

DRAFT ENVIRONMENTAL ASSESSMENT

DOCKET NO. FD 36847

Laredo Gateway Industrial Railway, LLC – Construction and Operation of a Line of
Railroad in Webb County, Texas



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Summary

S.1 Introduction

S.1.1 Proceeding Background

On December 12, 2025, Laredo Gateway Industrial Railway, LLC (LGIR) filed a petition in Docket No. FD 36847 seeking authorization from the Surface Transportation Board (Board) for an exemption under 49 U.S.C. § 10502 to construct and operate approximately 2.6 miles (13,707 feet) of common carrier rail line in Webb County, Texas. The proposed line would connect to the existing Union Pacific Railroad Company (UP) mainline via a switch at its eastern end and would be stub-ended at its northern end. The proposed line would serve a new industrial park under development, known as the Gateway Industrial Park.

Under the National Environmental Policy Act (NEPA) (42 U.S.C. §§ 4321-4370m-11), the Board is required to analyze the potential environmental impacts of the proposed rail construction and operation to inform the decisionmaker, federal, state, and local agencies, as well as elected officials, Tribes, affected communities, and the general public. The Board's Office of Environmental Analysis (OEA) conducted the analysis and prepared this Draft Environmental Assessment (Draft EA). The Draft EA analyzes one alternative in addition to the No-Action Alternative, examines the affected environment and the potential impacts of the alternatives, and preliminarily recommends mitigation measures to eliminate or lessen anticipated impacts.

S.1.2 Purpose and Need

The Board's action is its decision whether to authorize, with appropriate conditions, or to deny LGIR's request for authority to construct and operate the proposed line. Construction and operation of the proposed line is not a project proposed or sponsored by the federal government. Thus, the Purpose and Need for the proposed line should be informed by both LGIR's goals and the Board's enabling statute, the Interstate Commerce Act, as amended by the ICC Termination Act of 1995. Pub. L. No. 104-188, 109 Stat. 803.

According to LGIR, Laredo, which has the largest freight volume of the U.S./Mexico ports of entry, has experienced a decline in rail-served facilities over the years, from 52 to 15 currently, with only one facility dedicated to rail/truck transloading remaining. LGIR proposes to provide a rail alternative at the Gateway Industrial Park so that commodities may be transloaded between truck and rail and then interchanged with UP to serve shippers utilizing the port-of-entry at Laredo. LGIR has indicated that construction and operation of the proposed line would help fill a gap in the marketplace by enabling the transloading of commodities from trucks to rail at the Gateway Industrial Park.

S.1.3 Proposed Action

LGIR would construct approximately 2.6 miles (13,707 feet) of new common carrier rail line in Webb County, Texas and would grant Iron Horse Resources, Inc. (IHR) rights to be the common carrier operator of the proposed line and provide related rail services. The proposed line would terminate within the Gateway Industrial Park (stub end) on the northwest end of the line. The proposed line would be supported by sidings that would connect customers to the proposed line. The construction and operation of siding tracks do not require prior approval from the Board; however, OEA has determined that it is appropriate to consider them when analyzing the environmental impacts of the proposed line because the tracks are an integral part of the Proposed Action and OEA has sufficient information to assess the environmental effects.

S.1.4 No-Action Alternative

Under the No-Action Alternative, the Board would deny LGIR authority to construct and operate the proposed line. The proposed line would not be constructed. LGIR has stated that it would develop the project area with additional warehouses that would be served by truck.

S.2 Environmental Review Process

S.2.1 Tribal Consultation

OEA identified five federally recognized Tribes that may have current or historic interests in the area of the proposed line: Apache Tribe of Oklahoma; Comanche Nation, Oklahoma; Mescalero Apache Tribe of Mescalero Reservation, New Mexico; Tonkawa Tribe of Indians of Oklahoma; and Wichita and Affiliated Tribes (Wichita, Keechi, Waco, and Tawakonie), Oklahoma. The Tonkawa Tribe of Indians of Oklahoma indicated that it did not have any designated historical or cultural sites identified within the project area and requested notification of inadvertent discoveries. OEA received no responses from the other Tribes expressing an interest in participating in the NEPA or Section 106 historic review processes for the proposed line.

S.2.2 Agency Consultation

In May 2025, OEA sent preliminary consultation letters to relevant agencies to provide background information on the proposed line and to request comments on environmental resources that may be affected by the rail construction and operation. OEA received five responses from agencies during this period. There were no requests to be a cooperating agency. OEA continued to consult with federal, state, and local agencies, as appropriate, during the preparation of the Draft EA (see **Appendix A**).

S.2.3 Draft EA

The Board is the lead agency for this environmental review. OEA is responsible for conducting the environmental and historic review processes, independently analyzing

environmental and historic data, and making recommendations to the Board. OEA is issuing this Draft EA for public review and comment for 30 days, and comments are due by May 11, 2026. OEA will consider all timely comments received on this Draft EA and will respond to substantive comments in the Final EA, which will include OEA's final recommended environmental mitigation.

S.2.4 Final EA

As noted above, the Final EA will respond to substantive comments on the Draft EA and will also set forth OEA's final recommended environmental mitigation measures. The Board will consider the entire record, including the Draft EA, the Final EA, all comments received, OEA's recommended mitigation, and the transportation merits in making its final decision on whether to authorize the proposed line.

S.3 Summary of Major Conclusions in the EA

OEA reviewed the potential environmental and historic impacts that could result from construction and operation of the proposed line. OEA's findings were based on consultation with federal, state, and local agencies; input from LGIR and the public; and OEA's own independent analyses. OEA is preliminarily recommending mitigation for the following resource areas: biological resources and cultural resources. OEA is not recommending mitigation for other resource areas because impacts would be beneficial; they would be minor and can be minimized through compliance with applicable laws and regulations.

S.3.1 Water Resources

OEA has determined that construction of the proposed line would not result in impacts to surface waters and wetlands. Construction of the proposed line could result in short-term, localized and downstream water quality impacts due to ground disturbance. However, LGIR would have to comply with Texas Pollutant Discharge Elimination System permit requirements administered by the state of Texas, which would minimize any potential impacts. Mapping showed the proposed line would be constructed within the Federal Emergency Management Agency (FEMA)-mapped 100-year floodplain, however, OEA determined in the field that there are no streams, surface waters, or other potential areas subject to flooding at the project site. Therefore OEA does not expect impacts to floodplains. There is no practicable alternative to construction in the floodplain because LGIR would not be able to design the proposed line to serve the Gateway Industrial Park without crossing the FEMA-mapped floodplains. However, LGIR would design the proposed line in compliance with regulations governing construction in the floodplain (in accordance with the Webb County Flood Damage Prevention Order, if applicable), resulting in minimal to no impacts.

S.3.2 Biological Resources

OEA has determined that construction and operation of the proposed line would have negligible to minor impacts on plant communities and wildlife habitat. OEA has determined that the proposed line is *not likely to jeopardize* the proposed federally

threatened monarch butterfly and the United States Fish and Wildlife Service (USFWS) has agreed with this determination.

The proposed line may impact some state-listed species, including the Texas tortoise and Texas horned lizard. However, the land in the study area is cleared and degraded and therefore contains limited quality habitat for these species. Therefore, the proposed line could impact these species if they incidentally pass through the study area.

Additionally, construction of the proposed line may impact five species of migratory birds while operation of the proposed line would result in no impacts to migratory birds. To ensure compliance with the Migratory Bird Treaty Act, OEA is preliminarily recommending mitigation requiring LGIR to clear vegetation in preparation for construction of the proposed line before or after the breeding bird nesting season to avoid inadvertent removal of active nests (i.e., nesting adults, young, or eggs); or, if clearing is required during the nesting season, requiring LGIR to consult with USFWS on appropriate nest survey methods prior to any clearing or construction activities (**MM-Biological-01**).

S.3.3 Cultural Resources

OEA has determined that there are no properties listed or eligible for listing on the National Register of Historic Places (National Register) within the area of potential effects (APE). OEA identified one newly recorded archaeological site within the APE during surveys. However, the site itself lacks integrity and the portion of the site within the APE does not contribute to the site's overall National Register eligibility. Because no historic properties are located within the APE, OEA determined that no historic properties would be affected as a result of the Proposed Action. The SHPO concurred with OEA's determination. In response to a request by the Tonkawa Tribe of Oklahoma, OEA is recommending that the Board impose mitigation requiring LGIR to comply with the Unanticipated Discoveries Statement included in the Phase 1 Cultural Resources Survey Report (see **Appendix F**), which includes a plan for the unanticipated discovery of archaeological sites, associated artifacts, and/or human remains during construction activities (**MM-Cultural-01**).

S.3.4 Land Use

OEA has determined that the Proposed Action would result in the conversion of land currently used for ranching to industrial use but would not result in loss of prime agricultural land. The Proposed Action would not result in zoning impacts or property severance or constraint.

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Acronyms

APE	Area of potential effects
BFE	Base flood elevation
BGEPA	Bald and Golden Eagle Protection Act
C.F.R.	Code of Federal Regulations
CWA	Clean Water Act
EDR	Environmental Data Resources, Inc.
EA	Environmental Assessment
EIS	Environmental Impact Statement
EO	Executive Order
EPA	U.S. Environmental Protection Agency
ESA	Endangered Species Act
FE	Federally Endangered
FEMA	Federal Emergency Management Agency
GIS	Geographic Information Systems
I	Interstate
IHR	Iron Horse Resources, Inc.
IPaC	Information for Planning and Consultation
LGIR	Laredo Gateway Industrial Railway, LLC
MBTA	Migratory Bird Treaty Act
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NPDES	National Pollutant Discharge Elimination System
NRCS	Natural Resources Conservation Service
OEA	Office of Environmental Analysis
OHWM	Ordinary high-water mark
SH	State Highway
SHPO	State Historic Preservation Office
TCEQ	Texas Commission on Environmental Quality
TE	Texas Endangered
THPO	Tribal Historic Preservation Office

TPDES	Texas Pollutant Discharge Elimination System
TT	Texas Threatened
USACE	U.S. Army Corps of Engineers
U.S.C	U.S. Code
USFWS	U.S. Fish and Wildlife Service
USGS	U.S. Geological Survey
UP	Union Pacific Railroad Company

Chapter 1

Purpose and Need

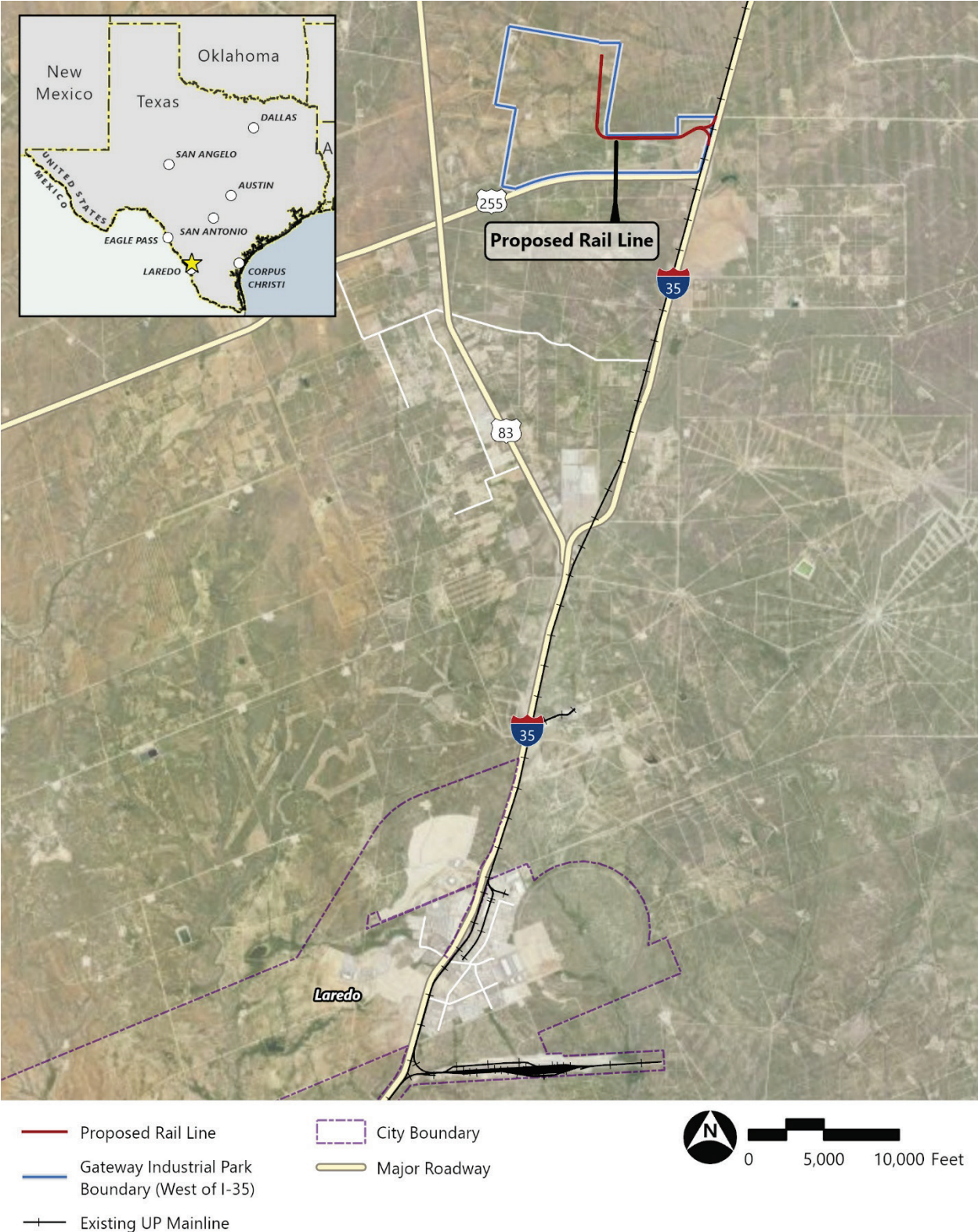
1.1 Introduction

On December 12, 2025, Laredo Gateway Industrial Railway, LLC (LGIR) filed a petition in Docket No. FD 36847 seeking authorization from the Surface Transportation Board (Board) for an exemption under 49 U.S.C. § 10502 to construct and operate approximately 2.6 miles (13,707 feet) of common carrier rail line in Webb County, Texas. The proposed line would connect to the existing Union Pacific Railroad Company (UP) mainline via a switch at its eastern end and would be stub-ended at its northern end. The proposed line would serve a new industrial park under development, known as the Gateway Industrial Park.

LGIR is a Limited Liability Company established in 2025 by its parent company, Kraus Development (Kraus), to develop the proposed line. Kraus is in the process of developing the Gateway Industrial Park on 3,300 acres of land approximately 15 miles north of the city of Laredo, Texas, with the intent of leveraging the property's location near the United States border with Mexico to serve the needs of cross-border logistics. The development project is located on both sides of Interstate 35 (I-35) near its intersection with State Highway 255 (SH 255). Kraus intends for the Gateway Industrial Park to accommodate warehousing that will serve the logistics industry by attracting commodities by truck, as well as by rail if the proposed line is authorized. If authorized, the proposed line would serve part of the Gateway Industrial Park that is located to the west of I-35 (see **Figure 1.1-1**) and allow for rail/truck transloading at this location.¹ LGIR has entered into an agreement with Iron Horse Resources, Inc. (IHR) to be the common carrier operator of the proposed line. On average, one train per day, 5 days per week, would use the proposed line. Commodities that would be transported and transloaded could include agricultural products, bulk commodities (e.g., aggregates), automotive components and finished vehicles, plastics, and refined fuels (July 25, 2025, and August 8, 2025, letters from LGIR to the Office of Environmental Analysis (OEA)).

¹ Kraus is currently developing the part of the Gateway Industrial Park located east of I-35 as a truck-only warehouse complex.

Figure 1.1-1. Location Map



Source: ArcGIS, NAIP, FRA, TxDOT

1.2 Purpose and Need

Construction and operation of the proposed line is not a federal government-proposed or sponsored project. The proposed federal action is the Board's decision to approve with appropriate conditions, or deny, LGIR's request for authority to construct the approximately 2.6 miles of common carrier rail line, which IHR would operate. The Purpose and Need for the proposed line is informed by both LGIR's goals and the Board's enabling statute—the Interstate Commerce Act, as amended by the ICC Termination Act of 1995. Pub. L. No. 104-188, 109 Stat. 803. —which encourages the construction and operation of new rail lines to meet the nation's transportation needs, as explained in the next section.

According to LGIR, Laredo, which has the largest freight volume of the U.S./Mexico ports of entry, has experienced a decline in rail-served facilities over the years, from 52 to 15 currently, with only one facility dedicated to rail/truck transloading remaining. LGIR proposes to provide a rail alternative at the Gateway Industrial Park so that commodities may be transloaded between truck and rail and then interchanged with UP to serve shippers utilizing the port-of-entry at Laredo. LGIR has indicated that construction and operation of the proposed line would help fill a gap in the marketplace by enabling the transloading of commodities from truck to rail at the Gateway Industrial Park.

1.3 Role of the Board

The Board is a nonpartisan, federal regulatory agency composed of five presidentially appointed Members confirmed by the Senate. The Board has jurisdiction over certain rail transportation matters, including the construction and operation of new rail lines; railroad acquisitions, mergers, consolidations, and line sales; and proposals to abandon rail service. Construction and operation of new rail lines require prior authorization by the Board either through a certificate under 49 U.S.C. § 10901, or an exemption from the formal application requirements of § 10901 under § 10502. Here, LGIR is seeking an exemption. Section 10502 requires the Board to exempt the proposed construction and operation of a new rail line from the requirements of § 10901 if it finds that regulation of the project: 1) is not necessary to carry out the rail transportation policy of 49 U.S.C. § 10101; and 2) either: a) the transaction or service is of limited scope, or b) the application of a subdivision of subtitle IV of the Interstate Commerce Act as amended by the ICC Termination Act is not needed to protect shippers from the abuse of market power.

The Board is reviewing LGIR's request for authority to construct and operate the proposed line through two parallel but distinct processes: (1) the transportation merits-related process, and (2) the environmental review process as set forth in this Draft EA.

1.4 NEPA Process

The Board is required to examine the potential environmental impacts of actions subject to its licensing authority under the National Environmental Policy Act (NEPA) (42

U.S.C. §§ 4321-4370m-11), the National Historic Preservation Act (NHPA) (54 U.S.C. § 306108), the Endangered Species Act (ESA) (16 U.S.C. § 1536) and other related environmental laws. OEA is responsible for ensuring the Board's compliance with these statutes.

The environmental review process assists the Board and the public in identifying and assessing the potential environmental consequences of a proposed action before making a decision on that proposal. In conducting its environmental review, OEA complies with NEPA's statutory requirements; the Board's environmental regulations (49 C.F.R. Part 1105); and related environmental laws and regulations, as applicable.

1.4.1 Determination to Prepare an Environmental Assessment

Based on information provided by LGIR and comments from federal, state, and local agencies and Tribes received during the preliminary consultation process conducted in May 2025, OEA determined that the preparation of an Environmental Assessment (EA), instead of an Environmental Impact Statement (EIS), is appropriate in this case (49 C.F.R. § 1105.6(d)).² On July 10, 2025, OEA granted LGIR's request for a waiver of the requirements of 49 C.F.R. § 1105.6(a), which normally provides for the preparation of an EIS for rail line construction proposals, for the following reasons:

- Preliminary agency and Tribal consultation yielded minimal concerns from agencies and Tribes regarding the proposed line.
- OEA visited the project area on May 19 and 20, 2025, to understand the existing conditions. The proposed line would be located within an undeveloped area with no adjacent commercial or residential development. Therefore, it is unlikely to adversely affect sensitive noise or vibration receptors.
- Because the area is principally used for cattle grazing, the potential for adverse impacts to federally listed species is low. The federally listed ashy dogweed (*Thymophylla tephroleuca*) was not observed during the site visit.
- The proposed line would only extend approximately 2.6 miles and would not involve the addition of any new roadway/rail at-grade crossings. Therefore, it would be unlikely to result in any impacts related to vehicular or pedestrian safety and delay.
- Due to the small volume of expected rail traffic on the proposed line, the potential for impacts related to air quality and safety during rail operations is expected to be low.

² While the Board's regulations under 49 C.F.R. § 1105.6(a) state that EISs will normally be prepared for rail construction projects, under 49 C.F.R. § 1105.6(d), the Board may reclassify or modify these requirements for individual proceedings. For rail construction, an applicant may seek and receive a waiver from the normal practice of preparing an EIS by demonstrating that the proposal is not likely to have a significant environmental impact. 49 C.F.R. § 1105.6(d).

1.4.2 Agency and Tribal Consultation and Outreach

In May 2025, OEA conducted preliminary consultation with relevant federal, state, and local agencies, and Tribes with jurisdiction or interest in potentially affected resources associated with the proposed line (see **Appendix A**). OEA sent letters to 37 agencies, Tribes, and elected officials, providing background information and requesting comments on environmental resources that may be affected by construction and operation of the proposed line. OEA provided a 30-day period for responses. OEA received five responses from agencies and none from Tribes during this period. There were no requests to be a cooperating agency. See **Appendix A** for additional information on outreach.

In addition to conducting an environmental review of the proposed line under NEPA, OEA has assessed the potential effects of the proposed line on federally protected species in accordance with Section 7 of the ESA (16 U.S.C. § 1536). OEA consulted with the U.S. Fish and Wildlife Service (USFWS) under Section 7 for the federally endangered ashy dogweed (*Thymophylla tephroleuca*) and the proposed threatened monarch butterfly (*Danaus plexippus*). OEA met with the USFWS on January 22, 2026 and February 26, 2026 to review the protected species survey and results and impacts of the proposed line; during these calls USFWS agreed with OEA's determination for each species and indicated that no further consultation was required. More information on ESA listed species is available in *Chapter 3, Section 3.2, Biological Resources*.

In addition to conducting an environmental review of the construction and operation of the proposed line under NEPA, OEA assessed the potential effects of the proposed line on historic properties listed or eligible for listing in the National Register of Historic Places (National Register), as required by Section 106 of the NHPA (Section 106). OEA met with the Texas Historical Commission (SHPO) on September 2, 2025 and submitted a Phase 1 Cultural Resources Survey (Phase 1 Survey) for review on January 20, 2026. OEA also sent consulting party invitations for the Section 106 process to eight potential entities on January 20, 2026, and one party accepted. On March 6, 2026, OEA met with the SHPO and then resubmitted a revised Phase 1 Survey on March 11, 2026 (Lyons and Yates 2026). The SHPO responded on March 11, 2026 and concurred with OEA's determination that no historic properties would be affected. See **Appendix A** for more information on the Section 106 process.

OEA also consulted with federally recognized Tribes, consistent with Section 106 and Executive Order (EO) 13175, "Consultation and Coordination with Indian Tribal Governments." EO 13175 requires that federal agencies conduct government-to-government consultation with federally recognized Indian Tribes in the development of federal policies (including regulations, legislative comments or proposed legislation, and other policy statements or actions) that have Tribal implications. Through government-to-government consultation, Tribes can voice potential concerns about significant resources that may not otherwise be raised during the Section 106 process.

OEA contacted five federally recognized Tribes on May 23, 2025, listed in the U.S. Department of Housing and Urban Development Tribal Directory Assessment Tool as potentially having interests in Webb County (HUD 2025)):

- Apache Tribe of Oklahoma;

- Comanche Nation, Oklahoma;
- Mescalero Apache Tribe of Mescalero Reservation, New Mexico;
- Tonkawa Tribe of Indians of Oklahoma; and
- Wichita and Affiliated Tribes (Wichita, Keechi, Waco, and Tawakonie), Oklahoma.

OEA followed up with the Tribes on September 17, 2025 to request responses to the previously distributed preliminary consultation letter. OEA also contacted the Tribal Historic Preservation Office (THPO) for each of the Tribes listed above on January 20, 2026. The Tonkawa Tribe of Indians of Oklahoma indicated that they did not have any designated historical or cultural sites identified within the project area and requested notification of inadvertent discoveries. OEA received no responses from the other Tribes expressing an interest in participating in the NEPA or Section 106 processes for the proposed line.

1.5 Requests for Comments and Next Steps

OEA is providing a 30-day comment period for the Draft EA, with comments due on or before May 11, 2026. OEA encourages interested agencies, Tribes, individuals, and other stakeholders to submit detailed and substantive comments on this Draft EA during the 30-day comment period. OEA also encourages interested parties to file their written comments electronically through the Board’s website (www.stb.gov) by clicking on the “File an Environmental Comment” link (in the lower right corner of the home page). Please refer to Docket No. FD 36847 in all correspondence, including e-filings, addressed to the Board. Printed copies of the Draft EA are available for review at the local libraries identified in **Table 1.5-1** below.

Table 1.2-1. Draft EA Hard Copy Locations

Library	Location and Contact Information	Hours of Operation
Joe A. Guerra Laredo Public Library https://www.laredolibrary.org/	1120 E Calton Rd, Laredo, TX 78041 (956) 795-2400	Monday: 9:00 a.m. to 6:00 p.m.; Tuesday through Thursday: 9:00 a.m. to 8:00 p.m.; Friday through Saturday: 9:00 a.m. to 6:00 p.m.; Sunday: 1:00 p.m. to 5:00 p.m.
Barbara Fasken Branch Library https://www.laredolibrary.org/locations/barbara-fasken-branch-library/	15201 Cerralvo Dr, Laredo, TX 78045 (956) 795-2400 ext. 2571	Monday through Friday: 10:00 a.m. to 7:00 p.m.; Saturday: 10:00 am to 2:00 pm; Sunday: Closed

Comments may also be mailed to:

Andrea Poole
Surface Transportation Board,

Environmental Filing, Docket No. FD 36847
395 E Street SW
Washington, DC 20423.

It is not necessary to mail written comments that have been filed electronically. All comments received will become part of the public record in this proceeding and will be available on the Board's website. All comments must be submitted **on or before May 11, 2026**. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

Following the close of the comment period, OEA will issue a Final EA that will address the substantive comments received on the Draft EA. The Final EA will set forth OEA's final recommended environmental mitigation measures to the Board, if any. The Board will then consider the entire record, including the record on the transportation merits, the Draft EA, the Final EA, all comments received, and OEA's final recommended environmental mitigation measures in making its final decision in this proceeding. The Board's final decision will determine whether to authorize the proposed line, and if so, what, if any, environmental mitigation conditions to impose.

Chapter 2

Proposed Action

This chapter provides a detailed discussion of the proposed action (the Board’s approval of LGIR’s petition for authority to construct and operate the proposed line) and addresses alternatives to the proposed action, including the No-Action Alternative. NEPA requires that agencies evaluate “a reasonable range of alternatives to the proposed agency action, including an analysis of any negative environmental impacts of not implementing the proposed agency action in the case of a No-Action alternative, that are technically and economically feasible, and meet the Purpose and Need of the proposal.” 42 U.S.C. § 4332(C)(iii). Based on the Purpose and Need for the proposed line, information provided by LGIR, and OEA’s independent analysis, OEA has carried forward the Proposed Action and the No-Action Alternative for detailed analysis in this EA.

2.1 Proposed Action

Under the Proposed Action, LGIR would construct approximately 2.6 miles (13,707 feet) of new common carrier railroad line in Webb County, Texas. Following construction, LGIR would grant IHR rights to be the common carrier operator of the proposed line. IHR would provide rail services to include sorting, spotting, and pulling cars between the dedicated interchange tracks and future customer facilities. The proposed line is illustrated in **Figure 2.1-1**. The proposed line would terminate within the Gateway Industrial Park (stub end) on the northwest end of the line. The proposed line would be supported by sidings that would connect customers to the proposed line.

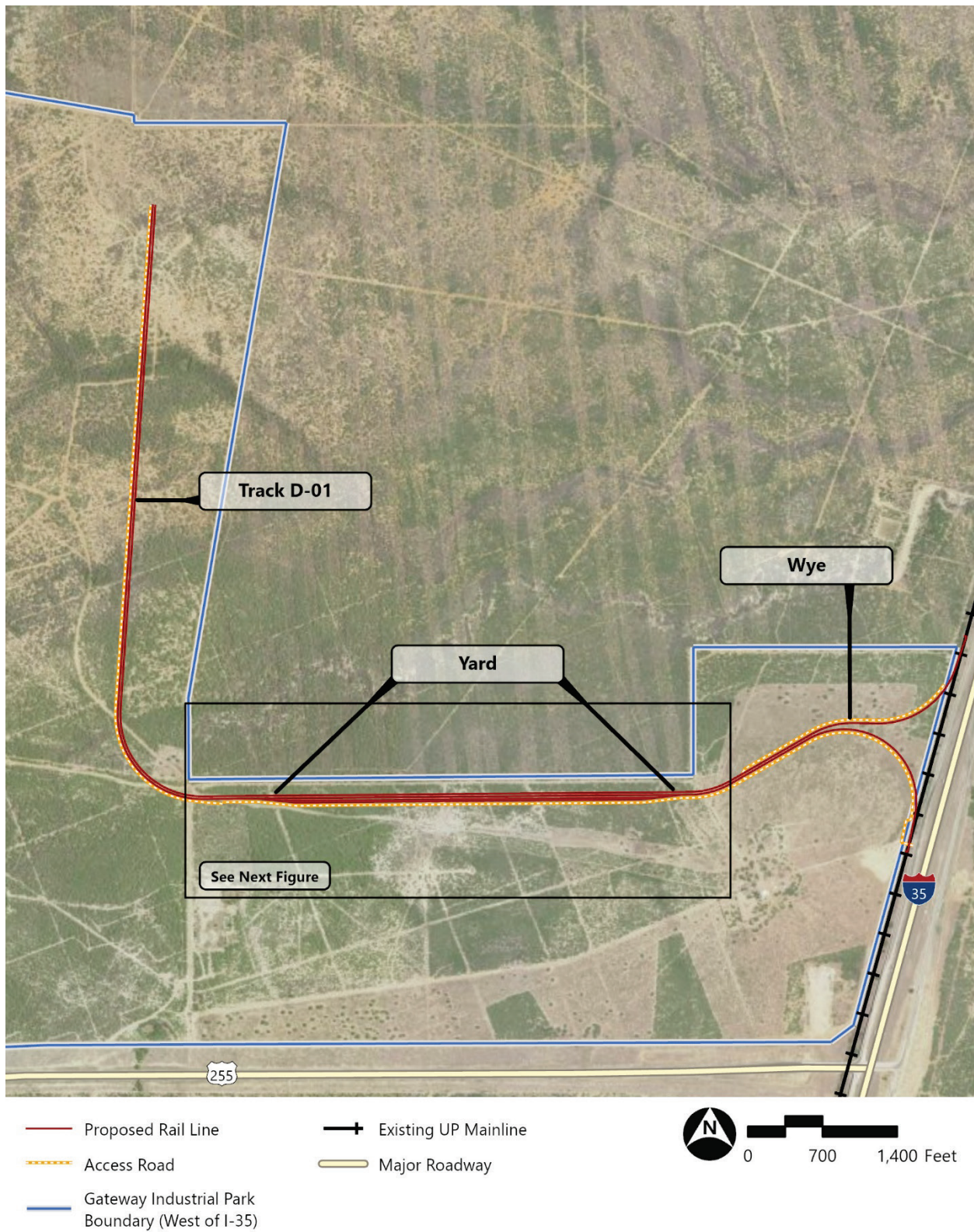
The proposed line (Track D-01) would be accompanied by three siding tracks (Tracks A, B, and C) and a small rail yard (Yard). The proposed line would originate to the east at the existing UP mainline via a wye (triangular junction). The northern portion of the wye is identified as part of Track D-01 and the southern portion of the wye is identified as part of Track A. Starting approximately 0.6 miles from the connection with the UP mainline, the proposed line would widen into the rail yard (Yard) consisting of the three siding tracks (see **Figure 2.1-2**). The three siding tracks, Tracks A, B, and C, would be used to drop off, store, and pick up rail cars.³ The length of the proposed line and siding tracks are presented in **Table 2.1-1**.

³ Under 49 U.S.C. § 10906, Board authorization is not required for construction and operation of spur, industrial, team, switching, or sidetracks. However, OEA has determined that it is appropriate to consider them when analyzing the environmental impacts of the proposed line because the tracks are an integral part of the Proposed Action and OEA has sufficient information to assess their environmental effects.

Table 2.1-1. Length of Proposed Line and Sidings

Component	Length (feet)	Description
Track A	7,060	Siding
Track B	3,313	Siding
Track C	3,591	Siding
Proposed line (Track D-01)	13,707	Common carrier track
Total	27,671	

Figure 2.1-1. Proposed Line (Track D-01)



Source: ArcGIS, NAIP, FRA, TxDOT

Figure 2.1-2. Yard with Siding Tracks



Source: ArcGIS, NAIP, FRA, TxDOT

As parcels of the Gateway Industrial Park are leased and developed, LGIR would construct spurs connecting individual warehouses to the proposed line.⁴

A 12-foot-wide, paved access road would run parallel to the entire length of the proposed line, including both branches of the wye and the south side of the Yard. The access road would cross the proposed line at-grade in two locations.⁵

Including the access road and all tracks, the total width of the project footprint would range from approximately 60 to 135 feet where the widest portions would be at the Yard. The total track to be constructed would be 27,671 feet.

As needed to ensure proper site drainage and stormwater management, box culverts would be installed at regular intervals under the proposed line, with drainage ditches running parallel to both sides of the proposed line. The locations and sizes of the culverts would be determined during project design.

2.1.1 Construction

LGIR anticipates that construction of the proposed line would occur in phases depending on demand and the rate at which the Gateway Industrial Park is developed. This EA evaluates the potential impacts of constructing the proposed line in its entirety.

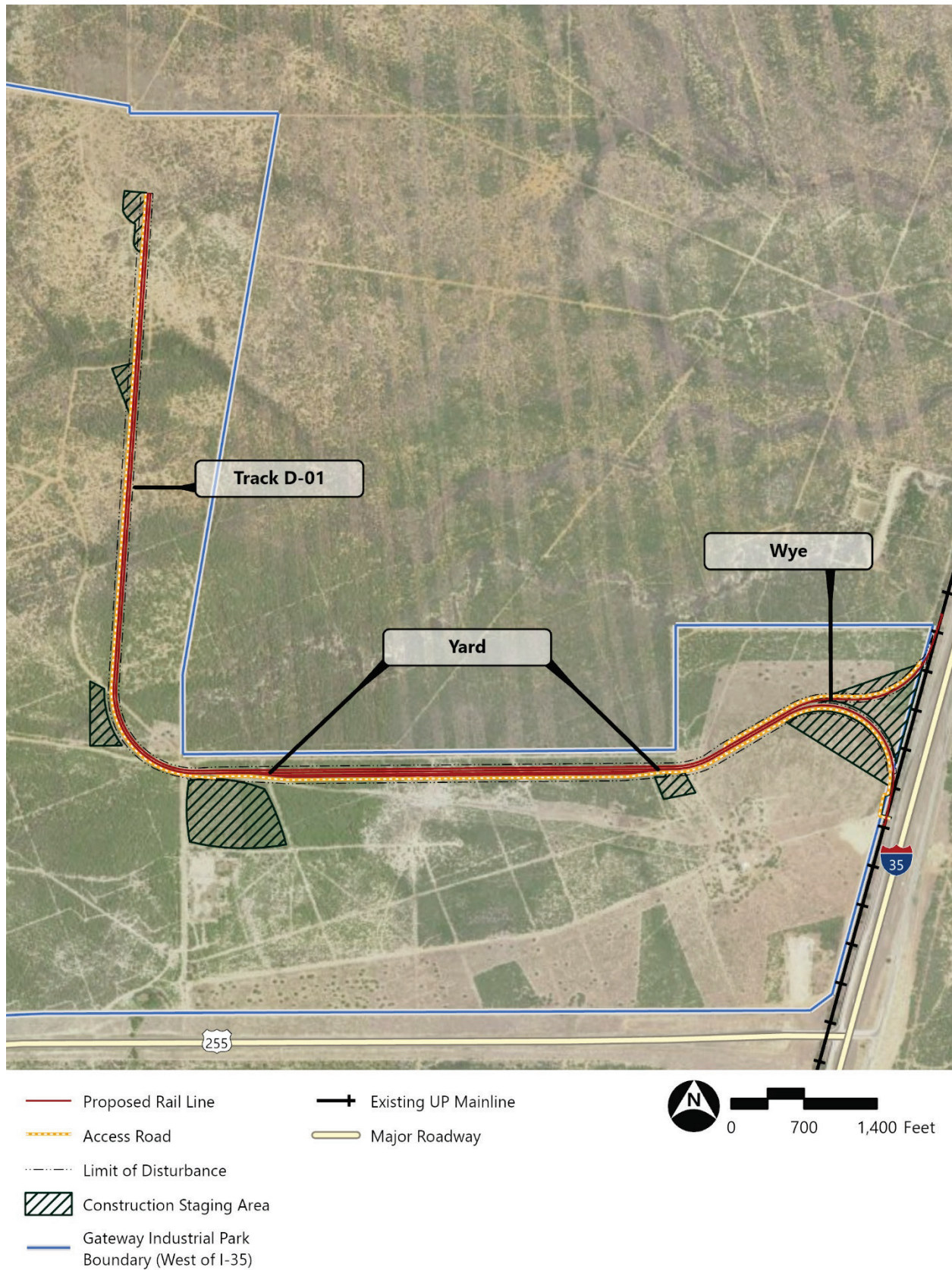
Construction would involve the removal of vegetation, including roots and stumps within the project footprint. Depending on the terrain, filling and cutting would be used to create an even corridor along which to lay out the tracks. Altogether, approximately 62.4 acres of terrain would be disturbed. Track substructure would consist of both ballast and sub-ballast layers as the rail foundation. The layers would be a minimum of 12 inches thick for the ballast and 9 inches thick for the sub-ballast. The ballast would consist of crushed and graded aggregate material (July 25, 2025, letter to OEA).

To support construction activities, LGIR has identified six staging areas, shown in **Figure 2.1-3**. Together, the six staging areas cover approximately 34 acres. Within these areas, vegetation would be removed, and soils would be stabilized. Activities conducted in the staging areas could include the stockpiling of materials, storage of equipment, and assembly of structural elements.

⁴ As stated by LGIR in a letter to OEA dated July 25, 2025, the Gateway Industrial Park development is independent from the construction of the proposed line and would occur even if the proposed line is not authorized. In this case, the Gateway Industrial Park west of I-35 would operate as an exclusively commercial truck-served facility, as it will do east of I-35. Future spurs off the proposed line would not require Board authorization or environmental review. As noted above, the Board does not have authority over construction and operation of spur, industrial, team, switching, or sidetracks. 49 U.S.C. § 10906.

⁵ Although the access road does not require Board approval, OEA has determined that it is appropriate to consider its environmental impacts along with those of the proposed line because, as a facility specifically intended to serve the proposed line, it is an integral part of the project, and OEA has sufficient information to assess its environmental effects.

Figure 2.1-3. Construction Staging Areas



Source: ArcGIS, NAIP, FRA, TxDOT

2.1.2 Operation

This section describes the anticipated operation of the proposed line based on information provided by LGIR. UP trains would reach the Yard via the UP mainline and the wye connection. The UP train would then maneuver to access sidings in the Yard through switches connecting these tracks. On one of the siding Tracks, the train would drop off cars, after which the engine would switch to the other track to pick up waiting cars. The train would then return to the UP mainline via the wye connection. The entire pick-up/drop-off operation by a UP train would take approximately one hour in normal circumstances.

IHR would use its own engines (two locomotives) and crew to sort and distribute the dropped-off cars from the Yard to the appropriate warehousing and transloading locations. Similarly, IHR would pick up cars from the warehouses to transport them back to the Yard, where they would wait to be carried off by a UP train. IHR would conduct ancillary railroad operations depending on the available commercial opportunities which may include railcar storage, repair, and cleaning.

Once fully operational, the proposed line is projected to allow for the transloading of between 4,000 to 6,750 rail cars per year. On average, one train a day, 5 days a week, would drop off and pick up cars, for a total of five inbound movements and five outbound movements a week. Train length would range approximately from 1,625 to 3,250 feet, with 25 to 50 cars per train. Average operational speed would be 10 miles per hour. Commodities that would be transported and transloaded via the proposed line could include agricultural products, bulk commodities (e.g., aggregates), automotive components and finished vehicles, plastics, and refined fuels (July 25, 2025, and August 8, 2025, letters to OEA).

2.2 No-Action Alternative

Under the No-Action Alternative, the Board would not authorize construction and operation, and LGIR would not construct the proposed line. The No-Action Alternative would not meet the Purpose and Need of providing rail/truck transloading opportunities because the proposed line would not be constructed or operated. The Gateway Industrial Park would not be served by rail and would operate as an exclusively commercial truck-served facility. The potential environmental impacts associated with the construction and operation of the proposed line, either adverse or beneficial, would not occur. OEA has analyzed the No-Action Alternative to provide a baseline for the analysis of the Proposed Action.

2.3 Alternatives Considered but Eliminated from Detailed Study

OEA considered potential alternatives to LGIR's proposed construction and operation of the proposed line in light of the Purpose and Need. As described in *Chapter 1, Section 1.2, Purpose and Need*, the Purpose and Need for the proposed line is to fill a gap in the commodity transportation market in Laredo by enabling the transloading of commodities

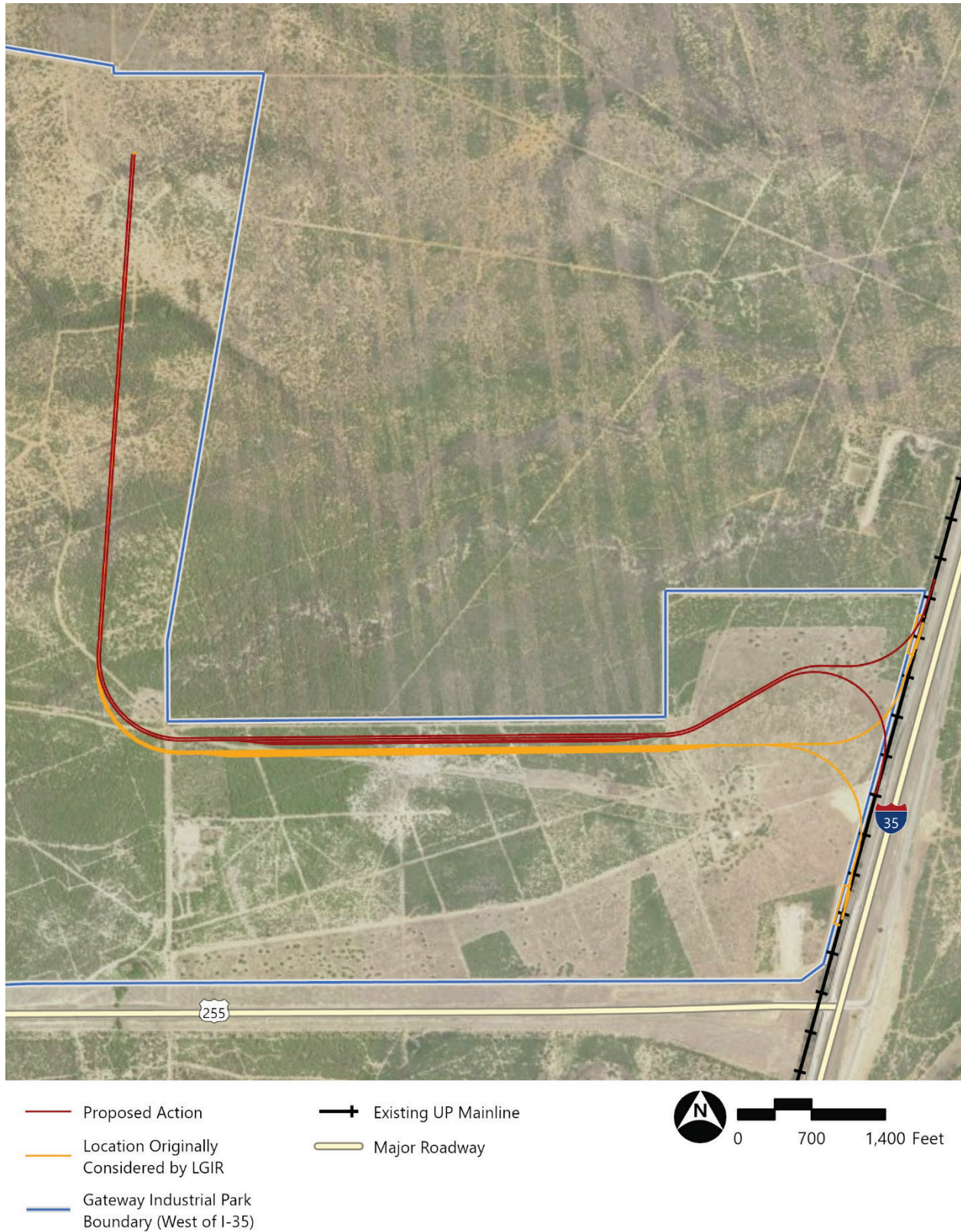
from truck to rail at the Gateway Industrial Park located west of I-35. To meet the Purpose and Need, the proposed line must be within the boundary of the Gateway Industrial Park, which is adjacent to the existing UP mainline for 0.7 miles. Any potential alignment must connect to the UP line in that area. The UP mainline runs along the western side of I-35, as shown in **Figure 2.3-1**.

LGIR stated that it originally considered an alignment that is slightly to the south of its preferred alignment. This original location is shown on **Figure 2.3-1**. However, LGIR found that construction of the wye connection at this location would not be feasible, because it would conflict with an existing gas line. LGIR then shifted the alignment, including the wye, to avoid conflict with the gas line which they determined could not be lowered, protected, or re-routed (July 25, 2025, letter to OEA).

OEA did not identify any other potential alternative route for the proposed line that would warrant analysis in this EA. While the wye could be shifted slightly to the south or to the north, such minor routing alternatives would not result in substantially different environmental impacts. Therefore, OEA determined that an alignment shift would not warrant inclusion in the analysis.

Similarly, within the Gateway Industrial Park, the proposed line could follow a different route but as OEA observed during the site visit conducted in May 2025, environmental conditions are the same across the property. Therefore, different alignments within the Gateway Industrial Park would not result in substantially different environmental impacts from those of the Proposed Action. For these reasons, the No-Action Alternative and the Proposed Action constitute a reasonable range of alternatives, and this EA does not consider any other alternative.

Figure 2.3-1. LGIR's Original Alignment



Source: ArcGIS, NAIP, FRA, TxDOT

Affected Environment and Environmental Consequences

This chapter describes the affected environment and analyzes the environmental consequences for each resource that the proposed line and the No-Action Alternative could affect. Where the Proposed Action would have no or minimal adverse impacts to a resource, those resources are only discussed briefly at the beginning of this chapter and are not addressed further in this Draft EA. The rest of the chapter addresses the resources for which detailed analyses were needed to address the potential impacts. For each resource analyzed in detail, the Draft EA describes the approach OEA used to analyze potential impacts; the affected environment; and the potential impacts of both the Proposed Action and the No-Action Alternative. Consistent with past practice, OEA used 2032—five years after the anticipated issuance of a final decision by the Board in this proceeding—as the appropriate analysis year for potential impacts.

OEA’s preliminary analysis found that construction and operation of the proposed line would have no impact or minimal adverse impacts on the following resources:

- **Transportation:** The proposed line would have no potential to adversely affect regional or local transportation systems and patterns. It would create an opportunity for some commodities to be transloaded and transported via rail in place of trucks, as stated in LGIR’s petition. This would result in a reduction of the number of long-haul truck trips on regional and national roads by enabling truck-to-rail transfers, which is a beneficial impact.
- **Freight Rail Safety:** The existing regulations of the Federal Railroad Administration and the Environmental Protection Agency address freight rail safety, including regulations pertaining to hazardous materials releases. While LGIR does not know at this time whether it would be asked to transport any hazardous materials, as a common carrier, LGIR would be obligated to transport hazardous materials upon reasonable request (49 U.S.C. § 11101(a)). Therefore, OEA cannot predict the likelihood of releases. In the event that these materials would be transported and a release of hazardous materials were to occur, the potential impacts of the release would depend on many factors, including the type of material or materials released; the number of rail cars involved; the volume of material released; and the timing and effectiveness of local government and railroad emergency response plans. Based on the short length of the proposed line, the small number of trains per day, and the operating speed, OEA expects that any potential hazardous materials releases on the proposed line would result in minimal impacts on the environment.

- **Grade Crossing Safety and Delay:** The proposed line would have no potential to adversely affect grade crossing safety and delay because it would not intersect with any public roads.
- **Noise and Vibration:** Neither construction nor operation of the proposed line has any potential to result in adverse noise and vibration impacts. The proposed line would be entirely located within a currently undeveloped area that is planned for development as a warehousing complex and is adjacent to an interstate highway and an active rail line. There are no nearby sensitive receptors such as residences, healthcare facilities, schools, libraries, etc. (See **Figure 2.1-1**).
- **Air Quality:** The proposed line would be located in an attainment area for all criteria pollutants regulated under the Clean Air Act. In past cases, OEA has sometimes conducted quantitative analyses for air quality impacts, regardless of the attainment status for the project's geographic area. In this case, OEA has developed a screening methodology to determine if a Proposed Action in an attainment area warrants such detailed quantitative air quality analysis. Based on a review of past cases, OEA has established screening thresholds below which rail construction and operation have minimal air quality impacts. These thresholds are based on acre-hours of construction activity and locomotive activity, respectively. OEA has applied this screening methodology to the Proposed Action and determined neither construction nor operation of the proposed rail line would exceed these thresholds. Therefore, a detailed quantitative analysis is not warranted here. Additional information is included in **Appendix B** of this Draft EA.
- **Energy:** The proposed line would have no potential to result in adverse impacts related to energy. By fostering truck-to-rail transfer, it would result in a beneficial impact on energy efficiency because rail transportation is substantially more energy-efficient than truck transportation.
- **Visual Quality:** The proposed line would have no potential to adversely affect the visual quality of its surroundings. It would be entirely located within a currently undeveloped area that is planned for development as a warehousing complex and is adjacent to an interstate highway and an active rail line. The visual environment would not be adversely affected by the proposed line because there are no residences, historic properties, or unique natural resources in the viewshed of the proposed line.
- **Topography, Geology, and Soils:** Construction of the proposed line would have no potential to adversely affect topography, geology, or soils. While it would require some grading and filling, construction of the proposed line would not substantially modify the topography of the area. Potential impacts from soil erosion and sedimentation are addressed in this Draft EA under Water Resources.
- **Hazardous Waste Sites:** OEA obtained environmental database reports from Environmental Data Resources, Inc. (EDR) (EDR 2025) to determine whether any known hazardous waste sites are present in the vicinity of the proposed line. EDR reports include listings from multiple federal and state environmental databases. The search covered the area within 500 ft of the proposed line. While

the search identified a few oil and gas wells within that area and some orphan records for small scale releases along I-35, construction of the proposed line would be unlikely to disturb any of them. The wells are too far from the proposed line to be affected. The EDR report is included in **Appendix C** of this Draft EA.

- **Socioeconomics:** The proposed line would have no potential to adversely affect socioeconomics. Based on previous analyses conducted by OEA for projects of similar type and scale, OEA determined that the proposed line would have little potential to affect demographic conditions and public services in either Webb County or the city of Laredo. The project area is bordered by undeveloped ranchland, and the nearest population center is approximately 15 miles away.

3.1 Water Resources

3.1.1 Approach

OEA used available hydrologic data and field surveys to identify, characterize, and map water resources within the project area. OEA defined the study area for water resources as all areas where ground disturbance would result from construction of the proposed line, including the proposed line's footprint and construction staging areas. OEA quantified potential impacts to surface waters using conservative assumptions for the temporary and permanent limits of disturbance for construction of the proposed line.

The U.S. Army Corps of Engineers (USACE) and state environmental agencies administer Sections 404 and 401 of the Clean Water Act (CWA) (33 U.S.C. § 1341 and 33 U.S.C. § 1344), which regulate fill discharges into waters of the U.S., including wetlands.⁶ Wetlands are defined in 33 C.F.R. § 328.3(a)(4) as "... those areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions." Executive Order (EO) 11990, "Protection of Wetlands" discourages direct or indirect support of new construction impacting wetlands wherever there is a practicable alternative.

LGIR conducted an aquatic resources survey of approximately 148 acres, which included the land where permanent and temporary disturbances are planned for construction of the proposed line, including construction staging areas and stormwater management facilities (See **Appendix D**). This survey to assess and document the presence and location of waters of the U.S. was conducted using approved methodologies. Jurisdictional wetland determinations were performed using the three-parameter approach (hydrophytic vegetation, hydric soils, and hydrology) as described in the 1987 U.S. Army Corps of Engineers Wetland Delineation Manual and utilized the 2010 Great Plains Regional Supplement as guidance.

Water quality is enforced at the state level based on standards set by both the state and the Environmental Protection Agency (EPA). National Pollutant Discharge Elimination

⁶ In Texas, the definition of "waters of the U.S." follows the pre-2015 regulatory framework, consistent with the U.S. Supreme Court's ruling in *Sackett v. EPA* (598 U.S. 651 (2023)).

System (NPDES) (or TPDES for the state of Texas) permits are also managed at the state level by the Texas Commission on Environmental Quality (TCEQ) to control pollutants generated during construction when land disturbance exceeds one acre. OEA assessed impacts from both construction and operation of the proposed line based on assumptions, data, and regulatory requirements.

A floodplain is an area of land that is susceptible to being inundated by floodwaters from riverine flooding or other sources of flooding. EO 11988, “Floodplain Management” requires federal agencies to “... avoid to the extent possible the long- and short-term adverse impacts associated with the occupancy and modification of floodplains and to avoid direct or indirect support of floodplain development wherever there is a practicable alternative.”

The Federal Emergency Management Agency (FEMA) has primary federal jurisdiction over the National Flood Insurance Program and floodplain management (44 C.F.R. Part 9) including implementation of EO 11988. To evaluate potential impacts on floodplains, OEA compared the footprint of the proposed line and proposed construction areas to FEMA floodplain mapping. FEMA typically maps the 100-year floodplain (1 percent annual chance base flood) at points along a stream where the contributing drainage area is generally 1 square mile or larger. Prior to any construction, the project would need to comply with any applicable floodplain permitting requirements in Texas.

3.1.2 Affected Environment

3.1.2.1 Surface Waters

OEA participated in LGIR’s survey of approximately 148 acres on December 8-9, 2025, to independently verify LGIR’s identification and mapping of surface waters, including wetlands. No surface waters or wetlands were identified during this survey. Some ditch and erosional features were mapped and identified as not likely to be under the jurisdiction of USACE.

There is one wetland area directly adjacent to but outside of the study area. This wetland is a scrub-shrub type wetland feature dominated by Jerusalem thorn (*Parkinsonia aculeata*) bushes. During the field survey, evidence of standing water and hydric soils were identified within the wetland area. The wetland appears to be a manmade feature that was created by installing a soil berm across a natural drainageway that crosses the site. A defined channel does not exist either at the inflow or outflow of the isolated wetland and therefore it is anticipated that the area would not be considered waters of the U.S.

In addition to this wetland area, OEA identified two potential streams during desktop review that flow from west to east across the site. However, during field investigations no indicators of an ordinary high-water mark (OHWM) were found in these areas. Presence of an OHWM is required for a water feature to meet the regulatory definition of a stream. Therefore, these two water features do not meet the regulatory definition of a stream. They would likely be considered headwater swales of the isolated manmade wetland feature and ephemeral stream located east of the proposed line.

3.1.2.2 Floodplains

The proposed line intersects FEMA-mapped 100-year floodplains (Zone A) in two locations in the western part of the study area (FEMA 2008). These floodplains are associated with the two potential water features that flow from west to east across the site (see **Figure 3.1-1**). However, as described above in *Section 3.1.2.1, Surface Waters*, these two water features were not identified during the field survey. Zone A flood areas are defined by FEMA as high-risk areas that do not have detailed hydraulic analyses (such as hydraulic modeling). Therefore, neither base flood elevations (BFEs) — *i.e.*, elevation that water is anticipated to reach during a 100-year flood event — nor depths, have been calculated by FEMA. During field investigations, OEA did not identify the two potential floodplain areas because there was no evidence of erosion or excessive water movement at the site.

3.1.2.3 Water Quality

The study area for water resources is located within the Carrizitos Creek watershed, which is part of the Middle Nueces River sub basin. Carrizitos Creek is the nearest named stream, which is located approximately 9.7 miles northeast of the site. Carrizitos Creek connects to Olmos Creek before reaching the Nueces River more than 30 miles from the project site. There are no water quality issues reported for Carrizitos Creek, Olmos Creek, or the section of the Nueces River where Olmos Creek connects.

Figure 3.1-1. Floodplains in the Study Area



Source: ArcGIS, NAIP, FRA, TxDOT

The nearest section of the Nueces River that is part of the Texas 303(d) list of impacted streams is located at Lower Frio River more than 65 miles downstream of Olmos Creek. This section of the river is identified as impaired due to total dissolved solids and bacteria in the water (TCEQ 2024).

3.1.3 Environmental Consequences

3.1.3.1 Proposed Action

Construction

Surface Waters

The footprint of the proposed line is located outside of surface waters, jurisdictional wetlands, or other regulated waters of the U.S. Therefore, OEA expects that construction of the proposed line would not result in impacts to surface waters and wetlands.

Floodplains

Construction of the proposed line would include the placement of culverts along the proposed line to ensure that stormwater does not back up and that existing drainage patterns are maintained. Due to the lack of streams, surface waters, or other potential areas subject to flooding at the project site, OEA does not expect impacts to floodplains. Further, per EO 11988, OEA determined that there is no practicable alternative location for the proposed line. The alignment analyzed in this Draft EA serves LGIR's purpose and need by allowing the proposed line to serve all future development at the Gateway Industrial Park. LGIR would not be able to design the proposed line to serve the Gateway Industrial Park without crossing the FEMA-mapped floodplains. LGIR would be required to obtain floodplain development approvals from Webb County in accordance with the Webb County Flood Damage Prevention Order if applicable.

Water Quality

OEA did not identify any impaired waterbodies near the footprint of the proposed line. Construction of the proposed line could result in short-term localized and downstream water quality impacts. During construction, ground disturbance could lead to erosion of sediments, which could flow down gradient into low lying areas and eventually into waterbodies. Prior to construction, LGIR would be required to submit an application for coverage under the TPDES stormwater construction permit pursuant to Section 402 of the CWA for construction stormwater management. A TPDES permit would require development of a stormwater pollution prevention plan, which would include construction best management practices to control erosion and reduce the amount of sediment and pollutants entering surface waters and waters of the U.S., and LGIR would require contractor(s) to follow all water quality control conditions identified in permits.

Operation

Surface Waters

OEA anticipates that operation of the proposed line would have no impact on surface waters because there are no surface waters in the study area.

Floodplains

Operation of the proposed line would not result in impacts to the floodplain due to the lack of streams, surface waters, or other potential areas subject to flooding at the project site.

Water Quality

OEA anticipates that impacts on water quality resulting from operation of the proposed line would be minimal. During operations, erosion at culvert crossings and changes in flow patterns could have the potential to deliver sediment and pollutants to downstream waters. The proposed line would increase impervious cover within the watershed, and thus increase stormwater runoff and transport of fine-grained sediment and other pollutants. Stormwater runoff from the railbed would move stormwater and potentially low concentrations of pollutants to nearby ephemeral channels and eventually to surface waters. The potential primary pollutants in stormwater could include sediment, nutrients, pesticides, and heavy metals. Stormwater management facilities, if required under TPDES permit requirements, would collect and drain runoff, thereby minimizing potential adverse effects.

3.1.3.2 No-Action Alternative

Under the No-Action Alternative, LGIR would not construct or operate the proposed line. Therefore, there would be no impacts on surface waters, floodplains, or water quality.

3.1.4 Conclusion

OEA has determined that construction of the proposed line could result in short-term, localized and downstream water quality impacts due to ground disturbance. However, LGIR would have to comply with the TPDES permit requirements administered by the state of Texas, which would minimize any potential impacts. Therefore, OEA is not recommending mitigation for construction-related impacts on water quality.

OEA determined that part of the proposed line would be constructed within the FEMA-mapped 100-year floodplain. As explained above, there is no practicable alternative to construction in the floodplain. However, LGIR would design the proposed line in compliance with regulations governing construction in the floodplain (in accordance with the Webb County Flood Damage Prevention Order, if applicable), resulting in minimal to no impacts. Therefore, OEA is not recommending any floodplain mitigation.

3.2 Biological Resources

3.2.1 Approach

This subsection describes the approach OEA used to analyze effects on biological resources. OEA defined the study area for biological resources as areas where temporary and permanent ground disturbance would occur as a result of the proposed line, including the footprint of the proposed line and construction staging areas. This area includes approximately 62.4 acres and encompasses both the terrestrial and the aquatic habitats affected by the proposed line. OEA evaluated the potential impacts of the proposed line on state and federally listed species (including critical habitat) and other wildlife and plant communities. OEA also considered the potential impacts of new rail traffic, including potential increases in rail-related noise, on wildlife and critical habitat. For its analysis, OEA used data from published reports, regulatory agency documents, guidance manuals, discussions with resource personnel, aerial photographs, U.S. Geological Survey (USGS) topographic maps, field visits, and Geographic Information Systems (GIS) databases.

OEA obtained and reviewed the Official Species List from USFWS's online Information for Planning and Consultation (IPaC) system to determine listed species that could occur in the vicinity of the proposed line (see **Appendix E**). OEA researched the behavior of federally and state listed species and their preferred habitat to determine whether they may occur in the study area.

Under Section 7(a)(2) of the ESA, as amended (16 U.S.C. § 1531 et seq.), federal agencies are required to consult with the USFWS and/or the National Marine Fisheries Service, as appropriate, to ensure that they are not undertaking, funding, permitting, or authorizing actions likely to jeopardize the continued existence of listed species or destroy or adversely modify designated critical habitat. OEA informally consulted with USFWS in accordance with ESA Section 7 to assess the potential effects of construction and operation of the proposed line. OEA defined the Action Area for ESA Section 7 purposes as the same as the study area identified above, which is approximately 62.4 acres.

In support of the ESA assessment, OEA performed a protected species survey of the study area and the surrounding vicinity on May 19-20, 2025. Biologists conducted background research of relevant published and online information and reviewed photographs and scientific literature pertaining to the ashy dogweed (*Thymophylla tephroleuca*) and the monarch butterfly (*Danaus plexippus*). For the survey, biologists completed 100 percent visual coverage of the habitat in the survey area. A combination of pedestrian and windshield surveys were used to cover the parts of the survey area that had been cleared and where no suitable habitat was present. The results of the survey are referenced throughout the section.

The Board is required to comply with Executive Order (EO) 13112, "Invasive Species," which requires agencies not to authorize, fund, or carry out actions that it believes are likely to cause or promote the introduction or spread of invasive species. OEA reviewed likely impacts that could result in the introduction or spread of invasive species.

The Bald and Golden Eagle Protection Act (BGEPA) provides for the protection of the bald eagle and the golden eagle by prohibiting, except under certain specified conditions, the taking, possession, and commerce (buying or selling) of such birds. Under the BGEPA, a “take” of an eagle is defined as an action to “pursue, shoot, shoot at, poison, wound, kill, capture, trap, collect, destroy, molest, or disturb.” OEA reviewed the habitat potential for eagles protected under this act and assessed the likelihood for impacts.

The Migratory Bird Treaty Act (MBTA) (16 U.S.C. 703-711) protects migratory birds by prohibiting the take of birds, feathers, eggs, and nests without prior authorization from USFWS. Actions must be taken to avoid or minimize impacts to migratory birds and to prevent or abate the detrimental alteration of the environment, for the benefit of migratory birds, as practicable. OEA reviewed the habitat potential for birds protected under this act and assessed the likelihood for impacts.

3.2.2 Affected Environment

3.2.2.1 Plants

The study area primarily consists of cleared land associated with an active cattle grazing pasture, sparse brushland/grassland habitat, and dense brushland habitat. Much of the study area has been altered by a variety of human activities and has been heavily altered and disturbed due to mechanical clearing and grazing.

The study area lies within the Rio Grande Plain physiographic province, which is located in the Cenozoic geologic formation at an elevation range of approximately 620-670 feet above mean sea level. This part of South Texas, also known as the Brush Country, was once covered with open grasslands and a scattering of trees. The Rio Grande Plain is partly prairie, but much of it is covered with a dense growth of prickly pear cactus, mesquite, dwarf oak, catclaw, guajillo, huisache, blackbrush, cenizo, and other cactus and wild shrubs. The primary vegetation within the study area consists of thorny brush such as mesquite, acacia, and prickly pear mixed with areas of grassland.

Based upon the results of a wetland survey that LGIR conducted and OEA simultaneously independently reviewed in the field, there were no jurisdictional wetlands, streams, rivers, ponds, or lakes identified in the study area. The survey did identify some erosional features, but all areas have been classified as upland habitat types. The vegetation species identified within these areas are listed in **Table 3.2-1**. All habitat types within the study area include dirt roads typically associated with agricultural and general site access.

Table 3.2-1. Vegetation Species Observed in the Study Area

<i>Common Name</i>	<i>Scientific Name</i>
<i>Cleared Land Pasture</i>	
Cowpen daisy	<i>Verbesina encelioides</i>
Buffelgrass	<i>Cenchrus ciliaris</i>
Texas lignum-vitae	<i>Guaiacum angustifolium</i>
Texas lantana	<i>Lantana urticoides</i>
Shaggy portulaca	<i>Portulaca pilosa</i>
Mexican palo verde	<i>Parkinsonia aculeata</i>
<i>Sparse Brushland/Grassland</i>	
Honey mesquite	<i>Neltuma glandulosa</i>
Prickly pear cactus	<i>Opuntia engelmannii</i>
Buffelgrass	<i>Cenchrus ciliaris</i>
Whitebrush	<i>Aloysia gratissima</i>
Narrowleaf Indian breadroot	<i>Pediomelum linearifolium</i>
Red prickly poppy	<i>Argemone sanguinea</i>
Leatherstem	<i>Jatropha dioica</i>
Christmas cholla	<i>Cylindropuntia leptocaulis</i>
Silverleaf nightshade	<i>Solanum elaeagnifolium</i>
Spiny hackberry	<i>Celtis pallida</i>
<i>Dense Brushland</i>	
Honey mesquite	<i>Neltuma glandulosa</i>
Blackbrush	<i>Vachellia rigidula</i>
Prickly pear cactus	<i>Opuntia engelmannii</i>
Lotebush	<i>Sarcomphalus obtusifolius</i>

3.2.2.2 Wildlife and Wildlife Habitat

Habitat types within the footprint of proposed line consist primarily of the previously described cleared land and sparse brushland/grassland habitat. These habitat types are largely altered by human activities.

The habitat in the study area has been degraded by oil and gas activities, agricultural activities, and the use of dirt roads by vehicles accessing the study area and adjacent properties. While these areas provide some habitat and resources for birds and other wildlife, the overall habitat is fragmented and impacted by human activities.

As noted above, there were no aquatic resources identified within the study area, which makes the study area less desirable for wildlife habitat.

3.2.2.3 ESA-Listed Species and Critical Habitat

OEA obtained an official list of federally protected or proposed species and their critical habitat that may occur in the study area using the USFWS IPaC system (see **Appendix E**). The list identified four federally threatened, endangered, or candidate species. These species include the endangered ashly dogweed; the threatened rufa red knot (*Calidris canutus rufa*); the threatened piping plover (*Charadrius melodus*); and the proposed threatened monarch butterfly. According to IPaC, two of the species, the rufa red knot and piping plover, only need to be considered for effect determination if the proposed project is wind-related and within the species' migratory route. Therefore, the rufa red knot and the piping plover are not considered further in this Draft EA.

OEA conducted a protected species survey of the study area and found that it did not contain suitable habitat for the ashly dogweed. Although the sparse brushland/grassland habitat is potentially suitable for the ashly dogweed, the active cattle grazing has substantially degraded this habitat, and OEA determined that the dense brushland, cleared land, and developed/maintained habitat were unsuitable for ashly dogweed. During the survey, OEA found that the cleared (disturbed) land areas of the site were found to have nectar-producing flowers that could be utilized for monarch feeding; however, no milkweed plants required for breeding were identified in the study area. Due to the ubiquitous nature of the monarch butterfly, OEA assumed that this species is present in the study area during its migration periods. For more information about protected species and their habitat, see the Protected Species Report in **Appendix E**.

Critical habitat is defined by the ESA as "the specific areas within the geographical area occupied by the species, at the time it is listed in accordance with the provisions of section 1533 of this title, on which are found those physical or biological features (I) essential to the conservation of the species and (II) which may require special management considerations or protection; and specific areas outside the geographical area occupied by the species at the time it is listed in accordance with the provisions of section 1533 of this title, upon a determination by the Secretary that such areas are essential for the conservation of the species." (16 U.S.C. § 1532(5)(A)). The IPaC report indicated that there is no critical habitat for federally listed species within the study area (see **Appendix E**).

3.2.2.4 State Listed Species

According to the Texas Natural Diversity Database, 19 state-listed species have the potential to occur in Webb County, listed in **Table 3.2-2** below (Texas Parks and Wildlife Department 2025).

Table 3.2-2. State-listed Species with the Potential to Occur in Webb County

Scientific Name	Common Name	Status	Suitable Habitat Present?
<i>Gopherus berlandieri</i>	Texas tortoise	TT	Yes, the species prefers open scrub woods, arid brush, lomas, grass-cactus association, often in areas with sandy well-drained soils. This habitat may be present in the study area. (NatureServe 2026)
<i>Leopardus pardalis</i>	Ocelot	TE, FE*	No, the species prefers dense, thorny, low brush. This habitat is not present in the study area.
<i>Phrynosoma cornutum</i>	Texas horned lizard	TT	Yes, the species is found in arid and semiarid habitats in open areas with sparse plant cover with loose sand or loamy soils. This habitat may be present in the study area.
<i>Ursus americanus</i>	Black bear	TT	Yes, the species prefers desert scrub or woodland habitats. This habitat may be present in the study area.
<i>Buteo plagiatus</i>	Gray hawk	TT	No, the species inhabits gallery forest, tropical deciduous forest, tropical lowland evergreen forest edge, or river-edge forest habitat. This habitat is not present in the study area. (NatureServe 2026)
<i>Etheostoma grahami</i>	Rio Grande darter	TT	No, the species prefers creeks, small rivers, and spring-fed tributaries. No aquatic habitat is present in the study area. (Hendrickson and Cohen 2022)
<i>Leptodeira septentrionalis</i>	Northern cat-eyed snake	TT	No, the species range is only found in the extreme southern tip of Texas and prefers semi-arid habitat near ponds. No aquatic habitat is present in the study area. (NatureServe 2026)
<i>Macrhybopsis aestivalis</i>	Speckled chub	TT	No, the species prefers medium to large streams. No aquatic habitat is present in the study area. (Hendrickson and Cohen 2022)
<i>Mycteria americana</i>	Wood stork	TT	No, the species prefers marshes, swamps, lagoons, ponds, or flooded fields. This habitat is not present in the study area. (NatureServe 2026)
<i>Nasua narica</i>	White-nosed coati	TT	No, the species prefers broken tropical forests of coastal plains, pine forest, mesquite grassland, oak scrub, or canyons near water. This habitat is not present in the study area. (NatureServe 2026)
<i>Notropis braytoni</i>	Tamaulipas shiner	TT	No, the species prefers rivers or large creeks. No aquatic habitat is present

Scientific Name	Common Name	Status	Suitable Habitat Present?
			in the study area. (Hendrickson and Cohen 2022)
<i>Notropis jemezianus</i>	Rio Grande shiner	TT	No, the species is typically found in large rivers or creeks. No aquatic habitat is present in the study area. (Hendrickson and Cohen 2022)
<i>Plegadis chihi</i>	White-faced ibis	TT	No, the species frequents marshes, swamps, ponds, or rivers. This habitat is not present in the study area.
<i>Popenaias popeii</i>	Texas hornshell	TE, FE*	No, the species has been observed in a variety of habitats including riffles, pools, stream banks, and bedrock shelves. This habitat is not present in the study area. (USFWS 2023)
<i>Potamilus metnecktayi</i>	Salina mucket	TT	No, the species has been reduced to a single population in the Rio Grande upstream of Lake Amistad. (USFWS 2026a)
<i>Siren sp. 1</i>	South Texas siren (Large Form)	TT	No, the species lives in shallow, muddy water such as swamps, ponds, lakes, streams, and ditches which are not present in the study area. (Nature Serve 2026)
<i>Sternula antillarum athalassos</i>	Interior least tern	TE	No, the species nests in sand and gravel bars and beaches and feeds in nearby shallow water areas. This habitat is not present in the study area.
<i>Truncilla cognata</i>	Mexican fawnsfoot	TT	No, the species has been reduced to a single population in the Rio Grande River downstream of Eagle Pass, Texas. (USFWS 2026b)
<i>Thymophylla tephroleuca</i>	Ashy dogweed	TE, FE	No, see Section 3.1.2.3 for more details regarding suitable habitat for the species in the study area.

Source: (TPWD n.d.); unless otherwise noted.

TE: Texas Endangered, TT: Texas Threatened, FE: Federally Endangered

FE*: This species was listed as Federally Endangered in the TPWD county list but was not included in the USFWS IPaC report.

Three of the above state-listed species have the potential to be found in the study area. The black bear has a large territorial range that could include the study area, which means that this species may travel through the study area on occasion. However, there is human activity and disturbed areas, such as I-35, within or adjacent to the study area, which makes it unsuitable as breeding and rearing habitat for this species. The Texas tortoise (*Gopherus berlandieri*) prefers dry scrub and grassland habitat, which are found in the study area. The preferred food of the Texas tortoise are succulent plants such as the prickly pear, which is also present in the study area (TPWD n.d.). The Texas horned lizard (*Phrynosoma cornutum*) prefers dry open areas, which are found in the study area.

3.2.2.5 Bald and Golden Eagles

OEA did not identify suitable nesting habitat for bald eagle (*Haliaeetus leucocephalus*) and golden eagle (*Aquila chrysaetos*) species in the study area.

3.2.2.6 Migratory Birds

IPaC identified the following migratory birds as possibly occurring in the study area: Brownsville curve-billed thrasher (*Toxostoma curvirostre oberholseri*); Chihuahuan raven (*Corvus cryptoleucus*); chimney swift (*Chaetura pelagica*); eastern meadowlark (*Sturnella magna*); orchard oriole (*Icterus spurius*); and painted bunting (*Passerina ciris*). Of these six species, IPaC identified the following five species as likely to be present in the study area during breeding season: Brownsville curve-billed thrasher; Chihuahuan raven; chimney swift; orchard oriole; and painted bunting.

3.2.3 Environmental Consequences

3.2.3.1 Proposed Action

Construction

Plants

Construction of the proposed line would permanently impact approximately 36 acres of cleared land, approximately 16 acres of sparse brushland/grassland, and approximately 8 acres of dense brushland. These plant communities would be converted to disturbed land during construction of the proposed line. However, LGIR would be required to comply with any TPDES permit requirements related to ground disturbance, including best management practices for re-vegetation of disturbed land, if applicable.

Wildlife and Wildlife Habitat

Construction of the rail line would result in some temporary and permanent impacts to terrestrial wildlife habitat through clearing land, earthmoving, constructing the railbed, and laying rail. Construction activities, such as land clearing and earthmoving, could result in some mortality or in temporary or permanent displacement. Land use changes have disrupted the original wildlife habitat continuity, which has likely affected wildlife foraging habits, reproductive habits, and migratory movements. While some wildlife may still use the remaining patches of habitat along the proposed line, those animals have likely adapted to the fragmented and heavily altered state of the habitat. The proposed line and its associated embankment supporting the track may block some wildlife movement. Because the land in the study area is cleared and degraded land, it contains limited quality habitat for various terrestrial wildlife species. Therefore, OEA anticipates that the proposed project would have negligible impacts on terrestrial wildlife and their habitat.

ESA-Listed Species and Critical Habitat

Potential construction-related impacts to the proposed threatened monarch butterfly primarily would be the loss of nectar-producing plants for adults migrating through the

area. OEA did not observe monarch butterflies during a site visit in May 2024. However, nectar-producing plants including cowpen daisy and Texas lantana (*Lantana urticoides*) were identified. The study area lacks milkweed species essential for breeding. Therefore, breeding habitat for the monarch would not be impacted.

OEA anticipates that impacts to the monarch butterfly from construction of the proposed line would be negligible and primarily limited to the removal of approximately 36 acres of marginal feeding habitat areas in the Action Area, or 58 percent of the Action Area. Based upon windshield surveys and reviews of aerial mapping of directly adjacent areas between I-35, SH 255, US83, and local access roads to the north of the site OEA estimated that there is more than 7,500 acres of suitable monarch feeding habitat (i.e., disturbed and cleared surrounding land with sparse vegetation or grassland vegetation). The proposed 36 acres of impact would represent approximately 0.48 percent of the overall nearby suitable monarch feeding habitat. Based upon this negligible monarch habitat impact, OEA has determined that construction of the proposed line is ***not likely to jeopardize*** the monarch butterfly. OEA informally consulted with USFWS on this determination, and the USFWS agreed with OEA's determination during a call on February 24, 2026 (see **Appendix E**).

The ashy dogweed is not expected to be present in the study area, and the proposed line would not result in impacts to the species. Therefore, OEA has reached a ***no effect*** determination for this species.

State Listed Species

Construction of the proposed line would have little to no effect on the black bear, because the habitat in the study area is unsuitable for the critical life stages (breeding and rearing of juveniles) of these species. OEA found suitable habitat in the study area for the Texas tortoise and Texas horned lizard. During OEA's assessment for ESA listed species, OEA observed none of these state-listed species in the study area. The land in the study area is cleared and degraded and contains limited quality habitat for various terrestrial wildlife species. Therefore, the proposed line could impact these state-listed species only if they incidentally pass through the study area.

Bald and Golden Eagles

There is no suitable nesting habitat for the bald or golden eagle in the study area. Therefore, construction of the proposed line would have no potential to impact these species.

Migratory Birds

Construction of the proposed line may impact the Brownsville curve-billed thrasher, Chihuahuan raven, chimney swift, orchard oriole, and painted bunting. These species may occur in the study area during breeding season, and suitable breeding and nesting habitat for these species is present. The proposed line could affect these species through the loss or disturbance of breeding and nesting habitat.

To reduce potential impacts and comply with the MBTA, OEA is preliminarily recommending mitigation requiring LGIR to clear vegetation in preparation for construction of the proposed line before or after the breeding bird nesting season to

avoid inadvertent removal of active nests (i.e., nesting adults, young, or eggs); or, if clearing is required during the nesting season, requiring LGIR to consult with USFWS on appropriate nest survey methods prior to any clearing or construction activities (**MM-Biological-01**).

Operation

Plants

Operation of the proposed line would not result in impacts to plant communities beyond the minimal effects as described above.

Wildlife and Wildlife Habitat

Operations of the proposed line would not result in impacts to wildlife beyond the negligible effects described above under construction impacts.

ESA-Listed Species and Critical Habitat

Operation of the proposed line may result in vehicle strikes to the federally protected monarch butterfly in the Action Area. However, under the proposed 4(d) Rule for the monarch butterfly, vehicle strikes would not be considered “take” by USFWS (89 FR 100662). Even though assumed present, the impacts that may result from rail operations would not be expected to reduce the likelihood of both the survival and recovery of the monarch. As noted above, OEA has reached a *not likely to jeopardize* determination for this species. OEA consulted with USFWS on this determination, and USFWS agreed with OEA’s determination during a call on February 24, 2026 (see **Appendix E**).

As noted above, the ashy dogweed is not expected to be present in the study area, and the proposed line would not result in impacts to the species. Therefore, OEA has reached a *no effect* determination for this species.

State Listed Species

Operation of the proposed line would not result in impacts to state listed species beyond the minimal effects described above under construction impacts.

Bald and Golden Eagles

There is no suitable nesting habitat for the bald or golden eagle in the study area. Therefore, operation of the proposed line would have no potential to affect these species.

Migratory Birds

Operation of the proposed line would result in no impact to migratory birds.

3.2.3.2 No-Action Alternative

Under the No-Action Alternative, the Board would deny authority for LGIR to construct and operate the proposed line. The proposed line would not be constructed. Therefore, there would be no impacts on biological resources.

3.2.4 Conclusion

OEA has determined that construction and operation of the proposed line would have negligible to minor impacts on plant communities and wildlife habitat. Although the monarch butterfly is assumed to be present in the study area, the potential impacts from construction and operation would not be expected to reduce the likelihood of both the survival and recovery of the species. Therefore, OEA has determined that the proposed line is *not likely to jeopardize* the proposed federally threatened monarch butterfly, and USFWS has agreed with this determination.

The proposed line may impact some state-listed species, including the Texas tortoise and Texas horned lizard. However, the land in the study area is cleared and degraded and contains limited quality habitat for these species. Therefore, the proposed line could impact these species only if they incidentally pass through the study area.

Additionally, construction of the proposed line has the potential to impact five species of migratory birds; the Brownsville curve-billed thrasher, Chihuahuan raven, chimney swift, orchard oriole, and painted bunting. Operation of the proposed line would result in no impacts to migratory birds. To ensure compliance with the MBTA, OEA is preliminarily recommending mitigation requiring LGIR to clear vegetation in preparation for construction of the proposed line before or after the breeding bird nesting season to avoid inadvertent removal of active nests (i.e., nesting adults, young, or eggs); or, if clearing is required during the nesting season, requiring LGIR to consult with USFWS on appropriate nest survey methods prior to any clearing or construction activities (**MM-Biological-01**).

3.3 Cultural Resources

3.3.1 Approach

This subsection describes the approach OEA used to analyze effects on cultural resources. The primary laws that govern the Board's consideration of cultural resources for the proposed line are NEPA and the NHPA (54 U.S.C. § 300101 et seq). The Board is coordinating both NEPA and Section 106 compliance to prevent redundant reviews.

Under the Section 106 regulations (36 C.F.R. Part 800), the Board is required to consider potential effects on historic properties that would result from authorization of the proposed line. Historic properties are those listed in or eligible for listing in the National Register of Historic Places (National Register), as defined in 36 C.F.R. Part 60. Historic properties can include buildings and structures, precontact and historic archaeological sites, districts, objects, and landscapes, as well as properties of religious or cultural significance to Tribes. The NEPA term *cultural resources* as used in this chapter is interchangeable with the Section 106 term *historic properties*.

To evaluate potential effects on cultural resources that would result from authorization of the proposed line, OEA conducted background research using available sources, including:

- Previously conducted Texas cultural surveys;

- Existing Texas state archaeological site records;
- National Register files;
- Texas state cultural and historic context documents;
- Historic mapping and aerial photography; and
- Texas Historic Sites Atlas and Texas Historical Commission Historic Resources Survey Library (August 2025).

As explained in **Appendix A**, *Consultation and Outreach*, OEA sent preliminary consultation letters to the Texas Historical Commission (SHPO), Tribal Governments, and Tribal Historic Preservation Offices (THPOs) on May 23, 2025, to inform them of the potential construction and operation of the proposed line and to solicit information on potentially affected environmental and historic resources. OEA also conducted a consultation meeting with the SHPO on September 2, 2025 and submitted a Phase I Archaeological Fieldwork plan to the SHPO on September 5, 2025.

OEA defined the Area of Potential Effects (APE) in accordance with 36 C.F.R. Part 800 and 49 C.F.R. § 1105.8, and in coordination with the SHPO. The APE for archaeological resources (below-ground APE) is approximately 69.1 acres and includes the footprint of the proposed line within which all construction-related ground disturbance would be confined. The above-ground APE totaled approximately 260.5 acres, including the entirety of the below-ground APE and a 250-foot buffer to account for potential visual, auditory, and other atmospheric effects that may occur to historic resources located beyond the limits of immediate ground disturbance.

OEA conducted a Phase 1 Cultural Resources Survey within the below- and above-ground APEs in September 2025. The purpose of the survey was to locate, identify, and evaluate the significance of any archaeological and historic resources (below- and above-ground resources) within the APEs and to determine whether any of these resources were listed, or were potentially eligible for listing, in the National Register. OEA developed the methods for the survey in accordance with 36 C.F.R. Part 800, as well as Texas state guidelines, for the identification of archaeological and historic resources. Additional detailed information on these methods can be found within the Survey Report that OEA provided to the SHPO and made available to THPOs and consulting parties (Lyons and Yates 2026).

OEA submitted a Phase 1 Cultural Resources Survey Report (Survey Report) to the SHPO for review and sent out consulting party invitations on January 20, 2026 (Lyons and Yates 2026). One entity requested to be a consulting party. On March 6, 2026, OEA met with the SHPO and then resubmitted a revised Survey Report on March 11, 2026 (Lyons and Yates 2026). The SHPO responded on March 11, 2026 and concurred with OEA's determination that no historic properties would be affected.

3.3.2 Affected Environment

3.3.2.1 Below-Ground Resources

Prior to conducting the archaeological survey, OEA performed background research through a review of the Texas Archaeological Sites Atlas. This investigation revealed that two previously recorded sites are located within a 0.62-mile (1-kilometer) radius of the below-ground APE but do not intersect the below-ground APE.

OEA's September 2025 survey identified one new site (41WB1035) within the below-ground APE. Site 41WB1035 is a multi-component Archaic and Mississippian domestic site defined by a surface scatter of formal and informal lithic tools, and lithic debitage. The site lacks integrity of location due to erosion, and would not provide relevant information concerning intra-site activity areas or distinguish between the Archaic and Mississippian components at the site. Site 41WB1035 likely continues beyond the limits of the surveyed area and therefore could not be fully delineated. The National Register eligibility for the entire site is not known. However, within the APE, site 41WB1035 lacks integrity and significant data potential under Criterion D of the National Register.

3.3.2.2 Above-Ground Resources

The Survey Report identified three historic resources within the above-ground APE (Resource W-01/Meridian Highway, Resource W-02/Union Pacific Railroad, and Resource W-03/Agricultural Farm), which OEA evaluated for National Register eligibility (Lyons and Yates 2026). Resource W-01/Meridian Highway is a segment of the National Register-listed Meridian Highway, an historic roadway which extends from Nebraska south through Texas. The segment of the Meridian Highway located within the APE was previously classified as a non-contributing section to the resource's overall eligibility listing on the National Register. The remaining two historic resources (W-02; W-03) are recommended not eligible for National Register listing under Criteria A, B, and C.

3.3.3 Environmental Consequences

3.3.3.1 Proposed Action

Construction

Construction of the proposed line would require clearing, grading, cutting, filling, grubbing, trenching, and operation of heavy equipment. For below-ground resources, ground disturbance activities have the potential to displace, disturb, and change the nature of intact archaeological deposits and contexts. Since all historic resources and archaeological sites identified within the APE are recommended as either not eligible for listing in the National Register or as lacking integrity and significant data potential, OEA has determined that construction of the proposed line would have no effect on any known National Register listed, eligible, or potentially eligible historic properties located within the APE.

In addition, in response to a request by the Tonkawa Tribe of Oklahoma, OEA is recommending that the Board impose mitigation requiring LGIR to comply with the Unanticipated Discoveries Statement included in the Phase 1 Cultural Resources Survey Report (See **Appendix F**), which includes a plan for the unanticipated discovery of archaeological sites, associated artifacts, and/or human remains during construction activities (**MM-Cultural-01**).

Operation

Once constructed, operation of the proposed line would not cause secondary or indirect adverse effects to historic properties located within the APE because OEA has determined that no known National Register listed, eligible, or potentially eligible or significant resources are present.

3.3.3.2 No-Action Alternative

Under the No-Action Alternative, the Board would not authorize the construction and operation of the proposed line. Therefore, any resources within the APE would remain undisturbed.

3.3.4 Conclusion

OEA has determined that there are no National Register-eligible properties within the APE. OEA identified one newly recorded archaeological site within the APE during surveys. However, it lacks integrity and the portion of the site within the APE does not contribute to the sites' overall National Register eligibility. Because no eligible National Register historic properties are located within the APE, OEA determined that no historic properties would be affected as a result of the Proposed Action. The SHPO concurred with OEA's determination. In response to a request by the Tonkawa Tribe of Oklahoma, OEA is recommending that the Board impose mitigation requiring LGIR to comply with the Unanticipated Discoveries Statement included in the Phase 1 Cultural Resources Survey Report (see **Appendix F**), which includes a plan for the unanticipated discovery of archaeological sites, associated artifacts, and/or human remains during construction activities (**MM-Cultural-01**).

3.4 Land Use

3.4.1 Approach

OEA analyzed how the proposed line could affect land use associated with the Proposed Action and the No-Action Alternative. “Land use” describes the human use of the land and represents the economic and cultural activities (e.g., agricultural, residential, commercial, and industrial uses) that are practiced at a given place. The study area for land use is the western portion of the planned Gateway Industrial Park project (the extent of this area is shown in **Figure 2.1-1** of *Chapter 2, Proposed Action and Alternatives*). The study area is bounded to the east by the existing UP mainline, which runs north-south along the western side of I-35 and to the south by SH 255. To the west and north, the Gateway Industrial Park is bordered by undeveloped ranchland.

OEA did not analyze impacts on zoning or local comprehensive plans because the proposed line would be constructed and operated entirely in Webb County, which does not have a zoning ordinance nor a comprehensive plan.

Based on information provided by the Natural Resources Conservation Service (NRCS), the project area contains some soil types that qualify as prime agricultural land, if irrigated (NRCS 2025). During a site visit conducted in May 2025, OEA observed that the soils in question are not irrigated. Therefore, OEA did not further consider potential impacts on agricultural land.

OEA’s analysis also considered the potential for the Proposed Action to have the following effects in the study area:

- Land use conversion and displacements (whether construction and operation of the proposed line would require or cause changes in land use or displacement of homes or businesses).
- Severance of contiguous properties (whether construction and operation of the proposed line would require severing a piece of land from a larger contiguous tract).
- Curtailment or constraint of access to property (whether construction and operation of the proposed line would impede or eliminate access to or movement within an adjacent property).

3.4.2 Affected Environment

The study area is part of the Gateway Industrial Park, a 3,300-acre development project that extends on both sides of I-35 near its intersection with SH 255. At that location, Kraus Development, the parent company of LGIR, intends to develop a warehousing complex to serve the logistics industry. Development of the portion of the Gateway Industrial Park located east of I-35 is ongoing. The portion located west of I-35—the study area—would be developed in the future.

Access to the study area is through a gated entrance off the I-35 Frontage Road, on the eastern boundary of the property. Most of the study area is currently used for cattle

grazing. A private gravel road traverses the study area and continues westward beyond it to eventually connect to U.S. Highway 83 (US83). Oil and gas wells are present in the study area; however, none exist within the limits of disturbance for the proposed line (EDR 2025). An underground gas pipeline runs in an east-west direction along the southern side of the study area. Other than an abandoned windmill structure and a farmhouse used by Kraus to support site management activities, there are no buildings in the study area. Nor are there any buildings, whether residential, commercial, or industrial, adjacent to the study area. The closest residential uses are unincorporated subdivisions located several miles to the south.

3.4.3 Environmental Consequences

3.4.3.1 Proposed Action

Construction

Construction of the new rail line under the Proposed Action would convert part of the study area from a ranching use to an industrial (railroad) use. The proposed line is intended to serve an industrial warehousing complex and is consistent with the land use Kraus is planning to establish within the study area. Webb County does not have a zoning ordinance in place and therefore no zoning amendment would be required. Because LGIR owns all parcels of land in the study area, construction and operation of the proposed line would not sever any contiguous properties nor curtail or constrain access to any properties. The proposed line would not interfere with existing oil and gas wells or the gas pipeline. Thus, construction of the proposed line would have no adverse effects on land use.

Operation

Operation of the proposed line would not result in impacts to land use beyond those described above under construction.

3.4.3.2 No-Action Alternative

Under the No-Action Alternative, LGIR would not construct and operate the proposed line, and there would be no changes to land use.

3.4.4 Conclusion

OEA has determined that the Proposed Action would result in the conversion of land currently used for ranching to industrial use and would result in no loss of prime agricultural land. The Proposed Action would result in no zoning impacts, and no property severance or constraint. The No-Action Alternative would result in no changes to land use.

Chapter 4

Mitigation

This chapter describes mitigation measures that, if imposed by the Board, would avoid, minimize, or mitigate potential environmental impacts of the proposed line. The OEA is preliminarily recommending mitigation measures for the proposed line based on the results of OEA's environmental analysis. If the Board decides to authorize the proposed line, the mitigation measures set out in this chapter could become conditions of the Board's decision.

4.1 Conditioning Power of the Board

The Board has the authority to impose conditions to mitigate environmental impacts, but that authority is not limitless. Any mitigation measure the Board imposes must relate directly to the action before the Board, must be reasonable, and must be supported by the record. OEA's consistent practice has been to recommend mitigation only for those impacts that would result directly from a proposed action. The Board does not require mitigation for pre-existing environmental conditions.

4.2 Preliminary Nature of the Mitigation Process

OEA's preliminary recommended mitigation measures are based on information available to date, consultation with appropriate agencies, and the environmental analysis presented in this Draft EA. OEA emphasizes that the recommended mitigation measures are preliminary and invites the public and agencies to comment on these proposed mitigation measures. For OEA to assess the comments effectively, it is critical that the comments be specific regarding any desired mitigation and the reasons why the suggested mitigation would be appropriate.

After the comment period on the Draft EA closes, OEA will prepare a Final EA. The Final EA will respond to all substantive comments received, include additional analyses if warranted, and make final recommendations to the Board on what mitigation to impose. After the conclusion of the EA process, the Board will make its final decision considering both the transportation merits of the proceeding and the full environmental record — which includes this Draft EA, the Final EA, all public and agency comments received, and OEA's final recommended mitigation.

4.3 OEA's Preliminary Recommended Mitigation Measures

The following sections provide OEA's preliminary recommended mitigation measures that address potential impacts resulting from the proposed line. If a resource topic is not listed below, OEA did not identify any adverse impacts warranting mitigation.

4.3.1 Biological Resources

MM-Biological-01. To ensure compliance with the Migratory Bird Treaty Act (16 U.S.C. § 703-712), LGIR shall clear vegetation in preparation for construction of the rail line before or after the breeding bird nesting season to avoid inadvertent removal of active nests (i.e., nesting adults, young, or eggs). If clearing is required during nesting season, LGIR shall consult with USFWS on appropriate nest survey methods prior to any clearing or construction activities.

4.3.2 Cultural Resources

MM-Cultural-01. LGIR shall comply with the “Unanticipated Discoveries Statement: Provisions for the Unanticipated Discovery of Archaeological Sites, Associated Artifacts, and/or Human Remains During Construction Activities” in the *Phase I Cultural Resources Survey for the Laredo Gateway Industrial Railway, LLC – Construction and Operation Exemption – Line of Railroad, Webb County Texas*. The statement includes a plan for the unanticipated discovery of archaeological sites or associated artifacts during construction activities, including procedures for notifying OEA and the appropriate SHPO or THPO, pursuant to 36 C.F.R. § 800.13(b) in the event of an unanticipated discovery.