Environmental Process: In accordance with NEPA, SAFETEA–LU section 6002 and FTA's section 5309 New Starts requirements, the project's environmental process has been divided into three general phases: (1) Scoping; (2) Alternatives Analysis/ EIS, selection of the Locally Preferred Alternative (LPA); selection of the Preferred Alternative and (3) Final EIS.

III. Alternatives

The Feasibility Study conducted in 2005 recommended Bus Rapid Transit (BRT) along University Parkway and University Avenue with a detour off University Avenue to serve Brigham Young University (BYU). Because population and employment densities have changed in the study area since 2005, the AA/EIS will evaluate a wide range of fixed guideway alternatives including light rail and Bus Rapid Transit. Bus Rapid Transit includes exclusive transit lanes (either centerrunning or side-running) and queue jump lanes. The preliminary alternatives will be narrowed to a locally preferred alternative based on updated ridership forecasts. The locally preferred alternative and a No-Action alternative will be evaluated in detail in the EIS resulting in the selection of a Preferred Alternative.

IV. Probable Effects

NEPA requires FTA and UTA to evaluate the significant impacts of the alternatives selected for study in the AA/EIS. Primary issues identified thus far include additional right-of-way takes, business impacts, potential impacts to historic properties, and traffic and accessibility impacts. The impacts will be evaluated for both the construction period and for the longterm period of operation. Measures to mitigate adverse impacts will be developed.

V. FTA Procedures

The regulation implementing NEPA, as well as provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), call for public involvement in the NEPA process. Section 6002 of SAFETEA-LU requires that the lead agencies (FTA, UTA, and MAG) do the following: (1) Extend an invitation to other Federal and non-Federal agencies and Native American tribes that may have an interest in the proposed project to become 'participating agencies;" (2) provide an opportunity for involvement by participating agencies and the public to help define the purpose and need for a proposed project, as well as the range of alternatives for consideration in the EIS; and (3) establish a plan for coordinating public and agency participation in, and comment on, the environmental review process. An invitation to become a participating or cooperating agency, with scoping materials appended, will be extended to other Federal and non-Federal agencies and Native American tribes that may have an interest in the proposed project. It is possible that the lead agencies will not be able to identify all Federal and non-Federal agencies and Native American tribes that may have such an interest. Any Federal or non-Federal agency or Native American tribe interested in the proposed project that does not receive an invitation to become a participating agency should notify Pat Rothacher, Utah Transit Authority, at 3600 South 700 West, Salt Lake City, UT 84119 or prothacher@rideuta.com.

UTA is seeking federal assistance from the FTA to fund the proposed project under 49 United States Code 5309 and will, therefore, be subject to regulations (49 Code of Federal Regulations (CFR) Part 611) related to New Starts projects.

The AA/EIS will be prepared in accordance with NEPA and its implementing regulation issued by the Council on Environmental Quality (40 CFR Parts 1500-1508) and with the FTA/Federal Highway Administration regulations "Environmental Impact and Related Procedures" (23 CFR part 771). In accordance with 23 CFR 771.105(a) and 771.133, FTA will comply with all Federal environmental laws, regulations, and executive orders applicable to the proposed project during the environmental review process. These requirements include, but are not limited to, the environmental and public hearing provisions of Federal transit laws (49 U.S.C. 5301 (e), 5323 (b), and 5324); the project-level air quality conformity regulation of the U.S. Environmental Protection Agency (EPA) (40 CFR Part 93); The section 404 (b)(1) guidelines of EPA (40 CFR Part 230); the regulation implementing section 106 of the National Historic Preservation Act (36 CFR Part 800); the regulation implementing section 7 of the Endangered Species Act (50 CFR Part 402); section 4(f) of the Department of Transportation Act (23 CFR 771.135); and Executive Orders 12898 on environmental justice, 11988 on floodplain management, and 11990 on wetlands.

Issued on: December 14, 2007. **Charmaine Knighton,** *Deputy Regional Administrator, Region VIII.* [FR Doc. E7–24861 Filed 12–20–07; 8:45 am] **BILLING CODE 4910-57-P**

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2006-24058]

Pipeline Safety: Grant of Special Permit; TransCanada Pipelines Limited

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA); DOT.

ACTION: Notice; Grant of Special Permit.

SUMMARY: The Pipeline and Hazardous Materials Safety Administration (PHMSA) is granting TransCanada Pipelines Limited (TransCanada) a special permit waiving compliance from the Federal pipeline safety regulation in 49 CFR 192.611 for two pipeline segments in the Portland Natural Gas Transmission System, described below under "Pipeline System Affected." The regulation requires natural gas pipeline operators to confirm or revise the maximum allowable operating pressure of a pipeline after a change in class location.

FOR FURTHER INFORMATION CONTACT:

Alan Mayberry at (202) 366–5124, or by e-mail at *Alan.Mayberry @dot.gov;* or Wayne Lemoi at (404) 832–1160 or by e-mail at *Wayne.Lemoi@dot.gov.* SUPPLEMENTARY INFORMATION:

Special Permit Request

Pipeline Operator: TransCanada petitioned PHMSA on April 8, 2005, for a special permit to waive compliance from the Federal pipeline safety regulation in 49 CFR § 192.611 for two pipeline segments of the Portland Natural Gas Transmission System (PNGTS) 24-inch mainline operated by TransCanada and described below under "Pipeline System Affected." The regulation requires natural gas pipeline operators to confirm or revise the maximum allowable operating pressure (MAOP) of a pipeline after a change in class location.

Pipeline System Affected: This special permit request covers two segments of a single 24-inch pipeline known as the PNGTS pipeline in and near the town of North Windham, Maine. Special permit segment 1 includes 615 feet that changed from a Class 1 location to a Class 3 location on March 1, 2004, and an additional 2,298 feet that TransCanada anticipates will change from a Class 1 location to a Class 3 location for a total of 2,913 feet. Special permit segment 2 is just upstream of special permit segment 1 and includes 4,766 feet anticipated by TransCanada to change from a Class 1 location to a Class 3 location. Anticipated class location change for both special permit segments is due to residential and commercial development anticipated by TransCanada. The two "special permit segments" are defined as follows:

Special Permit Segment 1: 2,913
feet, mile post (MP) 132.20 to MP 132.75
Special Permit Segment 2: 4,766

feet, MP 130.88 to MP 131.78 A special permit inspection area is defined as the area within 220 yards of each side of a pipeline centerline along the entire length of the *special permit* segment and along the pipeline up to 25 miles upstream and downstream of the special permit segment. The "special permit inspection area" for this special permit consists of the area within 220 yards of each side of the PNGTS pipeline centerline along the entire length of the pipeline from 25 miles upstream of *special permit segment* 2 to approximately 10 miles downstream of special permit segment 1 and is inclusive of both special permit segments.

Public Notice

On September 7, 2006, PHMSA published a notice of the TransCanada request in the Federal Register (71 FR 52871) inviting interested persons to comment on the request. On February 8, 2007, PHMSA posted another notice in the Federal Register (72 FR 6042) informing the public that we have changed the name granting a waiver to a special permit. We did not receive any public comments for or against this special permit request. We also requested and received supplemental information from TransCanada. The special permit petition, Federal Register notice, supplemental information from TransCanada and all other documents pertinent to this special permit request are available for review by the public in Docket Number PHMSA-2006-24058 in the Federal Docket Management System (FDMS) located on the internet at www.Regulations.gov.

Special Permit Analysis

Background: On June 29, 2004, PHMSA published in the **Federal Register** (69 FR 38948) the criteria it uses for the consideration of class location change special permits. First, certain threshold requirements must be met for a pipeline section to be further evaluated for a class location change

special permit. Second, the age and manufacturing process of the pipe; system design and construction; environmental, operating and maintenance histories; and integrity management program (IMP) elements are evaluated as significant criteria. These significant criteria are presented in matrix form and can be reviewed in the FDMS, Docket Number PHMSA-RSPA-2004-17401. Third, such special permits will only then be granted when pipe conditions and active integrity management provides a level of safety greater than or equal to a pipe replacement or pressure reduction.

Threshold Requirements: Each of the threshold requirements published by PHMSA in the June 29, 2004 FR notice is discussed below for the TransCanada special permit petition.

(1) No pipeline segments in a class location changing to Class 4 location will be considered. This special permit request is for two pipeline segments in class locations that have changed or are anticipated to change from Class 1 to Class 3. This requirement has been met for both PNGTS *special permit segments*.

(2) No bare pipe will be considered. Both *special permit segments* of the PNGTS pipeline are coated with Fusion Bond Epoxy (FBE), meeting this requirement.

(3) No pipe containing wrinkle bends will be considered. There are no wrinkle bends in the *special permit segments*. This requirement has been met for both PNGTS *special permit segments*.

(4) No pipe segments operating above 72 percent of the specified minimum yield strength (SMYS) will be considered for a Class 3 special permit. The PNGTS pipeline operates at or below 72 percent SMYS. This requirement has been met for both PNGTS special permit segments.

(5) Records must be produced that show a hydrostatic test to at least 1.25 \times MAOP. The PNGTS pipeline has been hydrostatically tested to 1,846 pounds per square inch gauge (psig), 1.28 \times MAOP. This requirement has been met for both PNGTS *special permit segments.*

(6) In-line inspection (ILI) must have been performed with no significant anomalies identified that indicate systemic problems. The PNGTS pipeline has been ILI inspected with no significant anomalies in the *special permit segments*, thus meeting this requirement.

(7) The *special permit inspection* area must be inspected according to the operator's IMP and periodically inspected with an in-line inspection technique. This special permit will include conditions requiring TransCanada to perform additional inspections in the *special permit inspection area* on a frequency consistent with the integrity management regulations contained in 49 CFR Part 192, Subpart O. The special permit conditions will also require TransCanada to incorporate both *special permit segments* in its written IMP as "covered segments" in a "high consequence area (HCA)" per 49 CFR 192.903.

Criteria Matrix: The original and supplemental data submitted by TransCanada for the *special permit segments* have been compared to the class location change special permit criteria matrix. The data falls within the "*probable acceptance*" column of the criteria matrix for all criteria except for a change, from a Class 1 location to a Class 3 location, which falls within the "*possible acceptance*" column of the criteria matrix, and the ILI Time Frame Requirement which falls within the "possible acceptance" column of the criteria matrix.

(1) Pipe design and construction, including pipe manufacture, material, design stress and weld radiography: the pipe of both special permit segments was manufactured in 1998-1999 of American Petroleum Institute Specification 5L, Specification for Line Pipe (API 5L), X-70 steel, using a 72 percent SMYS design factor per § 192.111, with documented 100 percent circumferential field weld radiographic inspection. The pipe coating is millapplied FBE with field-applied FBE on circumferential welds. All of these factors fall within the "probable acceptance" column of the criteria matrix.

(2) Pressure testing: both *special permit segments* were pressure tested in 1998 to 1,846 psig corresponding to 128 percent MAOP and 92 percent SMYS. No test failures occurred. These factors fall within the "*probable acceptance*" column of the criteria matrix.

(3) Environmental considerations: the depth of cover is given as 48 inches for both *special permit segments*, exceeding the requirements of § 192.327(a). Both *special permit segments* are located in stable terrain that does not contain any major slopes. These factors fall within the "*probable acceptance*" column of the criteria matrix.

(4) Operational considerations: according to TransCanada, there were no leaks or failures in the two *special permit segments* of the pipeline. The pipeline transports only dry gas with light pressure fluctuations. Cathodic protection (CP) was operational in the fall of 1999 on both pipeline *special* *permit segments*, which was within 9 months of the in-service date of the pipeline. A baseline close interval survey (CIS) of the entire PNGTS pipeline was performed during the summer of 2000. No low potentials or CP anomalies were identified in the *special permit segments*. No safety related condition reports (SRCR) have been issued for the *special permit segments*. These factors fall within the "probable acceptance" column of the criteria matrix.

(5) Integrity management program: special permit segment 1 is currently within an HCA, while special permit segment 2 is anticipated by TransCanada to become an HCA in its entirety due to anticipated development. The entire PNGTS pipeline (including both *special permit* segments) transports odorized gas. Leakage surveys using leak detection equipment are performed annually on the entire pipeline including the *special permit segments*. PNGTS performed an ILI on November 1, 2002, which was more than two years but less than five years prior to the special permit application date, placing this criterion in the "possible acceptance" column of the criteria matrix. Two minor (less than 4 percent) anomalies identified in the 2002 ILI were excavated in 2005; no active corrosion was found. A high resolution magnetic flux leakage (MFL) ILI is scheduled for 2009 on the pipeline sections including the special permit segments. A baseline CIS was performed in 2002 on the entire PNGTS pipeline system. TransCanada annually performs a CIS of 15–20 percent of the system and proposes to perform a CIS on the special permit segments annually. TransCanada has not identified any coating or corrosion issues. TransCanada proposes to perform a direct current voltage gradient (DCVG) survey on both *special* permit segments and 1,000 feet upstream and downstream of the *special* permit segments. TransCanada also proposes to perform weekly aerial patrols and quarterly ground road crossing patrols, including leakage surveys, using leak detection equipment in the proposed special permit segments. TransCanada additionally proposes to install buried excavation warning tape over the pipeline comprising the *special permit segments*. All of these factors, with the exception of the ILI time frame criterion, fall within the "probable acceptance" column. The ILI time frame falls within the "possible acceptance" column because it was several months outside the two year requirement prior to the special permit application.

Special Permit Findings

PHMSA finds that granting this special permit is not inconsistent with pipeline safety and will provide a level of safety equal to or greater than pipe replacement or pressure reduction. We do so because the special permit analysis shows the following:

(1) The special permit segments meet six of the seven threshold requirements. The seventh threshold requirement, that the special permit inspection area be inspected according to the operator's IMP and periodically inspected with an in-line inspection technique, will be addressed in the special permit conditions. The special permit conditions will also include annual inspection requirements of the special permit inspection area and both special permit segments on a frequency consistent with 49 CFR 192, Subpart O; the Integrity Management regulations.

(2) The *special permit segments* fall in the "probable acceptance" column of the criteria matrix for all criteria except for class location change and ILI time frame. The class location change for both special permit segments is from a Class 1 location to a Class 3 location, which places this parameter in the "possible acceptance" column. The last ILI that was performed on the entire PNGTS pipeline containing the *special* permit segments was on November 1, 2002, which is longer than two but less than five years preceding the special permit petition. This places the ILI time frame parameter in the "possible acceptance" column.

(3) The special permit conditions will require TransCanada to implement enhanced IMP actions for the entire *special permit inspection area*.

Special Permit Grant

PHMSA grants a special permit of compliance from 49 CFR 192.611 to TransCanada Pipelines Limited for two pipeline segments defined below in or near North Windham, Maine in the Portland Natural Gas Transmission System. The *special permit segments* are where the class locations along the pipeline have changed or are anticipated to change in the future from a Class 1 location to a Class 3 location. As of July 1, 2007, only 615 feet of special permit segment 1 has actually changed to Class 3 location. PHMSA is nevertheless granting this special permit for both the actual and the anticipated class location change along both special *permit segments* because the additional integrity management program actions required by this special permit for the entire special permit inspection area will enhance the safety of operation of

the PNGTS pipeline. This special permit applies to the pipeline *special permit segments* defined as follows:

• Special permit segment 1: 2,913 feet, mile post (MP) 132.20 to MP 132.75

• Special permit segment 2: 4,766 feet, MP 130.88 to MP 131.78

A special permit inspection area is defined as the area within 220 yards of each side of a pipeline centerline along the entire length of the special permit segment and along the pipeline up to 25 miles upstream and downstream of the special permit segment. The "special permit inspection area" for this special permit consists of the area within 220 vards of each side of the PNGTS pipeline centerline along the entire length of the pipeline from 25 miles upstream of special permit segment 2 to approximately 10 miles downstream of special permit segment 1 and inclusive of both special permit segments.

Special Permit Conditions

This special permit is granted with the following conditions:

(1) TransCanada must continue to operate the *special permit segments* at or below the existing MAOP.

(2) TransCanada must incorporate both special permit segment 1 and special permit segment 2 into its written IMP as "covered segments" in an HCA as defined in 49 CFR Subpart O, § 192.903, except for the reporting requirements contained in 49 CFR 192.945. The special permit segments included in this special permit need not be included in TransCanada's IMP baseline assessment plan.

(3) TransCanada must perform a CIS of the entire length of the *special permit* inspection area not later than one year after the grant of special permit and remediate any areas of inadequate cathodic protection. A CIS and remediation need not be performed on the special permit inspection area if a CIS and remediation have been performed within 6 years of the grant of special permit. If factors beyond TransCanada's control prevent the completion of the CIS and remediation within one year, a CIS and remediation must be completed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Eastern Region not later than one year of the grant of special permit.

(4) TransCanada must perform ongoing CIS of both *special permit segment* 1 and *special permit segment* 2 at the applicable reassessment interval(s) for a "covered segment" determined in accordance with 49 CFR 192.939.

(5) TransCanada must perform a Direct Current Voltage Gradient (DCVG) survey of both *special permit segment* 1 and special permit segment 2 not later than one year after the grant of special permit to verify the pipeline coating conditions and to remediate any integrity issues in the *special permit* segments. If factors beyond TransCanada's control prevent the completion of the DCVG and remediation within one year, a DCVG and remediation must be performed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Eastern Region not later than one year of the grant of special permit.

(6) TransCanada must evaluate the potential for stress corrosion cracking (SCC), according to 49 CFR 192.929 within one year after the grant of special permit. If the potential for SCC is identified, TransCanada must perform a stress corrosion cracking direct assessment (SCCDA) of the *special permit inspection area* in accordance with 49 CFR 192.929.

(7) TransCanada must submit the CIS, DCVG and SCCDA findings including remediation actions in a written report to the Director, PHMSA Eastern Region not later than two years after the grant of special permit.

(8) TransCanada must amend applicable sections of its operations and maintenance (O&M) manual(s) to incorporate the inspection and reassessment intervals by ILI along the entire length of the *special permit inspection area* at a frequency consistent with 49 CFR § 192, Subpart O.

(9) TransCanada must amend applicable sections of its O&M manual(s) to incorporate the inspection and reassessment intervals by CIS of both *special permit segment* 1 and *special permit segment* 2 at a frequency consistent with 49 CFR Part 192, Subpart O.

(10) The assessments of the *special permit segments* and the *special permit inspection area* using ILI must conform to the required maximum reassessment intervals specified in 49 CFR 192.939.

(11) TransCanada must schedule future reassessment dates for the *special permit inspection area* according to 49 CFR § 192.939 by adding the required time interval to the previous assessment date.

(12) TransCanada must ensure their damage prevention program incorporates the applicable best practices of the Common Ground Alliance (CGA) within the *special permit inspection area*. (13) TransCanada must give sufficient notice to the Director, PHMSA Eastern Region to enable observation of any or all special permit related activities in the *special permit inspection area*.

(14) TransCanada must determine and provide certification that all inspections and activities associated with this special permit will not impact or defer any of the operator's assessments for HCAs under 49 CFR part § 192, subpart O, particularly those associated with the most significant 50 percent.

(15) Within three months following approval of this special permit and annually thereafter, TransCanada must report the following to the Director, PHMSA Eastern Region:

(a) The economic benefits of the special permit to TransCanada. This should address both the costs avoided from not replacing the pipe and the added costs of the inspection program (required for the initial report only).

(b) In the first annual report, fully describe how the public benefits from energy availability. This should address the benefits of avoided disruptions as a consequence of pipe replacement and the benefits of maintaining system capacity. Subsequent reports must indicate any changes to this initial assessment.

(c) The number of new residences, other structures intended for human occupancy and public gathering areas built within the *special permit inspection area*.

(d) Any new integrity threats identified during the previous year and the results of any in-line inspections or direct assessments performed during the previous year in the *special permit inspection area*.

(e) Any reportable incident, any leak normally indicated on the DOT Annual Report and all repairs on the pipeline that occurred during the previous year in the *special permit inspection area*.

(f) On-going damage prevention initiatives affecting the *special permit inspection area* and a discussion on the success of the initiatives.

(g) Any mergers, acquisitions, transfer of assets, or other events affecting the regulatory responsibility of the company operating the pipeline.

(16) At least one CP pipe-to-soil test station must be located within each HCA with a maximum spacing between test stations of one-half mile within an HCA. In cases where obstructions or restricted areas prevent test station placement, the test station must be placed in the closest practical location. This requirement applies to any HCA within the *special permit inspection area*.

(17) If any annual test station readings within the special permit inspection area fall below 49 CFR part 192, subpart I requirements, remediation must occur within six months and include a CIS on each side of the affected test station to the next test station and identified corrosion system modifications to ensure corrosion control. If factors beyond TransCanada's control prevent the completion of remediation within six months, remediation must be completed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Eastern Region not later than one year after the grant of special permit.

(18) Anomaly Evaluation and Repair: (a) *General:* TransCanada shall account for ILI tool tolerance and corrosion growth rates in scheduled response times and repairs.

(b) *Dents:* TransCanada shall repair dents in the *special permit segments* and *special permit inspection area* in accordance with 49 CFR § 192.933.

(c) *Repair Criteria*: Repair criteria applies to anomalies located within the *special permit inspection area* when they have been excavated and investigated in accordance with 49 CFR 192.485 and 192.933 as follows:

(i) Special permit segments—repair any anomaly with a failure pressure ratio (FPR) less than or equal to 1.39 for pipe operating at a stress level up to 72 percent of SMYS and any anomaly greater than 50 percent of pipe wall thickness.

(*ii*) Special permit inspection area the response time must be in accordance with 49 CFR § 192, subpart O, the applicable edition of the American Society of Mechanical Engineers Standard B31.8S, *Managing System* Integrity of Gas Pipelines (ASME B31.8S) and TransCanada's IMP.

(d) Response Time for ILI Results: The following guidelines provide the required timing for excavation and investigation of anomalies based on ILI results. Reassessment by ILI will "reset" the timing for anomalies not already investigated and/or repaired. TransCanada must evaluate ILI data by using either the ASME Standard B31G, Manual for Determining the Remaining Strength of Corroded Pipelines (ASME B31G), or the Modified B31G (0.85dL) for calculating the predicted failure pressure ratio to determine anomaly responses.

(i) Special permit segment:

—Immediate response: FPR equal to or less than 1.1 or anomalies equal to and greater than 80 percent of pipe wall thickness;

- -1-year response: pipe operating at a stress level up to 72 percent of SMYS—FPR equal to or less than 1.39 and anomalies equal to or greater than 60 percent of pipe wall thickness;
- *—Scheduled reponse:* pipe operating at a stress level up to 72 percent of SMYS—FPR greater than 1.39 and anomalies less than 60 percent of pipe wall thickness.

(*ii*) Special permit inspection area: The response time must be in accordance with 49 CFR § 192, subpart O, ASME B31.8S (applicable edition) and TransCanada's IMP.

(19) PHMSA may extend either or both of the original *special permit segments* to include contiguous segments of pipeline up to the limits of the *special permit inspection area* pursuant to the following conditions. TransCanada must:

(a) Provide at least 90 days advance written notice to the Director, PHMSA Eastern Region and PHMSA Headquarters of a requested extension of either or both of *special permit segment* 1 and *special permit segment* 2 based on an actual class location change and include a schedule of inspections and of any anticipated remedial actions. If PHMSA Headquarters makes a written objection before the effective date of the requested special permit segment (90 days from receipt of the above notice), the requested special permit segment extension does not become effective.

(b) Complete all inspections and remediation of the proposed special permit segment extension to the extent required of the original special permit segment.

(c) Apply all the special permit conditions and limitations included herein to all future extensions.

Special Permit Limitations

PHMSA has the sole authority to make all determinations on whether TransCanada has complied with the specified conditions. Should TransCanada fail to comply with any conditions of this special permit, or should PHMSA determine this special permit is no longer appropriate or that this special permit is inconsistent with pipeline safety, PHMSA may revoke this special permit and require TransCanada to comply with the regulatory requirements of 49 CFR 192.611.

Authority: 49 U.S.C. 60118 (c)(1) and 49 CFR 1.53.

Issued in Washington, DC on December 17, 2007.

Jeffrey D. Wiese,

Associate Administrator for Pipeline Safety. [FR Doc. E7–24776 Filed 12–20–07; 8:45 am] BILLING CODE 4910-60–P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35087]

Canadian National Railway Company and Grand Trunk Corporation— Control—EJ&E West Company

AGENCY: Surface Transportation Board, DOT.

ACTION: Notice of Intent To Prepare an Environmental Impact Statement (EIS); Notice of Initiation of the Scoping Process, Including Notice of Availability of Draft Scope of Study for Environmental Impact Statement; Request for Comments on Draft Scope; and Notice of Open-House Meetings.

SUMMARY: On October 30, 2007, Canadian National Railway Corporation (CNR) and Grand Trunk Corporation (GTC), a noncarrier holding company through which CNR controls its U.S. rail subsidiaries, filed an application with the Surface Transportation Board (Board) seeking the Board's approval of the acquisition of control of EI&E West Company (EJ&EW), a wholly owned noncarrier subsidiary of Elgin, Joliet and Eastern Railway Company (EJ&E). In this document, the action before the Board will be referred to as the proposal or the proposed acquisition and CNR and GTC will be referred to collectively as CN or as Applicants.

CN is one of Canada's two major railroads. It extends from Halifax, Nova Scotia, to Vancouver and Prince Rupert, British Columbia. EJ&E is a Class II railroad that currently operates over 198 miles of track in northeastern Illinois and northwestern Indiana, consisting primarily of an arc of roughly 190 miles around Chicago, IL, extending from Waukegan, IL, southwards to Joliet, IL, then eastward to Gary, IN, and then northwest to South Chicago along Lake Michigan. EJ&E provides rail service to approximately 100 customers, including steel mills, coal utilities, plastics and chemical producers, steel processors, distribution centers, and scrap processors.

Applicants' proposed acquisition of the EI&E would shift rail traffic currently moving over CN's rail lines inside the EJ&E arc in Chicago to the EJ&E, which traverses the suburbs generally to the west and south of Chicago. Rail traffic on CNR lines inside the EJ&E arc would generally decrease. The decreases in rail traffic would be offset by increases in the number of trains operating on the EJ&E rail line outside of Chicago (approximately 15-27 more trains would operate on various segments of the EJ&E). Applicants also proposed to construct six new rail connections and approximately 19 miles of new sidings/double tracking. Applicants give three primary reasons for seeking approval of the proposed acquisition: Improved rail operations in the Chicago area; availability to EJ&E's Kirk Yard in Gary, Indiana, and other smaller facilities in Joliet, Illinois, and Whiting, Indiana; and improved service to companies dealing in steel, chemicals, and petrochemicals, as well as Chicago area utilities.

To thoroughly assess the potential environmental impacts that may result from the proposed acquisition, the Board, through its Section of Environmental Analysis (SEA), will prepare an Environmental Impact Statement (EIS). The purpose of this Notice is to give all interested persons the opportunity to actively participate in the forthcoming environmental review, the first step of which is "scoping." Scoping is an open process for determining the range of issues that should be examined and assessed in the EIS. In addition to announcing that the Board will prepare an EIS for this proceeding, this Notice also announces the availability of a draft scope of study, requests comments on the draft scope of study, and presents the schedule of Open-House meetings to be held in the project area.

DATES, TIMES, AND LOCATIONS: Scoping Open House meetings will be held at the dates and locations listed below. Each location will have an afternoon and an evening session at the following times: The afternoon Open House is scheduled from 1p.m. to 4 p.m. and the evening Open House is scheduled from 6 p.m. to 8 p.m. There is no need to attend more than one meeting, but all are welcome to attend as many meetings as desired.

Date	Location
January 8, 2008	Crown Plaza, Salon A/C Room, 510 E. Route 83, Mundelein, IL 60060, 847–949– 5100.
January 9, 2008	Makray Memorial Golf Club, Grand Ballroom, 1010 S. NW., Highway, Barrington, IL 60010, 847–381–6500.