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April 29, 2024

Andrea Poole
Surface Transportation Board
c/o VHB
1001 G St. NW, Suite 1125
Washington, DC 20001

**Re: Green Eagle Railroad – Construction and Operation Exemption – Line
of Railroad in Maverick County, Texas, Docket No. FD 36652**

Dear Ms. Poole:

Union Pacific Railroad Company (“Union Pacific”) respectfully submits these comments in response to the Surface Transportation Board’s (“STB’s”) notice of intent to prepare an environmental impact statement (“EIS”) regarding the Green Eagle Railroad, LLC (“GER”) proposal to construct approximately 1.3 miles of new common carrier rail line in Maverick County, Texas. Union Pacific appreciates the opportunity to comment on the scope of the EIS.

As the STB is aware, the National Environmental Policy Act (“NEPA”) requires an EIS consider a broad range of potential effects, including “economic” and “social” effects. 40 C.F.R. § 1508.1(g)(4). Thus, an EIS must include an evaluation of “economic and technical considerations.” 40 C.F.R. § 1502.16(a)(10). Likewise, the “requisite hard look mandated by NEPA” includes evaluating any relevant “transportation issues.” *City of Riverview v. STB*, 398 F.3d 434, 443 (6th Cir. 2005). The STB’s notice of intent correctly recognizes both “[t]ransportation” and “socioeconomic” issues must be considered as part of the EIS.

Union Pacific respectfully submits there are several economic and transportation-related issues the STB should evaluate in detail as part of the EIS process in this matter.

First, the proposed railway segment could impair Union Pacific operations at its Clark’s Park yard. The distance of the proposed US/Mexico crossing to the proposed Union Pacific railway connection is only 1.3 miles. That distance does not allow for southbound trains to stage up to the border crossing without the trains impairing Union Pacific operations at Clark’s Park

yard. In other words, border-staged trains in excess of 1.3 miles in length will impinge on Union Pacific's tracks and impair yard operations. According to the STB's notice of intent to prepare an EIS, trains on the proposed rail segment would operate at an average length of 9,300 feet—well in excess of a length that could negatively impact operations at Clark's Park yard. The STB should analyze these transportation impacts because rail operation inefficiencies in cross-border movements could lead to greater use of truck transportation, with negative impacts on traffic congestion and emissions.

Second, Union Pacific is not discontinuing the use of our current crossing or track alignment with FXE. It is, therefore, critical that Union Pacific's direct connection to the Rio Escondido Railyard (operated by FXE) not be compromised or impaired by GER's project. The increased capacity proposed by GER does not guarantee growth and could add costs in excess of any benefits if demand remains unchanged. STB's EIS process should carefully consider the potential of economic waste should demand stay at current levels.

Third, the proposed project rests on an assumption GER will utilize Union Pacific (and other) locomotives. Details, however, of the full GER route have not been shared. This omission means Union Pacific cannot evaluate whether additional locomotives would be required to navigate the new route, which may trigger additional costs. In addition, the proposed grade of over 1% would be an increase from the grade present in the current route and could drive increased emissions from the locomotives GER assumes will be utilized in the proposed route.

Fourth, this proposed route would be built on an above-grade structure which raises concerns about maintenance costs. STB should evaluate those cost considerations as part of its EIS analysis.

Fifth, the proposed project adds additional third-party complexity and cost. It would entail adding a switch or handling charge to the existing current structure, which is now a direct interchange between Union Pacific and FXE. Union Pacific has not received any information on the proposed charges or estimates to assess how these additional charges could impact the competitive attractiveness of the Eagle Pass gateway compared to other US-Mexico border gateways. This added complexity should be analyzed in the EIS.

Sixth, Union Pacific's ownership interest at Clark's Park Yard will be impacted by GER utilizing three miles of Union Pacific's trackage for interchange. GER has also requested rights to utilize Union Pacific tracks for another ten miles north of Clark's Park Yard for connectivity to

another Class I carrier. The STB should consider the economic impact on Union Pacific's ownership and how this proposed connectivity could hinder network fluidity. If the parties are unable to reach agreement on use of Union Pacific's track, GER would need to construct additional infrastructure to support fluid and efficient operations. The required infrastructure would need to include not less than three miles for interchange and an additional ten miles of track to interchange farther north to another carrier, making it likely that additional trackage/mileage would be required.

Seventh, GER's proposed route is not the most direct, efficient route. Replacing the most direct route with the proposed bypass would increase the distance required to be traveled, along with associated fuel usage and emissions. The current route is 14.1 miles long; the new route will be 19.1 miles – a 36% increase in total route miles. In 2023, approximately 5,500 trains crossed the border. Adding five miles for each train that traversed the route would constitute an aggregate addition of 27,500 train miles annually. These environmental impacts should be considered as part of the Board's EIS work.

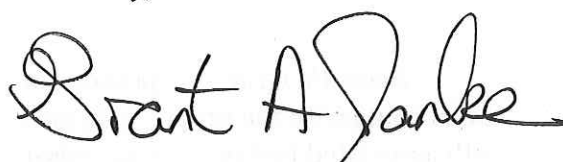
Eighth, adding another US-Mexico border crossing requiring additional Customs and Border Protection ("CBP") agents to monitor a second crossing (with associated expenses) should be evaluated, particularly in inter-agency consultation with CBP.

Finally, while GER believes it will have better cost and operating efficiency, that contention is speculative and uncertain. GER's proposed route is five miles longer than the current route. Moreover, GER does not have an operating plan on how it will reduce transit times. It has not yet discussed with Union Pacific the tie-in point, track counts, route and bridge design, or industrial park layout. Moreover, the parties have not discussed handoffs, customs inspections, ownership exchanges, trackage rights, cost/fees for bridge, corridor, or operations. Although it intends to operate with international crews, GER has not explained how it will establish a training and certification program for those crews. And while GER indicates that trains will be fully blocked, that blocking does not guarantee additional switching would not be required at Eagle Pass or San Antonio. Although blocked and inspected trains could improve terminal dwell, GER has not provided any operating or transportation plans explaining how this commitment would plausibly be carried out.

* * *

Union Pacific appreciates the opportunity to provide these NEPA scoping comments. If you have any questions or would find additional information helpful, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Grant A. Janke". The signature is fluid and cursive, with the first name "Grant" and last name "Janke" clearly legible, and a middle initial "A." in between.

Grant Janke

AVP Network & Capital Planning