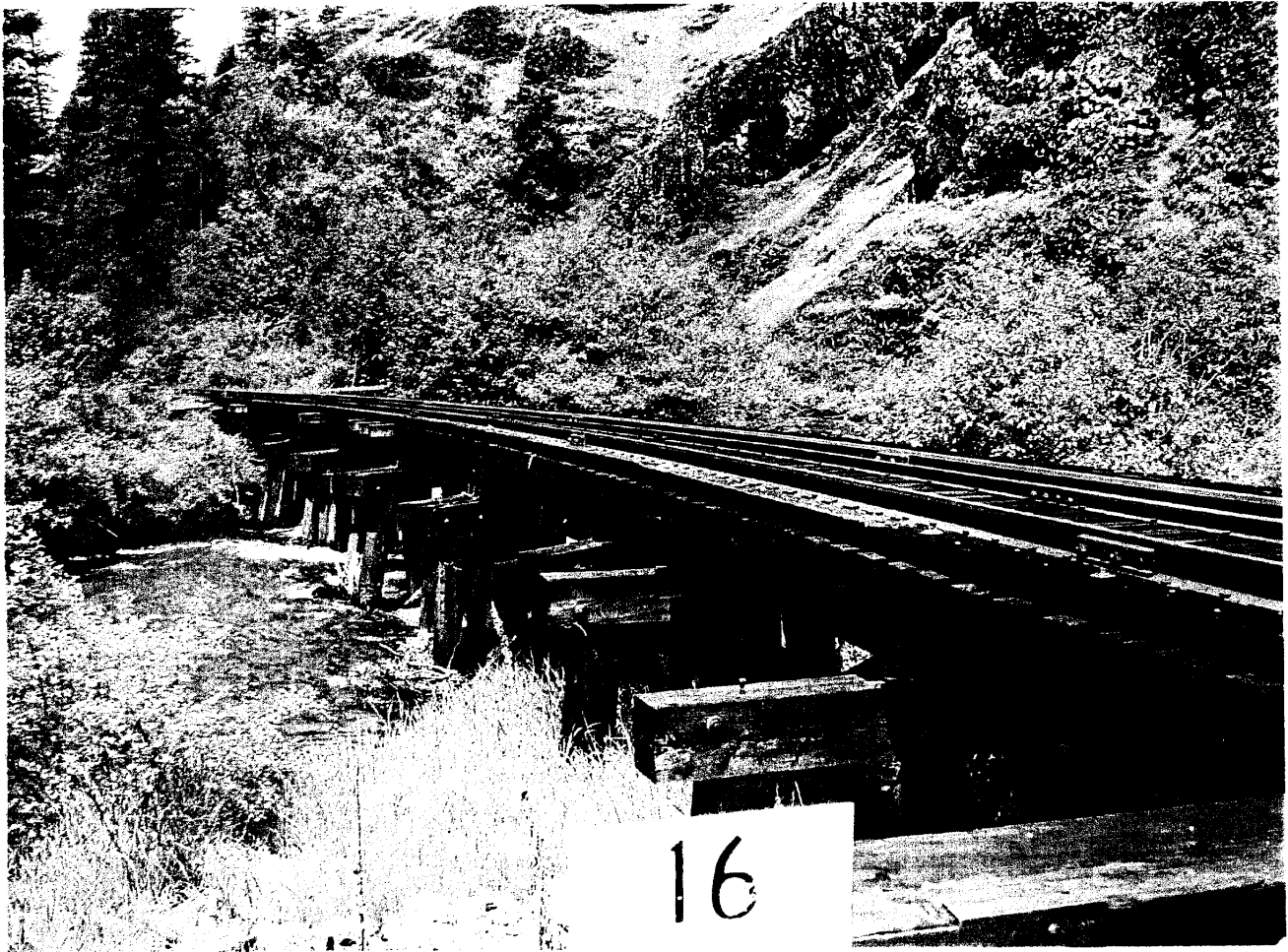
MP 15.51



MP 15.51



MP 16.3



MP 16.3



MP 16.15



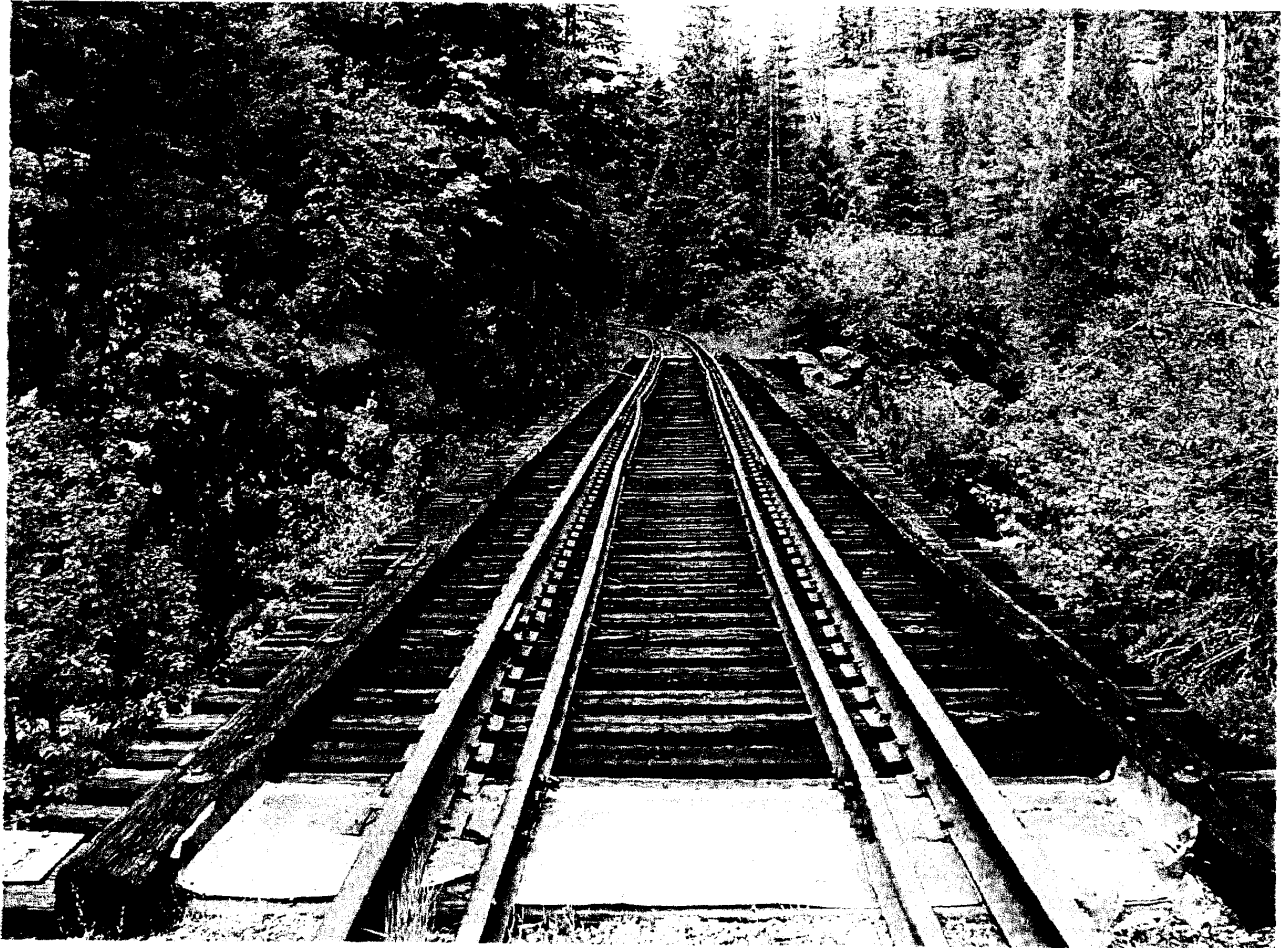
MP 16.15



MP 16.25



MP 16.25



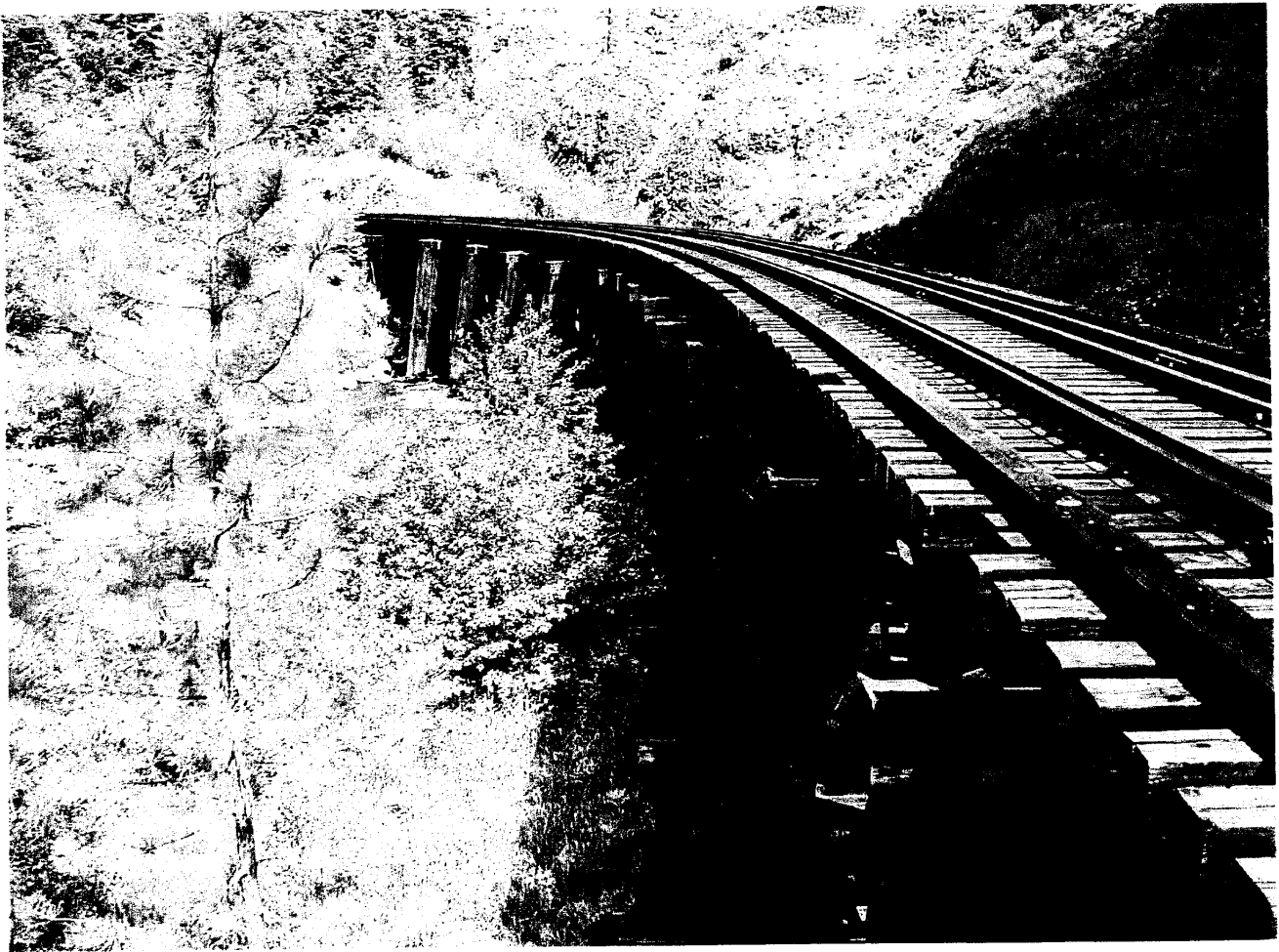
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MP 17.03



MP 17.13



MP 17.13



MP 17.2



MP 17.2



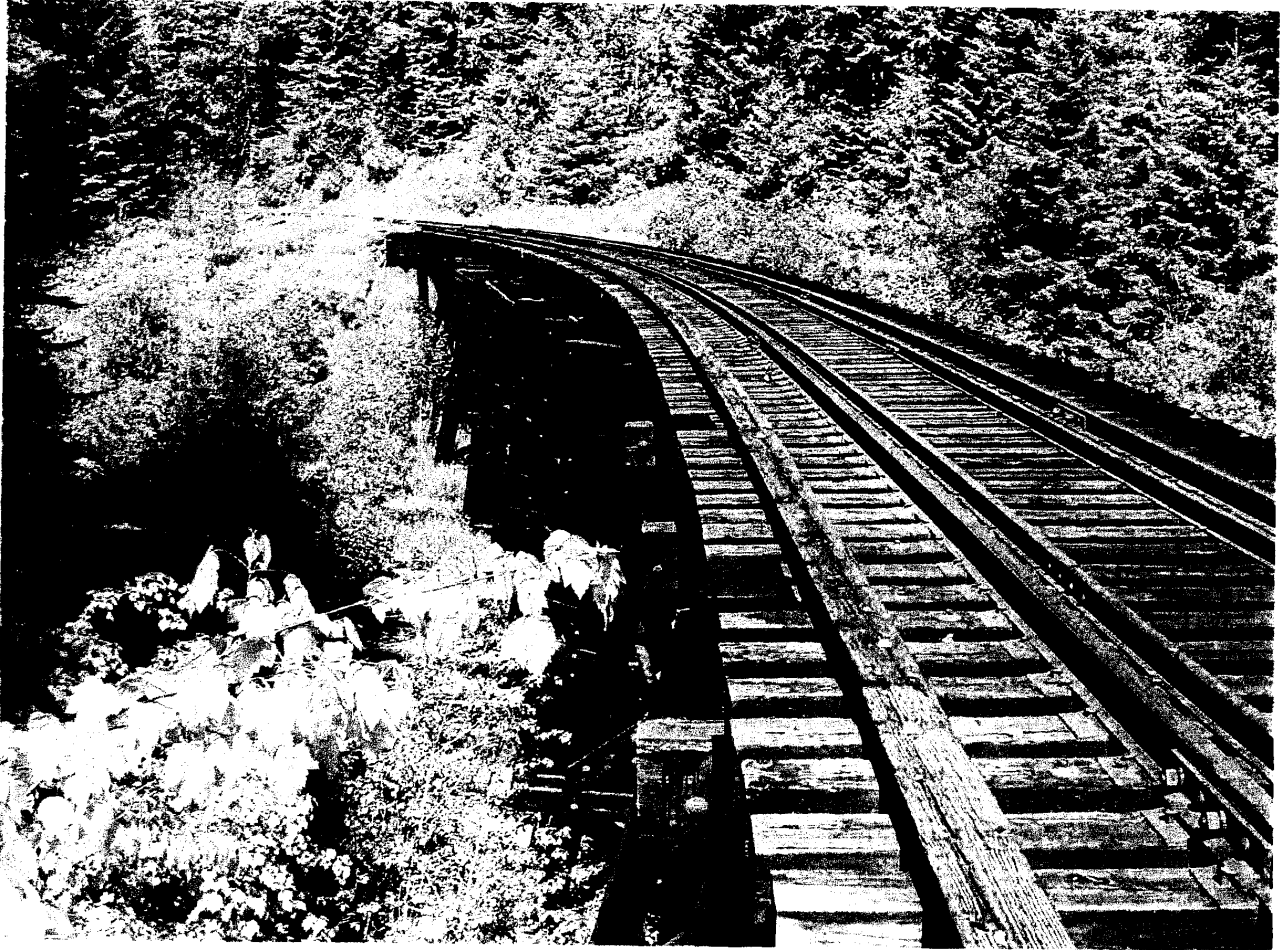
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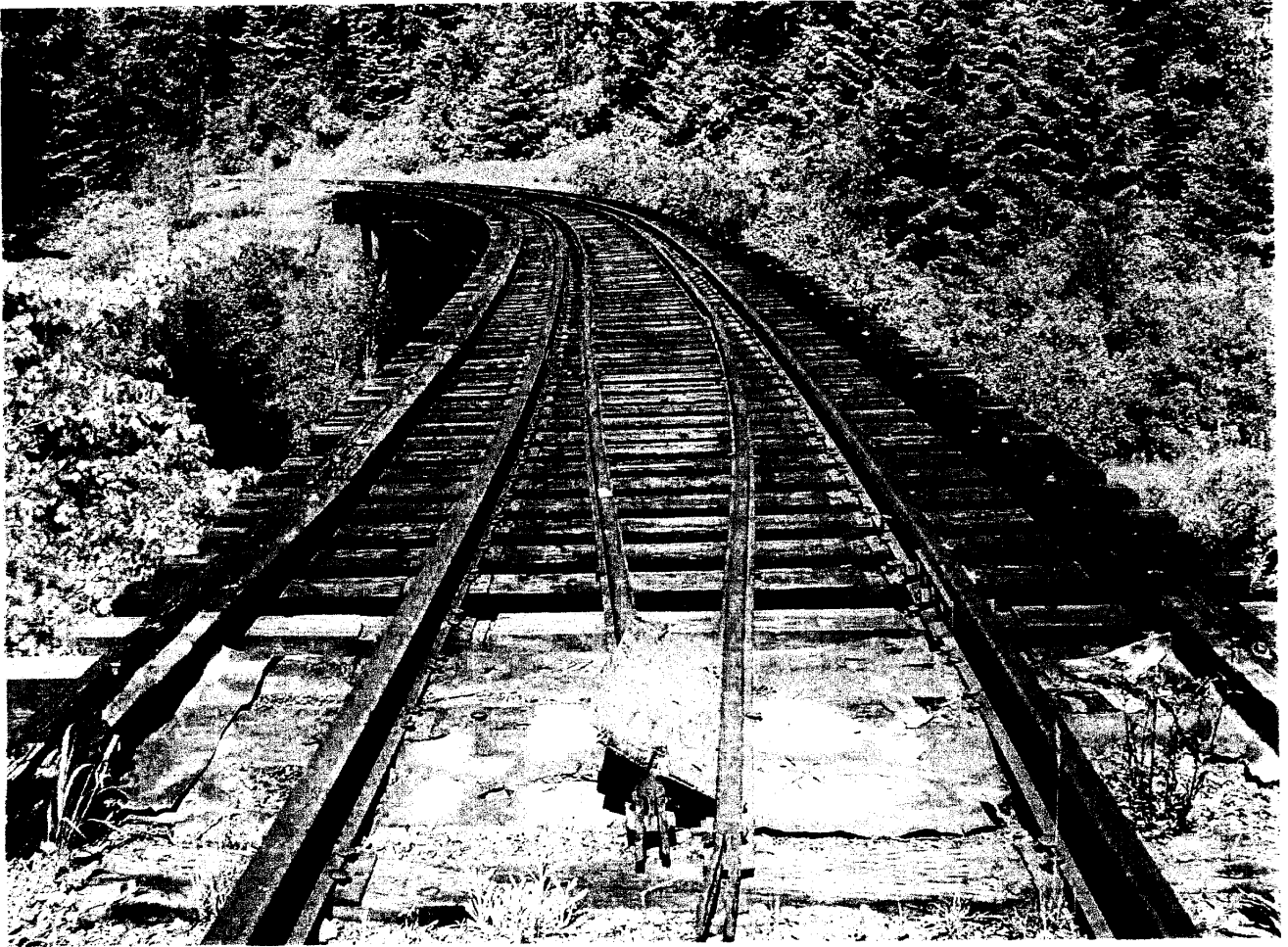
MP 17.27



MP 18.1



MP 18.1



MP 18.17



MP 18.17



MP 18.22



MP 18.22



MP 18.3



MP 18.3



MP 18.34



MP 18.34



MP18.42



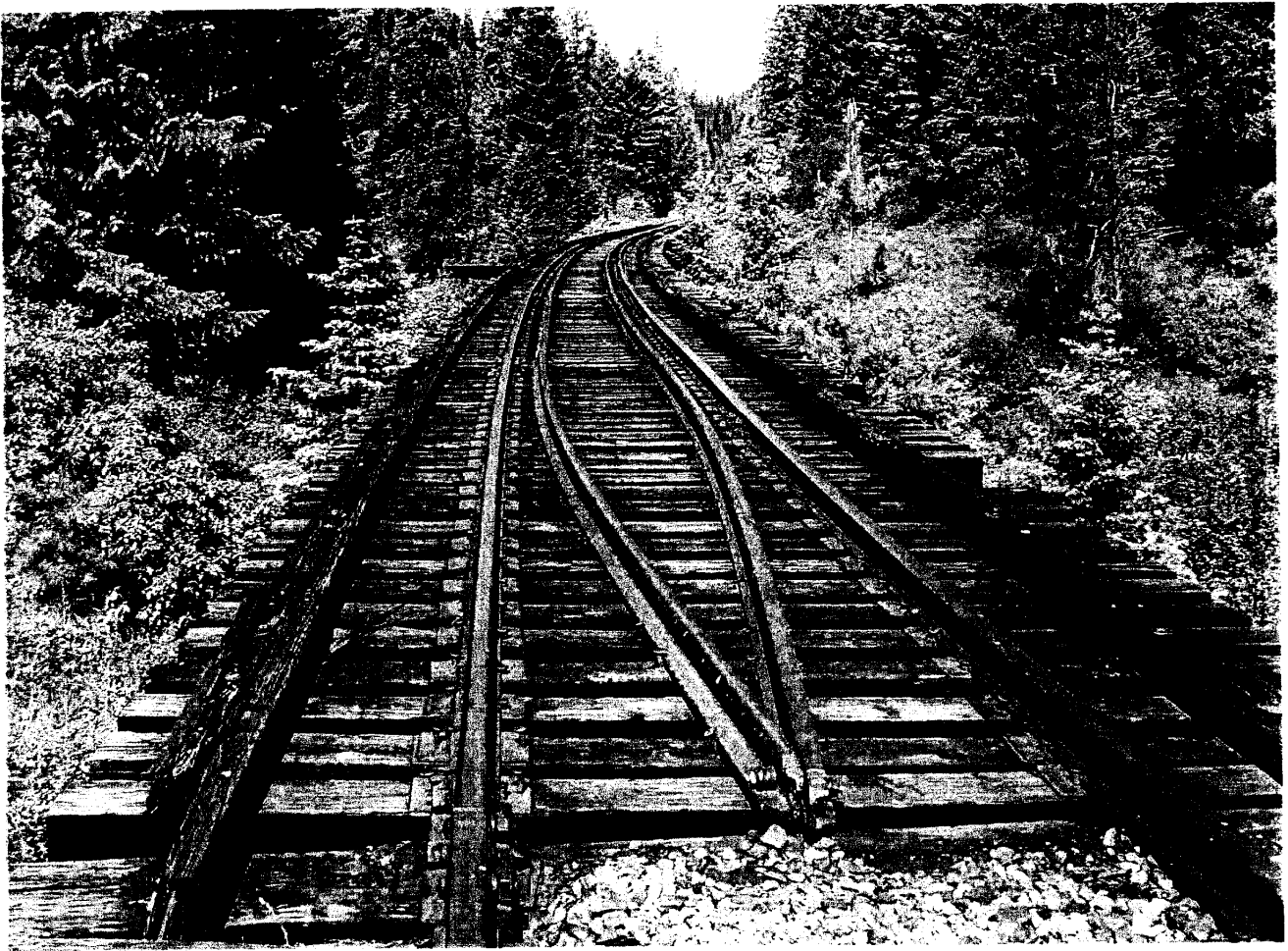
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MP 18.49



MP 18.49



MP 19



MP 19.22



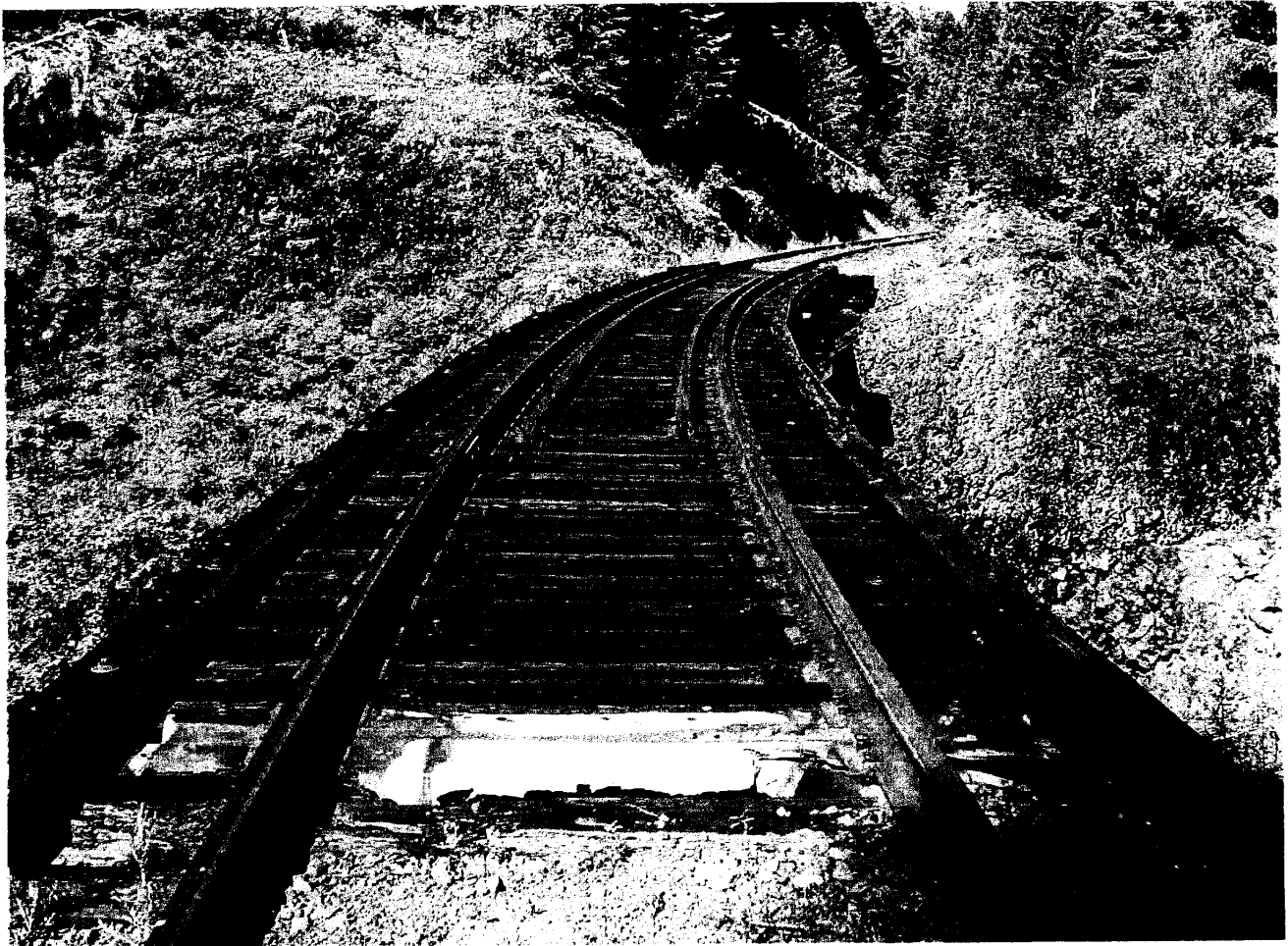
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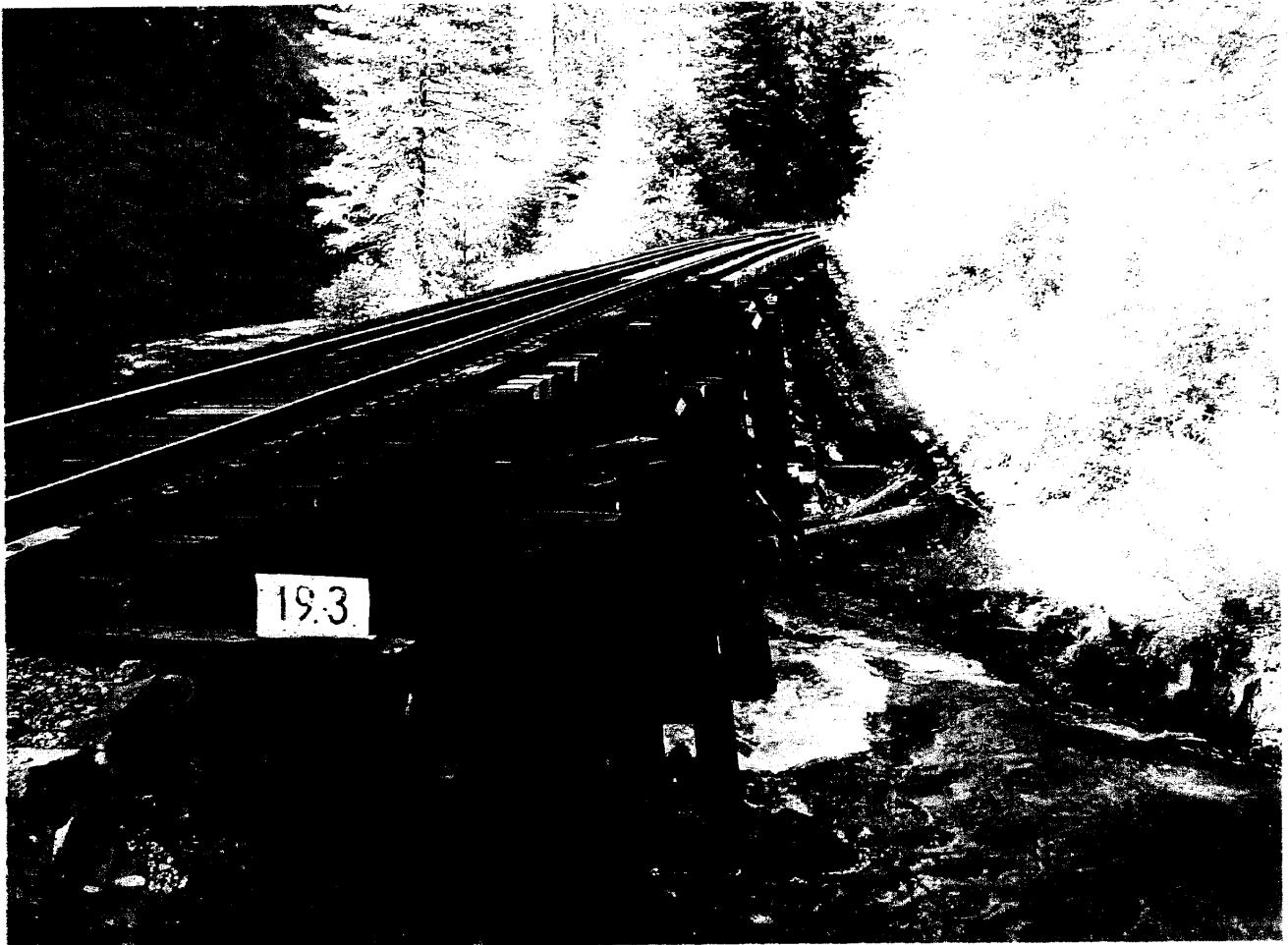
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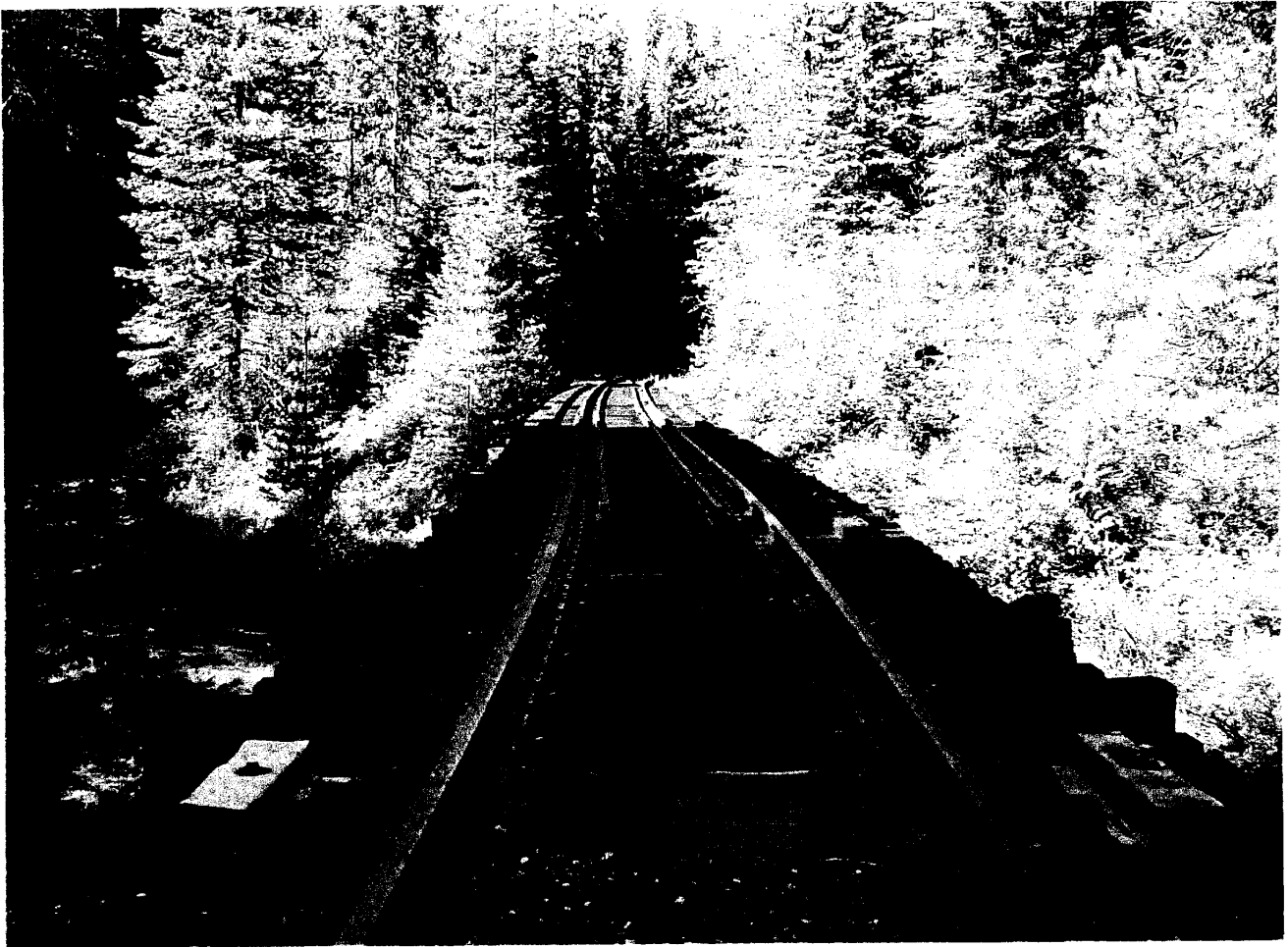
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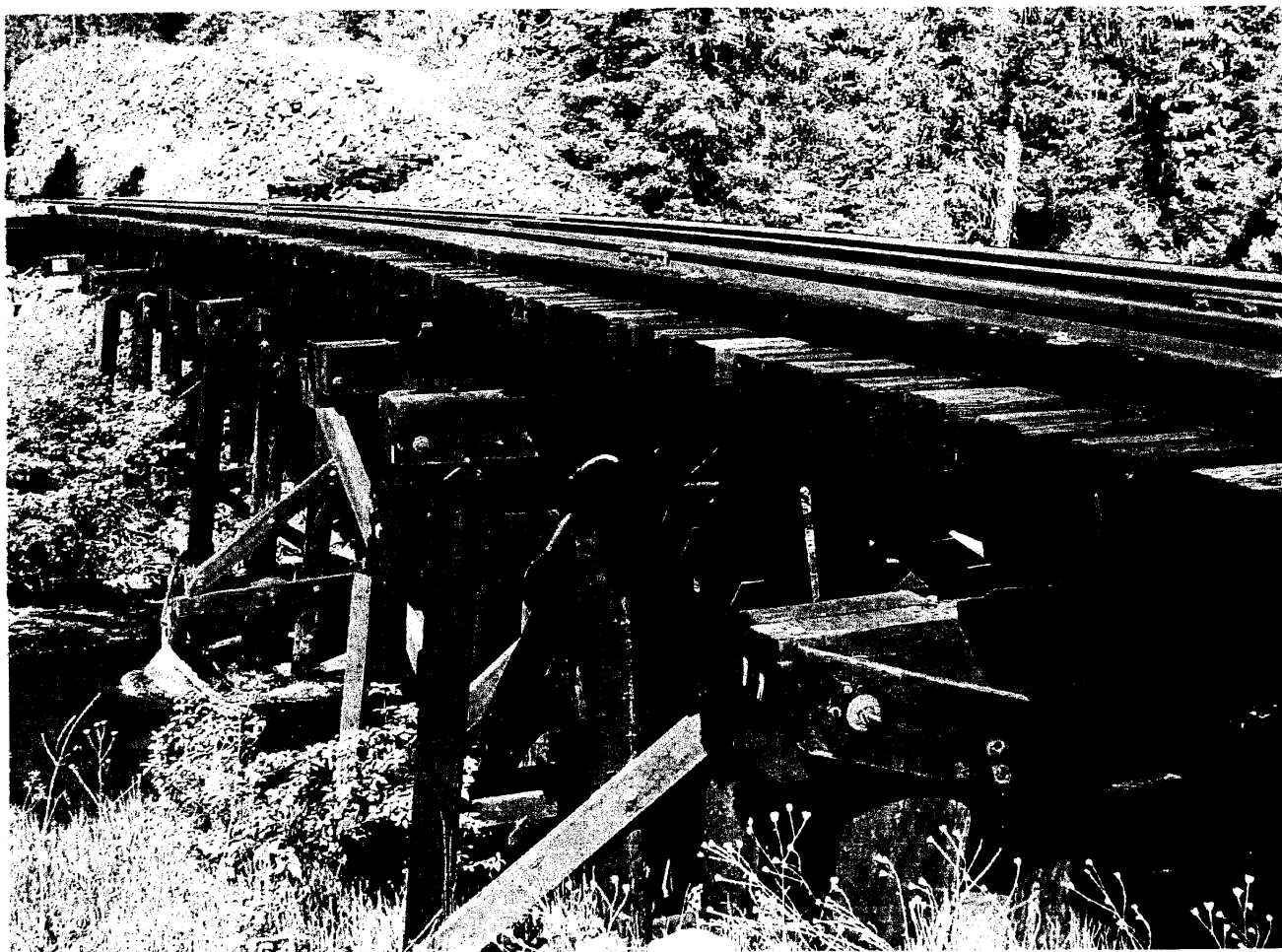
MP 19.46



MP 19.46



MP 19.5



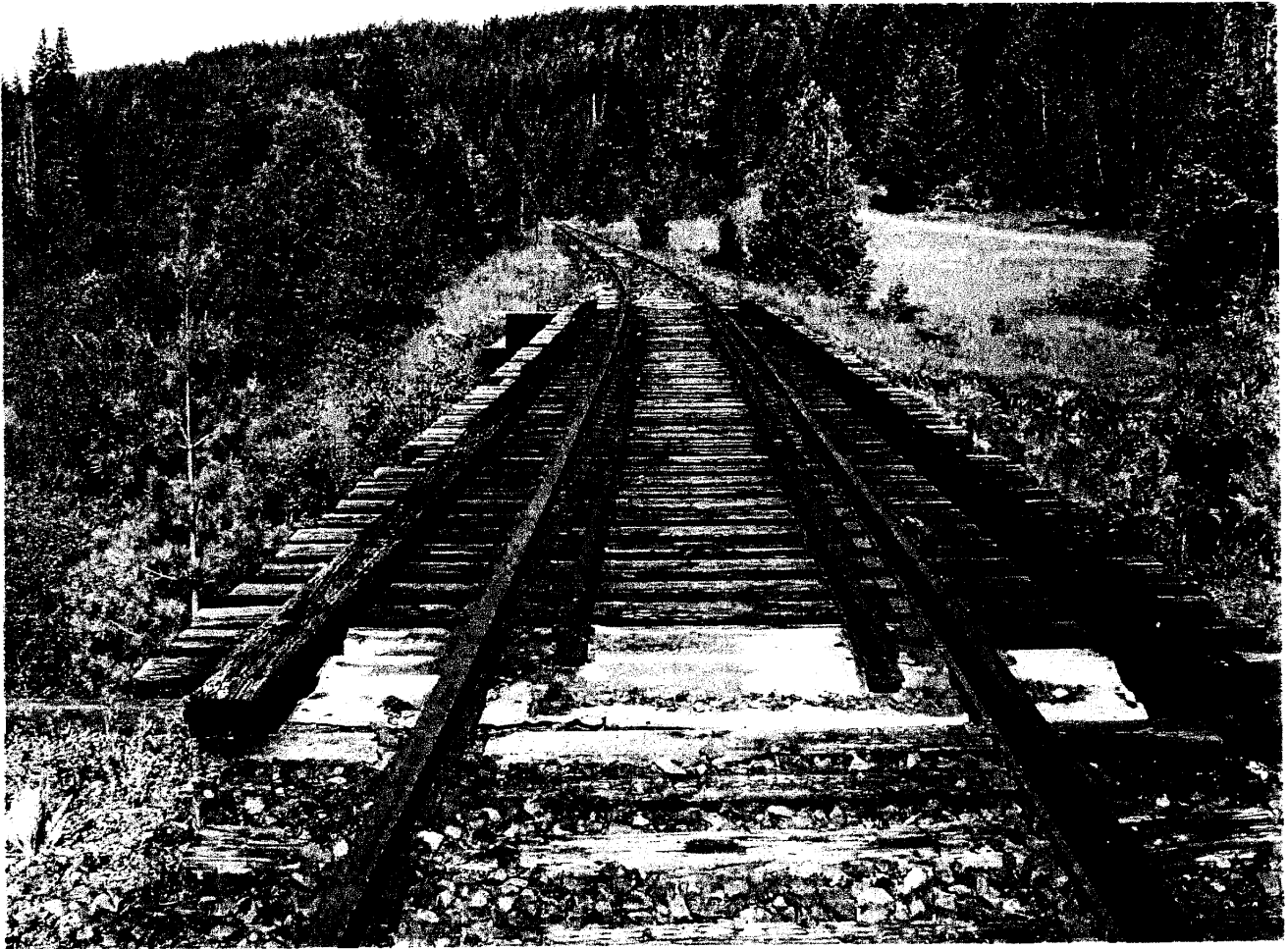
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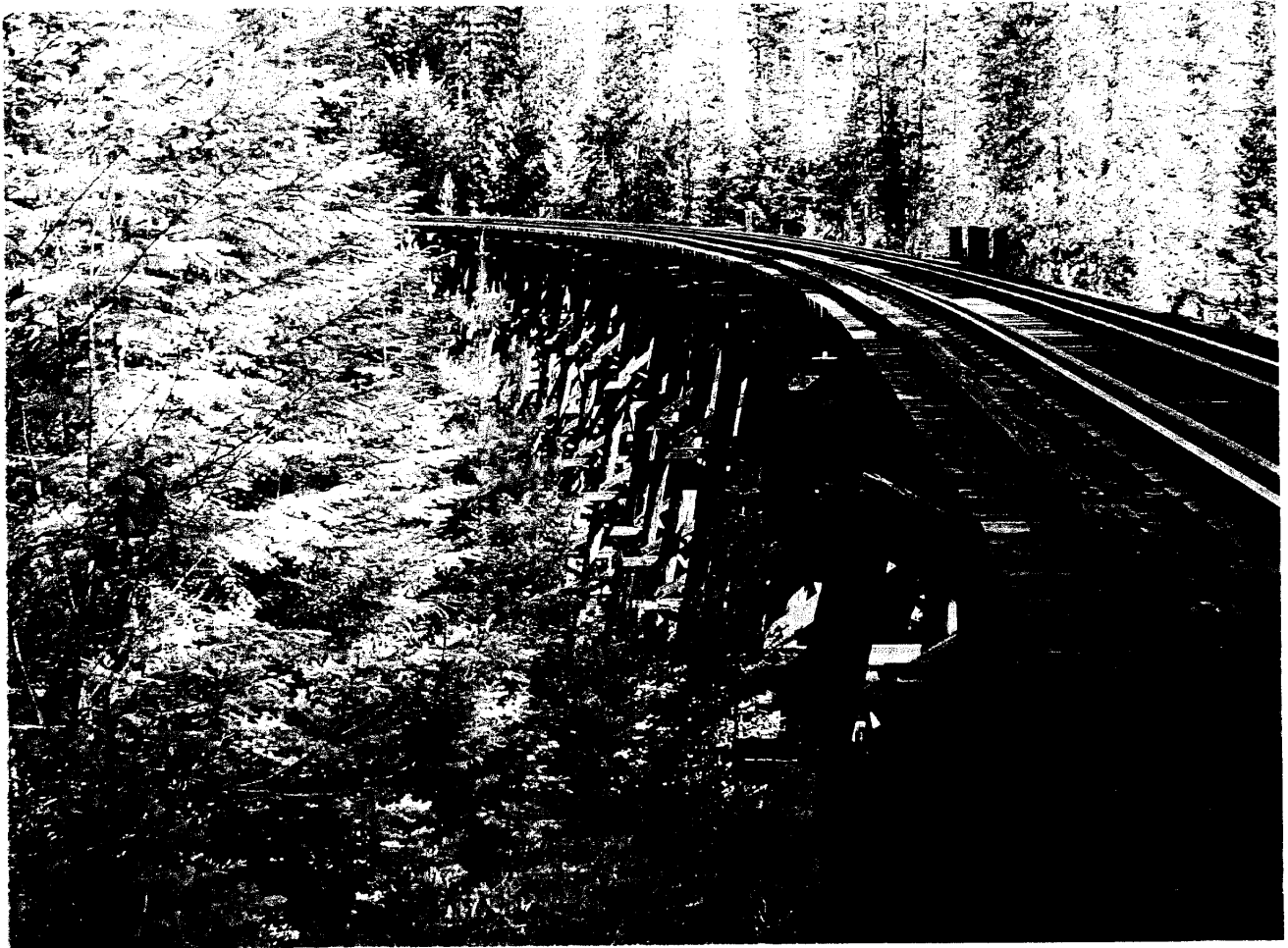
MP 21.27



MP 21.27



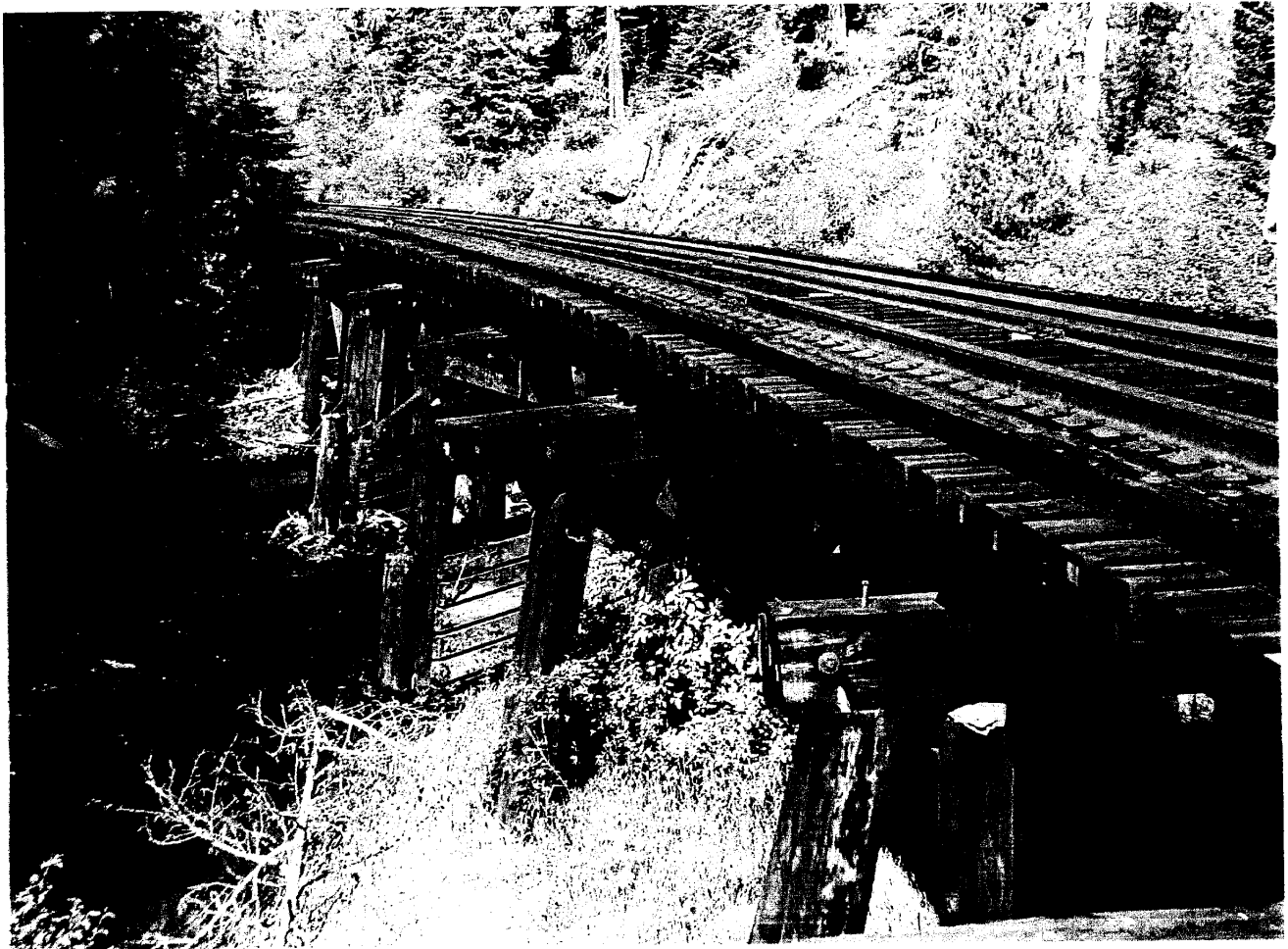
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MP 22.55



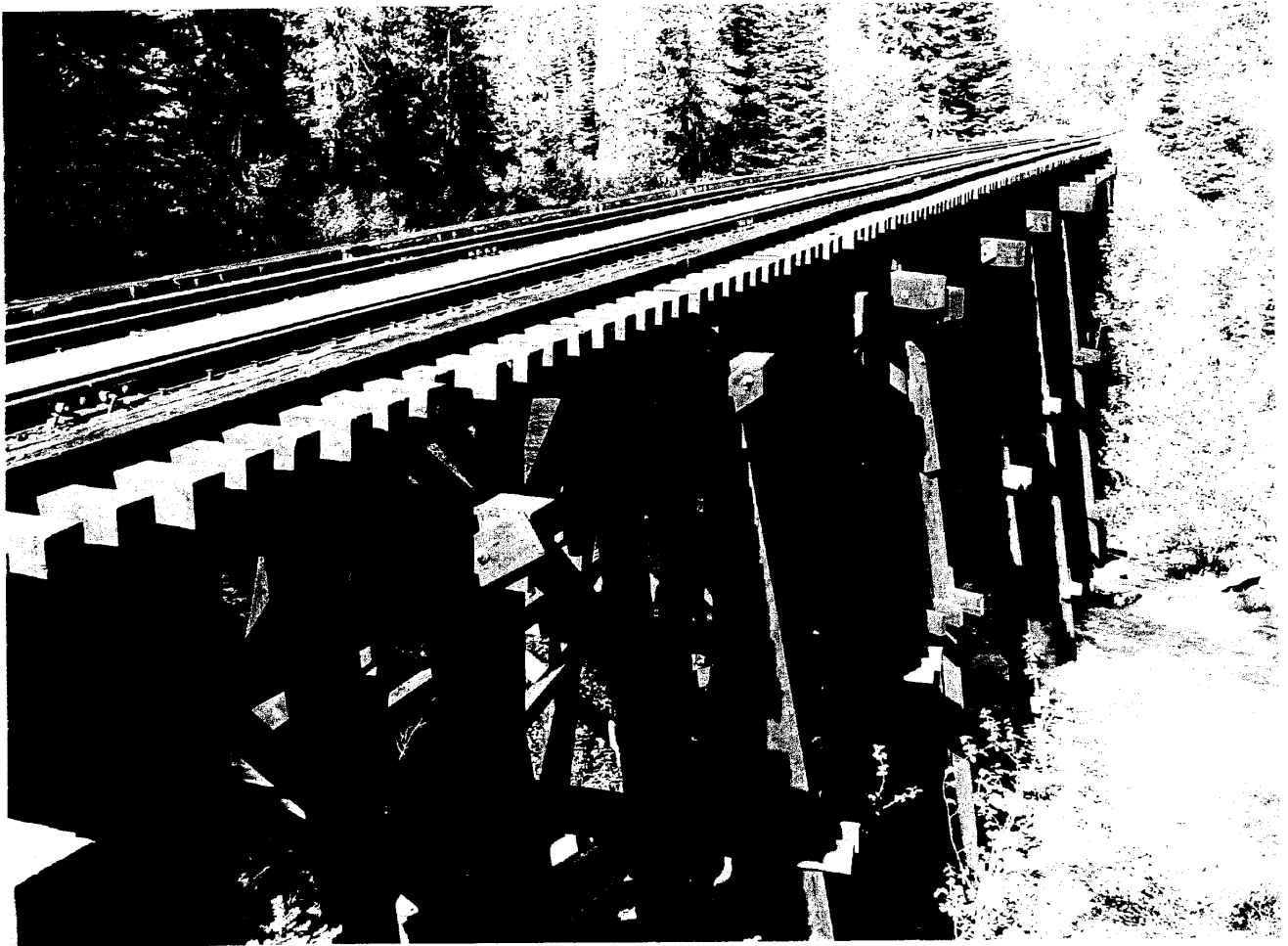
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MP 23.33



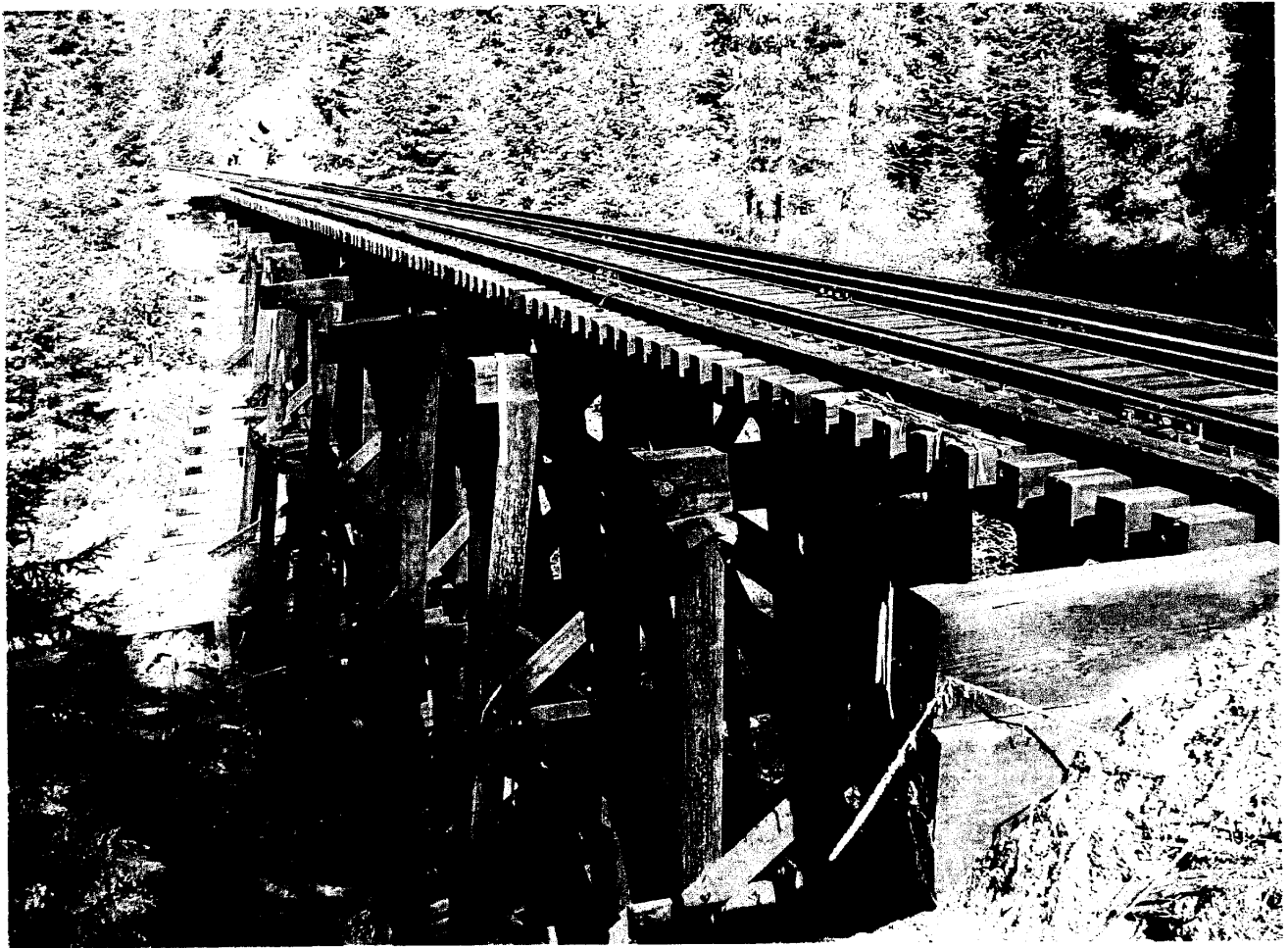
MP 23.48



MP 23.48



MP 23.52



MP 23.52



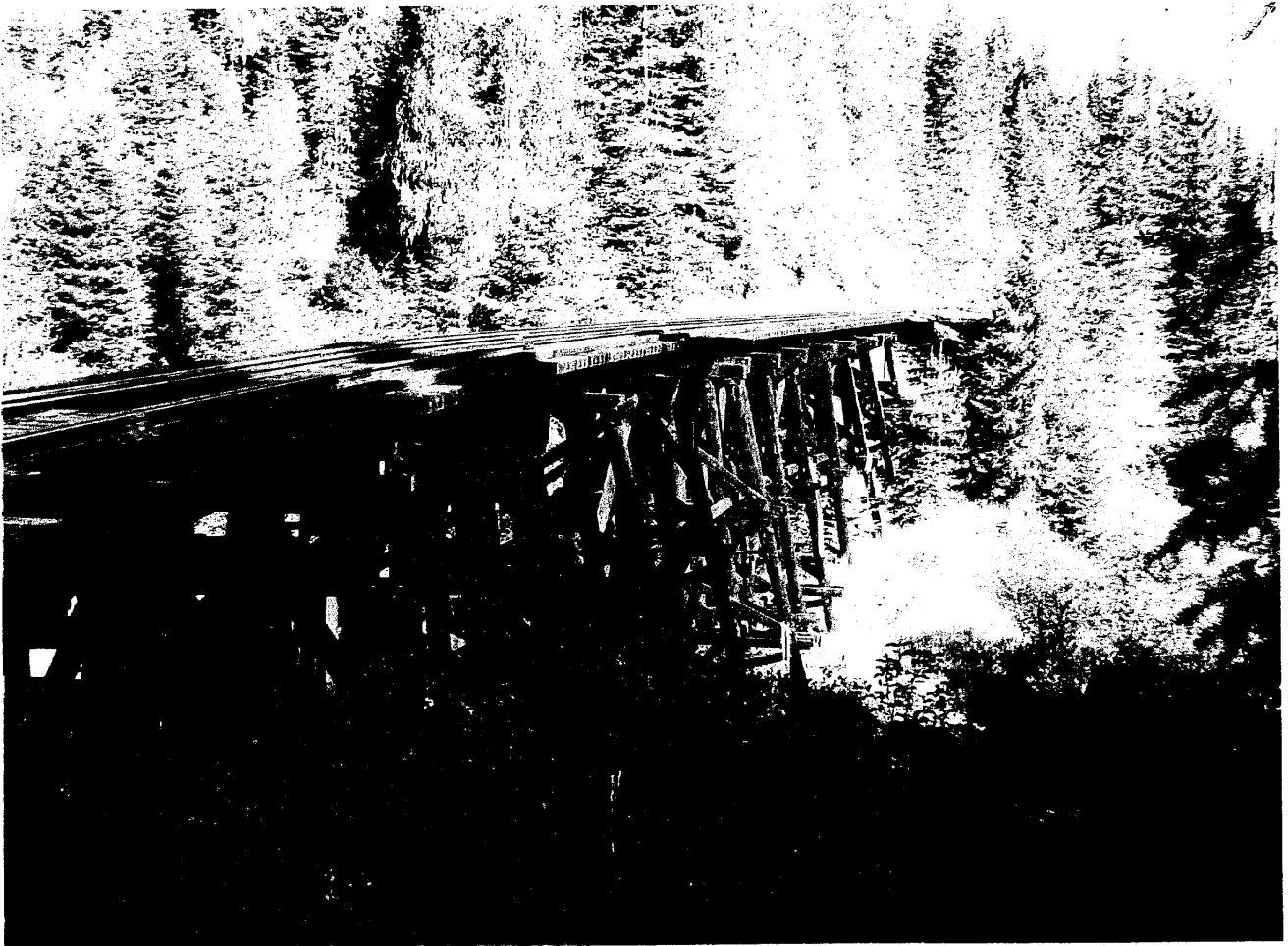
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MP 24.01



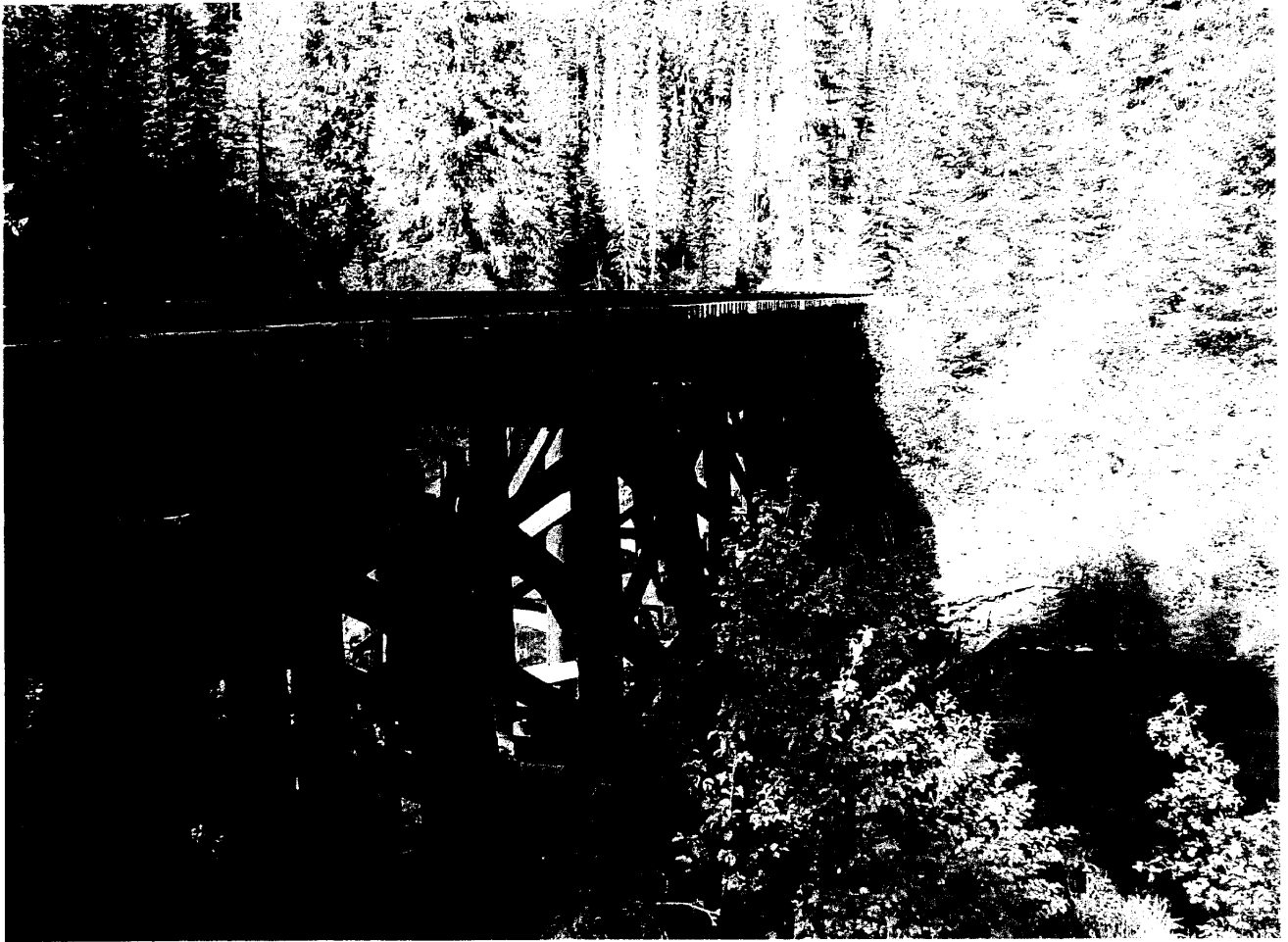
MP 24.12



MP 24.12



MP 25.3



MP 25.3



MP 25.44



MP 25.44



MP 26.55



MP 26.55



MP 27.22





MP 27.22

