

#EO-2237

**SURFACE TRANSPORTATION BOARD
OFFICE OF ENVIRONMENTAL ANALYSIS**

FINAL ENVIRONMENTAL ASSESSMENT

ENVIRONMENTAL RECOMMENDATIONS IN
DOCKET NO. AB 1095 (SUB-NO. 1)

March 19, 2014

ABANDONMENT TYPE

The time for comments on the Environmental Assessment (EA) has expired in this:

() Notice of Exemption () Petition for Exemption (X) Regulated Abandonment

() **NO NEW COMMENTS WERE RECEIVED**

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In this proceeding, the Paulsboro Refining Company, LLC (PRC) filed an application under 49 U.S.C. § 10903 seeking authority to adversely abandon a portion of rail line in Paulsboro, Gloucester County, New Jersey. The proposed adverse abandonment comprises approximately 5.8 miles of rail line within PRC's 970-acre Paulsboro refinery and extends northward from a connection 950 feet to the west of milepost 14 on the Paulsboro Industrial Track of Consolidated Rail Corporation (Conrail). PRC filed its application pursuant to the requirements of 49 C.F.R. Part 1152 and a Surface Transportation Board (Board) decision served on July 26, 2012.¹ The rail line is currently owned by PRC and operated by SMS Rail Service, Inc. (SMS). The Office of Environmental Analysis (OEA) served an Environmental Assessment (EA) for this proceeding on February 12, 2014 for public review and comment. Consistent with case law and precedent, OEA assessed the potential environmental impacts related to diversion of rail traffic and salvage of the rail line. OEA did not examine potential environmental impacts associated with subsequent reuse of the rail line. In the EA, OEA recommended no environmental conditions and concluded that the proposed action would not significantly impact the quality of the human environment.

Comments on the EA

OEA received one comment letter from SMS, dated March 14, 2014. SMS' letter identifies a number of concerns related to future operations of the rail line, should the adverse abandonment be authorized. As the current in-plant switching operator, SMS is concerned that future in-plant switching operations would be handled by Savage Services Group (Savage), who, according to SMS, is a non-carrier that is not subject to Board jurisdiction or the hazardous

¹ The decision permitted PRC to bypass some of the procedures normally required in a typical abandonment proceeding that would be difficult or impossible for a non-operator of a rail line to comply with, such as revenue and cost data, but retained other requirements that are necessary to allow the Board to act on the application.

materials safety rules of the Federal Railroad Administration (FRA) and the Pipeline and Hazardous Materials Safety Administration (PHMSA). SMS goes on to say that, as a non-carrier, Savage is not eligible for the same financial assistance that SMS receives from the New Jersey Department of Transportation's Rural Freight Assistance Program to maintain and improve track conditions. SMS, through submitted news clippings and a brochure from Savage, brings into question Savage's ability to provide safe and reliable service, and alleges that, as a non-carrier, Savage's hazardous materials safety record is simply unknown. SMS contends that Savage would not be able to provide the same safe and reliable in-plant switching at PRC that SMS has provided over the past 13 years and believes that FRA and PHMSA should be involved in the review of the proposed adverse abandonment. Based on this information, SMS concludes that Savage's service at PRC would have an adverse effect on rural and community development in residential neighborhoods and nearby Billingsport Road and believes that the EA did not adequately address these issues.

In reviewing abandonment cases, OEA's focus is on the potential adverse effects resulting from the proposed abandonment's salvage operations (i.e. water, air, land, hazardous waste, etc) and rail to truck traffic diversions (safety, hazardous materials transport, energy, air, noise, biological, and traffic delay). The Board's environmental rules require the applicant to submit reports that describe any effects that the proposed action would have on public health and safety (i.e. if hazardous materials are expected to be transported, identify the materials and quantity; frequency of service; whether chemicals pose a risk that, if mixed, could react to form more hazardous compounds; safety practices, including any speed restrictions; the applicant's safety record on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials), and that the proposed action adhere to land use regulations in the neighboring communities.

As stated in the EA, the rail line proposed for adverse abandonment previously served four shippers in addition to PRC, but now serves only PRC and, to a minor extent, ExxonMobil. There would be no material changes in service and no need to salvage the line if the proposed adverse abandonment is authorized. And although OEA's environmental review does not encompass post-abandonment activity, there is information in the record that PRC has indicated that it would contract with an experienced, safety-conscious switching contractor with experience in operations at refinery facilities and use common carrier service to and from the refinery provided by NS and CSXT, or their agent, Conrail, in the same manner that service was provided before SMS began providing common carrier service at the refinery. Therefore, there would be no change in operations and no change to land uses in the neighboring communities.

As part of its analysis, OEA consulted with the New Jersey Department of Environmental Protection, Division of Land Use Regulation, Coastal Regulation State Coastal Zone Management Agency; the Region 2 Environmental Protection Agency; the U.S. Fish and Wildlife Service; the U.S. Army Corps of Engineers; the National Park Service; the U.S. Natural Resources Conservation Service; the National Geodetic Survey; the Gloucester County Administrator; and the Delaware River Basin Commission, pursuant to its regulations at 49 C.F.R. § 1105.7. Based on the information provided from all sources, OEA concluded that the proposed adverse abandonment would not significantly affect the quality of the human environment, therefore, the environmental impact statement process was unnecessary.

Conclusions

The EA comment period has ended. Accordingly, OEA recommends that no conditions be imposed upon any decision granting abandonment. OEA concludes that the proposed action would not significantly affect the quality of the human environment.

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