

Discussion Points and Guidance for providing comments on the impact of the proposed Great Lakes Basin Rail and Utility Corridor Project (GLB) at the upcoming STB Public Scoping Meetings.

Information on upcoming Public Meetings and Project Status

The STB has scheduled the following upcoming meetings at which the public may attend and present oral or written comments. Anyone may submit written comments via mail or online at <http://www.greatlakesbasinraileis.com/> until May 16, 2016.

*April 11, 5:30-8:00 pm, Manteno Sportsmen's Club Banquet Hall, 851 North Main Street, Manteno.

*April 19, 10:00 am to 12:30 pm, Community Building Complex of Boone County, 111 W. 1st Street, Belvidere.

*April 19, 5:30-8:00 pm, Cherry Valley Fire Station, #2 Hall, 4919 Blackhawk Road, Rockford.

*April 20, 5:30-8:00 pm, Rochelle Township High School Auditorium, 1401 Flagg Road, Rochelle.

*April 21, 5:30-8:00 pm, Seneca High School Auditorium, 307 East Scott Street, Seneca.

Contrary to erroneous reports in the media, the STB will NOT make a final decision on whether GLB be constructed on May 16th. The May 16th deadline is for public comments only on the pre-EIS scoping part of this process. After the comment period, the STB will prepare a draft EIS and another round of public comments will occur before the STB issues a final EIS. This environmental review process occurs in addition to the STB's legal review of the project.

Even though the STB is proceeding with the scoping process for the EIS, GLB has not filed a petition or application with the STB to approve its proposed approximately 280 mile rail line that would create a freight bypass around Chicago. The STB must approve a proposal to construct or operate a rail line unless the STB finds that such activities are inconsistent with the "public convenience and necessity". The STB evaluates whether there is a public demand or need for the proposed service; whether the applicant is financially able to undertake the construction and provide rail service; and whether the proposal is in the public interest and will not unduly harm existing services.

GLB may seek an exemption from the detailed application procedure of which the STB must exempt if it finds that: (1) those procedures are not necessary to carry out the rail transportation policy, and either (a) the proposed project is of limited scope, or (b) the full application procedures are not necessary to protect shippers from an abuse of market power. If GLB seeks and the STB grants a petition for exemption from the formal application process, the STB may issue a conditional grant of authority, subject to consideration of the environmental impacts raised in the environmental review process.

Urge the STB to conduct full review of the GLB project and Not grant an Exemption if requested by GLB

Proposal by Non Railroad Venture Capitalist with no experience, no Railroad has indicated they will use GLB bypass, questionable ability to finance massive rail bypass with no commitments to use it and requests approval of utility corridor not related to railroad use.

Great Lakes Basin LLC is a newly formed Limited Liability Company, that has never operated as a rail carrier, yet seeks to construct the largest rail line proposed in 125 years (with an estimated \$8 billion price tag) to provide a by-pass for railroad freight traffic that currently moves through Chicago by which is served by six Class 1 railroads. **Although GLB asserts that its project will provide major railroads “more efficient options to route trains through the city” and founder Frank Patton stated “that at least two, or really three or four” railroads need to use it, not one major railroad has publicly indicated its support for the proposed project.** See, <http://midwestenergynews.com/2014/03/27/could-a-bypass-take-bakken-oil-around-chicago/>.

On March 28, 2016, **Union Pacific told the Chicago Tribune that it carefully reviewed the proposal and is not interested in the GLB project, and that “Union Pacific is focused on several major public-private partnerships, including CREATE, which will benefit the region and enhance efficiency for Chicago-area and regional railroad operations.”** See <http://www.chicagotribune.com/business/ct-illinois-rail-line-0322-biz-20160318-story.html>.

Passenger and freight rail congestion in the Chicago area has been studied extensively and 12 years ago, the CREATE program was developed to improve the efficiency of the rail network in the Chicago area. According to the Report of the Amtrak® Chicago Gateway Blue Ribbon Panel, issued in October, 2015: operational coordination among Chicago's railroads, funding for CREATE projects such as the 75th Street Corridor and Grand Crossing Projects and RRIF loan program reforms need to occur to address rail congestion.

The report notes that the RRIF program has been woefully underutilized (90% of funding unused in 17 years since the program was enacted) due to overly stringent creditworthiness requirements, along with a costly and time consuming approval process. **Although no Class 1 railroad has ever taken out a RRIF loan, on March 3, 2014, GLB advised MidWest Energy News that nearly 90% of its project can be financed through RRIF.** See, <http://midwestenergynews.com/2014/03/27/could-a-bypass-take-bakken-oil-around-chicago/>.

GLB improperly seeking approval of Rail and multi-use utility corridor from STB

GLB also seeks approval from the STB of a “designated 50-foot utility corridor” for possible use by utilities as a new right of way to serve potential future populations growth of the region. This is another source of revenue for GLB. (See October 15, 2015 correspondence filed by GLB with the STB in Docket No. FD 35952, Document No. EI-21150 at pp 3-4) In the GLB Route Narrative (Document No EI-21426) filed on March 7, 2016, GLB states that one of its key design objectives is to “[p]rovide a utility corridor for improved electricity, water, natural gas, fiber optics, and wireless coverage, both to support railroad operations and to provide new options for our neighbors.” **The STB has jurisdiction to authorize construction of railroad lines, but cannot authorize construction of a designated utility corridor for possible use in the future by utilities.** For these reasons, full review of GLB's project under Section 10901 is warranted.

During the EIS process, farmland data for the proposed GLB rail and utility corridor area should be collected from many agencies including the NRCS, U.S. Geological Survey, and the USDA Soil Survey Geographic Database. This information should include the location of farmland, types of land cover, agricultural use (row crops, hay, etc.), and acreage of farmland enrolled in federally or state protected farming programs such as the Conservation Reserve Program (CRP).

Here's what and how the STB will review the impact of GLB on farmland

Agricultural impacts of the proposed GLB and Utility Corridor for the Area must be determined by identifying the total number of acres of farmland that would be converted to a different use, determining the acres of prime farmland within the converted farmland being impacted, estimating the number of agriculture parcel severances, and determining the potential in crop production and cash receipts. Agricultural severances, uneconomical remnants, and landlocked parcels must be determined as well.

Definitions:

A **severed farm parcel** is defined as a parcel of farmland that is traversed by the proposed project, resulting in dividing one larger parcel of land into two smaller parcels. The owner/operator is inconvenienced by farming two smaller parcels instead of one larger parcel of land. In addition, the severance may cause adverse travel for owners/operators compared to the distance traveled without the proposed project.

A **landlocked parcel** is defined as land that is isolated by the proposed roadway corridor footprint in a way that the parcel becomes inaccessible to the current owner/operator due to lack of access from a public road, existing easement, adjacent property under the same ownership, or access road.

An **uneconomical remnant** is defined as farmland that is severed from a larger parcel of farmland that is too small to be economically or practically farmed by the existing owner/operator. For example, the Illinois Department of Agriculture (DOA) identifies a stating frame of reference for uneconomical remnants as three acres or less in size, but this may vary depending on the shape of the remnant and the concerns of the owner/operator.

Adverse travel is defined as the length of additional distance, round trip, an owner/operator would have to travel in order to operate a parcel that has become severed or is otherwise affected as a result of the proposed project. Adverse travel results in additional time and fuel expense that would not be required to operate one continuous parcel.

Relocated farmsteads include residences with farm buildings that require relocation of the residence. An agribusiness is a business related to agricultural production and includes production, supply, distribution, processing, marketing, and sales of agriculturally related products.

Analysis by the NRCS is required for projects like the GLB rail and utility corridor that plan to convert farmland to other uses under the Farmland Protection Policy Act. The NRCS evaluates the quality and productivity of the soils that will be affected, while the Illinois Department of Agriculture (DOA) evaluates project impacts. In Illinois, the evaluation uses the Illinois Land Evaluation and Site Assessment (LESA) system, which takes into account:

- Amount of agricultural land required;
- Location of the proposed project;
- Acres of off-site agricultural land required for borrow material;
- Acres of prime and important farmland required for mitigation;
- Creation of severed farm parcels, uneconomical remnants, landlocked parcels, and adverse travel;
- Relocations of rural residences and farm buildings; and
- Utilization of minimum design standards.

The Illinois LESA scoring system operates on a point basis. The higher the LESA score, the more viable the farmland is for long-term agricultural use. A score of 0 to 175 points indicates a low rating for protection; a score of 176 to 225 points indicates a moderate rating for protection; and a score of 226 to 300 points indicates that the land should be retained as agricultural land and an alternative alignment should be considered.

Before providing comment to the STB, landowners should review GLB's Route Narrative and the map of the proposed route to determine how the project will impact their farming operations. In addition to other issues discussed above, Landowners should also comment on the following types of potential impacts on their farmland:

How much of my farm will be impacted (acres)?

Do you have Prime or important soils that will be impacted? Highly erodible soils?

Will your home be relocated?

Will you have to relocate farm buildings?

Will your farm be severed? How will private crossing impact farming operations?

Will your farm be landlocked?

Will you suffer from adverse travel? If yes, are alternate routes safe? Adequate?

How will your tile and surface drainage be impacted?

 Cut and/or crushed field tiles?

 Construction will result in compaction that impacts drainage and crop loss

 Flyovers and grade crossings will impact drainage on farmland and drainage ditches

Do you have land in CRP or other conservation easements?

Do you have livestock operations that will be impacted?

Will the project create an uneconomical remnant on your parcel?

Will the project impact irrigation on your farm?

Do you have a wind turbine or wind farm lease that will be impacted?

Do you have mineral rights or a mineral lease that may be impacted?

How will road closures impact your farming operation?

 Adverse Travel?

 Impact emergency services?

Is your farm in an Ag Use Area?

Designated Historical Area? Tribal ground?

Federal Flood Plain Designations?

Wetland designation?

Impact of flyovers, at grade crossings on ability to safely accommodate travel of farm equipment?