



United States Department of the Interior Fish and Wildlife Service

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Surface Transportation
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Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Attention: Phillis Johnson-Ball
Environmental Filing
STB Finance Docket No. 35087
Canadian National Railway Acquisition of the Elgin, Joliet and
Eastern Railway, Indiana and Illinois

HDR

Dear Ms. Johnson-Ball:

The U.S. Fish and Wildlife Service's (USFWS) Northern Indiana Suboffice has received the letters from Ms. Victoria J. Rutson, Chief, Section of Environmental Analysis, dated December 31, 2007 and January 30, 2008 concerning scoping meetings and a request for comments on the Draft Scope of Study for the aforementioned proposal. These comments pertain only to the Indiana portion of the proposed Environmental Impact Statement (EIS).

Canadian National Railway Corporation (CNR) and Grand Trunk Corporation (GTC), a noncarrier holding company through which CNR controls its United States subsidiaries, have filed an application with the Surface Transportation Board (Board) seeking the Board's approval of the acquisition and control of EJ&E West Company (EJ&EW), a wholly owned noncarrier subsidiary of Elgin, Joliet and Eastern Railway Company (EJ&E). CNR currently operates a double-track line through Michigan which enters Indiana near Granger, St. Joseph County, travels through South Bend, and then arcs southwest through St. Joseph, LaPorte, and Porter Counties, where it turns northwest in Valparaiso and continues northwest through Lake County, Indiana before entering Cook County, Illinois in Lansing. It then proceeds northwest to Blue Island, and turns north to Chicago, where it shares major rail corridors with other railroad companies. The EJ&E tracks extend south from Waukegan, Lake County, Illinois, through the western Chicago suburbs to Joliet, Will County, then east to cross into Indiana at Dyer, Lake County, Indiana; within Griffith the double tracks turn due north into Gary to railyards along Lake Michigan, including the Kirk Yard on the south side of the U.S. Steel complex. Tracks then extend northwest generally along Lake Michigan through East Chicago, Whiting, and Hammond into southeastern Chicago to Calumet Harbor.

If the acquisition is approved, CNR proposes to decrease traffic on its route through Blue Island and into Chicago and increase traffic on the EJ&E rail line through Joliet and around Chicago. CNR also proposes to construct 6 new

rail connections, 3 each in Indiana and Illinois, and approximately 19 miles of new sidings/double tracking at 3 locations in Illinois. The 3 rail-to-rail connections would be within Griffith, where there would be new connections between the 2 existing EJ&E tracks between Columbia Avenue and Lake Street and between the EJ&E and the CNR tracks south of Avenue A and east of Broad Street; in Gary at the Ivanhoe Junction, where there would be a new connection between the existing double EJ&E tracks at 9th Avenue and between the EJ&E and CSXT tracks in the southeast quadrant north of 9th Avenue; and in Gary at the east end of the Kirk Yard, where there would be a connection between the Norfolk Southern Railroad and the EJ&E.

We have reviewed the Draft Scope of the EIS (Appendix A) and believe it adequately delineates the issues of concern to the USFWS. There are a large number of significant nature preserves and other natural areas adjacent to or in the vicinity of the EJ&E rights-of-way within Indiana. Ownerships include the Federal, State, and local governments, The Nature Conservancy, a local land trust, and private entities, including possibly the EJ&E.

The Federally owned property is adjacent to the tracks in Griffith and is part of Hoosier Prairie State Nature Preserve, a component of the Indiana Dunes National Lakeshore (INDU) that is otherwise State owned; these Federal lands are to be traded to the State for other State owned lands closer to the core INDU property, but the exchange has not yet taken place.

Lands owned by the Indiana Division of Nature Preserves include Hoosier Prairie in Griffith, Highland, and Schererville, with some parcels adjacent to the EJ&E; the CNR main line bisects Hoosier Prairie between Main Street and Kennedy Avenue within Griffith and Highland. Hoosier Prairie is a designated National Natural Landmark. In Gary, Clarke and Pine State Nature Preserve and Pine Station State Nature Preserve are located along North Clark Road, and an EJ&E spur line forms the north boundary of Clarke and Pine. The EJ&E may own one or more dry sand prairies between the tracks east and west of North Clark Road which are considered to be significant remnant habitats worthy of preservation; there are also various wetlands remaining among the numerous railroad tracks in this area.

Along the Little Calumet River at the Gary/Griffith line, the Little Calumet River Basin Development Commission, a State agency, owns the floodplain of the river as part of the project lands for the Little Calumet River Flood Control and Recreation Project under construction by the Chicago District, U.S. Army Corps of Engineers.

Ivanhoe Dune and Swale Nature Preserve is adjacent to the EJ&E tracks in Gary north of 5th Avenue/U.S. 20 and is owned and managed by The Nature Conservancy. South of 5th Avenue and adjacent to the tracks is Ivanhoe South, which is partially owned by the Shirley Heinze Land Trust and partially in private ownership, so it is not yet a dedicated nature preserve. Ivanhoe South is bordered on the south by the CSXT tracks, and therefore is just north of the proposed rail connection between the EJ&E and the CSXT. These 2 properties, as well as Clarke and Pine and Pine Station, are excellent examples of the globally imperilled dune and swale habitat that was found at the south end of Lake Michigan prior to European settlement; they consist of dry sand ridges interspersed with wetlands and support many rare species of flora and fauna.

South of 9th Avenue in Gary, the City owns some remnant dune and swale habitat that was subdivided as a residential area but not developed. This land is adjacent to the proposed rail-to-rail connection between the existing double EJ&E tracks. Immediately to the south is some remnant dune and swale owned by a trucking company. About a mile to the south, south of a large borrow pit known as the "J-Pit" because it is adjacent to the EJ&E tracks, is a 40-acre oak savanna and wetland complex owned by the City and/or County. Immediately to the south, paralleling the tracks, is a small wetland community park.

Along the shoreline of Lake Michigan, the EJ&E tracks are the closest to the lake and therefore pass several parks and a bird sanctuary. Whiting City Park and Whihala Beach County Park are adjacent to each other along the Whiting lakeshore. Just to the northwest is the Hammond Marina and the Hammond Lakefront Park and Bird Sanctuary; the bird sanctuary is an Important Bird Area that provides vital stopover habitat for migratory songbirds passing through the southwest corner of Lake Michigan.

Our staff at the Northern Indiana Suboffice has been contacted by staff of HDR, Inc. in Minneapolis about the preparation of the DEIS for this proposed acquisition project. We will be providing HDR with extensive information about these nature preserves and natural areas, including maps and species lists. We are available to work with them and your staff in addressing possible impacts to these areas related to this proposal. We are concerned about the direct and indirect impacts of increased train traffic on the resources of these nature preserves and natural areas, including air pollution/deposition, noise and vibration, killing of wildlife trying to cross the tracks, release of hazardous materials through spills, and possible increased truck traffic on North Clark Road.

The proposed rail-to-rail connection at Ivanhoe Junction between the EJ&E and CSXT would affect an excavated pond/wetland on an industrial property. We do not know if there may be any hazardous materials associated with this property, but we recommend that the site be evaluated for such materials as part of the DEIS process.

ENDANGERED SPECIES

Lake County, Indiana, is within the range of the Federally endangered Indiana bat (Myotis sodalis) and Karner blue butterfly (Lycaeides melissa samuelis) and the threatened Mead's milkweed (Asclepias meadii) and Pitcher's thistle (Cirsium pitcheri). Mead's milkweed and Pitcher's thistle are not currently found within the general project area. There may be suitable summer maternity habitat for the Indiana bat along the floodplain of the Little Calumet River. Karner blue butterflies are present at Ivanhoe Dune and Swale Nature Preserve and several other nature preserves and natural areas in the general vicinity. There are numerous Indiana endangered, rare, threatened, and special concern species within the nature preserves and natural areas adjacent to the EJ&E and CNR rights-of-way, some of which are also considered species at risk by the USFWS. The Federally endangered Kirtland's warbler (Dendroica kirtlandii) has occasionally been found during migration at Whiting City Park and the Hammond Bird Sanctuary.

These endangered species comments constitute informal consultation only. They do not fulfill the requirements of Section 7 of the Endangered Species Act of 1973, as amended.

Thank you for the opportunity to comment on the scope of study for the Environmental Impact Statement for this proposed railroad acquisition. We look forward to continuing to work with you and HDR, Inc. on this matter. If you have any questions, please contact Elizabeth McCloskey at (219) 983-9753 or elizabeth_mccloskey@fws.gov.

Sincerely yours,

Elizabeth S. McCloskey
for Scott E. Pruitt
Supervisor *acting*

cc: USFWS, Fort Snelling, MN (AES-DHC)
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