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ENTERED
Office of Proceedings
February 1, 2021
Part of
Public Record

January 29, 2021

Via E-Filing

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20006

Re: Flint Hill Resources Railroad, LLC - Construction and Operation
Exemption – Hardin County, Iowa, FD 36439

Dear Ms. Brown:

Enclosed for E-filing in the above-captioned proceeding is the Petition of Flint Hill Resources Railroad, LLC for a Construction and Operation Exemption under 49 U.S.C. § 10502 from the Requirements of 49 U.S.C. § 10901. Pursuant to 49 C.F.R. § 1002.2(f)(12)(iii), the filing fee of \$96,600.00 has been paid via pay.gov. If there are any questions about this matter, please contact me directly or Crystal M. Zorbaugh, who can be reached at (202) 663-7831 or by e-mail at czorbaugh@bakerandmiller.com.

Sincerely,

/s/ William Mullins

William A. Mullins
Attorney for Flint Hill Resources Railroad, LLC

cc: Kim Boatright
Kenneth Blodgett

FILED
February 1, 2021
SURFACE
TRANSPORTATION BOARD

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February 1, 2021
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36439

**FLINT HILL RESOURCES RAILROAD, LLC
- CONSTRUCTION AND OPERATION EXEMPTION – HARDIN COUNTY, IOWA**

**PETITION OF FLINT HILL RESOURCES RAILROAD, LLC FOR A CONSTRUCTION
AND OPERATION EXEMPTION UNDER 49 U.S.C. § 10502 FROM THE
REQUIREMENTS OF 49 U.S.C. § 10901**

EXPEDITED CONSIDERATION REQUESTED

January 29, 2021

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EXPEDITED CONSIDERATION REQUESTED

INTRODUCTION

Flint Hill Resources Railroad, LLC (“FHRR”), a newly organized rail corporation and subsidiary of FHR B&I Holdings, LP (“FHR”), which is the parent company to FHRR and Flint Hill Resources Iowa Falls, LLC (“Plant”),¹ petitions for an exemption (“Petition”) to construct and operate an approximate 2.3-mile common carrier rail line in Hardin County, Iowa (the “Line”). The proposed Line will provide the Plant² with a new permanent, direct, competitive, and efficient connection to Canadian National Railway Company’s (“CN”) nearby mainline while also preserving the Plant’s existing sole connection to the national rail network via Union Pacific Railroad Company (“UP”).³ Having access to two Class I rail carriers at the Plant will

¹ FHR is a wholly owned subsidiary of Koch Industries, Inc.

² The three named FHR entities are referred to collectively as the (“FHR Companies”).

³ While the final alignment of the Line is yet to be decided and is wholly dependent upon the Board’s Office of Environmental Analysis (“OEA”) environmental review, the alignment will involve crossing UP’s line at some point. FHRR intends to negotiate the terms and exact

better serve the business needs of FHR, the Plant, its customers, and the public.⁴ The project has the support of CN. It is not yet clear whether UP will oppose the project.

The Surface Transportation Board (“Board”) should exempt FHRR’s proposed rail construction and operation pursuant to 49 U.S.C. § 10502(a) and 49 C.F.R. §§ 1121.1 *et seq.* because it promotes the rail transportation policy specified at 49 U.S.C. § 10101 by increasing competition and reducing energy demands; it is limited in scope as it consists of only approximately 2.3 miles of rail line, and it will assist FHR in obtaining improved and competitive rail service, which should improve train turnaround times and reduce FHR’s transportation costs. FHRR’s proposed rail construction is also consistent with numerous decisions of the Board and its predecessor, the Interstate Commerce Commission (“ICC”), exempting similar transactions from the prior approval requirements of 49 U.S.C. § 10901.

FHRR respectfully requests expedited action on the Petition. FHRR specifically asks that the Board conditionally grant this petition within 90 days, subject to the issuance of a final Board decision after the environmental review is completed.

BACKGROUND AND NEED

FHRR proposes to construct and operate a new common carrier line that is approximately 2.3 miles in length. The substantial majority of the project will be constructed on or next to existing railroad rights-of-way or on portions of land already owned by the Plant.⁵ The area is zoned for agricultural use and is lightly populated, except for the existing plant. FHRR has met

crossing location with UP. However, if necessary, and absent an agreement with UP, FHRR will file a separate petition to cross UP’s line.

⁴ See Exhibit A – Verified Statement of Phil Gaarder, Executive Vice President of Operations for FHR (“Gaarder V.S.”).

⁵ FHR will need to acquire a small amount of additional property to complete the project. FHR intends to negotiate with the existing landowners to acquire the land rights necessary to complete the project. See Gaarder VS at 3.

and conferred two separate times with OEA regarding the environmental and planning considerations for this project and no significant issues were identified for the planned construction, which is limited in scope. *Id.* at 4. By letter dated September 28, 2020, FHRR asked OEA to grant a waiver pursuant to 49 C.F.R. 1105.10(c) of the requirement under 49 C.F.R. 1105.10(a) that an applicant meet and provide "written notice of its forthcoming proposal at least 6 months prior to filing its application." See Exhibit B – Six Month Waiver Letter. OEA granted FHRR's waiver request by letter dated October 7, 2020. See Exhibit C – Six Month Waiver Approval. FHRR has also contracted and received approval for a third-party contractor to provide assistance with the environmental documentation. See Exhibit D – Office of Environmental Analysis September 16, 2020, Approval Letter for Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell"). The STB, FHRR, and Burns & McDonnell have also executed a Memorandum of Understanding ("MOU") to ensure that construction of the Line complies with the requirements of the National Environmental Policy Act ("NEPA").⁶

Maps depicting the proposed alignments under consideration are attached as Exhibit E. The alignments were developed based on the limited size of the project area and FHRR's desire to construct the trackage on real property located on or next to existing railroad rights-of-way or on portions of land already owned by FHR. Of the possible alternatives, FHRR prefers the alignment set forth in Exh-06 to Bartlett & West's May 19, 2020, Revised White Paper ("White Paper") because the alignment in Exh-06 presents less environmental impact, impacts only five adjacent landowners, and requires less environmental permitting and mitigation. *Id.*

⁶ Pursuant to 40 C.F.R. § 1506.5(c), and 49 C.F.R. §§ 1105.4(j) and 1105.10(d), the Board will be the lead agency for NEPA compliance and will either prepare an Environmental Impact Statement ("EIS") or Environmental Assessment ("EA"). A decision on whether to prepare an EIS or EA will be made once Burns & McDonnell performs the required site review and fulfills the related requirements set forth in Section IV of the MOU.

As FHR communicated to OEA staff, the purpose of the planned construction is to connect the Plant to CN. The Plant is currently exclusively served by UP. The project is necessary for FHR to gain direct rail service to two railroads, allowing for competition and improvements in service, which will increase the competitiveness of the Plant.⁷

Construction of the Line will improve FHR's internal facility operations and facilitate more efficient operations throughout the Plant and accommodate FHR's changing logistical service needs in the future. Having the ability to use two railroads provides the Plant with significant operational flexibility during service failures or delays experienced by one of the carriers. Gaarder VS at 5.

Moreover, the Line will provide operational efficiency gains and save crew time for both CN and UP because FHRR will be able to move cars throughout its facility as needed and timely place cars for interchange to FHRR's two Class I partners.

As noted, FHRR plans to contract with a third-party carrier to operate the Line or grant CN trackage rights over the Line to directly service the Plant. FHRR is acquiring a common carrier obligation for the Line so it can be in a position to access two Class I railroad service options. Becoming a common carrier also allows FHRR to utilize the various rights and remedies provided to rail carriers under the ICC Termination Act of 1995, as amended, including the right to seek STB approval to cross UP's line.

⁷ FHRR intends to contract with a third-party carrier to conduct the rail operations over the Line or to grant trackage rights to CN to operate over the Line to provide competitive rail service to the Plant. To the extent required, the third party or CN will seek appropriate STB authority at the time. See Texas Railway Exchange LLC – Construction and Operation Exemption – Galveston County, TX, FD 36186 (STB served Jan. 17, 2020). Once an operator has been granted authority to operate the Line, FHRR will retain a residual common carrier obligation for the Line.

The Line is not expected to have a significant environmental impact, and the operational efficiency gains and the energy savings should create a net benefit. FHRR's Line will not significantly modify the existing land use, which is zoned for agricultural use.⁸ While the Line will create the capacity to support an increase in the total volume of rail traffic moving to/from the Plant, in the short term the Line will simply accommodate the FHR Companies' operations and provide for interchange to two Class I interchange partners and the markets they serve.

ARGUMENT

Construction and operation of a new common carrier rail line require Board approval under 49 U.S.C. § 10901(a)(1) and (2). However, 49 U.S.C. § 10901(c) directs the Board to authorize construction and operation of a rail line "unless the Board finds that such activities are inconsistent with the public convenience and necessity."⁹ Under 49 U.S.C. § 10502, however, the Board has the authority to exempt rail construction and operations from the normal procedures and requirements applicable to Section 10901. As explained herein, the Board should grant an exemption because FHRR's proposed construction fully meets all of the § 10502 criteria. Additionally, FHRR requests that the Board provide an expedited review and grant a provisional decision subject to final approval upon completion of the environmental review.

I. As An Initial Matter, The Board Has Jurisdiction Over the Construction and Operation Authority That FHRR Seeks And Has Consistently Approved Such Projects

As stated previously, FHR is pursuing the build-out to obtain access to a rail carrier that does not currently serve the Plant. Building a line to CN and then providing CN with trackage rights over the line to serve the Plant or hiring a third-party carrier to operate over the line will

⁸ See Zoning Reference Map Iowa Falls, IOWA.

⁹ Alaska R.R.—Constr. & Operation Exemption—Rail Line Extension to Port MacKenzie, Alaska, FD 35095, slip op. at 5 (STB served Nov. 21, 2011), aff'd sub nom. Alaska Survival v. STB, 705 F.3d 1073 (9th Cir. 2013).

provide the Plant with access to two Class I railroads, allowing for greater competition and improvements in service and rates. Gaarder VS at 5. In numerous similar projects, the Board has found that the project is within its jurisdiction and has issued construction authority via a petition for exemption.¹⁰

In addition to competition, the Line should improve operations within the FHR internal facilities and contribute to improving the efficiency of both internal and external operations. Currently, FHR only has access to UP and its operations are limited by and dependent on UP's service offerings. Being captive to UP gives FHR little recourse to unreasonable rate increases and unilateral restrictions on service. *Id.* at 4. FHR is looking to expand the service offerings available to it and reduce transportation costs. As noted previously, the Board has regularly exempted similar pro-competitive rail construction projects, which provide competitive benefits for shippers.¹¹ Most important, FHRR's proposed rail construction involves construction of a line of railroad and because FHRR will be assuming the responsibilities of a carrier, the Board has jurisdiction over the construction and operation exemption and because the Line will have to

¹⁰ Southern Electric Generating Company — Petition for Exemption — Construction Of A Rail Line In Shelby County, AL; Southern Electric Generating Company — Petition For Exemption From Regulation Under 49 U.S.C. 10746, FD Nos. 31498 and 31499 (ICC decided Sept. 12, 1989); Iowa Power, Inc. — Construction Exemption — Council Bluffs, IA, 8 I.C.C. 2d 858 (1990); Southern Electric Railroad Company-Construction Exemption-Jefferson County, AL, FD 31972 (ICC decided Mar. 10, 1992); Southern Electric Railroad Company-Construction And Operation Exemption-West Jefferson, AL, FD 33387 (ICC served July 16, 1997).

¹¹ *Id.*; see also Itasca Cnty. RRA — Pet. for Exemption — Constr. Of a Rail Line in Itasca Cnty., MN, FD 34992 (STB served Sept. 8, 2008) (noting that the proposed rail line will increase the rail transportation options available to Minnesota Steel, as well as to any other shippers that may locate on the line, and thus will enable shippers to realize the benefits of increased railroad competition); WFEC R.R. — Constr. & Operation Exemption — Choctaw & McCurtain Cntys., OK, FD 32607, slip op. at 3 (ICC served Feb. 27, 1995) (noting construction of the 14 mile [subject rail] line was expected to enable Western Farmers to benefit from two-carrier rail service and the resulting competitive service and prices); and Chicago & N.W. Transp. Co. — Constr. & Operation Exemption — City of Superior, Douglas Cnty., WI, slip op at 3 (ICC served May 11, 1994).

cross over UP's line, the Board has jurisdiction over the crossing request as well. See Pub. Serv. Co. of Colo. – Constr. Exemption – Pueblo Cnty., CO, FD 33862, slip op. at 2 (STB served Aug. 23, 2000).

II. Exempting the Proposed Construction and Operation Is Warranted And Satisfies The Statutory Requirements of 49 U.S.C. § 10502

Under § 10502(a), the Board must exempt a transaction or service from regulation when it finds that: (1) regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. § 10101; and (2) either (a) the proposal is of limited scope, or (b) regulation is not needed to protect shippers from an abuse of market power.

FHRR's proposed rail construction and operation should be exempted because it meets all of the §10502 criteria. While only either subpart (2)(A) or (2)(B) conditions need to be satisfied for an exemption, FHRR's construction project satisfies both subparts.

A. Board Regulation Is Not Necessary to Carry Out the Transportation Policy of Section 10101(a).

The Board, and its predecessor, the ICC, regularly waives the normal detailed construction filing requirements under 49 U.S.C. § 10901 for pro-competitive construction projects as unnecessary to further the national rail transportation policy. See supra notes 9 & 10; Lone Star R.R. & S. Switching Co. – Track Constr. & Operation Exemption – In Howard Cnty, Tex., FD 35874 (STB served Mar. 3, 2016) (“Lone Star”). Compliance with the formal requirements under 49 U.S.C. § 10901 in this proceeding is likewise unnecessary because the transaction fully satisfies the statutory requirements of 49 U.S.C. § 10502, and promotes the national rail transportation policy for the reasons stated above and in the Gaarder VS(at 4-5) because:

- Exempting the transaction will allow FHRR to establish a direct connection to CN, which will promote competition, and provide FHR the opportunity to access lower line-haul rates (§ 10101(1), (4), (12));
- The potential increase in competition between CN and UP will help improve service and minimize regulatory oversight required to guarantee reasonable service and rates (§10101(6));

- Exempting the transaction will minimize the unnecessary expense associated with the preparation and filing of a formal construction application, expedite regulatory decisions, and reduce regulatory barriers to entry for the Line. (§10101(2), (7), (15)); and
- Allowing FHR to more efficiently utilize its own facilities will promote more efficient operations and management of Class I rail lines (§ 10101(9)).

In short, exempting FHRR from filing a formal application for authority to construct the proposed Line will be consistent with the national rail transportation policy, and will minimize the unnecessary expense associated with the preparation and filing of a formal construction application, expedite regulatory decisions, and reduce regulatory barriers to entry for the Line, whose purpose is to permit more efficient transportation of commodities. See, e.g., Lone Star, at 3.

B. The Transaction Is Limited In Scope

FHRR's proposed construction of only approximately 2.3 miles of rail line is also of limited scope, similar to analogous transactions routinely exempted by the Board, as follows.

- Construction and operation authority granted for a new one-half mile rail line in Galveston County, Tex., subject to environmental mitigation conditions. Texas Railway Exchange LLC – Construction and Operation Exemption – Galveston County, TEX, FD 36186 (STB served Jan. 17, 2020).
- Construction of 3.18 miles of track to connect an industrial park to the interstate rail network. See Lone Star, at 1.
- Conditional exemption subject to environmental review granted for construction and operation of “an approximately 7-mile line of railroad in Medina County, TX.” Sw. Gulf R.R. – Constr. & Oper. Exempt. – Medina County, TX, FD 34284 (STB served May 19, 2003), at 1.
- Construction of a “9-mile rail line from a connection with an existing rail line at Taconite, MN.” Itasca County RRA – Pet. for Exemption – Constr. of a Rail Line in Itasca County, MN, FD 34992 (STB served Sept. 8, 2008), at 1.

The fact that the Line proposed for construction in this proceeding is only approximately 2.3 miles of rail line, and will be utilized by a single shipper, also supports exempting the transaction as being one of limited scope.

C. Regulation Is Not Needed to Protect Shippers From Service and Market Power Abuses

Given that FHRR's proposed transaction qualifies for an exemption under 49 U.S.C. § 10502(2)(A) for being limited in scope, FHRR need not also show that the transaction qualifies for an exemption based on criteria that Board oversight and regulation over this rail line is not necessary for the protection of shippers. However, the transaction also satisfies that criteria because the line to be constructed is being proposed by the sole shipper to be served by the proposed rail line to be constructed, and would also be capable of serving any other shippers that may locate on the line. As stated previously, FHR is undertaking the project to provide its Plant with direct rail service to two railroads in order to allow for competition and improvements in service and rates. FHR believes that access to two competitive line haul carriers will make its operations more competitive in the marketplace and provide FHR with additional service options.

III. Expedited Treatment and a Conditional Exemption Should Be Granted

The Board generally refrains from issuing a conditional grant of approval absent "unique or compelling circumstances" as "one possible outcome of the environmental review is the denial of the construction proposal notwithstanding the prior conditional grant."¹² Expedited treatment and a grant of conditional approval are warranted here because there are unique and compelling circumstances.

¹² Six Cnty. Ass'n of Gov'ts – Constr. & Operation Exemption – A Rail Line Between Levan & Salina, Utah, FD 34075 (STB served Sept. 3, 2015) at 2 n.4 (citing Alaska R.R. – Constr. & Operation Exemption – Rail Line Between Eielson Air Force Base (N. Pole) & Fort Greely (Delta Junction), Alaska, FD 34658 (STB served Oct. 4, 2007) (denying a request for conditional approval because applicant had not demonstrated that engineering, procurement, contracting, and permitting processes related to the construction project could not move forward while the environmental review progresses.

First, there is a demonstrable need to provide a direct connection between FHR and CN to remedy operational constraints, and rate and service issues. FHR is looking to diversify markets for its products and needs direct rail service to two Class 1 railroads to allow for competition and improvements in service and rates, both of which are necessary for FHR to commit to capital spending on plant improvements.

Second, the proposed construction is not expected to have any significant environmental impact. The proposed construction is very limited at only approximately 2.3 miles in an agricultural area, and the new connecting railroad (CN) is adjacent to existing facilities. FHRR selected its preferred location to minimize environmental impacts, and the construction and engineering work will be conducted to minimize environmental impacts. FHRR has commissioned two white papers to undertake a preliminary evaluation of potential environmental impacts. Bartlett & West's May 19, 2020, Revised White Paper ("White Paper"), included as Exhibit F was submitted to the Board. The Board, relying in part on the White Paper in granting a waiver of the requirement that the applicant provides "written notice of its forthcoming proposal at least 6 months prior to filing its application," recognized that FHRR fully understands the environmental review process and had provided "adequate information" concerning its environmental review thus far. See Exhibit F.

FHRR has not identified any potentially significant environmental impacts associated with the project, and there does not appear to be anything of consequence that will require the Board to rescind its preliminary approval. While the Board still needs to undertake its environmental review, either through an Environmental Assessment or an Environmental Impact Statement, FHRR is prepared to accept and implement all reasonable mitigation measures required by that review and adopted by the Board. Therefore, there is no appreciable risk that

the Board will need to rescind its conditional approval after the environmental review is complete in this instance.

IV. The Board Should Summarily Issue a Certificate of Public Convenience and Necessity

If the Board grants this exemption petition, FHRR respectfully requests that the Board revoke the exemption in order to summarily issue a certificate of public convenience and necessity (“PC&N”) to the extent necessary to enable FHRR to pursue a crossing petition under 49 U.S.C. 10901(d). FHRR’s proposed rail line construction requires the at-grade crossing of certain local UP rail lines and property. As stated previously, FHRR plans to seek UP’s permission through commercial negotiations. However, if UP is unwilling to do so, FHRR is prepared to file a formal § 10901(d) crossing petition with the Board. The Board will revoke a grant of exemption in part and issue a certificate under 49 U.S.C. § 10901 where necessary “to remove any possible room for doubt that the statutory requirements for the implementation of 49 U.S.C. 10901(d) are met.” Midwest Generation, LLC – Exemption from 49 U.S.C. 10901 – for Constr. in Will Cnty., IL, No. 34060 (Sub-No. 1), slip op at 5 (STB served Oct. 4. 2002). To eliminate any uncertainty as to the possible need for a certificate, and to help facilitate construction, FHRR respectfully requests that the Board summarily issue a PC&N certificate as part of its exemption petition decision.

CONCLUSION

FHRR respectfully requests that this exemption petition be granted and that the Board conditionally grant this petition within 90 days, subject to the issuance of a final decision after completion of the environmental review. Lastly, FHRR requests that the Board summarily issue a PC&N certificate as part of its exemption petition decision, so that in the event commercial negotiations fail, FHRR can petition the Board to establish a crossing.

Respectfully submitted,

/s/ William Mullins

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January 29, 2021

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VERIFICATION

VERIFICATION

I, Phil Gaarder, hereby verify under penalty of perjury on behalf of myself and Flint Hill Resources Railroad, LLC (“FHRR”) that to the best of my knowledge the foregoing petition for exemption is true and correct. Further, I certify that I am qualified and authorized to make such verification on behalf of myself and FHRR in connection with this proceeding before the Surface Transportation Board.

Executed this 29th day of January 2021.

DocuSigned by:
Phil Gaarder

Executive VP - Operations

DS
EMB

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EXHIBIT A

**Verified Statement of Phil Gaarder,
Executive Vice President of Operations**

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**VERIFIED STATEMENT OF PHIL GAARDER, EXECUTIVE VICE PRESIDENT OF
OPERATIONS, FLINT HILLS RESOURCES RAILROAD, LLC**

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**VERIFIED STATEMENT OF PHIL GAARDER, EXECUTIVE VICE PRESIDENT OF
OPERATIONS, FLINT HILLS RESOURCES RAILROAD, LLC**

My name is Phil Gaarder. I serve as Executive Vice President of Operations for FHR B&I Holdings, LP, which is the parent company to Flint Hill Resources Railroad, LLC (“FHRR”) and Flint Hill Resources Iowa Falls, LLC (“Plant”). Due to my role as Executive Vice President, Operations, for the three named FHR entities (the “FHR Companies”), I am personally aware of and have been involved in the decision making leading to FHRR filing this Petition for a Construction and Operation Exemption Under 49 U.S.C. § 10504 from the Requirements of 49 U.S.C. § 10901 (“Petition”). FHRR seeks to construct and operate a new common carrier short line railroad in Hardin County, Iowa. Given my role at the FHR Companies and the nearly 40 years I have been with the family of Flint Hills Resources companies (collectively, “FHR”), I am offering this verified statement in support of the Petition.

FHR, the nation’s fifth-largest ethanol producer, operates six ethanol plants in Iowa and Nebraska with a combined annual production capacity of over 725 million gallons. As part of its corporate mission to create value for its customers, FHR, which has been in operation for over six

decades, continuously strives to eliminate waste and make operational enhancements designed to do the same. For this very reason, FHR traditionally reinvests a significant percentage of its earnings back into its businesses. FHR invested in and has been operating the Plant since 2011 when FHR acquired the Plant from Hawkeye Renewables.

The Plant, which was originally constructed in 2004 to produce 50 million gallons of ethanol per year, doubled its capacity to 100 million gallons within its first two years in operation. Since taking ownership of the Plant, FHR has made considerable improvements designed to further improve the Plant's efficiency, increase capacity, and reduce operational costs. For example, in 2016, FHR began construction on improvements to its grain receiving capabilities at the Plant. These improvements included a new grain receiving pit and material handling upgrades that more than doubled the plant's receiving speed while cutting truck turn times in half. Today, the Plant receives an average of 120 trucks each day, accepting delivery of more than 35 million bushels of corn each year from more than 400 farmers in the Iowa Falls area. In total, the Plant's annual corn purchases add over \$120 million to the Iowa Falls area farming economy.

Recently, and as the basis for filing this Petition, FHR determined that construction and operation of a new common carrier rail line (the "Line," which is approximately 2.3 miles in length) directly connecting the Plant to the Canadian National Railway ("CN") will create operational efficiencies and cost savings. Currently, the Plant is connected only to the Union Pacific Railroad Company ("UP"). By owning and operating the Line, FHRR will have the capacity to strategically place and schedule railcars for pickup and delivery over the national rail network, thereby minimizing demurrage costs. FHR will also gain flexibility so it may offer its customers expanded storage opportunities. Importantly, the new Line will provide access to two (2) Class I railroads, thereby creating competition in the rail freight market. FHR believes this is

likely to reduce overall transportation costs to FHR, its customers, and potentially other shippers. Having access to two Class I rail carriers at the Plant will better serve the business needs of FHR, the Plant, its customers, and the greater public and be more cost-effective due to the presence of rail to rail competition.

As part of its due diligence process in determining whether to construct the Line, FHR has retained Baker and Miller PLLC, outside counsel specializing in Surface Transportation Board (“Board”) matters, to provide legal advice on the potential build-out at the Plant. Additionally, FHR has commissioned an engineering firm, Bartlett & West (“B&W”), to develop a white paper analyzing options and environmental impacts of adding additional rail service to the Plant, which is currently captive to UP.

Specifically, FHR asked B&W to provide potential engineering solutions for constructing a new rail line which: (1) would provide a connection to allow the CN to compete for FHR’s business and serve the Plant; and (2) would support internal operations. B&W’s responsibilities included performing an environmental permitting evaluation to determine which path for the build-out would result in the fewest environmental issues. B&W’s initial “White Paper” was completed on February 28, 2020, and was revised on May 19, 2020, based on preliminary findings and ongoing discussions with the Board’s Office of Environmental Analysis (“OEA”). See Exhibit F to Petition. While the final alignment of the Line is yet to be decided and is wholly dependent upon the Board’s Office of Environmental Analysis (“OEA”) environmental review, the alignment will involve crossing neighboring real estate and the UP’s rail line at some point. FHRR intends to negotiate the terms and exact crossing location with UP. However, if necessary, and absent an agreement with UP, FHRR will file a separate petition to cross UP’s line. Much of the track to be constructed will be located on or next to existing railroad rights-of-way or on portions of land

already owned by the Plant, which is zoned for agricultural use and is lightly populated, except for the existing Plant. FHR intends to negotiate with neighboring landowners to acquire the few additional land rights necessary to complete the project.

In the months leading up to FHRR filing this Petition, FHR and counsel have consulted with OEA¹ regarding FHRR's proposed plans to construct and operate the Line. FHR explained that while it planned to file a Petition to establish a new permanent, direct, and efficient connection to the nearby CN mainline, it intended to preserve FHR's existing connection to the national rail network via UP.

As conveyed to OEA in its meetings, the primary purpose of the planned construction is for FHR to gain direct rail service to two Class I railroads, allowing for competition and improvements in service to accommodate FHR's operations. Currently, FHR has access only to UP, and its operations are limited by and dependent upon UP's service offerings. Being captive to UP gives FHR little recourse to unreasonable rate increases and unilateral restrictions on service. As such, FHR is looking to expand the service offerings available to it and reduce transportation costs. FHR anticipates that it and its' customers will benefit greatly from the rail to rail competition that will result from the construction of the Line.

To reiterate, the effective rail to rail competition resulting from FHRR establishing a direct connection to CN through the construction of the Line will result in numerous benefits. Having access to two Class I carriers would:

¹ FHR met and conferred two separate times with OEA regarding the environmental and planning considerations for this project and no significant issues were identified for the planned construction, which is limited in scope. To date, FHRR's consultations with OEA have resulted in FHRR seeking and being granted a waiver from certain extended consultation requirements, and FHRR receiving approval for a third-party contractor to provide the Board and FHRR assistance with the required environmental documentation. Productive consultations with OEA continue.

- Encourage UP to compete with CN, which should prevent exploitive practices, promote competition, and result in potentially lower line-haul rates for FHR.
- Increase service offerings available to FHR.
- Reduce demurrage costs by allowing FHR to strategically stage cars for pick up and drop off.
- Increase the efficiency of rail movements in the Plant and over the national rail network.
- Result in overall service improvements due to the presence of effective competition.
- Reduce overall transportation costs.
- Save crew time for CN and UP because FHRR will be able to move cars throughout its facility as needed and timely place cars for interchange to FHRR's two Class I partners.

Moreover, construction and operation of the Line will create more efficient operations throughout the Plant by better accommodating FHR's various logistical service needs in the future. Having the ability to use two railroads provides the Plant with significant operational flexibility during service failures or delays caused by or experienced by one of the carriers. FHRR is seeking common carrier authority for the Line. However, FHRR plans to either contract with a third party to operate the Line or grant CN trackage rights over the Line to directly service the Plant.²

In summary, the construction of the Line will increase the rail transportation options available to FHR, the Plant, its customers, and any other shippers that may locate on the line, which will enable FHR and others to realize the benefits of increased railroad competition. Two Class I carriers competing for FHR's business should result in more efficient, dependable, and cost-effective rail transportation to the Plant. We understand from our STB counsel that the Board has routinely authorized pro-competitive construction projects which serve to further the national rail

² If a third-party operator is chosen, it will seek authority from the Board to operate the Line. If CN is granted trackage rights over FHRR's track, it will seek any necessary authority. Once an operator has been granted authority to operate the Line, FHRR will retain a residual common carrier obligation.

transportation policy and result in benefits for shippers. For the reasons explained herein, the Board should follow suit here and allow FHRR, the Plant, its customers, and any future shippers that may locate along the proposed Line to benefit from the presence of rail-to-rail competition.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36439

**FLINT HILL RESOURCES RAILROAD, LLC
- CONSTRUCTION AND OPERATION EXEMPTION – HARDIN COUNTY, IOWA**

**PETITION OF FLINT HILL RESOURCES RAILROAD, LLC FOR A CONSTRUCTION
AND OPERATION EXEMPTION UNDER 49 U.S.C. § 10502 FROM THE
REQUIREMENTS OF 49 U.S.C. § 10901**

EXPEDITED CONSIDERATION REQUESTED

EXHIBIT B

Six Month Waiver Letter

BAKER & MILLER PLLC

ATTORNEYS and COUNSELLORS

2401 PENNSYLVANIA AVENUE, NW
SUITE 300
WASHINGTON, DC 20037

TELEPHONE: (202) 663-7820
FACSIMILE: (202) 663-7849

William A. Mullins
E-Mail: wmullins@bakerandmiller.com

Direct Dial: (202) 663-7823

September 28, 2020

VIA E-MAIL

Victoria Rutson
Director
Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

Re: STB Docket No. FD 36439, Flint Hill Resources Railroad, LLC – Construction and Operation Exemption – In Hardin County IA

Dear Ms. Rutson:

By this letter, the Flint Hill Resources Railroad, LLC (“FHRR”) requests that the Office of Environmental Analysis (“OEA”) grant a waiver pursuant to 49 C.F.R. 1105.10(c) of the requirement under 49 C.F.R. 1105.10(a) that an applicant meet and provide “written notice of its forthcoming proposal at least 6 months prior to filing its application.” Here, waiver of the six month notice requirement is appropriate under the rules as FHRR has met and conferred two separate times with OEA staff as to the environmental and planning considerations for this project and no significant issues were identified; the planned construction is limited in scope as it includes approximately 2.3 miles of track (the “Line”); virtually all of the track to be constructed will be located on or next to existing railroad rights-of-way or on portions of land already owned by FHRR’s affiliate; and the area is zoned for agricultural use and is lightly populated, except of the existing plant.

As FHRR has communicated to OEA staff, the purpose of the planned construction is to connect Flint Hill Resources Iowa Falls Ethanol Plant (“Plant”) with the Canadian National Railway (“CN”). The Plant is currently exclusively served by the Union Pacific Railroad Company (“UP”). The project will provide the Plant with direct rail service to two railroads, allowing for competition and improvements in service and rates.¹ FHRR anticipates filing an individual Petition for Exemption

¹ FHRR intends to contract with a third party carrier to conduct the rail operations over the Line or to grant trackage rights to CN to operate over the Line in order to provide competitive rail service to the Plant.

BAKER & MILLER PLLC

Director Rutson
September 28, 2020
Page 2

under 49 U.S.C. §10901 to permit it to construct and own the Line, and if necessary, absent an agreement with UP, file a corresponding petition to cross UP's line.

As OEA knows, FHRR has approved Burns & McDonnell as a third party to work under the supervision of OEA to prepare the environmental documentation. This arrangement has already been approved by OEA and currently the parties are working on a MOU.

Furthermore, based on the limited scope and potential benefits of the project, FHRR at this time believes that an Environmental Analysis ("EA") will be appropriate. Nonetheless, FHRR will wait to file a request that an EA, as opposed to an Environmental Impact Statement, be prepared until the third-party consultant has performed a preliminary site assessment as directed by OEA.

For the above stated reason, FHRR requests that you grant the waiver of the six month notice requirement under 49 C.F.R. 1105.10(c).

Please contact the undersigned if you have any questions or require additional information. We look forward to working with OEA to complete the environmental review process for this project.

Respectfully submitted,

/s/ William A. Mullins

William A. Mullins
Attorney for Flint Hill Resources Railroad, LLC

cc: Kenneth Blodgett
Kim Boatright

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36439

**FLINT HILL RESOURCES RAILROAD, LLC
- CONSTRUCTION AND OPERATION EXEMPTION – HARDIN COUNTY, IOWA**

**PETITION OF FLINT HILL RESOURCES RAILROAD, LLC FOR A CONSTRUCTION
AND OPERATION EXEMPTION UNDER 49 U.S.C. § 10502 FROM THE
REQUIREMENTS OF 49 U.S.C. § 10901**

EXPEDITED CONSIDERATION REQUESTED

EXHIBIT C

Six Month Waiver Approval



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

October 7, 2020

William A. Mullins, Esq.
Baker & Miller PLLC
2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037

Re: Finance Docket No. 36439, Flint Hill Resources Railroad, LLC – Construction and Operation Exemption – Hardin County, Iowa; Waiver of Six-Month Prefiling Notice

Dear Mr. Mullins:

Pursuant to 49 CFR 1105.10(c), we are granting your request of September 28, 2020, for waiver of the six-month prefiling notice generally required for construction projects under 49 CFR 1105.10 (a)(1). The Surface Transportation Board's Office of Environmental Analysis (OEA) has met with Flint Hill Resources Railroad, LLC (FHRR) representatives regarding the proposed environmental impacts associated with the construction and operation of a new rail line in Hardin County, Iowa. At a meeting on August 4, 2020, FHRR's representatives provided OEA with an overview of the project and OEA discussed the Surface Transportation Board's (Board) environmental review process.

FHRR proposes to construct a 2.3 mile rail line (the Line) connecting Flint Hill Resources' Iowa Falls Ethanol Plant (Plant) with the Canadian National Railway (CN). The Plant is currently exclusively served by the Union Pacific Railroad Company. The project would provide the Plant with direct rail service to two railroads, allowing for competition and improvements in service and rates. FHRR intends to contract with a third-party carrier to conduct the rail operations over the Line or grant trackage rights to CN to operate over the Line. The Line would be located almost entirely on or adjacent to existing railroad rights-of-way or on portions of land already owned by FHRR's affiliate.

The information provided by FHRR and the fact that OEA has explained in detail the Board's environmental review process to FHRR's representatives lead OEA to believe that it has adequate information, and that FHRR is sufficiently aware of the environmental review process, to grant this request.

If we can be of further assistance, please contact me or Kenneth Blodgett of my staff at (202) 245-0305.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is fluid and cursive, with a large initial "V" and a stylized "R".

Victoria Rutson
Director
Office of Environmental Analysis

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36439

**FLINT HILL RESOURCES RAILROAD, LLC
- CONSTRUCTION AND OPERATION EXEMPTION – HARDIN COUNTY, IOWA**

**PETITION OF FLINT HILL RESOURCES RAILROAD, LLC FOR A CONSTRUCTION
AND OPERATION EXEMPTION UNDER 49 U.S.C. § 10502 FROM THE
REQUIREMENTS OF 49 U.S.C. § 10901**

EXPEDITED CONSIDERATION REQUESTED

EXHIBIT D

**Office of Environmental Analysis September
16, 2020, Approval Letter for Burns &
McDonnell Engineering Company, Inc.**



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

September 16, 2020

William A. Mullins, Esq.
Baker & Miller PLLC
2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037

Re: Finance Docket No. 36439, Flint Hill Resources Railroad, LLC - Construction
and Operation Exemption – Hardin County, Iowa; Approval of Third-Party
Consultant

Dear Mr. Mullins:

Your request for approval under 49 CFR 1105.10(d) and 40 CFR 1506.5 for retention of Burns & McDonnell (B&M) as an independent third-party consultant for the above referenced project is approved. B&M will prepare the appropriate environmental document on behalf of the Board in connection with a project proposed by Flint Hill Resources Railroad, LLC (FHRR). FHRR proposes to construct a new 2-3 mile rail line (the Line) connecting Flint Hill Resources' Iowa Falls Ethanol Plant (Plant) with the Canadian National Railway (CN). The Plant is currently served exclusively by Union Pacific Railroad. FHRR anticipates filing an individual Petition for Exemption under 49 U.S.C. § 10502 from the formal application procedures of 49 U.S.C. § 10901 to permit it to construct and own the Line. FHRR intends to contract with a third-party carrier to conduct the rail operations over the Line or to grant trackage rights to CN to operate over the Line in order to provide rail service to the Plant.

We have attached a disclosure statement that we ask you to forward to B&M to complete. Once the statement is signed by B&M, we request that B&M send it directly to us. As we discussed in our meeting on August 4, 2020, the Board's Office of Environmental Analysis will directly supervise, review, and approve all environmental documents prepared by the independent third-party contractor.

If we can be of further assistance, please do not hesitate to contact me or Kenneth Blodgett of my staff at (202) 245-0305.

Sincerely,

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

Victoria Rutson
Director
Office of Environmental Analysis

Enclosure

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36439

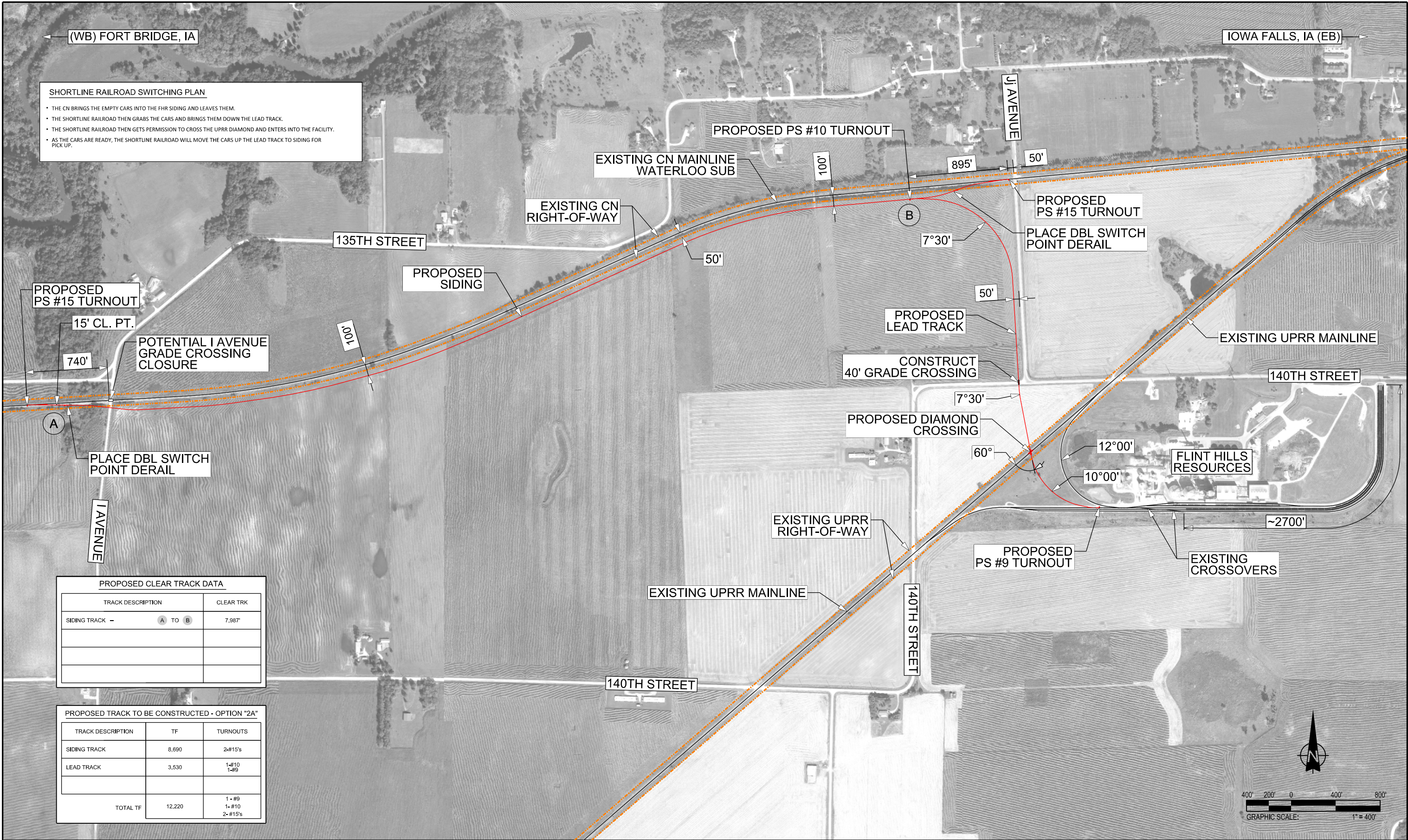
**FLINT HILL RESOURCES RAILROAD, LLC
- CONSTRUCTION AND OPERATION EXEMPTION – HARDIN COUNTY, IOWA**

**PETITION OF FLINT HILL RESOURCES RAILROAD, LLC FOR A CONSTRUCTION
AND OPERATION EXEMPTION UNDER 49 U.S.C. § 10502 FROM THE
REQUIREMENTS OF 49 U.S.C. § 10901**

EXPEDITED CONSIDERATION REQUESTED

EXHIBIT E

MAPS



SHORTLINE RAILROAD SWITCHING PLAN

- THE CN BRINGS THE EMPTY CARS INTO THE FHR SIDING AND LEAVES THEM.
- THE SHORTLINE RAILROAD THEN GRABS THE CARS AND BRINGS THEM DOWN THE LEAD TRACK.
- THE SHORTLINE RAILROAD THEN GETS PERMISSION TO CROSS THE UPRR DIAMOND AND ENTERS INTO THE FACILITY.
- AS THE CARS ARE READY, THE SHORTLINE RAILROAD WILL MOVE THE CARS UP THE LEAD TRACK TO SIDING FOR PICK UP.

PROPOSED CLEAR TRACK DATA		
TRACK DESCRIPTION		CLEAR TRK
SIDING TRACK -	A TO B	7,987'

PROPOSED TRACK TO BE CONSTRUCTED - OPTION "2A"		
TRACK DESCRIPTION	TF	TURNOUTS
SIDING TRACK	8,690	2-#15's
LEAD TRACK	3,530	1-#10 1-#9
TOTAL TF	12,220	1-#9 1-#10 2-#15's



REV	DATE	DESCRIPTION	BY	APP

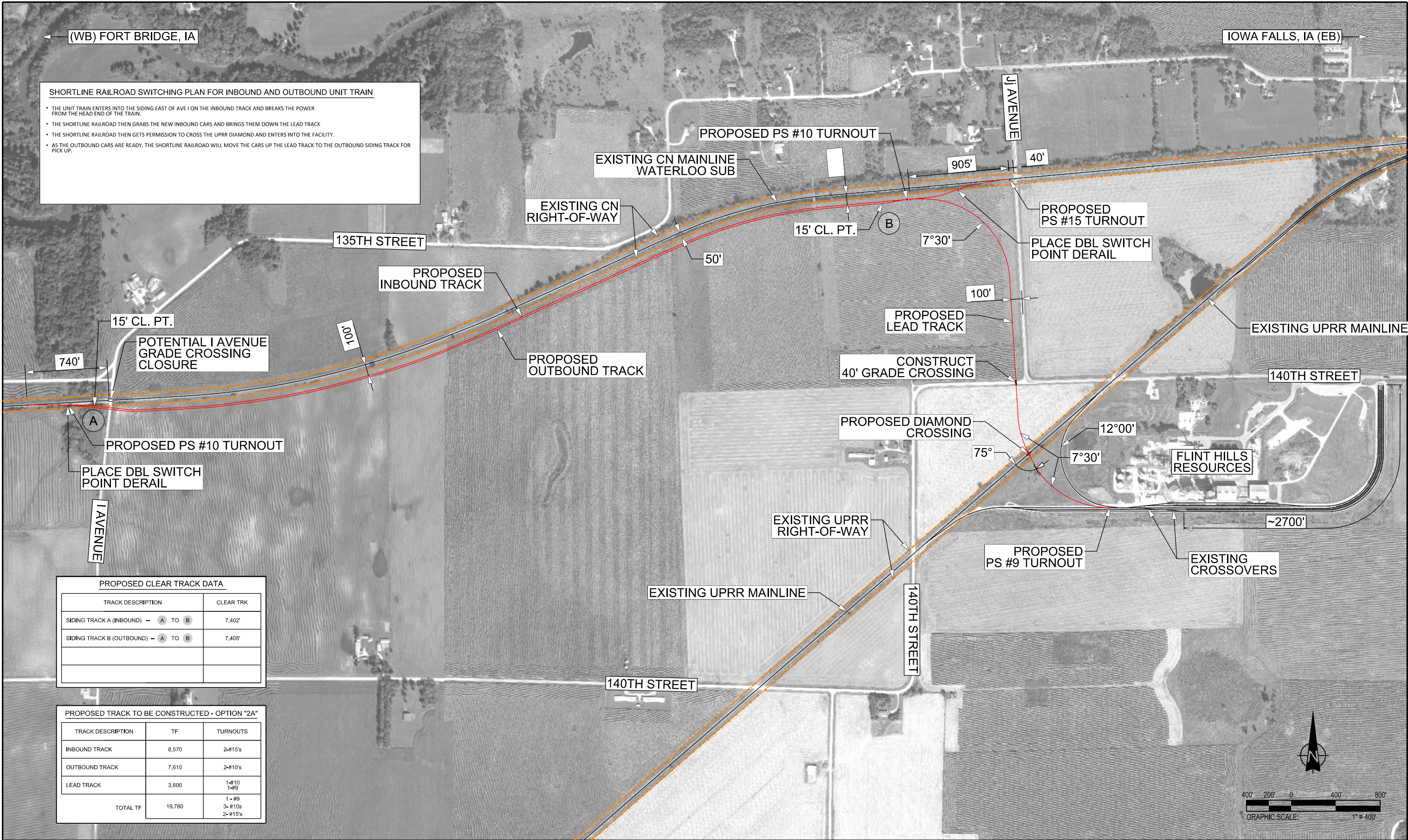
DESIGNED
CHECKED
DRAWN
APPROVED
FIRM NO.
PROJECT
DATE 6/25/2020

FLINT HILLS RESOURCES
CHICAGO CENTRAL & PACIFIC RR
IOWA FALLS, IOWA

EXHIBIT SHOWING
FHR SIDING - LEAD TRACK

CONTRACT NO.	
DRAWING NO.	EXH - 06
REVISION	SHEET NO.
SCALE	OF total
AS SHOWN	

CONCEPTUAL
FOR REVIEW ONLY



SHORTLINE RAILROAD SWITCHING PLAN FOR INBOUND AND OUTBOUND UNIT TRAIN

- THE UNIT TRAIN ENTERS INTO THE SIDING EAST OF AVE I ON THE INBOUND TRACK AND BREAKS THE POWER FROM THE HEAD END OF THE TRAIN.
- THE SHORTLINE RAILROAD THEN GRABS THE NEW INBOUND CARS AND BRINGS THEM DOWN THE LEAD TRACK
- THE SHORTLINE RAILROAD THEN GETS PERMISSION TO CROSS THE UPRR DIAMOND AND ENTERS INTO THE FACILITY.
- AS THE OUTBOUND CARS ARE READY, THE SHORTLINE RAILROAD WILL MOVE THE CARS UP THE LEAD TRACK TO THE OUTBOUND SIDING TRACK FOR PICK UP.

PROPOSED CLEAR TRACK DATA	
TRACK DESCRIPTION	CLEAR TRK
SIDING TRACK A (INBOUND) - A TO B	7,402'
SIDING TRACK B (OUTBOUND) - A TO B	7,405'

PROPOSED TRACK TO BE CONSTRUCTED - OPTION "2A"		
TRACK DESCRIPTION	TF	TURNOUTS
INBOUND TRACK	8,570	2-#15's
OUTBOUND TRACK	7,610	2-#10's
LEAD TRACK	3,600	1-#10 1-#9
TOTAL TF	19,780	1 - #9 3- #10s 2- #15's



REV	DATE	DESCRIPTION	BY	APP

CONCEPTUAL FOR REVIEW ONLY

DESIGNED	
CHECKED	
DRAWN	
APPROVED	
FIRM NO.	
PROJECT	
DATE	5/16/2020

FLINT HILLS RESOURCES
CHICAGO CENTRAL & PACIFIC RR
IOWA FALLS, IOWA

EXHIBIT SHOWING
SIDING TRACK - OPTION "2A"

CONTRACT NO.	
DRAWING NO.	EXH - 02A
REVISION	SHEET NO.
	OF <i>total</i>
SCALE	AS SHOWN

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36439

**FLINT HILL RESOURCES RAILROAD, LLC
- CONSTRUCTION AND OPERATION EXEMPTION – HARDIN COUNTY, IOWA**

**PETITION OF FLINT HILL RESOURCES RAILROAD, LLC FOR A CONSTRUCTION
AND OPERATION EXEMPTION UNDER 49 U.S.C. § 10502 FROM THE
REQUIREMENTS OF 49 U.S.C. § 10901**

EXPEDITED CONSIDERATION REQUESTED

EXHIBIT F

**Bartlett & West’s May 19, 2020, Revised
White Paper**

May 19th, 2020

Revision to Initial White Paper dated February 28th, 2020

Understanding/Objective

Flint Hills Resources (FHR) is analyzing the options for additional rail service to its Iowa Falls ethanol facility. This revision to the initial paper (dated February 28th, 2020) reviews 2 new connections, one for a double track siding along the CN mainline, and the other being a lead track along the CN mainline with a loop track operation south of the Iowa Falls facility.

The facility is currently rail served by the Union Pacific railroad (UPRR). The UPRR mainline runs east and west adjacent to the facility along the northern property line. FHR is reviewing options for having the Canadian National railroad (CN) also provide rail service.

The CN mainline also runs east and west but is located further to the north of the facility. In order for the CN to serve the facility it would be required to cross over the existing UPRR mainline.

The ethanol facility would like to maintain the same operation for service as currently being provided by the UPRR (4-unit trains per month, average 80 cars per train) with options for enhanced operations to increase the number of cars received.

FHR has selected the team of Bartlett & West and Barr Engineering for developing engineered conceptual options for CN rail service to the facility. Bartlett & West will perform the civil and rail engineering and Barr Engineering will perform the environmental permitting evaluation.

Bartlett & West has met with the project manager and senior leadership at the facility to discuss the facility rail operations and future rail service needs. Bartlett & West also participated in a conference call with the FHR team and CN to acquire information from the CN for that carrier to serve the facility.

The Bartlett & West team has had no contact with the UPRR concerning this project.

Two options had been developed and presented to the Flint Hills Resources management team a 'WYE Track Option' and a "Option Adjacent to UPRR ROW". Flint Hills Resources has asked for 2 additional options be developed one for a **Double Track Siding (Drop and Pull)** along the CN mainline, and the other being a **Lead Track with Loop Track** located south of the existing ethanol plant.

The Double Track Siding Option (Exhibit 2A) requires constructing two new tracks along the existing CN mainline for approximately 8,000 feet each track, closing Ave I, then building a new lead track from the most southerly new siding track down to the

plant. This new lead track will be located on the west side of Ave Jj. The proposed alignment would cross 140th street and the UPRR (thru a diamond connection) and enter the facility. Estimated track feet to be constructed is approximately 20,000'. See Exhibit 'Option 2A' for conceptual rail alignment. This option would require acquiring property from George Ioege, Mary Lou Wood, James Ioege trust, Helen Doty and Kermit Neubauer before reaching the UPRR Right OF Way.

The Single Siding Option (Exhibit 06) requires one new track along existing CN mainline of approximately 8,000 feet.

The Lead Track with Loop Track South of the Facility Option (Exhibit 'Option 5A') would require constructing a new lead track adjacent to the CN mainline with the turnout located 375' east of Ave. I for unit train delivery and follow the CN right of way until it turns south down to the facility. This new lead track would be built on the west side of Ave Jj and cross 140th street and the UPRR (thru a diamond connection) and enter the facility. The Loop Track will have the capacity for holding two-unit trains simultaneously, one track will be for in bound cars and the other will be for out bound cars. The power for the in bound train will be transferred to the out bound cars and will pull the out bound cars back thru the lead track and connect to the CN mainline for its westerly movement. Estimated track feet to be is approximately constructed 27,000'. This option would require acquiring property from George Ioege, Mary Lou Wood, James Ioege trust, Helen Doty and Kermit Neubauer before reaching the UPRR Right OF Way. The Loop Track south of the facility will require acquiring land from Marlene Grove (Grove Revocable Trust), Merle Rieks, George Ioege and Derek Prantner.

Specifics for each Option

Double Track Siding Option (2A) / Single Siding Option (06)

- Approximately 20,000 TF to be constructed for two siding tracks and the lead track to the facility. **Option (06) approximately 12,000 TF**
- 2 - No. 15 turnouts for connection to the CN mainline
- 3 - No 10 turnouts for the outside siding track and connection to the lead track to the facility.
- 1- No. 9 turnout for the connection in the facility
- 1 - Railroad diamond crossing for the UPRR
- 1 - At grade concrete road crossing at 140th street
- 1 - Road closure at Ave I
- 5 different landowners impacted
- Environmental Constraints, Avoidance Recommendations and Potential Permits provided by Barr Engineering (Attached)
- May require Clean Water Action Section 404 Nationwide Permit 14 if potential wetland impacts are more than one-tenth of an acre and less than one-half an acre. Detailed wetland delineation surveys are recommended during the growing season.
- One federally listed species, the Northern long-eared bat (NLEB), is known to exist throughout Iowa but is not known to inhabit Hardin County. Some field

review for potential habitat (maternity roost trees) is recommended. Consultation with the U.S. Fish & Wildlife Service is not expected as long as clearing of potential maternity roost trees is completed prior to June or after July.

- Assuming more than 1 acre of land will be disturbed, a construction stormwater permit will need to be obtained and complied with, including developing a construction stormwater pollution prevention plan (SWPPP).
- Estimated construction costs (**50%** contingency)
- Estimated cost **excludes** signal design and installation and turnout installation by CN Railroad.
- Estimated costs **exclude** Short Line Operations costs.
- Estimated cost **excludes** signal designs for both the CN and UPRR and diamond crossing design and installation by UPRR
- Estimated cost **excludes** permitting and road closure costs at Ave.I
- Estimated cost **excludes** land acquisition costs

Lead Track with Loop Track South of the Ethanol Facility Option (5A)

- Approximately 26,600 TF to be constructed
- 1 - No 15 turnout for connection to CN mainline
- 1- Railroad diamond crossing for the UPRR
- 1 - No 9 turnout for the facility connection
- 4 - No. 10 turnouts for the loop track
- 1 - At grade concrete crossing at 140th street
- 8 different landowners impacted
- Environmental Constraints, Avoidance Recommendations and Potential Permits provided by Barr Engineering (Attached)
- May require Clean Water Action Section 404 Nationwide Permit 14 if potential wetland impacts are more than one-tenth of an acre and less than one-half an acre. Detailed wetland delineation surveys are recommended during the growing season.
- If impacts to wetlands will exceed one-half an acre, or if other conditions exist that would preclude qualification under Nationwide Permit 14, an Individual Permit from the U.S. Army Corps of Engineers may be required. An Individual Permit would require compensatory mitigation for wetland impacts and would be subject to National Environmental Policy Act (NEPA) review (an Environmental Assessment/Finding of No Significant Impacts). This could add several months to the environmental permitting timeline.
- One federally listed species, the Northern long-eared bat (NLEB), is known to exist throughout Iowa but is not known to inhabit Hardin County. Some field review for potential habitat (maternity roost trees) is recommended. Consultation with the U.S. Fish & Wildlife Service is not expected as long as

clearing of potential maternity roost trees is completed prior to June or after July.

- Assuming more than 1 acre of land will be disturbed, a construction stormwater permit will need to be obtained and complied with, including developing a construction stormwater pollution prevention plan (SWPPP).
- Estimated construction cost (50% contingency)
- Estimated cost **excludes** signal design and installation and turnout installation by CN Railroad
- Estimated costs **exclude** Short Line Operations.
- Estimated cost **excludes** signal design and installation and diamond crossing design and installation by UPRR
- Estimated cost **excludes** permitting.
- Estimated cost **excludes** land acquisition costs

Next Steps

After the option has been selected by FHR senior management Bartlett & West will begin developing the final design plans for the new connection. Initial work efforts will focus on getting a topographic survey of the proposed alignment and having more detailed discussion with both rail carriers on their design requirements and submittals.

Long Range Planning:

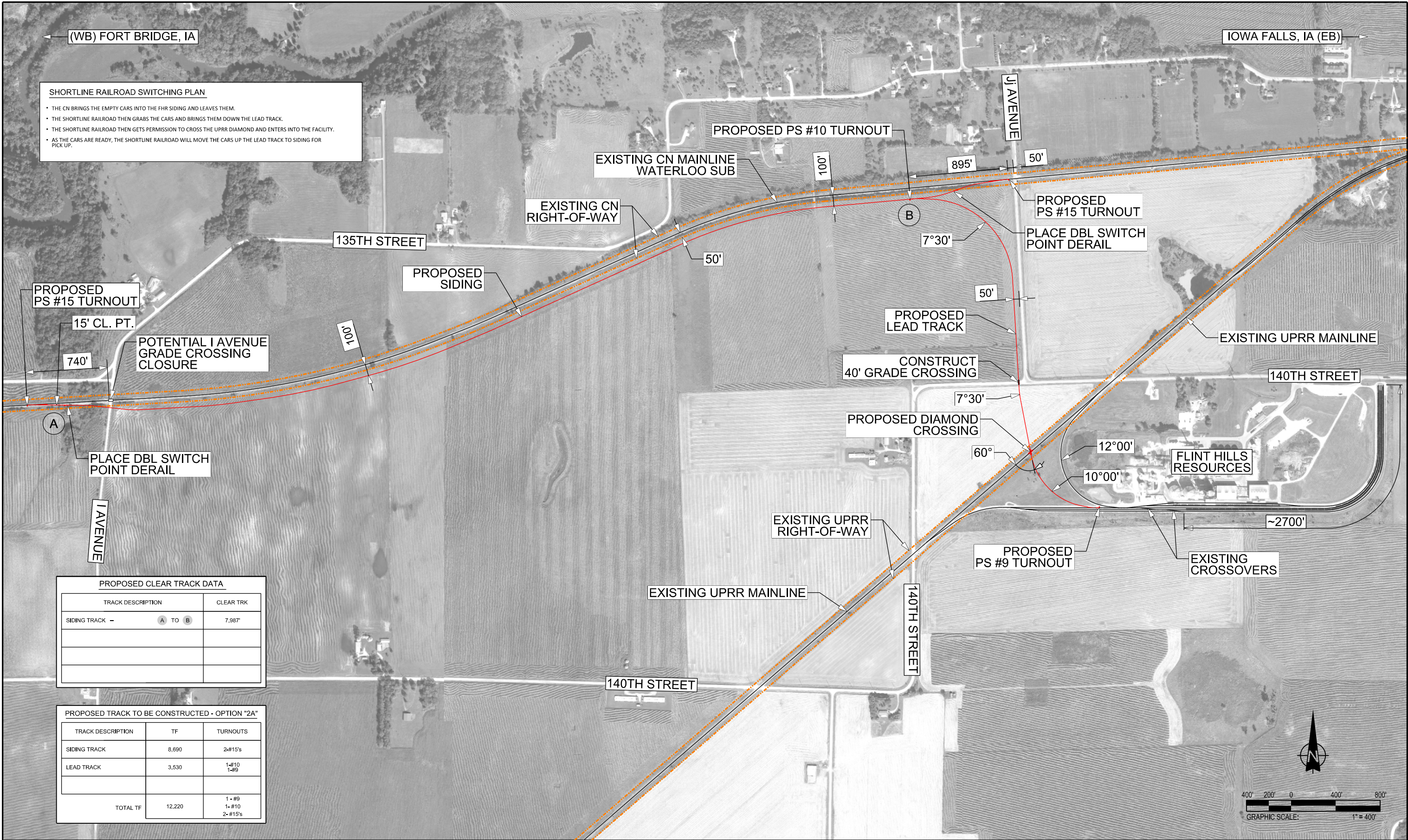
It will be important to start discussions with the UPRR for the requirements on developing the measurements for the manufacturing of the railroad diamond.

It is anticipated that this manufacturing could take as long as 9 to 12 months to manufacture. Also, it will be critical to have the CN engaged for the review and approval of the connection to their mainline because they will have to have an approved design to order and schedule the installation of the turnouts.

Discussions with potential short line railroads should begin as soon as possible to determine which short line carrier can provide service to the facility.

Discussions with both class one railroads needs to start so they can begin their designs for the railroad signal modifications, railroad diamond design and track material ordering.

Acquisition of land, though not part of the scope of work this team is doing needs to begin if the project has an early completion date.



SHORTLINE RAILROAD SWITCHING PLAN

- THE CN BRINGS THE EMPTY CARS INTO THE FHR SIDING AND LEAVES THEM.
- THE SHORTLINE RAILROAD THEN GRABS THE CARS AND BRINGS THEM DOWN THE LEAD TRACK.
- THE SHORTLINE RAILROAD THEN GETS PERMISSION TO CROSS THE UPRR DIAMOND AND ENTERS INTO THE FACILITY.
- AS THE CARS ARE READY, THE SHORTLINE RAILROAD WILL MOVE THE CARS UP THE LEAD TRACK TO SIDING FOR PICK UP.

PROPOSED CLEAR TRACK DATA		
TRACK DESCRIPTION		CLEAR TRK
SIDING TRACK - A TO B		7,987'

PROPOSED TRACK TO BE CONSTRUCTED - OPTION "2A"		
TRACK DESCRIPTION	TF	TURNOUTS
SIDING TRACK	8,690	2-#15's
LEAD TRACK	3,530	1-#10 1-#9
TOTAL TF	12,220	1-#9 1-#10 2-#15's



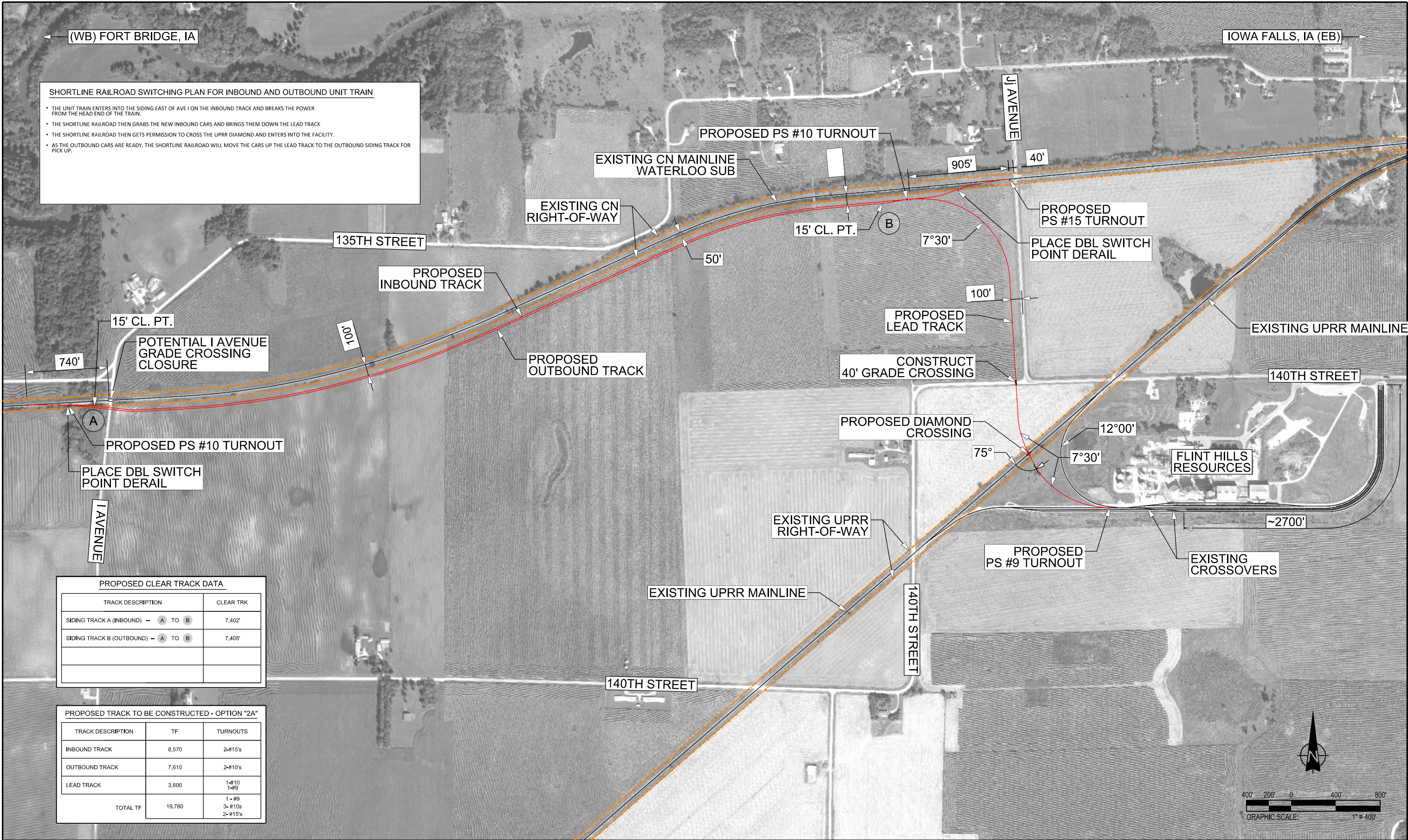
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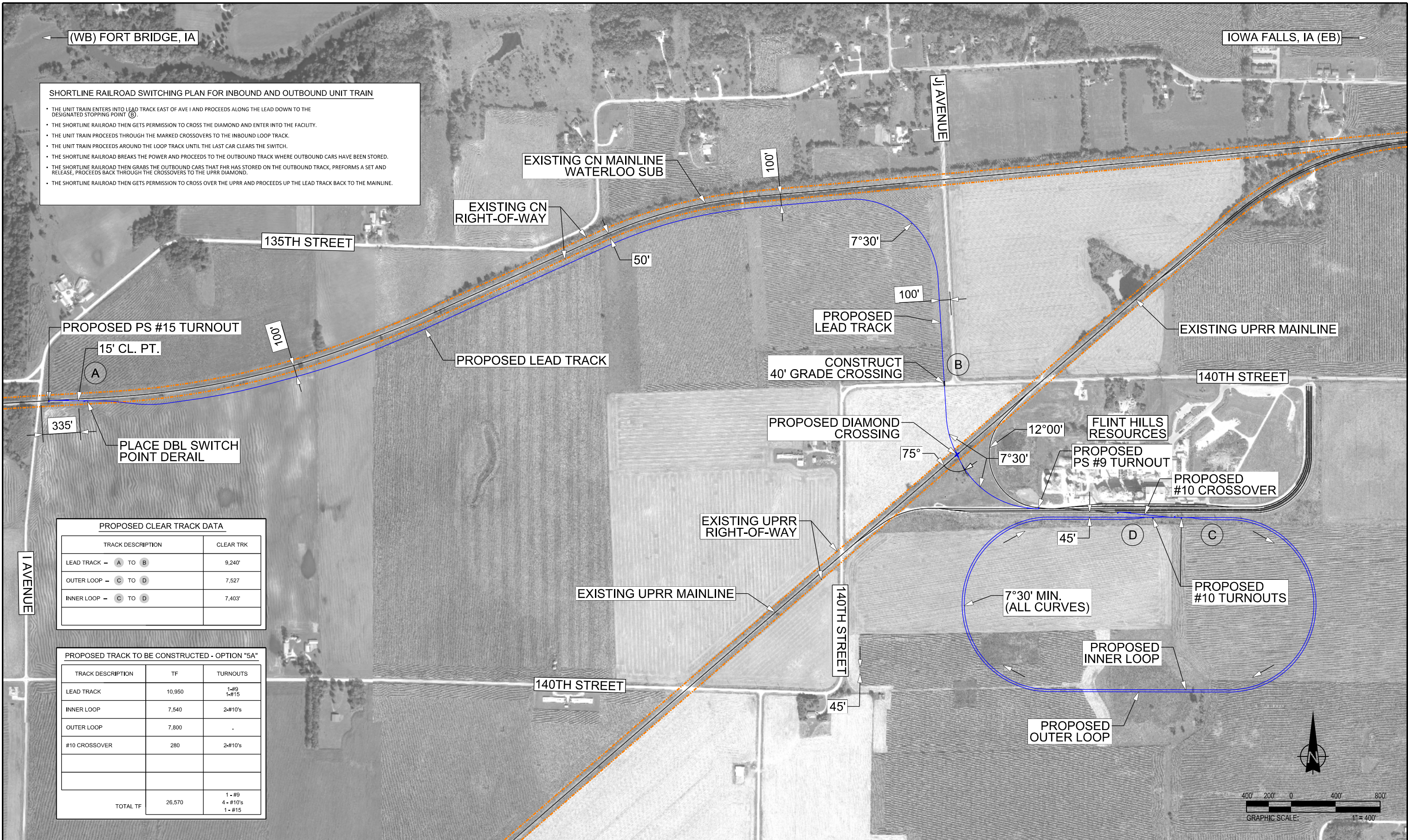
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FLINT HILLS RESOURCES
CHICAGO CENTRAL & PACIFIC RR
IOWA FALLS, IOWA

EXHIBIT SHOWING
FHR SIDING - LEAD TRACK

CONTRACT NO.	
DRAWING NO.	EXH - 06
REVISION	SHEET NO.
	OF total
SCALE	AS SHOWN







REV	DATE	DESCRIPTION	BY	APP

**CONCEPTUAL
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DESIGNED
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APPROVED
FIRM NO.
PROJECT
DATE 5/16/2020

FLINT HILLS RESOURCES
CHICAGO CENTRAL & PACIFIC RR
IOWA FALLS, IOWA

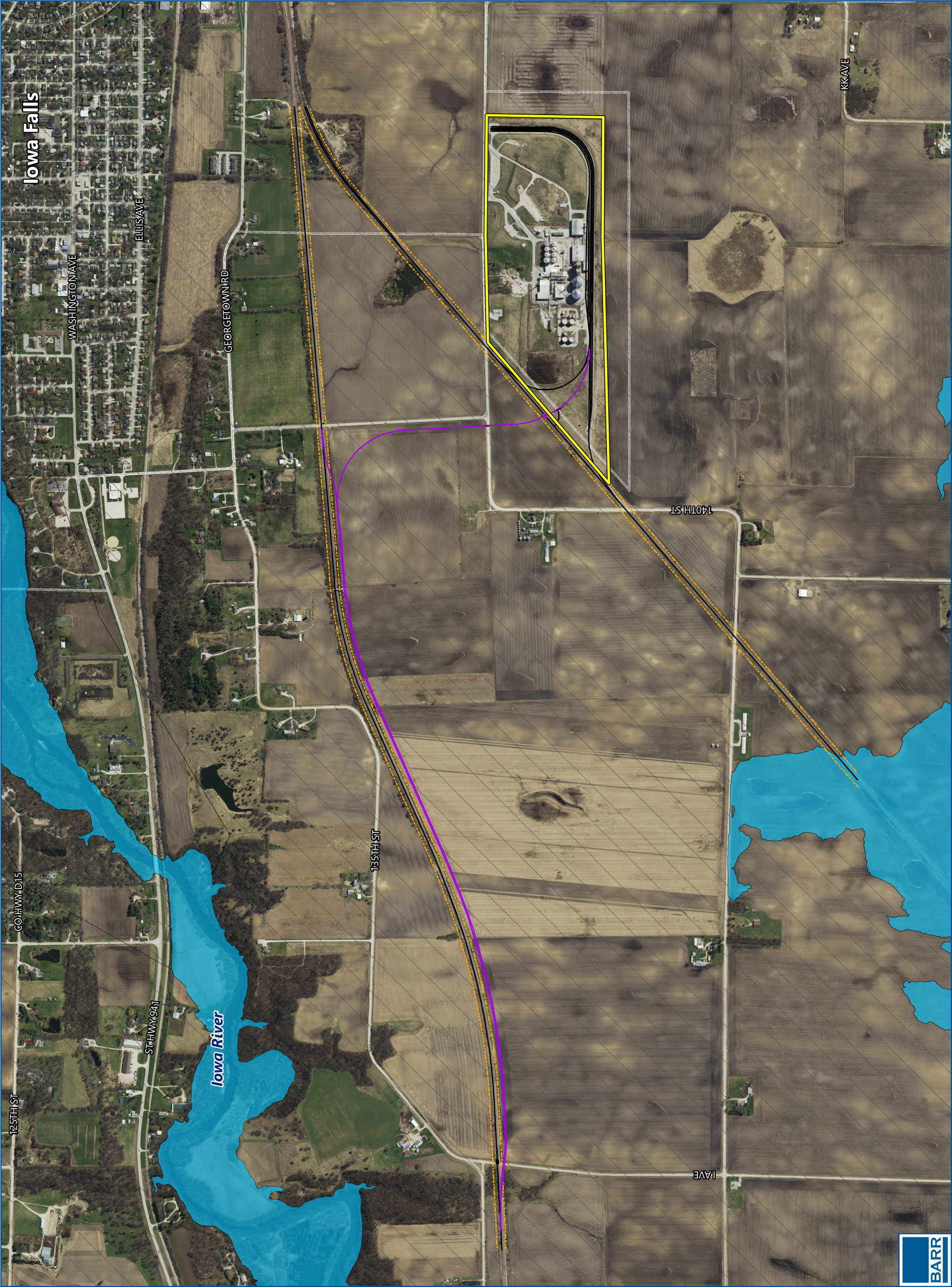
EXHIBIT SHOWING
SIDING TRACK - OPTION "5A"

CONTRACT NO.

DRAWING NO.
EXH - 05A

REVISION SHEET NO.
OF total

SCALE
AS SHOWN



Option 2A Track

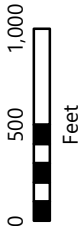
- Proposed Track
- Existing Rail Lines
- ROW

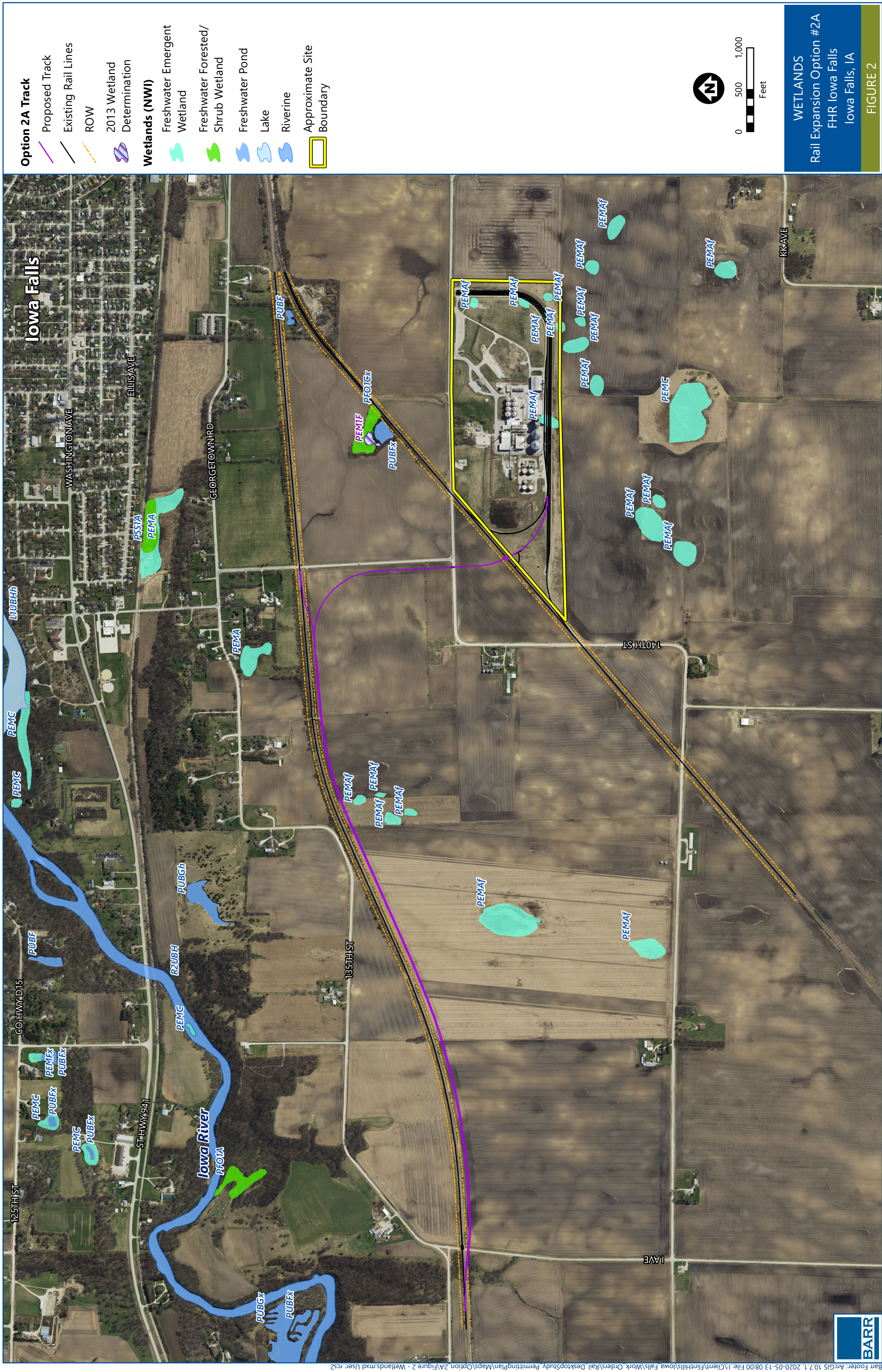
FEMA Flood Zones

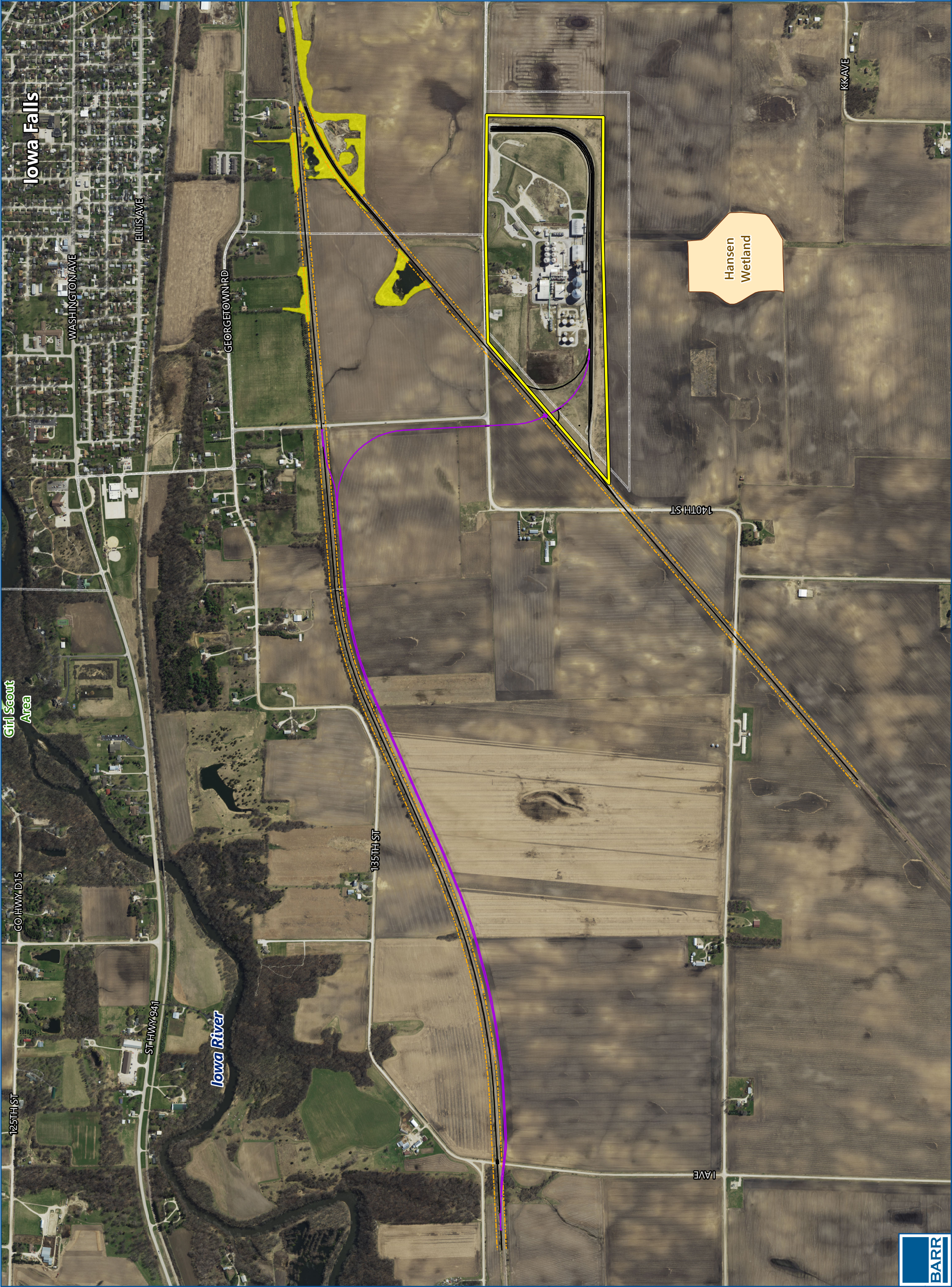
- 100-year Flood Zone
- 0.2% Annual Chance
- Approximate Site Boundary

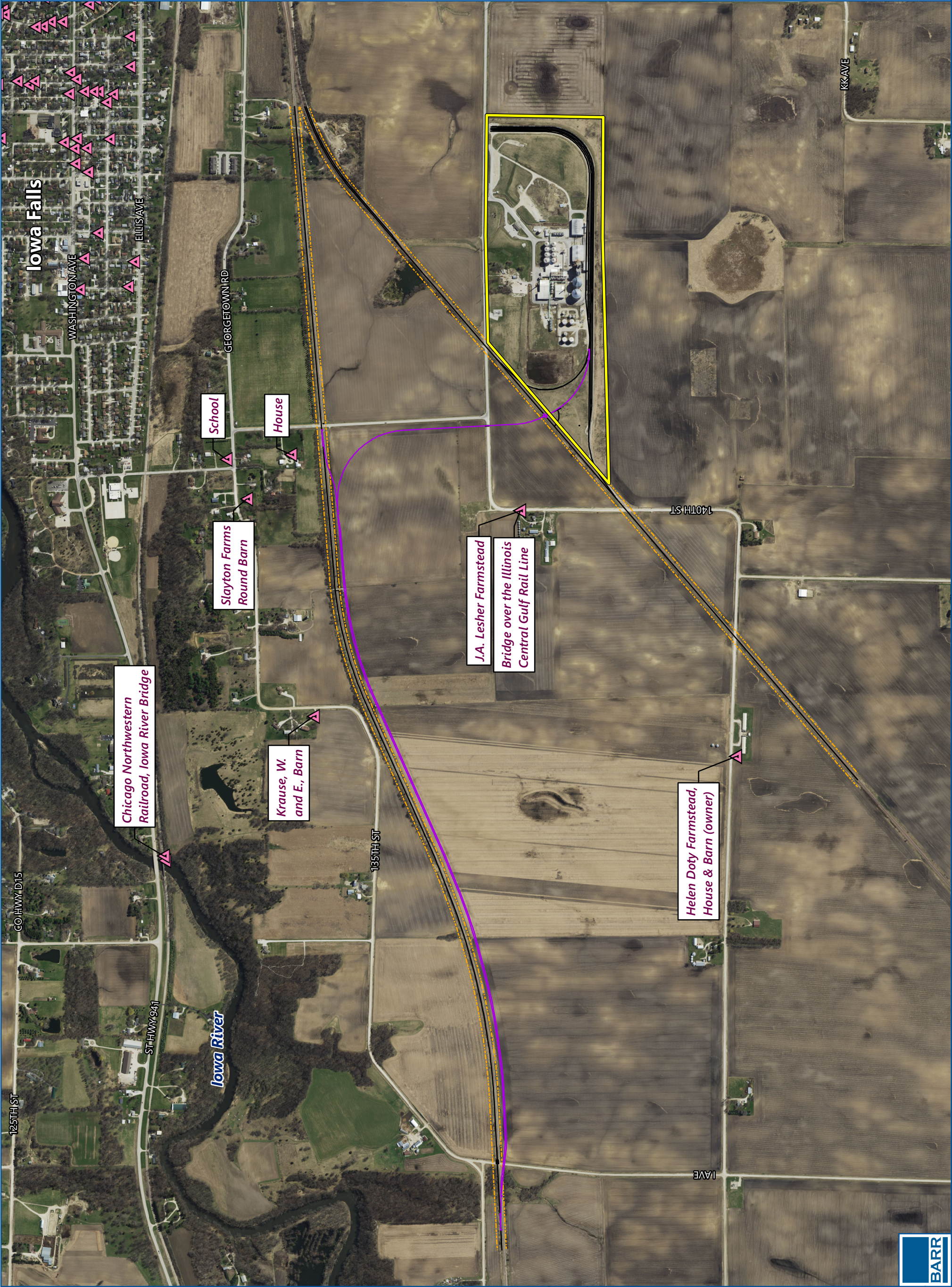
FLOODPLAINS
Rail Expansion Option #2A
FHR Iowa Falls
Iowa Falls, IA

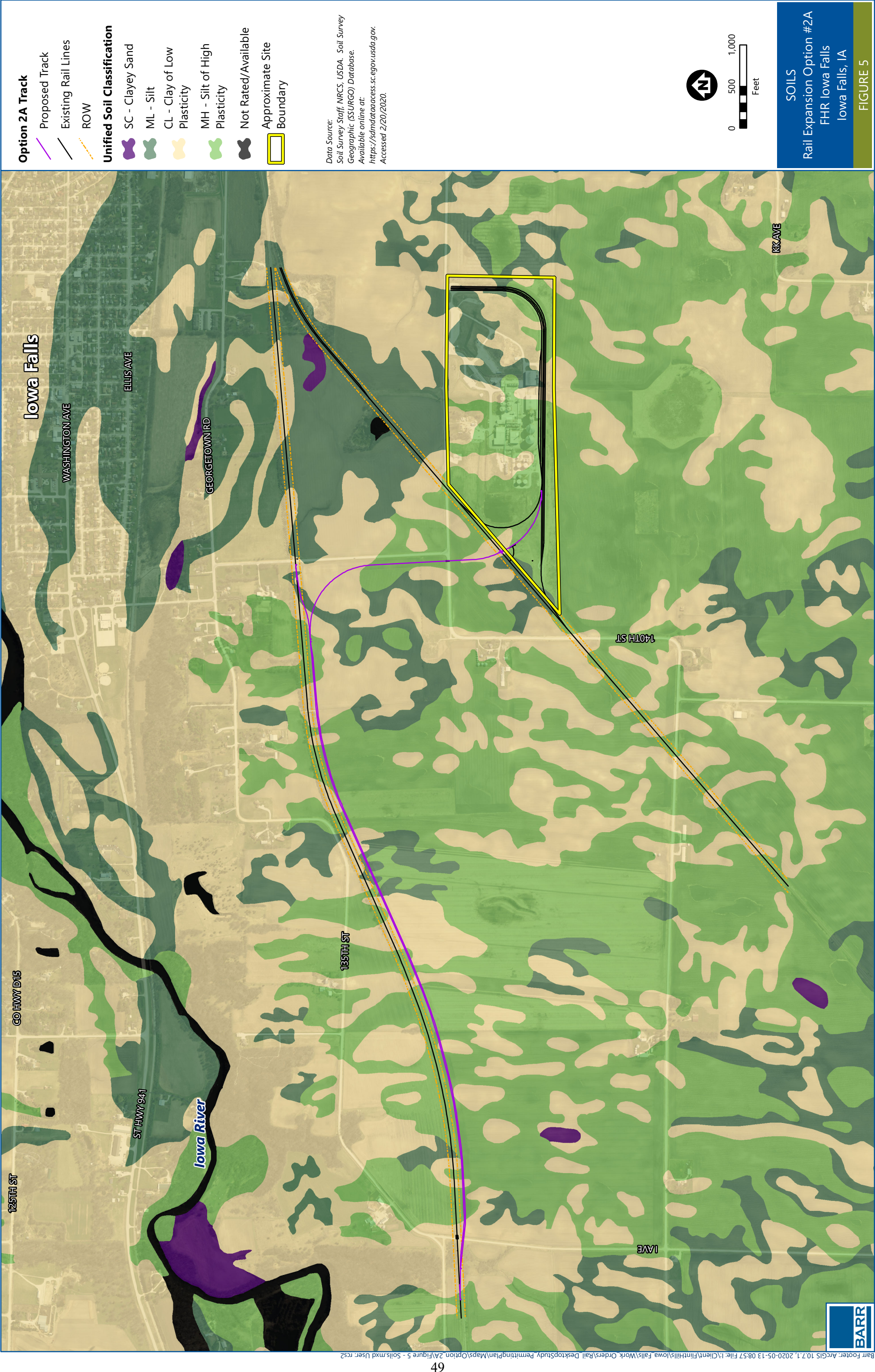
FIGURE 1

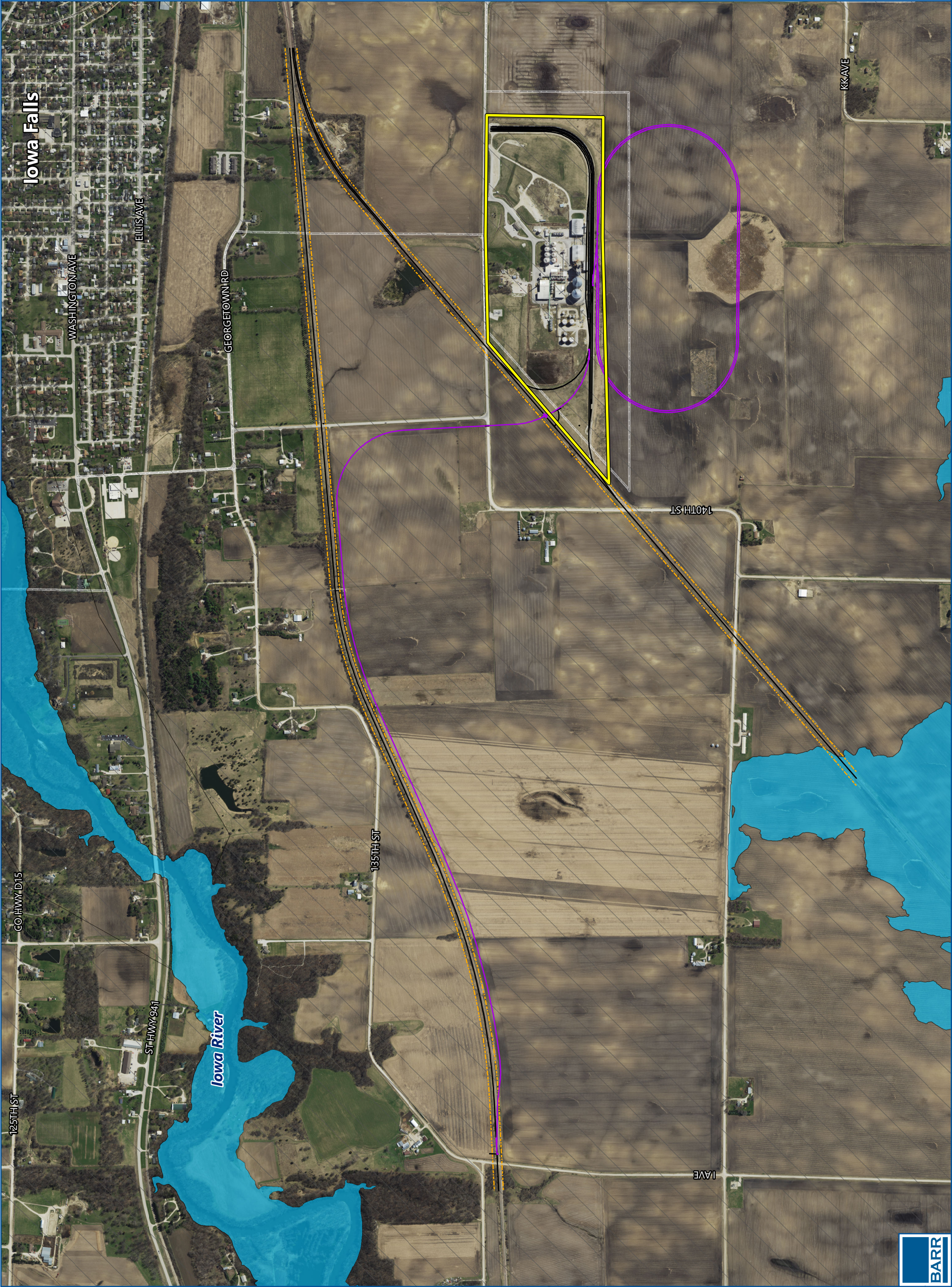




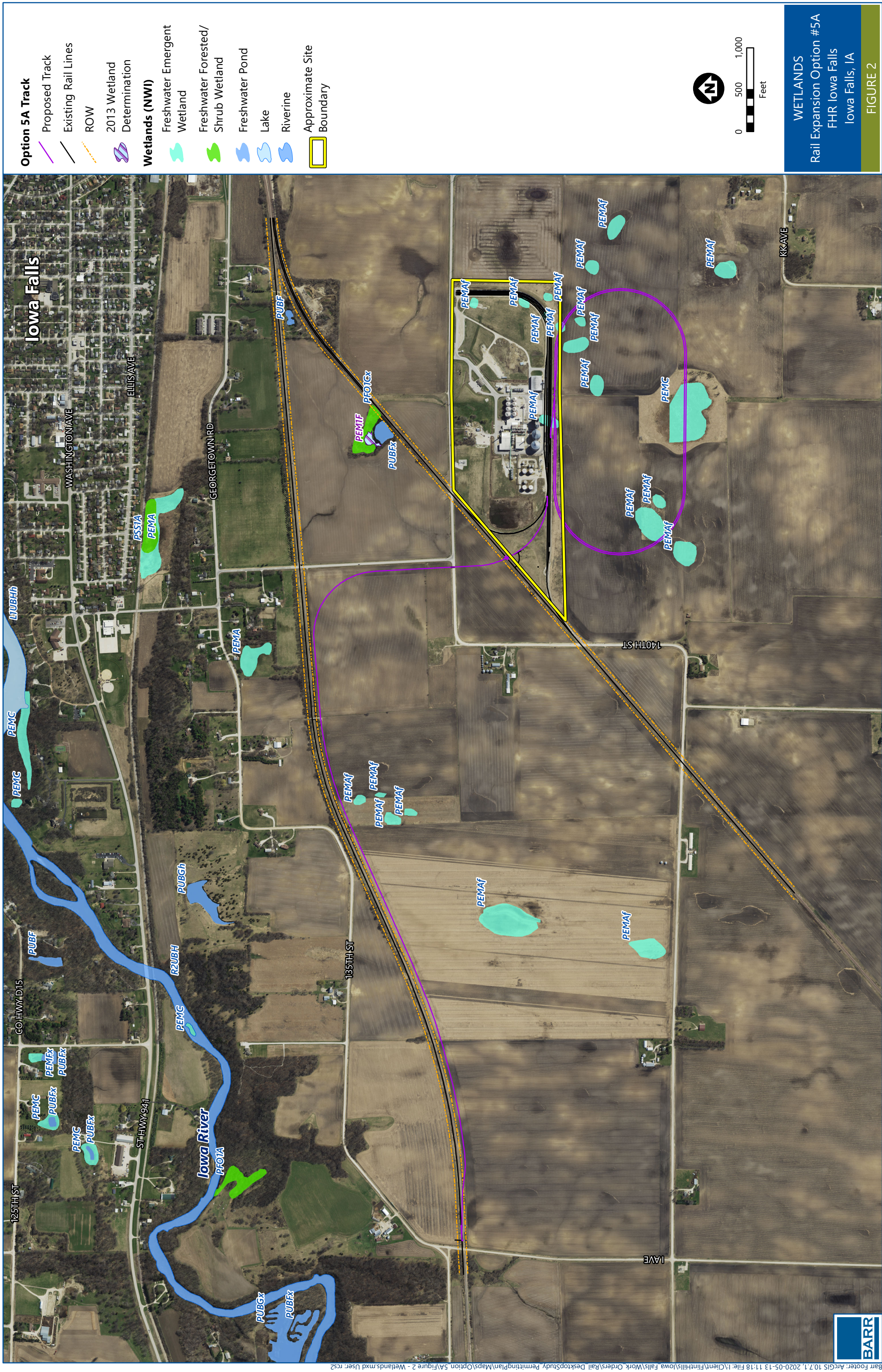


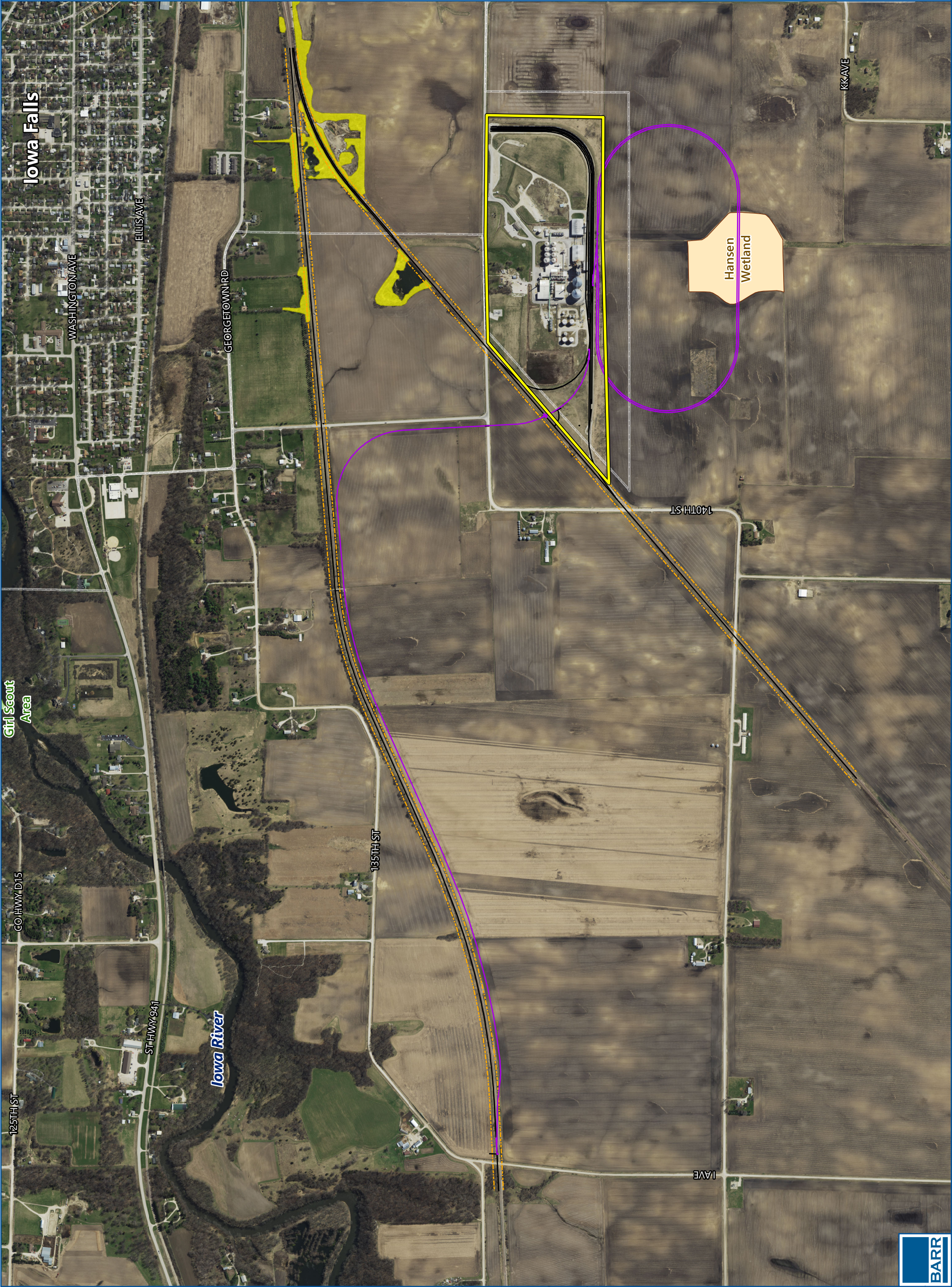


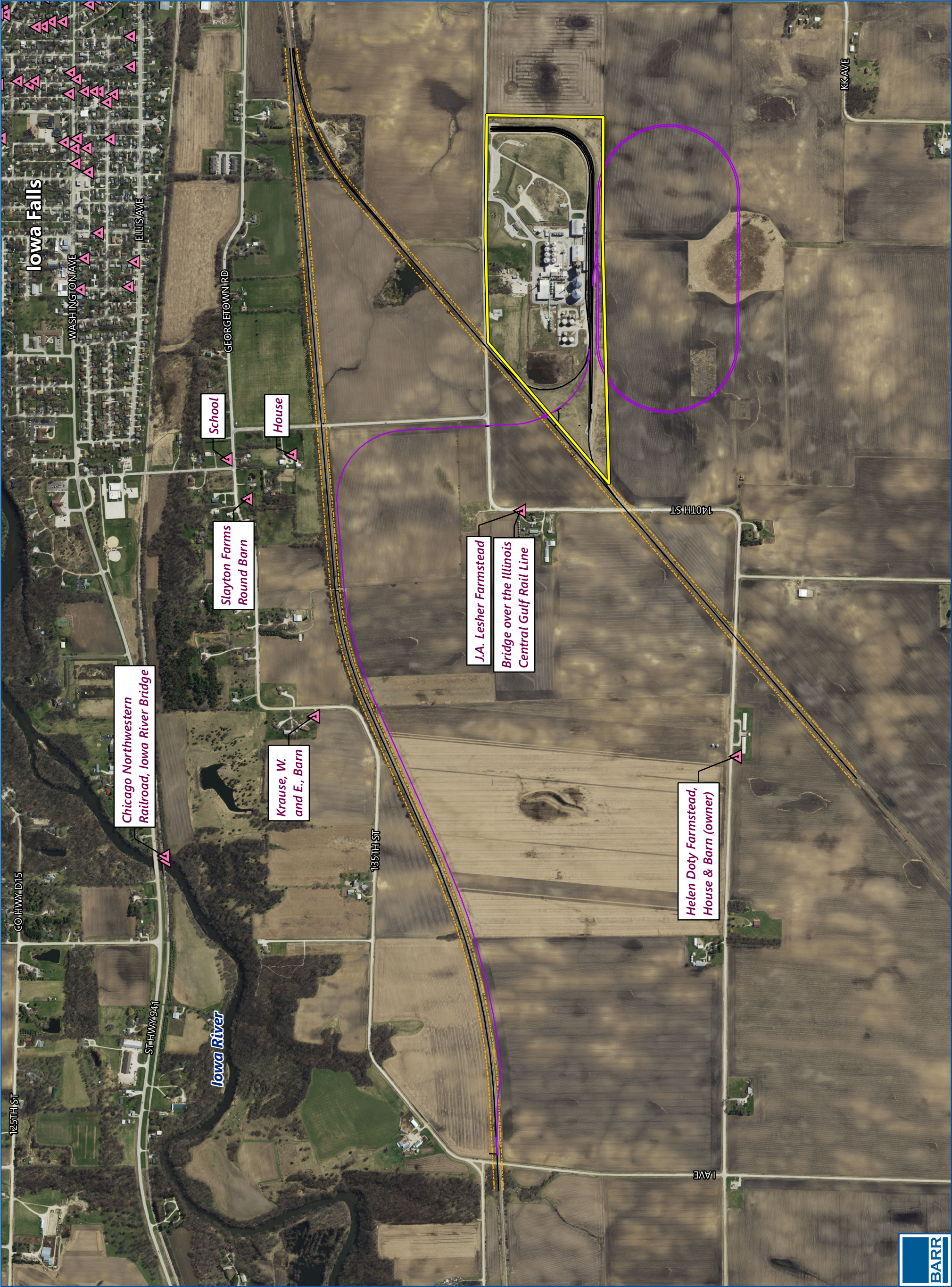




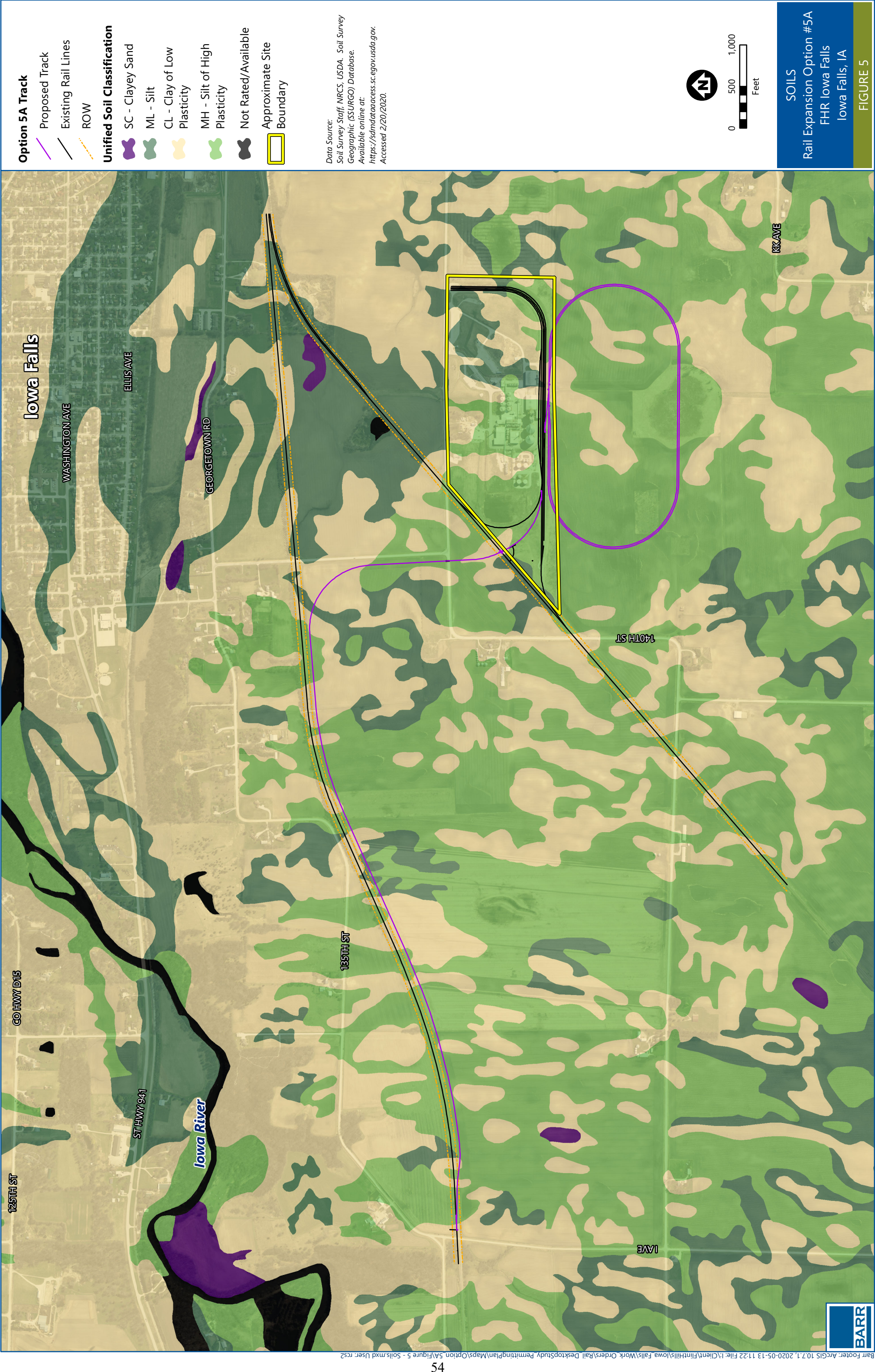
FLOODPLAINS
Rail Expansion Option #5A
FHR Iowa Falls
Iowa Falls, IA
FIGURE 1







KNOWN CULTURAL
RESOURCES
Rail Expansion Option #5A
FHR Iowa Falls
Iowa Falls, IA
FIGURE 4



February 26, 2020

Alan Derner
Bartlett & West
4500 Mercantile Plaza Drive, Suite 301
Fort Worth, TX 76137

Re: Phase 1 Summary of Findings: Environmental Constraints near the FHR Iowa Falls Facility Rail Project; Avoidance Recommendations; and Potential Permits

Project Background

Flint Hills Resources (FHR) is analyzing options for railroad extensions and sidings to expand rail access and capabilities (Project) near its existing Iowa Falls ethanol facility in Hardin County, Iowa. Barr was asked to review the Project area impacted by two potential rail design options (Option 1, WYE Track and Option 2, Along the Union Pacific Railroad (UPRR)) for the presence of environmental constraints and to develop a permitting plan. Barr used only "desktop" Geographic Information Systems (GIS) and other online resources (i.e., no on-site inspections) in conducting this Phase 1 review. The following is a summary of Barr's findings, including potential agency consultations, field survey needs, and other environmental permits that may be required prior to Project construction.

Environmental Constraints

The figures attached to this memorandum illustrate the potential environmental constraints discussed below for each rail option. Each figure (1-5) has a version for each of the two options. The following discussion addresses only those areas that are or may be crossed or otherwise impacted by rail construction activities. Recommendations for how to address these areas are included.

Floodplains

In the State of Iowa, earth-disturbing activities in designated floodplains typically require Floodplain Development Permits from the county, the state Department of Natural Resources (IDNR), or both. Barr's team acquired Federal Emergency Management Agency (FEMA) flood plain data for the project area, shown in Figure 1. Neither of the currently-proposed rail build options would be within a designated FEMA 100-year floodplain. Therefore, no floodplain development permits would be required.

Wetlands

The Project will need to consider potential impacts (a discharge of dredged or fill material) to jurisdictional waters of the U.S., especially wetlands. A desktop review of potential wetlands and waterbodies is included in Figure 2, based on National Wetland Inventory (NWI) data and a wetland determination that was performed in 2013 for the JEO Consulting Group, Inc.

Figure 2 shows that Option 1 is unlikely to impact jurisdictional wetlands, although there is a potential wetland near the very eastern extent of that rail configuration. Option 2 crosses multiple areas of potential wetlands as defined by NWI data. Although Option 2 does not cross the one wetland identified in the 2013 wetland determination report, aerial photos clearly show that there is at least one open water wetland area that is crossed by the potential rail alignment and, based on the 2013 report, any such features are potentially jurisdictional under Section 404 of the Clean Water Act. The approximate sizes by surface area of the NWI wetlands crossed by Option 2 are as follows:

Wetland Attribute Code	Wetland Type	Surface Area in Acres
PFO1Cx	Freshwater Forested/Shrub Wetland	2.21
PUBF	Freshwater Pond	0.28
PUBFx	Freshwater Pond	0.92

Recommendations:

Barr recommends that FHR conduct a full wetland delineation field survey in late spring or early summer, 2020, focused on the known construction areas where impacts to wetlands could occur. This survey should include all alignment options being considered by FHR.

Prior to then, the NWI GIS files of potential wetlands can be used during the Project design phase to avoid potential impacts to the extent practicable.

If impacts to wetlands cannot be avoided, the Project may be eligible to proceed under U.S. Army Corps of Engineers (USACE) Nationwide Permit (NWP) 14 for Linear Transportation Projects. NWP 14 eligibility requires that several conditions be met, including but not limited to: that no more than 0.5acre of wetland impacts will occur; that the project will have no adverse effects on federally listed species; and that no potentially eligible historical resources will be disturbed by Project activities. If the Project will impact greater than one-tenth of an acre of jurisdictional wetland(s), the Project will need to prepare a Pre-Construction Notification for submittal to the USACE.

If more than 0.5 acre of wetland impacts will occur, or if the Project is unable to meet the conditions for eligibility under NWP 14, an Individual Permit from USACE may be required. If an Individual Permit is required, the Project will be subject to compensatory mitigation for both temporary impacts and permanent wetland losses, and the USACE's permitting decision must undergo an environmental review under the National Environmental Policy Act (NEPA). This review is likely to be an Environmental Assessment (EA) resulting in a Finding of No Significant Impact (FONSI). If an Individual Permit and EA/FONSI is required, this process could add an additional 4 to 6 months to the permitting process.

Based on available online resources, wetland banking programs in Iowa are primarily available for the loss of farmed wetlands through a program administered by the Natural Resources Conservation Service (NRCS). There may be private banking programs available, but they were not identified in this phase.

State and Federal Threatened or Endangered Species

Barr's biologist conducted a desktop review of vegetation types along the Project's rail design options, and online research into known occurrences of federal and state protected species in the Project area.

These findings are discussed here and listed in Table 2, attached: Threatened and Endangered Species Review.

Potential habitat for the Northern-long eared bat (NLEB) occurs along both rail options, as shown in Figure 3. However, because there are no known maternity roost trees or hibernacula in Hardin County according to the Iowa protected species database, it is unlikely that Project activities would impact this species or be subject to review by the U.S. Fish and Wildlife Service (USFWS).

Recommendations:

Barr recommends that FHR conduct a habitat field survey to look for potential maternity roost trees that could be impacted if tree clearing is to occur during the pup rearing season (June 1 – July 31). If potential maternity roost trees are identified, the preferred action is to avoid the trees by designing the Project construction activities so as not to clear those trees. Outside of the June to July timeframe, tree clearing could occur without field survey since no known roosts or hibernacula exist in the area.

Cultural and Historical Resources

Barr's team conducted an online review of Iowa State Historic Preservation Office (SHPO) resources and identified several known historic resources in the Project area, as shown on Figure 4. None of these resources are close to the proposed rail options and therefore, no adverse effect is likely to occur from Project construction or operation. No previously-identified archaeological sites are known to occur close to the Project.

Recommendations:

If a NWP or other wetland permit under Section 404 of the Clean Water Act is required from USACE, FHR will also need to show that it will cause no impacts to historic or archaeological resources. To do this, FHR should conduct archaeological field surveys of the proposed rail option(s) to identify potential historic and archaeological sites that must be avoided. These surveys can be tailored to only those areas that are likely to be disturbed during Project construction, such as the railroad beds, access roads, contractor yards, and other work spaces.

Because the Project construction areas are largely disturbed from many years of agricultural and rail activities, the likelihood that intact, eligible archaeological resources may be found within the Project construction area is low.

Additional Area of Environmental and Construction Consideration

Soils

At the request of Bartlett & West, Barr has also provided a figure for each option (Figure 5) showing the United States Department of Agriculture (USDA) Soil Survey Geographic Database (SSURGO) results for surface soils in the Project area.

Potential Environmental Permits

Table 1 summarizes the permits and approvals that may be required prior to commencing the Project.

Table 1

**Key Permits, Approvals, and Consultation Requirements – FHR Iowa Falls Facility Rail Project –
DRAFT PENDING FORMAL CONSULTATIONS**

Agency	Permit or Approval Required	Comments
U.S. Army Corps of Engineers (USACE)	Section 404 of the Clean Water Act (CWA) Nationwide Permit 14 or Individual Permit for temporary impacts to wetlands	If work in wetlands will occur. A Preconstruction Notification to the USACE will be required under NWP 14 if more than 1/10 acre of impacts; assumes impacts will be less than ½ acre. Other conditions must be met as discussed above. Greater than ½ acre of wetland impacts will require an Individual Permit and NEPA.
U.S. Fish and Wildlife Service	Consultation regarding potential impacts to species listed under Section 7 of the Endangered Species Act	Section 7 consultation for wetlands under USACE jurisdiction; Section 10 compliance for Threatened and Endangered Species and Critical Habitat elsewhere (NLEB). Efforts to avoid impacts to habitat and species as discussed above will minimize the interactions with USFWS and avoid lengthy compliance proceedings.
	Migratory Bird Treaty Act	Relates to timing of construction activities that could result in a taking of migratory birds. Barr recommends winter clearing of woody species to avoid potential impacts to migratory bird species.
Iowa Department of Natural Resources	Section 401 CWA Water Quality Certification	If a 404 permit is required for work in jurisdictional wetlands, the Section 401 WQC should be automatically issued with the approval of the 404 permit.
	NPDES Permit / Construction Stormwater Discharge	For disturbance over 1 acre – aggregate disturbance during construction, including lay-down areas and contractor yards, is assumed to be greater than 1 acre. Application and Stormwater Pollution Prevention Plan (SWPPP) should be prepared approximately 1 – 2 months prior to construction. One-day public notice in local newspaper is required prior to submittal of the application.

State Historical Society	If USACE permit is required: review and comment on the effects of the Project on historic properties; consultation on activities potentially affecting cultural resources	Consultation to confirm that the project will avoid impacts to known sites; some cultural/ archaeological surveys should be performed to confirm no impacts will occur and to identify any unknown sites within USACE jurisdictional areas.
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If you have any questions regarding this review, please contact me at 952-832-2975 or dflo@barr.com.



Dan Flo
Senior Environmental Consultant

c: Chandler Taylor, Barr Engineering Co.

Table 2

Threatened and Endangered Species Review - Iowa
Project Name: FHR Iowa Falls Rail

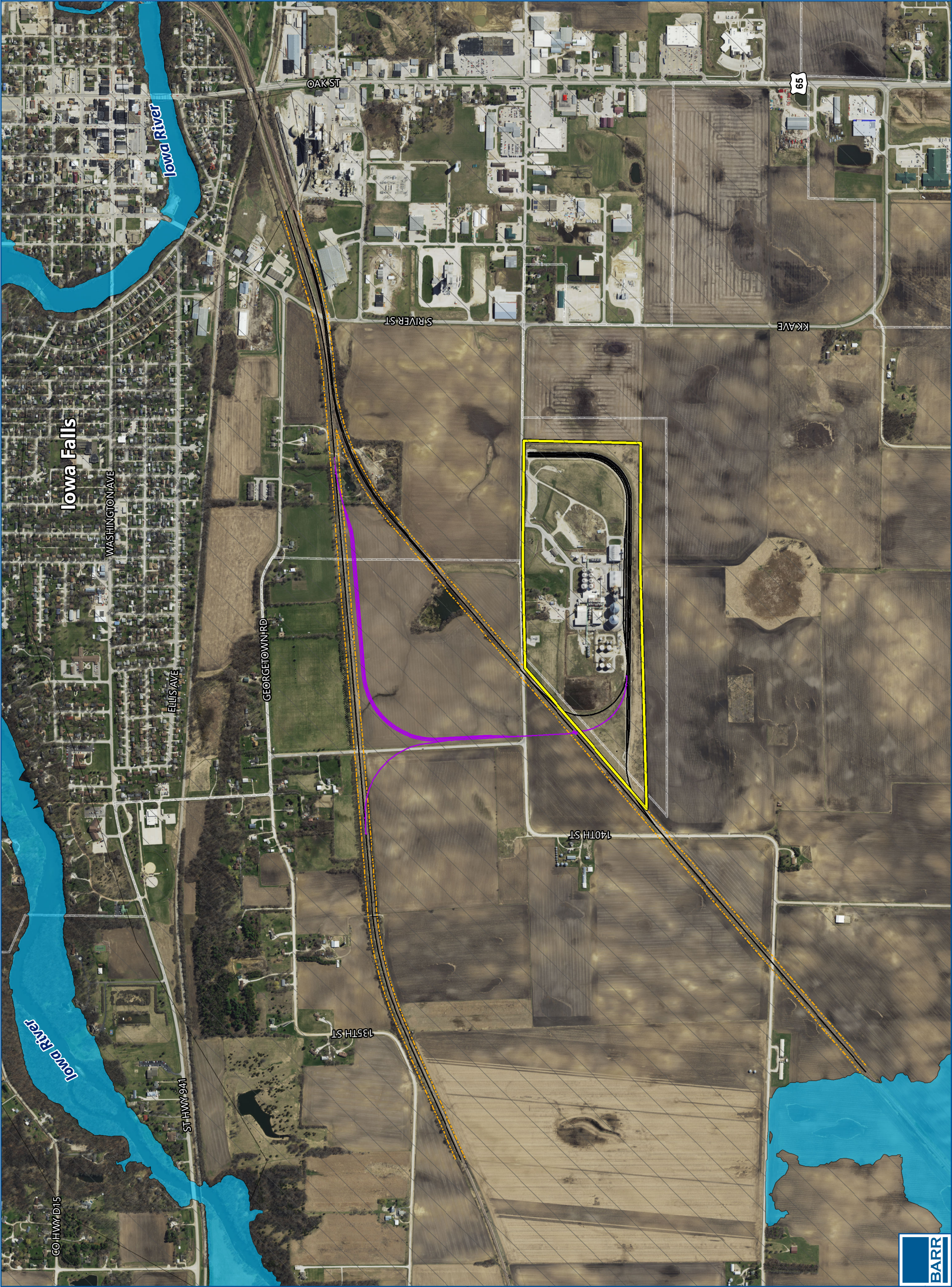
Federal Review (County List)						
County	Common Name	Scientific Name	Federal ESA Status	Habitat	Decision	Justification
Hardin	Bald Eagle	<i>Haliaeetus leucocephalus</i>	Protected by BGA and MBTA	Nests in mature trees near bodies of water.	No Effect	There are no large bodies of water near the project to provide suitable habitat for the bald eagle. The proximity to Iowas Falls, FHR Facility, and high human disturbance is likely to deter bald eagles.
	Northern Long-eared Bat	<i>Myotis septentrionalis</i>	Threatened	Hibernates in caves and mines - swarming in surrounding wooded areas in autumn. During late spring and summer roosts and forages in upland forests.	No Effect	Tree clearing >3" dbh is anticipated. There are no known maternity roost trees within 150 feet, or hibernacula within 0.25 mile of the project. If clearing is to occur during the pup rearing season (June 1-July 31), then it's recommended that a field survey be completed.
	Prairie Bush Clover	<i>Lespedeza leptostachya</i>	Threatened	Dry to mesic prairies with gravelly soil.	No Effect	The project occurs in upland, active agicultural habitat with row crops, and no remnant native prairies or sedge meadows are present. Therefore, no effect to prairie bush clover is anticipated.
	Western Prairie Fringed Orchid	<i>Platanthera praeclara</i>	Threatened	Occurs almost exclusively in remnant native prairies and sedge meadows. The majority of sites occur in full sunlight on moist, calcareous till or sandy soils, primarily along swales and in marsh areas. Also found in ditches and along roadsides in unmanaged prairie remnants.	No Effect	The project occurs in upland, active agicultural habitat with row crops, and no remnant native prairies or sedge meadows are present. Therefore, no effect to western prairie fringed orchid is anticipated.
	Topeka Shiner Critical Habitat	NA	NA	Slow-moving, small to mid-size prairie streams with sand, gravel, or rubble bottoms. Areas with pools and oxbow areas that are outside main channel courses. These pools are in contact with groundwater and usually contain vegetation and areas of exposed gravel.	No Effect	The project occurs in upland, active agicultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to Topeka Shiner Critical Habitat.
Reviewer:	Wyatt Mack			Date:	2/19/2020	
Peer Review:	Brian Burgner			Date:	2/20/2020	

State Review (None)						
County	Common Name	Scientific Name	Iowa Status	Habitat	Decision	Justification
	Bald Eagle	<i>Haliaeetus leucocephalus</i>	Special Concern	Nests in mature trees near bodies of water.	No Effect	There are no large bodies of water near the project to provide suitable habitat for the Bald Eagle. The proximity to Iowas Falls, FHR Facility, and high human disturbance is likely to deter bald eagles.
	Barn Owl	<i>Tyto alba</i>	Endangered	Often found roosting and nesting in old barns or abandoned buildings. Barn owls hunt in grassland habitats along field edges, fence-rows, and wetland edges where their favored prey is most available.	No Effect	There are no old barns or abandoned buildings within the project area. Therefore, no effect to barn owls is anticipated.
	Northern Harrier	<i>Circus cyaneus</i>	Endangered	Large tracts of undisturbed, open grasslands with thatch used for nesting cover.	No Effect	There are no large tracts of undisturbed open grassland in the project area, the FHR facility maintains and mows any grassy areas on the property. Due to high human disturbance in the area, no impact to the northern harrier is anticipated.
	Red-Shouldered Hawk	<i>Buteo lineatus</i>	Endangered	Requires at least 250 acres of medium-to-mature, even-aged floodplain forests dominated by maple or cottonwood trees.	No Effect	The project area does not contain a 250 acre tract of floodplain forest. It consists of upland, active agricultural land. No effect to red-shouldered hawk.
	American Brook Lamprey	<i>Lampetra appendix</i>	Threatened	Small, high-quality streams and mid-sized rivers	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Black Redhorse	<i>Moxostoma duquesnei</i>	Threatened	Require good water quality in mid-size streams with clean, coarse substrates with minimal disturbance of channel form or riparian vegetation.	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Creek Heelsplitter	<i>Lasmigona compressa</i>	Threatened	Creeks and the headwaters of small to medium rivers in fine gravel or sand.	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Creeper	<i>Strophitus undulatus</i>	Threatened	Headwaters of larger streams and pools with mixed sand, mud, and gravel.	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Cylindrical Papershell	<i>Anodontoides ferussacianus</i>	Threatened	Small creeks and the headwaters of larger streams in mud and sand	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Ellipse	<i>Venustaconcha ellipsiformis</i>	Threatened	Small to medium clear streams with mixed sand and gravel substrate.	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Round Pigtoe	<i>Pleurobema sintoxia</i>	Endangered	Found in medium to large rivers in mixed mud, sand, and gravel	No Effect	The project occurs in upland, active agricultural habitat with row crops, and no stream habitat will be impacted. Therefore, no effect to mussels.
	Bird's-eye Primrose	<i>Primula mistassinica</i>	Special Concern	Found in neutral to calcareous rock splash pools near the Great Lakes, and occurs on moist sandstone cliffs.	No Effect	No splash pools or sandstone cliffs are within the project area, therefore no impact to this species is anticipated.

Brittle Prickly Pear	<i>Opuntia fragilis</i>	Threatened	Occurs on dry sand prairie, in open grassy prairies, sandy hills, and rocky outcroppings containing granite, limestone or quartzite.	No Effect	No areas of open prairies, sandy hills, or rocky outcroppings within project area. No impact to this species will occur.
Eastern Jointweed	<i>Polygonella articulata</i>	Endangered	Most common along shores of large bodies of water; found in bare sandy areas and small blowouts.	No Effect	No large bodies of water or bare sandy areas are within the project area, therefore no impact to this species is anticipated.
Flat Top White Aster	<i>Aster pubentior</i>	Special Concern	Wet to moist sand prairies, moist sandy thickets, soggy open areas in wooded areas, sloughs and swales near large lakes and fens. Found in high quality wetlands that are sandy and calcareous.	No Effect	There are no high quality wetlands, sand prairies, or open woody areas in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Fragrant False Indigo	<i>Amorpha nana</i>	Threatened	Moist open prairies, rocky areas, and well-drained soils.	No Effect	There are no moist open prairies or rocky areas with well-drained soils within the project area. Therefore no impact to this species is anticipated.
Hill's Thistle	<i>Cirsium hillii</i>	Special Concern	Found in dry mesic prairies, hill and sand prairies, savannas, and open woodlands.	No Effect	There are no sand prairies or open woody areas in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Muskroot	<i>Adoxa moschatellina</i>	Special Concern	Found on moist shaded ledges and bare soils at the bases of cliffs; typically at the base of sandstone or limestone bluffs.	No Effect	There are no cliffs or bluffs with shaded ledges in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Scarlet Hawthorn	<i>Crataegus coccinea</i>	Special Concern	Found in rocky woods and limestone hills.	No Effect	There are no rocky woods or limestone hills in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Shadbush	<i>Amelanchier sanguinea</i>	Special Concern	Common in open woods, rocky slopes and river banks on slightly calcareous soils.	No Effect	There are no rocky slopes or river banks in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Silver Bladderpod	<i>Lesquerella ludoviciana</i>	Special Concern	Dry prairie bluff edges along large rivers.	No Effect	There are no large river bluffs in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Silverweed	<i>Potentilla anserina</i>	Threatened	Common in sand prairies, moist sand flats, borders of interdunal swales, low areas along sandy ponds, small sand dunes, and gravelly or sandy areas along mowed paths. Typically occurs in areas with natural disturbance from water or wind.	No Effect	There are no sand flats or prairies that contain areas with natural disturbances from wind or water in the project area. Therefore no impact to this species is anticipated.

Hardin

Woolly Milkweed	<i>Asclepias lanuginosa</i>	Threatened	Found in dry, sandy or gravelly hillside prairies.	No Effect	There are no sandy/gravelly hillside prairies in the project area. Therefore no impact to this species is anticipated.
Glomerate Sedge	<i>Carex aggregata</i>	Special Concern	Floodplain forests, woodland openings, wooded slopes and ravines, moist meadows in wooded areas, and edges of streams in partially shaded areas.	No Effect	There are no floodplain forests, woodland openings, or wooded slopes and ravines in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Hidden Sedge	<i>Carex umbellata</i>	Special Concern	Dry sand prairies, sandy or rocky upland savannas, thinly wooded slopes and ridges, and sand dunes. Often associated with Black Oak and Jack Pine.	No Effect	There are no dry sand prairies, upland savannas, or wooded slopes and ridges in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Pony Grass	<i>Eragrostis reptans</i>	Special Concern	Grows in wet sand, gravel, and clay soils along rivers and lakes.	No Effect	There are no river and lake shores containing wet sand, gravel, and clay soils in the project area. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Small White Lady's Slipper	<i>Cypripedium candidum</i>	Special Concern	Wet prairies, certain types of sedge meadows, and calcareous fens (in the south) can also support this species. It does not occur in habitats with a history of livestock grazing or crop production. The soils are primarily calcareous till or lacustrine clays, or occasionally fibric, sedge-derived peat. It prefers full sunlight and can also be found in limestone barrens, on forest edges or along railroad tracks.	No Effect	There are no wet prairies, sedge meadows, or calcareous fens in the project area to support this species. The area is known for large areas of crop production. Therefore no impact to this species is anticipated. Special concern species are not protected under the Iowa Threatened and Endangered Species Law.
Marginal Shield Fern	<i>Dryopteris marginalis</i>	Threatened	Found in rocky woodlands and wooded slopes, sandstone ravines, and in areas where sandstone is exposed.	No Effect	The project area does not contain rocky woodlands or areas of exposed sandstone. Therefore no impact is anticipated.
Oak Fern	<i>Gymnocarpium dryopteris</i>	Threatened	Found along stream banks and in cool, mossy or rocky wooded areas.	No Effect	There are no wooded areas with small streams in the project area. Therefore no impact to this species is anticipated.
Blanding's Turtle	<i>Emydoidea blandingii</i>	Threatened	Wetland complexes and adjacent sandy uplands are necessary to support viable populations of Blanding's turtles. Calm, shallow waters, including wetlands associated with rivers and streams, with rich, aquatic vegetation (including emergent sedge habitats and shrub hummocks) are especially preferred.	No Effect	There is one wetland located in the project area, but there are no sandy uplands or calm shallow wetlands associated with rivers and streams in the vicinity to support the blanding's turtle. Therefore no impact to this species is anticipated.
Reviewer: Peer Review:	Wyatt Mack		Date:	2/19/2020	
	Brian Burgner		Date:	2/20/2020	



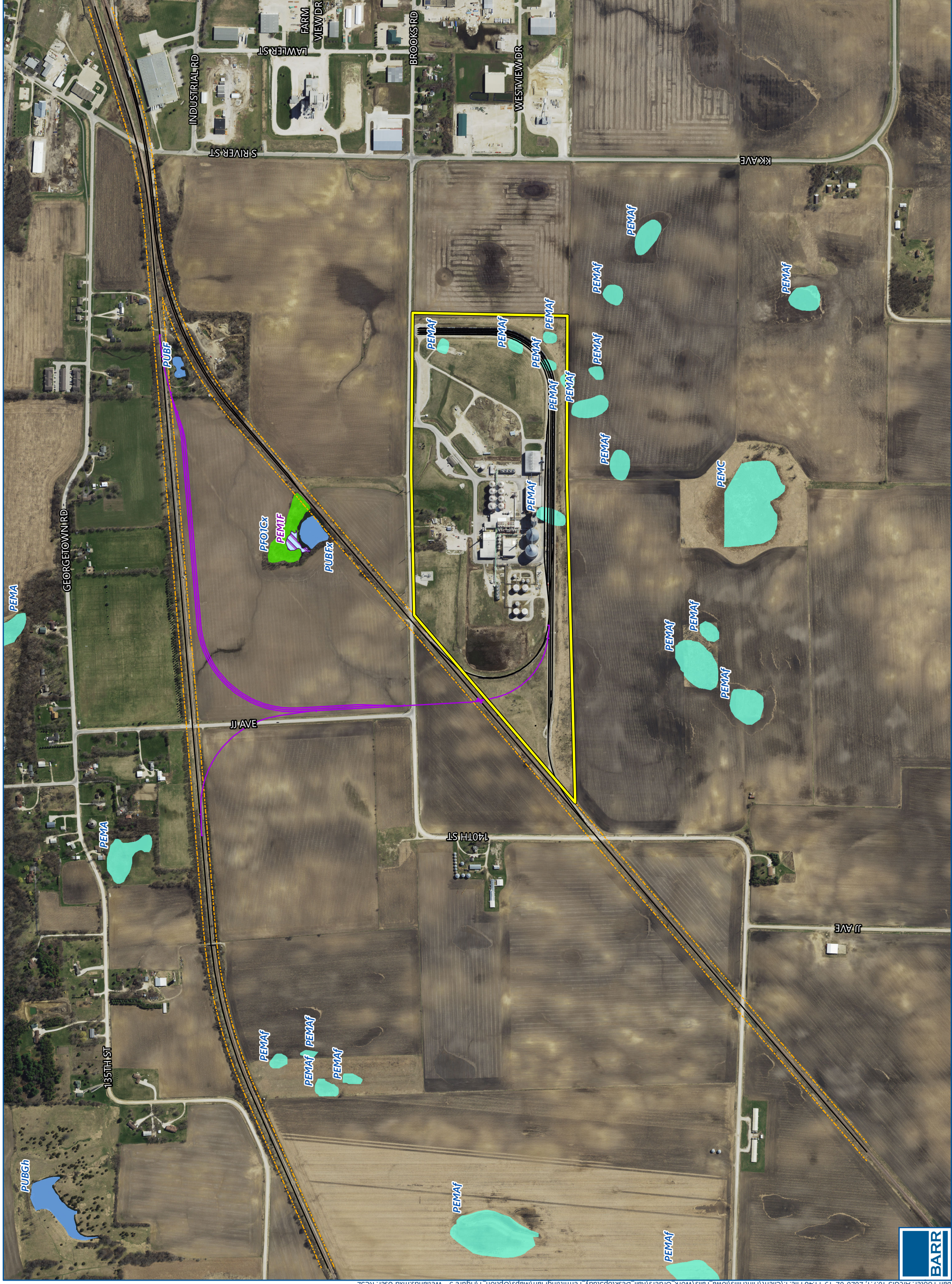
Option 1 Track

- Proposed Track
- Existing Rail Lines
- ROW

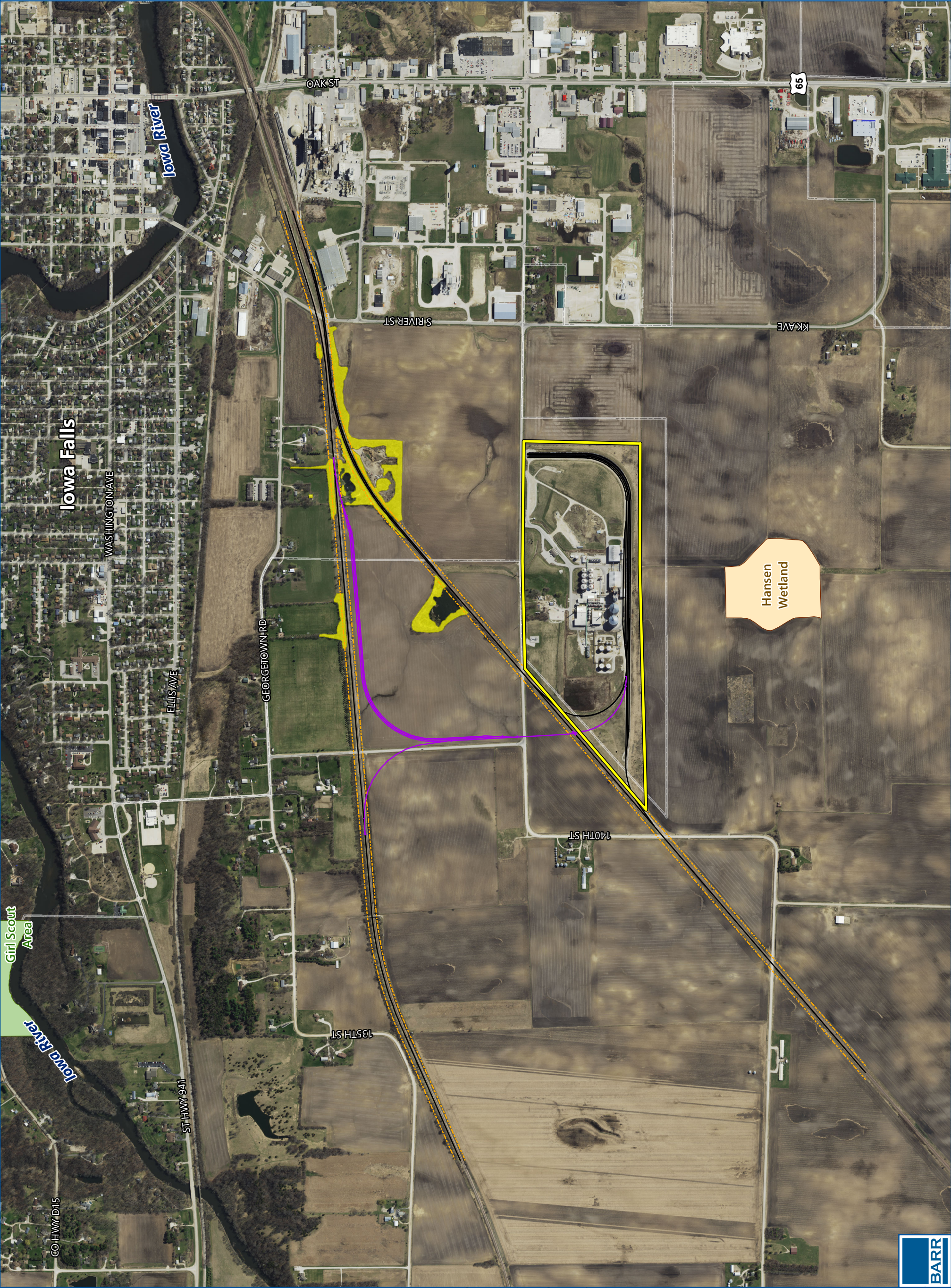
FEMA Flood Zones

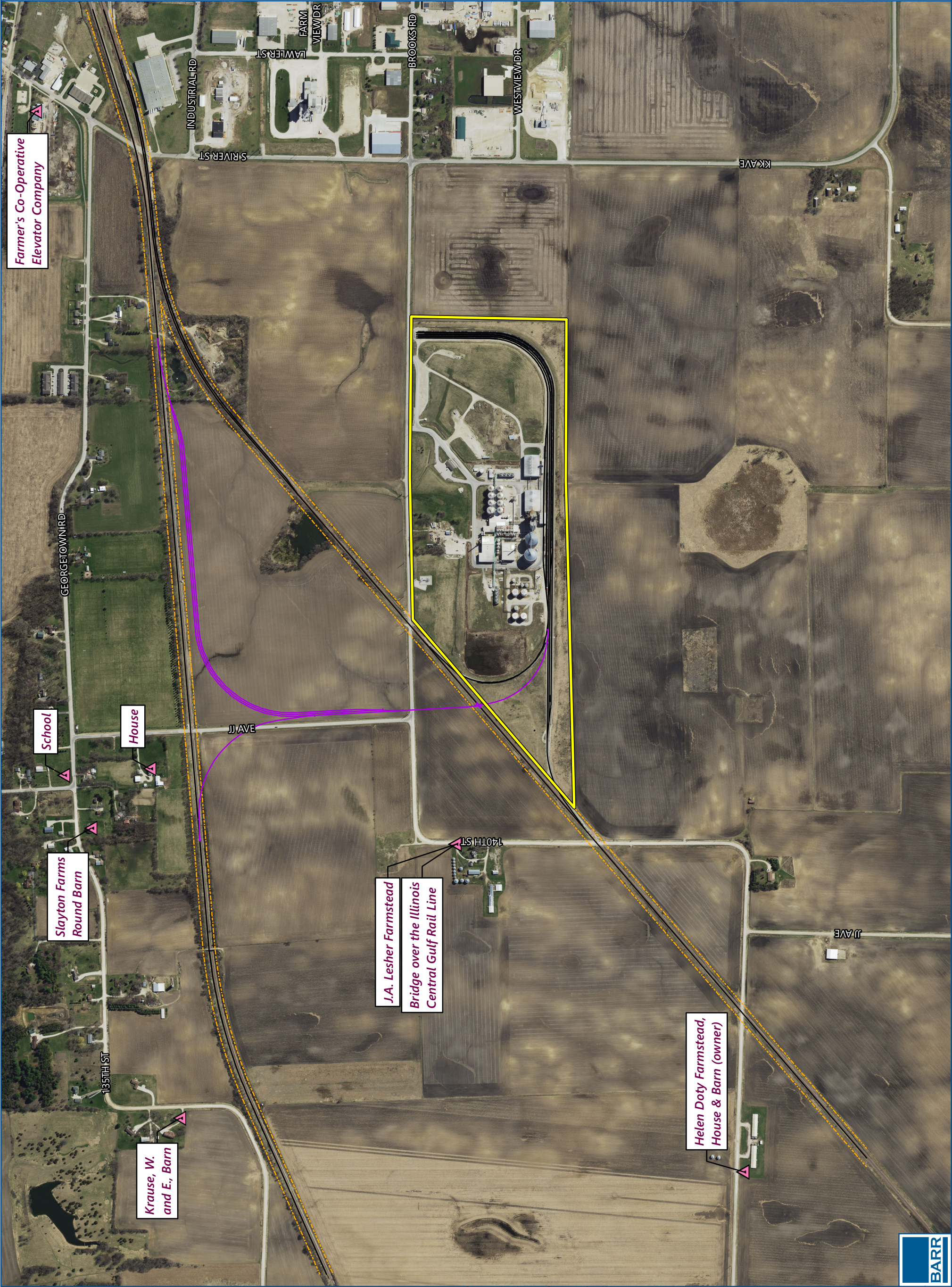
- 100-year Flood Zone
- 0.2% Annual Chance
- Approximate Site Boundary

FLOODPLAINS
Rail Expansion Option #1
FHR Iowa Falls
Iowa Falls, IA
FIGURE 1



WETLANDS
Rail Expansion Option #1
FHR Iowa Falls
Iowa Falls, IA
FIGURE 2

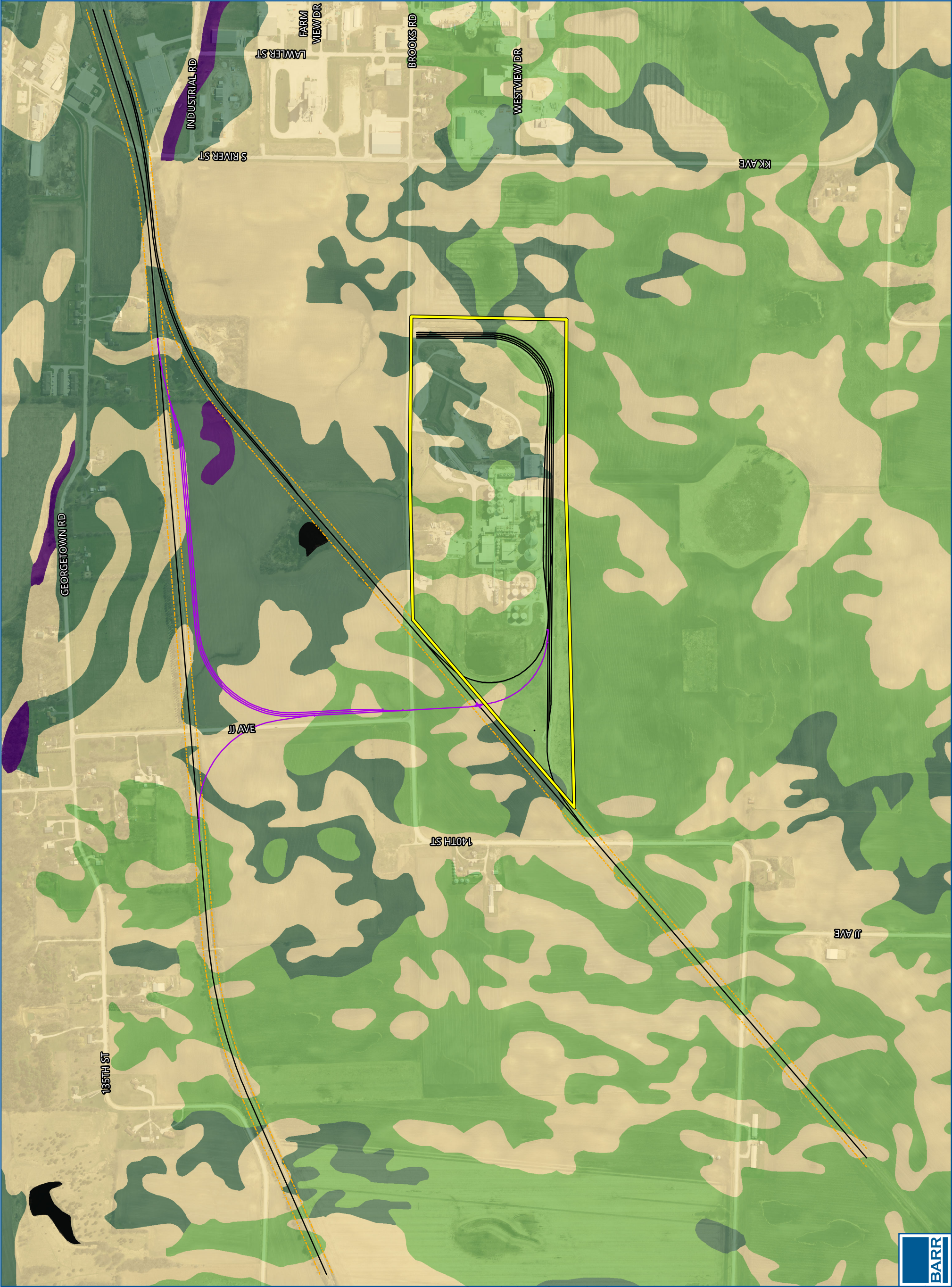


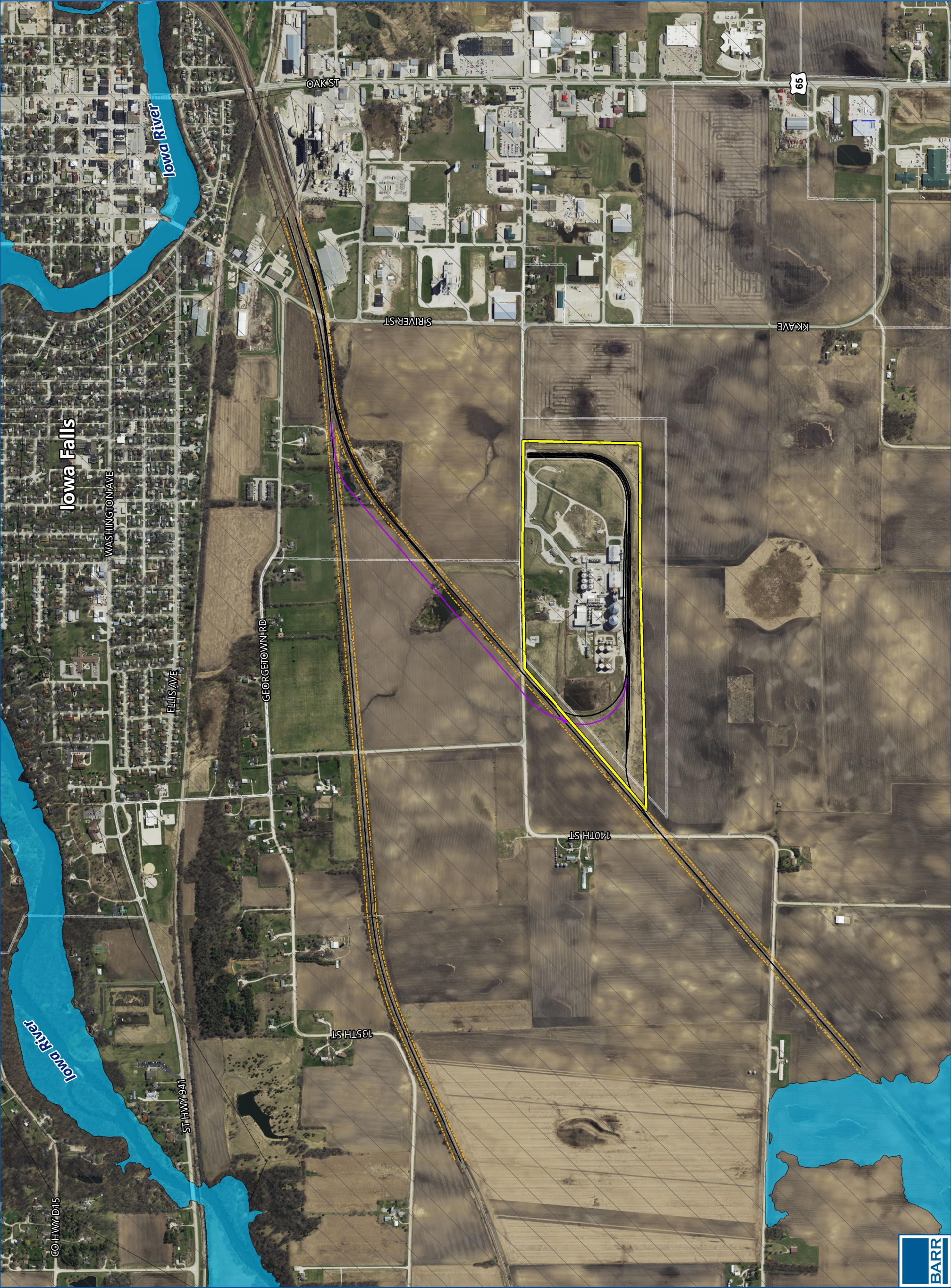


Data Source:
State Historic Preservation Office, DCA,
State of Iowa.
Standing Structure Inventory.
5/10/2016.

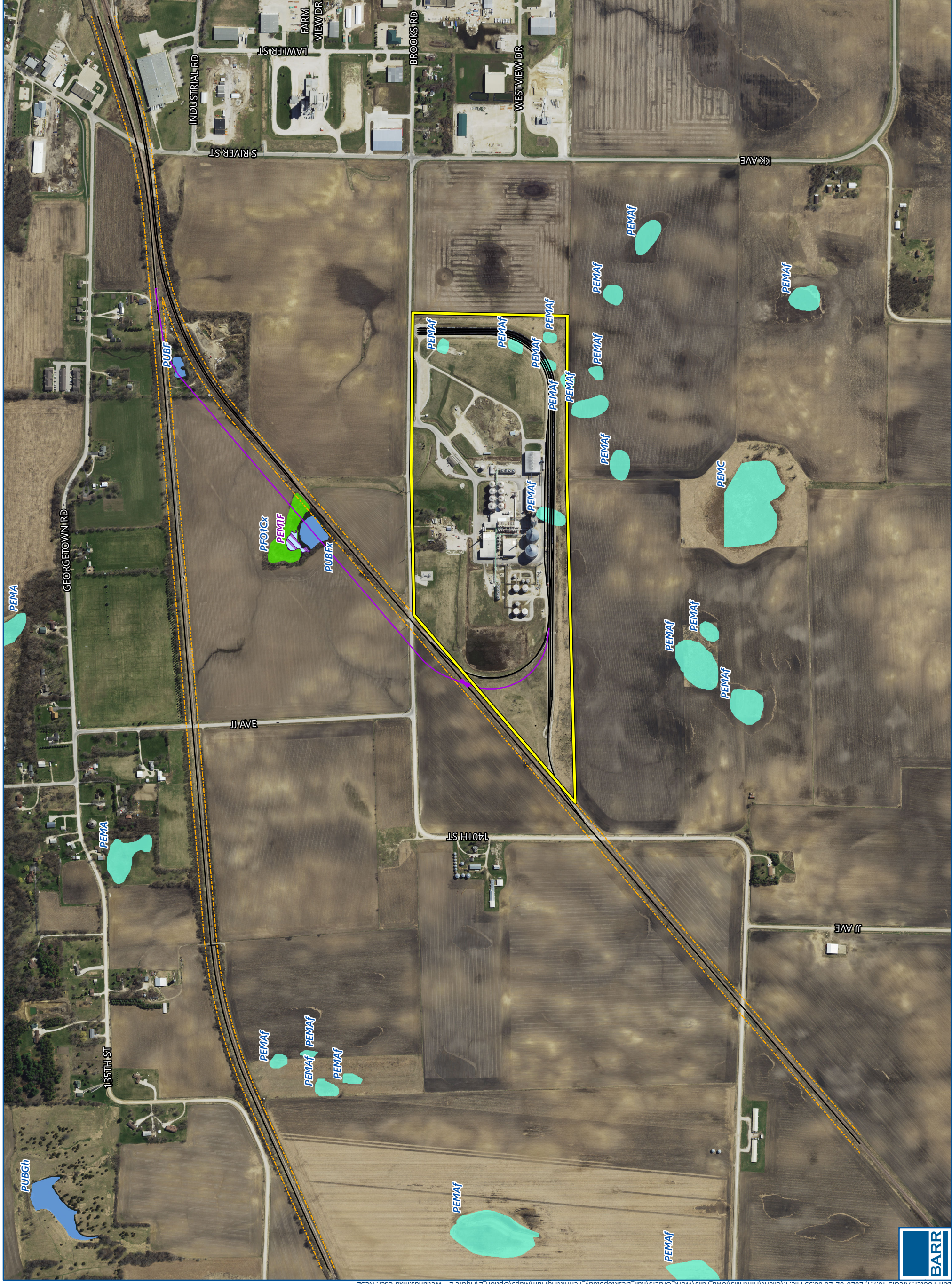
- Historic Location or Structure
- Option 1 Track**
- Proposed Track
- Existing Rail Lines
- ROW
- Approximate Site Boundary

KNOWN CULTURAL RESOURCES
Rail Expansion Option #1
FHR Iowa Falls
Iowa Falls, IA
FIGURE 4

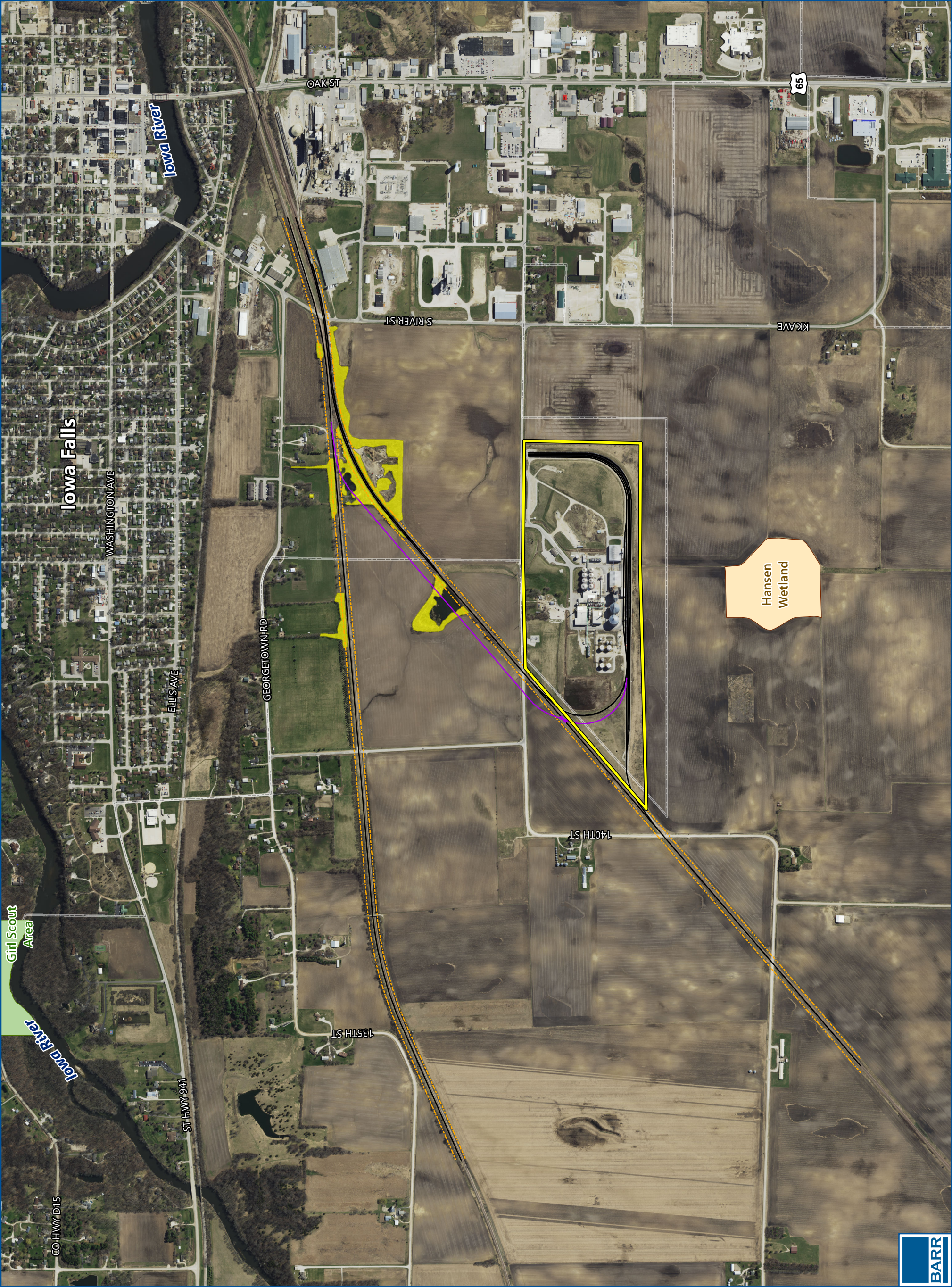




FLOODPLAINS
Rail Expansion Option #2
FHR Iowa Falls
Iowa Falls, IA
FIGURE 1



WETLANDS
Rail Expansion Option #2
FHR Iowa Falls
Iowa Falls, IA
FIGURE 2





Data Source:
State Historic Preservation Office, DCA,
State of Iowa.
Standing Structure Inventory.
5/10/2016.

- Historic Location
or Structure
- Option 2 Track**
- Proposed Track
- Existing Rail Lines
- ROW
- Approximate Site
Boundary

KNOWN CULTURAL
RESOURCES
Rail Expansion Option #2
FHR Iowa Falls
Iowa Falls, IA
FIGURE 4

