

SURFACE TRANSPORTATION BOARD
OFFICE OF ENVIRONMENTAL ANALYSIS

Re: Proposed Tongue
River Railroad Project)

TRANSCRIPT OF PROCEEDINGS

Elks Club
619 Pleasant Street
Miles City, MT
November 15, 2012
2:00 p.m.

APPEARANCES

Mr. Ken Blodgett, STB
Ms. Danielle Gosselin, STB
ICF International, Third-
Party consultants
Mr. Scott Graves, ICF
Mr. Alan Summerville, ICF
Mr. Neil Sullivan, ICF
Mr. Chris Moelter, ICF
Ms. Sarah Mulligan, ICF
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P R O C E E D I N G S

1
2 MR. BLODGETT: Good afternoon. And
3 thank you for attending this afternoon's public
4 scoping meeting on the Environmental Impact
14:54:58 5 Statement for the proposed Tongue River
6 Railroad. I'm Ken Blodgett and this is
7 Danielle Gosselin, and we represent the Surface
8 Transportation Board Office of Environmental
9 Analysis. Also seated with me is Alan
14:55:15 10 Summerville of ICF International, the project
11 manager for our third-party contractor team,
12 and to my left is Scott Graves of ICF
13 International, who will serve as our
14 facilitator this afternoon.

14:55:30 15 The Surface Transportation Board is
16 the agency responsible for granting authority
17 for the construction and operation of new rail
18 lines and associated facilities. On October
19 16, 2012, Tongue River Railroad corporation
14:55:49 20 filed a revised application with the Surface
21 Transportation Board to construct and operate a
22 rail line from Miles City, Montana, to two end
23 points near Ashland, Montana. The Surface
24 Transportation Board is the lead agency
14:56:06 25 responsible for preparing the environmental

1 impact statement, which will identify and
2 evaluate the potential environmental impacts
3 associated with the proposed action.

4 There are four cooperating agencies
14:56:21 5 working with the Surface Transportation Board
6 in preparation of the Environmental Impact
7 Statement. The Bureau of Land Management, the
8 U.S. Army Corps of Engineers, the U.S.
9 Department of Agriculture, and Montana
14:56:35 10 Department of Natural Resources and
11 Conservation, which is acting as the lead
12 agency for other Montana State agencies.

13 These cooperating agencies have
14 decision-making authority independent of the
14:56:51 15 Surface Transportation Board, and are agencies
16 from which Tongue River Railroad will obtain
17 several approvals or permits.

18 This scoping meeting represents one
19 of the first opportunities in the environmental
14:57:08 20 review process for members of the public to
21 provide input to the Surface Transportation
22 Board about its concerns related to construction
23 and operation of the proposed rail line,
24 including potential alternatives and their
14:57:22 25 impacts.

1 Our hope is that the information you
2 provide us today will help frame our analysis
3 and help us to understand your concerns about
4 the proposed action and potential alternatives.
14:57:37 5 The scoping of this public comment period will
6 last until December 6, 2012. The Office of
7 Environmental Analysis office of will then
8 revise the Draft Scope of Study and issue a
9 Final scope of study incorporating all public
14:57:55 10 comments and concerns received during this
11 comment period. The Office of Environmental
12 Analysis will consider all comments whether
13 they be submitted in writing or orally when
14 preparing the Final Scope of Study.

14:58:13 15 There is additional information on
16 the Board's Office of Environmental Analysis
17 and the review process at the station located
18 at the rear of the room. After the Scope of
19 Study is finalized, the Office of Environmental
14:58:29 20 Analysis will begin preparing the Draft
21 Environmental Impact Statement. The Draft
22 Environmental Impact Statement will reflect the
23 Office of Environmental Analysis's independent
24 analysis of the potential environmental impacts
14:58:45 25 that could result from the construction and

1 operation of the proposed rail line. The
2 Office of Environmental Analysis will then
3 issue the Draft environmental impact statement
4 and the public will have the opportunity to
5 read and comment on the Draft Environmental
6 Impact Statement during a formal public comment
7 review period, which will include a series of
8 public meetings similar to the one we are
9 having here today.

10 After the Draft Environmental Impact
11 Statement public comment period has come to a
12 close, the Office of Environmental Analysis will
13 consider all comments received and address each
14 comment in a Final Environmental Impact
15 Statement. The Final Environmental Impact
16 Statement will have the Office of Environmental
17 Analysis's Final conclusions and recommendations
18 for mitigating possible environmental effects.
19 Issuance of the Final Environmental Impact
20 Statement will complete the Surface
21 Transportation Board's environmental review
22 process. At that time the Board will then make
23 a final decision on the proposed rail line
24 construction. In making its final decision,
25 the Board will consider the entire

1 environmental record, including all public
2 comments received, the Draft Environmental
3 Impact Statement, the Final Environmental
4 Impact Statement, and the Office of
15:00:13 5 Environmental Analysis's Final recommended
6 environmental mitigation.

7 No project-related construction may
8 begin until the Board's final decision has been
9 issued, and that decision has become effective.

15:00:32 10 If you have not already done so, I
11 would encourage you to sign in. The sign in
12 table is located at either entrance to the
13 room. Those that have indicated that they
14 would like to make a public comment on the
15:00:45 15 Scope of Study, which will be recorded by a
16 court reporter, will be called upon to speak in
17 the order in which they signed in this
18 afternoon.

19 I would like to thank you in advance
15:00:57 20 for your cooperation and consideration towards
21 those who are speaking. Comments will be
22 limited in time, so that everyone is given the
23 opportunity to speak. If you would like to
24 provide a handwritten comment, there's a
15:01:11 25 handwritten comment station at the rear of the

1 room where you can write your comments and drop
2 them in the box. Handwritten comments may also
3 be mailed to the Surface Transportation Board
4 or submitted electronically using the Surface
15:01:25 5 Transportation Board's website. Oral and
6 written comments will all be given weight and
7 consideration. All comments will be due on
8 December 6, 2012.

9 I would now like to turn the floor
15:01:41 10 over to Mr. Alan Summerville of ICF, who will
11 briefly discuss more details of the project.
12 Thank you.

13 MR. SUMMERVILLE: Good afternoon.
14 During the first half of the meeting we
15:01:56 15 provided information on the project and now I
16 would like to summarize that information for
17 those of you who were not at the first half of
18 the meeting and provide a recap for those who
19 were.

15:02:08 20 The Tongue River Railroad Company's
21 principle purpose for the new rail line is to
22 transport low sulfur, sub-bituminous coal from
23 the proposed mine sites in Rosebud and Powder
24 River counties, including the proposed mines in
15:02:26 25 the Otter Creek area. The Tongue River

1 Railroad Company is proposing to construct and
2 operate an approximately 83-mile rail line
3 between Miles City and two ending points, one
4 near the site of the previously planned Montco
15:02:42 5 Mine near Ashland, and another at the proposed
6 Otter Creek Mine in the Otter Creek area east
7 of Ashland.

8 Accordingly, the rail line would
9 cross portions of Custer, Powder River, and
10 Rosebud Counties.

11 The proposed route would follow the
12 Tongue River Valley and would consist of a
13 single track constructed of continuous-welded
14 rail and include a 200-foot wide right-of-way
15 crossing local roads, streams, trails, and
16 utility corridors, would include two passing
17 sidings one near Milepost 27 and the other near
18 Milepost 46; and include ancillary facilities,
19 including six set-out tracks between 500 and
15:03:13 20 4000 feet in length to provide for temporary
21 storage of cars requiring repair and for
22 storage of maintenance equipment.

23 At a minimum the Office of
24 Environmental Analysis is considering those
15:03:48 25 alternatives analyzed in the Tongue River I

1 EIS. The Tongue River Road Alternative, The
2 Moon Creek Alternative, the Colstrip
3 Alternative, and the No Action Alternative.

4 As part of its alternatives
15:04:04 5 development process, the Office of
6 Environmental Analysis is determining the
7 feasibility of these and other potential
8 routes. The Office of Environmental Analysis
9 welcomes comments on these and other potential
10 alternatives. Alternatives will be evaluated
15:04:18 11 based on public and agency input, as well as
12 environmental, technical and engineering
13 considerations, including curvature and grade
14 of the rail line and topographic features such
15:04:33 15 as steep slopes, hills, as well as geology,
16 floodplains, wetlands, rivers and streams.

17 EISes cover a wide range of issues
18 and topics. In this particular EIS. The Office
19 of Environmental Analysis plans to cover
15:04:53 20 transportation systems, safety, land use,
21 recreation, biological resources, water
22 resources, navigation, geology and soils, air
23 quality, noise and vibration, energy resources,
24 socioeconomics, cultural and historic
15:05:14 25 resources, aesthetics, and environmental

1 justice. Additional resource subject areas can
2 be added as a result of comments and if
3 information received during the scoping
4 process.

15:05:27 5 The purpose of the public scoping
6 meetings is to provide a forum in which the
7 Office of Environmental Analysis office can
8 gain the public's input on potential
9 alternatives, or important impacts that may or
10 may not be currently in the Draft Scope of
11 Study.

12 At this time I'd like to turn the
13 meeting over to our facilitator Scott Graves,
14 who will go over some ground rules and we can
15 begin to hear public comments. Thank you.

15:05:53 16 MR. GRAVES: Thank you, Alan. My
17 name is Scott Graves. As Ken said a little
18 earlier, I'll be the facilitator for this
19 afternoon's meeting.

15:06:08 20 A couple of quick ground rules. In
21 order to make sure that we have enough time for
22 everybody to provide comments this afternoon,
23 we are asking to limit your initial comments to
24 five minutes. After everybody who wants to
15:06:20 25 speak has had a chance to speak, if someone

1 wants to speak again, we can do that.

2 We'll make sure that everybody has a
3 chance to air their comments.

4 Given the limitations of the cord on
15:06:31 5 this microphone, I'm going to ask people to
6 come up the center aisle here, and if you could
7 stand where I am and address the folks up here
8 and the folks in the audience, that would be
9 very helpful, I think. We'll also avoid any
10 feedback problems from getting too close to the
11 speaker over there.

12 So the first name here is Joe Whalen.
13 Joe, do you want to come up?

14 And also I'll ask each person to say
15:07:03 15 your name and spell it for the court reporter.

16 MR. JOE WHALEN: Thank you, Mr.
17 Graves. Chairman Blodgett, members of the
18 board, for the record, my name is Joe Whalen,
19 611 North Lake Avenue, Miles City.

15:07:20 20 While I maintain several grievances
21 with respect to the mining, transport, and
22 burning of coal, today I'd like to limit my
23 comments to the scoping of the TRR EIS with
24 particular attention to the water resources
15:07:37 25 section.

1 To begin, I'd like to share with you
2 some of our recent history involving water
3 resources in this area.

4 In 2007 FEMA initiated the
5 modernization of our flood insurance rate map
6 after climate modeling developed at the Army's
7 Cold Regions and Engineering Lab determined
8 that nearly 3200 properties were at risk with
9 what would become the Miles City Special Flood
10 Hazard Area, and the value of those properties
11 exceeded the cost of a flood abatement project
12 by a factor of nearly 7 to 1, the highest
13 benefit cost ratio within the entire Omaha
14 District of the U.S. Army Corps of Engineers.

15 In 2008 FEMA mobilized an enter-
16 agency disaster exercise simulating a failure
17 of the Tongue River Dam and the subsequent
18 impact of a 25-foot debris wall against the
19 persons and property along the Tongue River,
20 and, in particular, the City of Miles City. If
21 we sustained two ice jam flood events on the
22 Yellowstone River and the Tongue River over the
23 past five years, it would weaken the structural
24 integrity and reduce the freeboard of our
25 vintage 1936 WPA uncertified levy to less than

1 three feet. Our Miles City Council adopted a
2 new flood plain ordinance in July, 2010. It
3 was designed to mitigate flood risk by
4 preventing the construction of new structures
5 within our floodways.

6 In the spring of 2011 rapid snow melt
7 and heavy extended rainfall precipitated a 500-
8 year flood event in the Upper Missouri River
9 watershed that washed out roads, bridges,
10 culverts, and one of the three water mains that
11 connects our water treatment plant with the
12 city. That same event made instant lakes of
13 pastures and irrigated farms along the Tongue
14 and Yellowstone Rivers for days on end.

15 You'll forgive us if we are a little
16 sensitive to projects that tend to increase
17 flood risks.

18 During our flood map modernization we
19 learned some things about geomorphology and
20 climate. We learned that flood pulses on a
21 river are critical to the healthy river
22 ecosystem that we depend upon. We learned that
23 rivers meander whether we are ready for them to
24 do that or not, and we learned we will need to
25 anticipate more high-intensity weather events

1 and greater precipitation in our region between
2 now and the year 2005, ironically, due in part
3 to the burning of fossil fuels.

4 We learned that when you attempt to
15:10:10 5 control the river through levies, your
6 invariably straighten and deepen channels, you
7 increase the velocity of water flow and you
8 sharply alter flood plains both above and below
9 the levy structure, often defeating the entire
10 purpose of flood abatement.

11 During an historic summer flooding of
12 2011, especially, we learned that BNSF and the
13 U.S. Army Corps of Engineers will marshal every
14 available private and public resource to keep
15:10:35 15 coal trains moving in the event of a disaster
16 like a major flood. Miles of ad hoc defensive
17 levies were constructed to prevent rail bed
18 washout, and miles of rail bed were elevated to
19 roll trains above flood waters, anything to get
20 the coal out.

21 There seemed to be no limit to what
22 railways and public agencies will do to promote
23 vehicle major transportation infrastructure in
24 the event of a natural disaster. What is less
15:11:03 25 evident, is what railways and public agencies

1 will do to mitigate disaster impacts against
2 adjacent and downstream properties that are
3 compounded when major transportation
4 infrastructure is placed in harms way. I
15:11:15 5 mention all of this because the last EIS for
6 the Tongue River Railroad failed to include a
7 current flood assessment as part of the section
8 requirement for water, despite the fact that
9 the proposed railroad laterally disconnected
15:11:28 10 the entire Tongue River Railroad flood plain.
11 From Ashland to Miles City that flood plain
12 sits at the bottom of an alluvial valley below
13 high buttes made of tight clay soils that repel
14 storm water like a mud hen's back.

15:11:42 15 The flood waters, created either by
16 ice jams or flash floods -- how will flood
17 waters created either by ice jams or flash
18 floods safely evacuate if access to the flood
19 plain from either side is terminated? What
15:12:07 20 impact will trapped flood waters have upon the
21 rail bed, the river system, neighboring
22 properties, and the city of Miles City
23 downstream? The fact is we don't know, but we
24 should before a new railway is ever permitted
15:12:23 25 upstream. Let's not repeat the sin of omission

1 committed during the prior drafting of the
2 Tongue River Railroad EIS.

3 I'm the immediate past mayor of Miles
4 City. The city council, the residents of this
15:12:35 5 community, and I lived through the anxiety of
6 those previous events. I respectfully demand
7 that the Surface Transportation Board direct a
8 current and thorough flood risk assessment of
9 each of the proposed routes of the Tongue River
10 Railroad as part of the mandatory Tongue River
11 Railroad Environmental Impact Statement,
12 preferably drafted by the U. S. Geological
13 Survey or the U.S. Army Corps of Engineers.
14 Thank you.

15:13:03 15 MR. GRAVES: Next is Custer County
16 Commissioner Vicki Hamilton.

17 MS. VICKI HAMILTON: Thank you for
18 having us put data in and telling you our
19 concerns. I'm Vicki Hamilton, Custer County
15:13:30 20 Commissioners, Keith Holmlund is a
21 commissioner, and he's also here to represent
22 the commission's views.

23 We are in favor of developing our
24 natural resources, and realize that the Tongue
15:13:44 25 River Railroad is planned for the transport of

1 coal, of Otter Creek coal. We hope that the
2 progress of the Tongue River Railroad will be
3 done with the highest of responsibility to
4 Custer County and its citizens.

15:13:58 5 Our concerns are the impacts on the
6 roads and the infrastructure that this railroad
7 is going to do. Which roads are you going to
8 use? Are you going to build your own roads,
9 or are you going deplete our roads that are
10 already in poor condition?

15:14:16 11 How much tax revenue will this
12 railroad bring to Custer County without Custer
13 County being a producing county? Is it just
14 going to cover the impacts or are we going to
15 have tax revenue that's going to cover some of
16 our deficits?

15:14:33 17 These are some of the questions that
18 we are concerned with as Custer County. We
19 want to make sure our infrastructure is taken
20 care of. Thank you for listening.

15:14:47 21 MR. GRAVES: Next is Richard Bonine,
22 Jr..

23 MR. RICHARD BONINE: My name is
24 Richard Bonine, B-o-n-i-n-e. In the interest
15:15:15 25 of full disclosure, I own a natural resource

1 consulting company, and have done a lot of EIS
2 work, and I have some concerns, I guess, I want
3 to make sure are included in this study.

4 Honestly, my preference about this
15:15:39 5 project hinges pretty much on where the coal is
6 going. If the coal is going to China, quite
7 frankly, I sort of prefer a No Action
8 Alternative. If we are going to use it here
9 the U.S. where we can run it through our own
10 pollution control equipment, I think there
15:15:59 11 might be some -- we can talk about that.

12 Specific to the EIS process here,
13 there's a lot of local knowledge sitting in the
14 room, and it's rather unfortunate, I think,
15:16:22 15 that the maps that were provided with this
16 project don't -- that they are not detailed
17 enough where we can really get out a lot of the
18 scoping issues. I mean, there's a lot of
19 things that people could tell you if they knew
15:16:39 20 with a little more certainty where this thing
21 is going to go.

22 I want to reiterate Mr. Whalen's
23 comments about flood control. In no way should
24 there ever be a permit issued for this thing
15:16:57 25 unless there's a flood control study done by

1 the Corps of Engineers. In my view, the
2 railroad needs to be outside, above, the
3 500-year flood plain, and what that means is
4 that it would be a 0.2 percent chance of a
5 flood. I think it needs to be absolutely out of
6 the alluvial valley floor.

7 Access for wildlife, I think, is a
8 critical thing. You heard this yesterday,
9 you'll hear it again today. The valley is the
10 restaurant, the hills are the motel, and
11 basically the wildlife go back and forth
12 between them. And they need really good access
13 through that railroad for wildlife. And what I
14 mean by access, is would I would like to see
15 8-foot by 16-foot tunnels put in, concrete
16 tunnels, through that railroad, and they need
17 to be -- I'd like to see one every half mile,
18 maybe one every mile, so that we've got really
19 good access for wildlife and we've got really
20 good access for livestock operations. We
21 really need to minimize the impacts that this
22 is going to have on our ranching community,
23 particularly Custer County, because that's the
24 bread and butter. I mean, I don't think that
25 there's going to be that much benefit to Custer

1 County with this railroad.

2 I'd like to see some in-depth soil
3 survey done out there. I would like to see
4 Order 2 soil surveys done where we can identify
15:18:57 5 consociations and complexes. And I'd like to
6 see the same sort of detail with vegetation.
7 We need to be able to identify the ecological
8 sites that are out there. We need detailed
9 inventories of the plant species that are
15:19:16 10 there. We know that you'll cover T and E
11 species. You'll probably look at the BLM list.
12 In addition to that, I think that you ought to
13 identify culturally sensitive species, those
14 that have enough of a botanical nature that
15:19:34 15 might have been used in Native American
16 ceremonies or for native healing, that sort of
17 thing, I think all of that needs to be
18 identified.

19 And, finally, I think we've got a
15:19:54 20 golden opportunity here with this EIS to change
21 the process a little bit. Too often EISes
22 become just -- they are basically a funeral
23 report. You go through the process, you do all
24 the evaluation, and basically that's pretty
15:20:17 25 much the record of decision and the project is

1 done. We never come back and look at our
2 assumptions with regard to the alternatives
3 that were selected and that we acted upon. And
4 that I think that there's a golden opportunity
15:20:36 5 with this EIS to make this more of a living,
6 breathing document that has some -- can be used
7 then as a management tool, and I would like to
8 see in the process of doing the EIS, sites
9 identified, monitoring sites, for all of the
10 major points of interest that you've
11 identified, I'd like to see monitoring sites,
12 and I'd like to see a requirement in the permit
13 that we come back every three to five years and
14 evaluate against our baseline. I think that
15:21:22 15 would really help facilitate a lot of how is
16 this thing working, where are the problems,
17 what needs corrected? It's an absolute waste
18 of money, in my view, to go do all of that
19 environmental work and then it gets stuck on a
15:21:39 20 shelf. I've got boxes of them. They are great
21 door stops. Let's take this information and
22 put it to use.

23 And with that, I thank the Board for
24 your time and the opportunity to speak. Thank
15:21:57 25 you.

1 MR. GRAVES: Mark Fix.

15:22:25

2 MR. MARK FIX: Hi. I'm Mark Fix,
3 F-i-x. I'm a rancher and irrigator on the
4 Tongue River about 20 miles southwest of Miles
5 City. Our ranch will be crossed by about three
6 miles of the proposed Tongue River Railroad,
7 the original route. There are several
8 different routes being considered at this
9 meeting. There are no maps for the alternative
10 routes. I believe the Moon Creek Alternative
11 may cross my ranch, but have not been given a
12 map, so I do not know where it crosses the
13 ranch, whether it crosses the ranch or not.
14 It's hard to know how it will affect my ranch
15 until I know where it goes.

15:22:36

15:22:49

15:23:00

15:23:10

16 The route that is shown on the
17 application runs through several of the
18 pastures on our ranch. It will go through my
19 calving pasture. It would form a wall that
20 would keep my cattle from getting to the river
21 for water. This year the water was critical.
22 Several of the dams on our ranch dried up and
23 the cattle couldn't get any water. I had to
24 move the cattle out of one pasture because of
25 this situation. Without water the cattle

1 cannot utilize the grass. I had to bring the
2 cattle back down to the river to get water and
3 to get some feed for my irrigated alfalfa. If
4 the railroad had been there, the cattle could
5 not have gotten to the river for water. We
6 would have had to drill wells and provide water
7 to the cattle above the Tongue River Railroad
8 grade. The way the ranch operates will be
9 severely changed with the railroad through it.

10 I believe that the Tongue River
11 Railroad will devalue my ranch by almost half
12 of its value. The Surface Transportation Board
13 needs to determine how much money and
14 production will be lost by agriculture from the
15 construction of the Tongue River Railroad.

16 The Tongue River Railroad is no
17 longer a common carrier. They are only hauling
18 coal from the Otter Creek Mine and the coal is
19 destined for Asia and China. The coal will not
20 help the United States and it will only serve
21 to make the private corporations that own the
22 coal and railroad richer and will not serve any
23 public function.

24 The Tongue River Railroad should not
25 be granted the right to use eminent domain for

1 the Chinese. The last time they came, my
2 neighbor and I talked with them, and they
3 offered my neighbor a hundred dollars per acre
4 for the land across his ranch. He was crossed
15:24:22 5 by about three miles and it would have taken 40
6 acres. So for \$4,000 they would go across
7 about three miles of the neighbor's ranch and
8 wreck his place. Obviously, he did not sell to
9 them.

15:24:34 10 The railroad will start fires and
11 bring weeds to our valley. Where the Tongue
12 River Railroad is proposed there is no public
13 road along the track from Miles City to the
14 Brandenburg Bridge. The Moon Creek Road would
15:24:46 15 be along the track for a few miles. We need a
16 public road along the railroad to help fight
17 fires and control weeds. We were lucky that we
18 did not have a fire this year. Fires burned up
19 the river near the Otter Creek area and over
15:25:01 20 300,000 acres burned. Who knows how many
21 hundreds of thousands of acres would have
22 burned if the railroad would have been here
23 starting fires.

24 MR. GRAVES: Thank you. Jack Regan.

15:25:21 25 MR. JACK REGAN: My name is Jack

1 Regan, R-e-g-a-n. I'm on the Miles City
2 Economic Development Council and the Southeast
3 Development Corporation. Plus, I'm the
4 recently retired superintendent of schools in
5 Miles City.

6 I look at it from an education
7 standpoint and economic standpoint for Miles
8 City and Custer County and all of southeastern
9 Montana. Southeastern Montana, eastern Montana
10 in general, as you know, has not been going
11 through the recession that many areas of the
12 country have gone through. And for the State
13 of Montana, it is providing the budget surplus
14 that we now see for the State of Montana.

15 The economy of southeastern Montana
16 is a diverse economy, and obviously agriculture
17 has been a major part. But we should use our
18 natural resources also to have a well-rounded
19 economy and something that we can use to
20 develop the infrastructure of the towns and
21 roads and so forth in this part of the state.
22 The school district is in dire need of new
23 schools. We have three schools right now that
24 are pressing a hundred years old. With the
25 taxable valuation of Custer County there's

1 not -- we don't have the taxable bonding
2 capacity to build new schools. And they've got
3 great schools, But they are on their last legs.
4 I as superintendent and the board have energy
15:26:57 5 retrofitted five of the six schools. The other
6 is in the process of it. In fact, just had a
7 major boiler failure this week. And if we
8 don't get some economic growth and taxable
9 valuation in Custer County, there's just going
10 to be more problems like that down the road.
15:27:11 11 It is an opportunity. We all know natural
12 resources are a finite quantity. But 50 years
13 from now if those resources are still in the
14 ground and technology has passed it by, then
15:27:27 15 we've lost a very good opportunity to meet the
16 needs that are a need right now to help our
17 communities, our counties, and our citizens
18 with good jobs, rebuild the infrastructure, get
19 great schools when we have the opportunity.

15:27:42 20 Thank you.

21 MR. GRAVES: Matt Cole.

22 MR. MATT COLE: My name is Matt Cole,
23 M-a-t-t, C-o-l-e.

24 I live on Cole Lane in Rosebud County.

15:28:21 25 I wanted to bring up a few comments

1 here. We have a railroad that goes right
2 through our ranch. It's been there over a
3 hundred years. The old Northern Pacific
4 railroad. We have a county road. We have old
15:28:37 5 Highway 10, which is paved. And recently the
6 interstate went through. We do not have -- I
7 hear all of these problems and all this about
8 how the railroads are going to destroy
9 everything, but it has not destroyed our place
10 at all. In fact, the right-of-ways provide
11 some pretty good grazing for wildlife, the
12 pheasants are along there, the deer is where
13 you see a lot of it because it isn't grazed or
14 isn't used up. So there are some advantages to
15:28:54 15 having the railroad close to your place.

16 One of the things as far as moving
17 cattle back and forth, we have no problem with
18 that. Check to see when the train is going
19 through, you don't want a bunch of cows
15:29:15 20 standing on the track moving them across when
21 the train comes. All you got to do is call
22 Forsyth and they can tell you.

23 And with the highways, that's good.

24 Now, I've heard over the years some
15:29:46 25 of the people complaining, especially along

1 Tongue River, about how horrible it will be,
2 but wait until they get the interstate going
3 down through their place. That is an area that
4 you do not run your cattle across. You have to
5 have overpasses. To get on it you may have to
6 go this way and this way rather than county
7 roads and state roads. I think that it will be
8 something that's going to produce, as you see
9 the State of Montana has put up, and I'm sure
10 you've seen it, where they will be over 2000
11 people working, the income coming off millions
12 and millions of dollars to eastern Montana.
13 And the counties, I think \$93 million dollars
14 becoming tax money. I would like to see these
15 coming in. It would be fine to have our tax
16 lowered a little bit on our place.

17 There's some things we need to do on
18 it, but let's get together and let's work and
19 let's get this thing going so we can use our
20 resources here in Montana. We have more coal
21 than any other state in the union, and yet we
22 are like fifth or so as far as production is
23 concerned.

24 Anything I can do to help to get this
25 beginning for the counties and the people, I'd

1 be happy to do. Thank you very much.

2 MR. GRAVES: Wade Sikorski.

3 MR. WADE SIKORSKI: My name is Wade
4 Sikorski. My family has a ranch between Baker
15:31:39 5 and Ekalaka. We are quite a ways away from the
6 Tongue River Valley but we aren't going to very
7 far away from the consequences. I'm primarily
8 concerned about the climate change, how coal
9 that comes out of the Powder River Basin is
10 changing our environment. We already have
15:31:59 11 effects from climate change happening on our
12 ranch.

13 One example is that we have this
14 green ash trees on the place. And when I was a
15:32:11 15 kid it was basically a jungle. You had to get
16 a machete to chop through it. Now you can
17 drive through it with a four-wheeler. The
18 underbrush has cleared out. And we became
19 concerned about this when we were wondering why
15:32:25 20 the trees were dying off and weren't
21 reproducing. And so we contacted the BLM and a
22 BLM scientist came on to our place and he did a
23 study. He made two different divisions, one
24 was heavily graze and one wasn't. His theory
15:32:45 25 was that perhaps the cow grazing had affected

1 it. Anyway, the upshot from his study, it
2 wasn't the difference in cattle grazing at all.
3 He developed a theory it was a change in the
4 hydrological cycle.

15:32:58 5 What has happened in eastern Montana
6 is our winters have changed since when I was a
7 child. Instead of -- when I was a child we
8 would have basically a continuous winter, the
9 snow would fall and stay until spring and it
10 would run off in a big rush. Now we have snow
11 that falls, basically our precipitation hasn't
12 changed that much, but the snow melts off
13 during the winter periodically. So there
14 aren't these big accumulations of snow in the
15 draw. And the result is the snow doesn't kill
16 the grass in the draws any more like it used
17 to, and this is preventing the green ash from
18 getting started. And the grass is competing
19 with them now where it didn't used to before.
20 And so the result, the green ash groves are
21 dying out throughout eastern Montana.

22 I'm going to give you've a copy of
23 Peter Lesica's article, and this is right here,
24 this is a picture of our place, of the green
15:34:02 25 ash grove as it is now, and this is the green

1 ash grove as it should be as it was when I was
2 a child. There's a big difference there. And
3 Peter Lesica, I believe, says basically it's
4 because of climate change is already happening.

15:34:15 5 And this is not just kind of
6 aesthetic, our green ash draws, perhaps we can
7 get by without them. They aren't a big
8 economic impact. But what is an economic
9 impact is what has happened with our irrigation
10 system. We have about of 60 acres that are
11 flood irrigated. We have sort of a valley that
12 concentrates the water and it hits a dam and
13 then it hits a dike system. When I was a child
14 this dike system was flooded from top to bottom
15 very reliably almost every year. And we got
16 really good production off of it. But now the
17 floods just don't come. The water is melting
18 off in the winter, it is soaking into the soil
19 and it doesn't come in a rush any more. So the
15:34:57 20 production is basically declined by about a
21 third I would estimate. So it's causing --
22 climate change is already causing us economic
23 harm.

15:35:10 24 And if the Tongue River Railroad is
25 developed, I'm very concerned that the economic

1 harm will greatly increase. Scientists are
2 saying we need to keep temperature change below
3 2 degree centigrade, and pretty much they have
4 given up on that. I mean, if we continue as
5 usual, like building the Tongue River Railroad,
6 we'll go way over that. We'll have 6 or 7
7 degrees centigrade increase, or 10 degrees
8 Fahrenheit increase perhaps by the end of the
9 century, which will mean in my end of the
10 children it will be 50 to 60 days with
11 temperatures over a hundred degrees. That's
12 going to have a big impact on the crops we
13 produce. My rule of thumb, every day that it
14 goes over a hundred degrees Fahrenheit, you
15 lose about one bushel per acre per day every
16 day. So if you have 50 to 60 days, about half
17 of them will be during the growing season, so
18 that's going to be a big cut out of our crop
19 yields.

20 Scientists say for every degree
21 centigrade that the temperature increases crop
22 yields will fall by ten percent. So 2 percent,
23 which is be really, really worked hard we might
24 be able to keep climate change to 2 degrees
25 increase, but that's just -- I mean, we do

1 things like build the Tongue River Railroad and
2 it is just not going to be possible to grow the
3 food that we need to feed the world.

4 So I really think the best thing to
15:36:37 5 do is not develop the Tongue River Railroad, to
6 leave the coal in the ground, and to look for
7 alternative energy sources.

8 I have some papers here, a short
9 essay that I published in a book called *Changes*
10 *Of Season*, and I also have research article by
11 Peter Lesica. Thank you very much.

12 MR. GRAVES: Is there anyone who
13 hasn't yet spoken who would like to speak?

14 MR. BRIAN SCHOOF: My name is Brian
15 Schoof. B-r-i-a-n, S-c-h-o-o-f. Some know me,
16 some don't. My previous occupation in
17 education is I'm a petroleum engineer and I
18 have my degrees in electrical and civil
19 engineering. My graduate work was arctic
15:37:46 20 engineering and finance. I am retired, and I
21 putter around.

22 But as far as the Tongue River
23 Railroad goes, I would like to see it go. I
24 would like to see the government get out of it
15:38:02 25 as far as they can. The government does a lot
15:38:14

1 of damage in getting it going.

2 It is up to the farmers and the
3 ranchers where it goes and it affects them.
4 And they can talk with the people that own the
15:38:30 5 railroad. There are those that want it that
6 will sign up for it, and they will put up
7 whether they want pass-throughs or whatnot for
8 their cattle. The ones that want to, say,
9 argue, they have the court system and they can
15:38:44 10 go to court and they can argue and either get
11 it changed, the route, get it changed to where
12 they get it, but we do need to get this country
13 going, and we do need to get the coal out of
14 the ground, the oil out of the ground.

15 Whether it goes to China or other
16 places, I would like to see it used here.
17 Economically, on the electrical end of it,
18 water is the cheapest for our electricity.
19 Coal and nuclear come in second. The most
15:39:15 20 expensive in the world is the solar and wind
21 power. It is about 20 times the cost of coal
22 power. We have one coal-fired plant shut down
23 in Billings now.

24 We've got to quit that. But if this
15:39:27 25 coal were to go Asia, we still get the money in

1 this country to work with. The county will
2 still get the taxes out of the roadbed, with
3 what the roadbed brings. It will not bring a
4 huge number of people to this county for
15:39:42 5 employment, but it will bring some after it is
6 built.

7 But the county will see an increase
8 in the taxation and increase of the money, but
9 we do have to get this doggone country going
10 again. The recession is about to hit here.
11 And I do thank you for the time.

12 MR. GRAVES: Yes, sir.

13 MR. BILL ALMY: My name is Bill Almy,
14 President of Keystone Ranches Incorporated, at
15 Ismay, Montana.

16 We really don't have a dog in this
17 fight, but we do have the Milwaukee railroad as
18 operated by the Burlington Northern now but
19 goes through our ranch. We've been neighbors
20 to the railroad for 50 years, and I take Mr.
15:40:37 21 Cole's position to some degree. It's really
22 not a great hazard for our operation.

23 Under the law the railroad is bound
24 to plow the fire guard annually in "a good and
15:40:59 25 workman-like manner." If fires are a problem

1 for people it's because the railroad is not
2 doing its job.

3 We've been through a big fire season
4 in eastern Montana. Fortunately, we didn't get
15:41:12 5 struck by any fire, but the railroad has taken
6 very good care of their discharge system and
7 their diesel motors, diesel engines, and very,
8 very seldom do we see a fire any more.

9 At first it was a little bit of a
10 concern about getting livestock across the
11 tracks. But as your livestock get used to the
12 environment, they cross readily. Also, as Mr.
13 Cole points out, you can call your dispatcher
14 and find out where the trains are. You don't
15:41:31 15 have to just wander out into the tracks.

16 When the environmental concern about
17 riparian areas came into play, and that's a
18 word that's reasonably new in our vocabulary in
19 agriculture, we discovered that the railroad
15:42:11 20 provided us a beautiful corridor to keep our
21 livestock out of the riparian areas when we
22 didn't want them there. In other words, they
23 can't come to the river or come to the creek.
24 O'Fallon Creek is the creek that the railroad
15:42:28 25 goes down at our place. And the fences that

1 the railroad have built and do build, and by
2 the way they are a better fence than anybody.
3 They do beautiful fences. Keep them up
4 perfectly. I wish ours were that good. They
15:42:45 5 keep the livestock away from the riparian areas
6 in the summertime, and in the wintertime, when
7 we want to graze that area, it provides a super
8 pasture right down along the river, along the
9 creek. It was a benefit we really didn't
10 anticipate, but as the riparian notion came
11 along, we found it to be very beneficial.

12 I guess I'm not here to say it's a
13 good idea or bad idea, coal-wise or otherwise.
14 All I can say is that we've operated with the
15:43:00 15 railroad and thought it to be relatively
16 harmless. They are good neighbors. They keep
17 their fence up. And we would almost rather
18 have them than some of our other neighbors.

19 MR. GRAVES: Thank you.

15:43:36 20 UNIDENTIFIED SPEAKER: Remember an
21 explosion in Plevna this summer?

22 MR. GRAVES: Anyone else who hasn't
23 yet spoke want to offer a comment?

24 MS. JULIE KORKOW: My name is Julie
15:43:54 25 Korkow, K-o-r-k-o-w.

1 I just want to speak briefly today
2 about some of the socioeconomic impacts, or
3 more economic impact.

4 I'm from Powder River County, the
5 location of the Otter Creek coal mine.
6 Unfortunately, the tracks will go through
7 Powder River County. Powder River County has
8 the lowest average wage level in the State of
9 Montana during 2010, according to the
10 Department of Commerce statistical information.

11 And in the private sector in Powder
12 River County, the average annual wage was
13 approximately \$18,046. Now we know why we all
14 have three jobs.

15 The average annual wage projected at
16 Otter Creek coal mine is approximately \$80,000.
17 This is of great interest to our county. Tax
18 revenues in Powder River County alone are
19 anticipated to be approximately \$27 million
20 dollars annually. As of today, our tax base is
21 only \$4 million dollars. Thank you.

22 MR. GRAVES: Anyone else who has not
23 yet spoken who would like to offer a comment?

24 Are there any other additional --
25 would you like to come up, sir.

1 MR. WAYNE MULKEY: I'm Wayne Mulkey,
2 and I have lived here all my life. I was born
3 in 1928 when we had railroads. And we didn't
4 have Al Gore either.

15:45:50 5 I would like to see this happen, but
6 I want to see it done right. And I'm sure
7 you're capable of doing it.

8 MR. GRAVES: Is there anyone else
9 that would like to offer a comment this
10 afternoon? Anyone?

11 We'll be here until 4 p.m. this
12 afternoon. So we'll stick around until then.
13 I'm going to offer -- let Ken make a few
14 closing comments and then we'll be adjourned
15 until 4.

16 MR. BLODGETT: I would just like to
17 thank everybody for attending today's scoping
18 meeting and all your comments. We are very
19 interested in hearing what people's concerns
20 are, interests, alternative ideas. So thank
21 you for coming.

22 And I wanted, in case everybody
23 didn't get the word, there are scoping meetings
24 scheduled for Friday in Lame Deer, the same
25 time, 2 to 4 in the afternoon and 6 to 8 in the

1 evening at the Chief Little Wolf Capital
2 Building. Just in case anybody didn't get the
3 word about those meetings.

4 Okay. Thank you, again. And we'll
5 be here until 4 and we'll hold another meeting
6 starting at 6. Thank you.

7 (Meeting closed.)
8
9

10 CERTIFICATE OF REPORTER
11

12 I, Richard L. Mattson, Certified Court
13 Reporter, hereby certify the foregoing
14 transcript of proceedings to be a true and
15 correct transcript of the proceedings contained
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