



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JUL 18 2018

U.S. Army Corps of Engineers
Charleston District Regulatory Division
69A Hagood Avenue
Charleston, South Carolina 29403

Re: Final Environmental Impact Statement (FEIS) for the Proposed Navy Base Intermodal Container Transfer Facility, North Charleston, South Carolina; CEQ# 20180148

Dear Lieutenant Colonel Palazzini:

Pursuant to Section 309 of the Clean Air Act (CAA) and Section 102(2)(C) of the National Environmental Policy Act (NEPA), the U.S. Environmental Protection Agency reviewed the FEIS for the Proposed Navy Base Intermodal Container Transfer Facility (ICTF) developed by the U.S. Army Corps of Engineers (USACE), Charleston District, using a third-party contracting process as described in 40 CFR §1506.5. The FEIS was initiated because the USACE has received an application for a Department of the Army permit under Section 404 of the Clean Water Act (CWA) from Palmetto Railways (SAC 2012-00960). The EPA notes that these comments are limited to the NEPA review and not intended to be review comments on the Section 404 CWA permit.

The EPA previously provided scoping comments on December 30, 2013. On January 27, 2014, the USACE requested that the EPA participate as a cooperating agency in the development of the DEIS and on February 25, 2014, we accepted the invitation. The Federal Railroad Administration (FRA) also accepted the USACE's invitation to become a cooperating agency. As a cooperating agency, we participated in numerous meetings, conference calls and public meetings. The EPA provided comments on the Draft EIS (DEIS) on July 7, 2016.

Palmetto Railways proposes to construct a 130-acre ICTF at the former Charleston Naval Complex (CNC) to facilitate the transfer of international cargo containers between ships/trucks and rail (i.e., trains). The proposed project, also referred to as the Navy Base ICTF, would provide equal access to the Class I rail carriers (CSX Transportation (CSX) and Norfolk Southern Railway (NS)) that serve the Port of Charleston (Port) and various local businesses and industries. The proposed facility would be designed to accommodate existing and projected future intermodal container traffic within the region. The off-site infrastructure improvements would include building: (1) a private drayage road approximately 1-mile long connecting the ICTF to the Hugh K. Leatherman, Sr. Terminal (HLT), (2) rail improvements to the north and south of the ICTF, and (3) several roadway improvements and modifications, including the construction of a new overpass.

The USACE used a three tiered screening process and considered the location of the ICTF in 12 different locations. After the screening process, two sites were considered for further study which

included the Applicant's Proposed Alternative and a site north of the Applicant's Proposed Alternative called the River Center Site. From these two ICTF site locations, the USACE formulated eight alternatives (i.e., seven action alternatives and the no action alternative) that were moved forward for further consideration. The USACE has not identified a preferred alternative in the FEIS citing the regulatory and pre-decisional nature of the Section 404 permitting process. It is anticipated that the USACE will identify the preferred alternative in the NEPA Record of Decision (ROD) and the Section 404 CWA Statement of Finding.

The EPA acknowledges the collaborative efforts of the USACE during the development of both the DEIS and FEIS. The EPA acknowledges the USACE's receptiveness to conducting appropriate levels of air quality modeling needed to properly consider air quality impacts associated with the proposed project. The FEIS addressed the EPA's recommendations from the review of the DEIS. The EPA also supports the USACE efforts in conducting a Health Risk Assessment and disclosing the findings within the FEIS. Additionally, the EPA appreciates the efforts made by the Palmetto Railways and the USACE to meaningfully engage environmental justice stakeholders throughout the NEPA process. These efforts have helped to foster ongoing community relationships and have led to the development of an Memorandum of Agreement that includes a \$4 million Community Mitigation Plan related to the impacts of the facility. The mitigation includes the development of a community recreation center, funding for affordable housing in the community, job training, educational initiatives, environmental measures, research activities, monitoring, health impact studies, assistance to youth, and capacity building training for community organizations. In addition, mitigation measures such as the development of noise barriers, natural recreational areas, and relocations assistance are also beneficial to the community. The EPA encourages the USACE to memorialize these avoidance, minimization and mitigation commitments within the Record of Decision and/or Statement of Findings.

The EPA appreciates the opportunity to provide comments on the proposed Navy Base ICTF. If you have any questions regarding this letter, please contact Ms. Jamie Higgins, of my staff, at (404) 562-9681, or by e-mail at Higgins.jamie@epa.gov.

Sincerely,



Carol J. Monell
Acting Director
Resource Conservation and Restoration Division