

UNION PACIFIC RAILROAD
101 N. Wacker Dr., Rm. 1920
Chicago, Illinois 60606-1718

Mack H. Shumate, Jr. Senior General Attorney, Law Department

P 312 777 2055
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March 29, 2011

VIA E-FILE

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

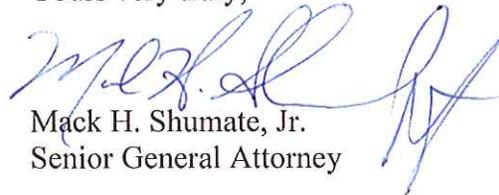
Re: Proposed Abandonment of and Discontinuance of Service on the Bailey Branch from M. P. 671.58 near Monroe to M. P. 682.25 near Greenberry, and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson in Benton County, Oregon; STB Docket No. AB-33 (Sub-No. 257) and AB-986 (Sub-No. 1)

Dear Ms. Brown:

Attached for filing in the above-referenced docket is the Combined Environmental and Historic Report prepared pursuant to 49 C.F.R. §1105.7 and §1105.8, with a Certificate of Service, and a transmittal letter pursuant to 49 C.F.R. §1105.11.

Union Pacific and Willamette and Pacific Railroad, Inc. anticipate filing a Petition for Exemption to Abandon and discontinue service on the Line in this matter on or after April 18, 2011.

Yours very truly,


Mack H. Shumate, Jr.
Senior General Attorney

2011_03_29 STB EHR Cover Ltr.doc



March 29, 2011

VIA E-FILE

TO: SEE ATTACHED SERVICE LIST

Re: Proposed Abandonment of and Discontinuance of Service on the Bailey Branch from M. P. 671.58 near Monroe to M. P. 682.25 near Greenberry, and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson in Benton County, Oregon; STB Docket No. AB-33 (Sub-No. 257) and AB-986 (Sub-No. 1)

To whom it may concern:

On or after April 18, 2011 Union Pacific Railroad Company ("UP") and Willamette and Pacific Railroad, Inc. ("WPRR") expect to be filing with the Surface Transportation Board ("STB" or "Board") a Petition for Exemption seeking authority for an exempt abandonment by UP and discontinuance of service by WPRR from Milepost 671.58 near Monroe to Milepost 682.25 near Greenberry, and the Hull Oakes Lead from Milepost 673.21 near Alpine Junction to Milepost 680.06, a total distance of 17.52 miles, located in Benton County, Oregon (collectively the "Line"). UP and WPRR will also seek to discontinue their respective overhead trackage rights over the Albany & Eastern Railroad Company between Greenberry and Corvallis, Oregon. Attached is a Combined Environmental and Historic Report which describes the proposed action and any expected environmental and historic effects, as well as a map of the affected area.

Union Pacific is providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA) at the following address, and refer to the above-referenced Docket Number:

Surface Transportation Board
Section of Environmental Analysis (SEA)
395 East Street, S.W., Room #100
Washington, DC 20423-0001
Telephone No.: (202) 245-0296

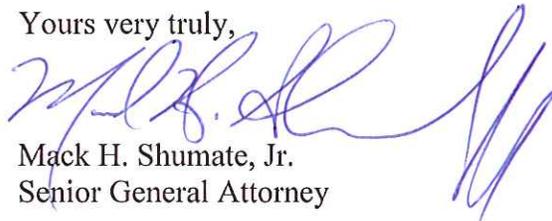
March 29, 2011

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Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within three (3) weeks.

Your comments will be considered by the Board in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. UP's representative in this matter is Mack H. Shumate, Jr., who may be contacted by telephone at (312) 777-2055 or by mail at 101 North Wacker Drive, Room 1920, Chicago, IL 60606.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Mack H. Shumate, Jr.', with a stylized flourish extending to the right.

Mack H. Shumate, Jr.
Senior General Attorney

SERVICE LIST

State Clearinghouse (or alternate):

Oregon Department of Transportation
Rail Division
555 13th Street N.E., Suite 3
Salem, OR 97301-4179

State Environmental Protection Agency:

Oregon Dept of Environmental Quality
811 SW 6th Avenue
Portland, OR 977204-1390

Head of each County:

Benton County Board of Commissioners
P.O. Box 3020
Corvallis, OR 97339-3020

Environmental Protection Agency

(Regional Office):

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

State Historic Preservation Office:

Parks and Recreation Department
State Historic Preservation Office
725 Summer Street NE, Suite C
Salem, OR 97301-1266

U.S. Fish and Wildlife:

U.S. Fish & Wildlife
Region 1
911 NE 11th Avenue
Portland, OR 97232

U.S. Army Corps of Engineers:

U. S. Army Corps of Engineers,
Northwestern Division
P.O. Box 2870
Portland, OR 97208-2870

National Park Service:

Pacific West Regional Office
National Park Service
One Jackson Center
1111 Jackson Center, Suite 700
Oakland, CA 94607

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
1201 NE Lloyd Blvd
Portland, OR 97232

National Geodetic Survey:

National Geodetic Survey
Geodetic System Division
Information Services
NOAA/NGS12
1315 E-W Highway
Silver Spring, MD 20910-3282

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-33 (Sub-No. 257X)
Docket No. AB-986 (Sub-No. 1X)

UNION PACIFIC RAILROAD COMPANY
WILLAMETTE & PACIFIC RAILROAD, INC., LESSEE
-- ABANDONMENT OF AND DISCONTINUANCE
OF SERVICE OVER THE --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON
(THE BAILEY BRANCH AND HULL OAKES LEAD)

Combined Environmental and Historic Report

UNION PACIFIC RAILROAD COMPANY

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WILLAMETTE & PACIFIC RAILROAD, INC.

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ehocky@thorpreed.com

Dated: March 29, 2011
Filed: March 29, 2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**Docket No. AB-33 (Sub-No. 257X)
Docket No. AB-986 (Sub-No. 1X)**

**UNION PACIFIC RAILROAD COMPANY
WILLAMETTE & PACIFIC RAILROAD, INC., LESSEE
-- ABANDONMENT OF AND DISCONTINUANCE
OF SERVICE OVER THE --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON
(THE BAILEY BRANCH AND HULL OAKES LEAD)**

Combined Environmental and Historic Report

Union Pacific Railroad Company ("UP") and Willamette & Pacific Railroad, Inc., ("WPRR") submit this Combined Environmental and Historic Report pursuant to 49 C.F.R. § 1105.7(e) and 49 CFR §1105.8(d), respectively, in connection with their anticipated request for authorization for UP to abandon and for WPRR to discontinue service over, the Bailey Branch from M. P. 682.25 near Greenberry to M. P. 671.58 near Monroe (the "Bailey Branch"), and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson (the "Hull Oakes Lead"), a total distance of 17.52 miles in Benton County, Oregon (collectively, the "Line").¹ The Line traverses U.S.

¹ The discontinuance by WPRR in and of itself would not require an environmental and historic report. See *Norfolk Southern Railway Company – Discontinuance of Service Exemption – In St. Joseph and LaPorte Counties, IN*, STB Docket No. AB-290 (Sub-No. 307X) (served June 18, 2008); *Everett Railroad Company – Discontinuance of Service Exemption – In Blair County, PA*, STB Docket No. AB-721X (served November 16, 2007); *Columbus and Greenville Railway Company – Discontinuance of Service Exemption – In Greenwood, MS*, STB Docket No. AB-297 (Sub-No. 103X) (served July 2, 2007). However, because UP and WPRR will be filing a joint petition for exemption, WPRR joins in this report.

Postal Service Zip Codes 97333 and 97456. UP and WPRR anticipate that a joint Petition for Exemption for UP to abandon and WPRR to discontinue service perspectives on the Line, will be filed with the Surface Transportation Board ("STB") on or after April 20, 2011 by UP and WPRR. In the joint petition, UP will seek authority to abandon the Line and WPRR will seek authority to discontinue service over the Line. UP and WPRR will also seek to discontinue their respective overhead trackage rights over the Albany & Eastern Railroad Company between Greenberry and Corvallis, Oregon.²

A map of the Line (**Attachment No. 1**), and UP's initial letter to federal, state and local government agencies (**Attachment No. 2**) are attached to this EHR and are hereby made a part hereof. Responses to UP's initial letter received to date are attached and sequentially numbered as indicated below and are hereby made a part hereof.

ENVIRONMENTAL REPORT
49 C.F.R. § 1105.7(e)

(1) Proposed action and alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Response: The proposed action seeks authorization for UP to abandon and for WPRR to discontinue service over the Bailey Branch from M. P. 682.25 near Greenberry to M. P. 671.58 near Monroe, and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson, a total distance of 17.52 miles in Benton County, Oregon. The Line has been out of service since June 2007 due to poor track

² As noted in footnote 1 above, the proposed discontinuance of trackage rights does not require an environmental and historic report. See also 49 CFR §1105.6(b)(3).

condition. Prior to the Line being taken out of service, the primary commodity handled was lumber. Preservation of the Line via sale was explored with public and private interests, but the discussions were not successful. As a result of said discussions, an adjoining segment of the Bailey Branch was sold to VFRC, LLC and is now operated by Albany & Eastern Railroad Company pursuant to STB authority.

The estimated cost for necessary rehabilitation of the Line required to bring the Line back to an FRA Class I standards substantially exceeds the potential revenue that could be generated on the Line under current projections. There is no imminent location of new rail oriented industry that would justify the Line's rehabilitation and continued operation.

There is no overhead traffic on the Line.

The Bailey Branch, from the beginning of the abandonment to Alpine Junction, plus the entire Hull Oakes Lead from Alpine Junction to Dawson, was constructed in the years 1909 and 1910 by the Corvallis and Alsea River Railway. The short remaining portion of the Bailey Branch from Alpine Junction to the end of the Line for which abandonment and discontinuance of service is hereby being sought, at Monroe, was constructed by the Portland, Eugene and Eastern Railway in 1913.

The Bailey Branch is currently constructed with 75-pound jointed rail; the exact year it was laid is unknown. The Hull Oakes Lead is laid with a combination of 75-, 76-, and 80-pound rail put down in the 1920's.

The Bailey Branch and the Hull Oakes Lead segments of the Line contain a combined total of approximately 132.6 acres of right-of-way, of which approximately 130.10 acres of right-of-way are owned by UP in fee with the remaining 2.5 acres being

subject to reversionary rights. Based on information in UP's possession, the Line does not contain any federally granted right-of-way. Any documentation in UP's possession with regard to the Line will be made available to those requesting it.

After abandonment, the closest rail options would be the Albany & Eastern Railroad Company at Greenberry and the WPRR at Corvallis. Union Pacific and Portland & Western Railroad (an affiliate of WPRR) have parallel lines to the east between Eugene and Albany, Oregon. The Bailey Branch is parallel to Oregon Highway 99W, which connects to U.S. Highway 20 at Corvallis. Interstate 5, the main regional highway, can be accessed directly via these two highways or via connections involving other local roads. Dawson, on the Hull Oakes Lead, is served by local roads.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

Response: Given the base year and forecast year volume of 378 cars (to be more fully described in the joint petition for exemption), a truck to railcar ratio of four to one, and a 100% empty return rate for the trucks, the abandonment could potentially result in approximately 3,024 additional loaded and empty trucks annually on area roads, or about twelve (12) trucks per twenty-four (24) hour weekday. The area highway network, especially the two federal highways, is sufficiently capable of handling this minor increase in potential daily truck volume. Further, since the Line has been out of service since 2007, it is likely that any diversion to trucks has already occurred.

(3) Land Use.

- (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

- (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.
- (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 49 C.F.R. § 1105.9.
- (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

Response:

- (i) UP, as the owner of the Line, has no current plans for the property which makes up the right-of-way of the Line after completion of the proposed abandonment.³ UP contacted the Benton County Board of Commissioners (the “Commissioners”), who responded that the discontinuance and abandonment of the operation of the Bailey Branch is not in the community’s best interests or in the best interests of the Oregon transportation system. The Commissioners’ response cited the County’s Transportation Improvement Plan (TSP), the area’s farmland, wetlands, and water quality as factors impacted by the proposed abandonment. The Commissioner’s response is attached as **Attachment No. 3**, and is hereby made part hereof. The Corvallis-Benton Chamber Coalition (the “CBCC”) submitted a written response citing the local economic consequences of the proposed abandonment. The CBCC’s response is attached as **Attachment No. 4**, and is hereby made part hereof.
- (ii) The United States Natural Resources Conservation Service has been contacted. To date, UP has received no response.

³ If abandonment / discontinuance is granted, WPRR’s lease of the Line will terminate and WPRR will have no rights in or to the property.

- (iii) Not Applicable.
- (iv) The Line's right-of-way may be suitable for alternative public use.

(4) Energy.

- (i) Describe the effect of the proposed action on transportation of energy resources.
- (ii) Describe the effect of the proposed action on recyclable commodities.
- (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.
- (iv) If the proposed action will cause diversions from rail to motor carriage of more than:
 - (A) 1,000 rail carloads a year, or
 - (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

Response:

- (i) The only commodity handled on the Line prior to the suspension of service, was lumber, and the abandonment will therefore have no impact on the transportation of energy resources.
- (ii) The abandonment will not affect the transportation of recyclable commodities.
- (iii) The proposed transaction may result in a limited decrease in overall energy efficiency, due to the need for shippers to move their traffic at least part of the distance to and from their respective facilities via motor carrier.
- (iv)(A) It is estimated that 378 railcars will be diverted from rail to motor carriage during the forecast year.

(iv)(B) The Line is 17.52 miles long. The vast majority of the base year and forecast year traffic (320 out of 378 railcars) originated at the western end of the Line at Dawson. The remainder of the traffic originated at the Monroe end of the Line (4 railcars), and at Alpine Jct. (54 railcars). Therefore, the potential 378 railcars annually spread over miles over which it must be handled works out to be less than approximately twenty-five (25) railcars per mile annually. Therefore, the thresholds for calculating net charges in energy and consumption are not exceeded.

- (5) **Air.** (i) If the proposed action will result in either:
- (A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or
 - (B) an increase in rail yard activity of at least 100% (measured by carload activity), or
 - (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. §10901 (or §10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.

Response: UP and WPRR do not anticipate any such effects.

- (5) **Air.** (ii) If the proposed action affects a class 1 or nonattainment area under the Clean Air Act, and will result in either:
- (A) an increase in rail traffic of at least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or
 - (B) an increase in rail yard activity of at least 20% (measured by carload activity), or
 - (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within

the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. §10901 (or 49 U.S.C. §10505), or a case involving the reinstatement of service over a previously abandoned line, only the three train a day threshold in this item shall apply.

Response: There will be no increase in rail traffic, rail yard activity, or truck traffic at or above the stated thresholds as a result of the proposed action.

(5) Air. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Response: The proposed action will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause:

- (i) an incremental increase in noise levels of three decibels Ldn or more or
- (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area and quantify the noise increase for these receptors if the thresholds are surpassed.

Response: Not applicable.

(7) Safety.

- (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).
- (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

- (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

Response:

- (i) The proposed action will have no detrimental effects on public health and safety.
- (ii) The proposed action will not affect the transportation of hazardous materials.
- (iii) There are no known hazardous materials waste sites or sites where known hazardous material spills have occurred on or along the subject right-of-way.

(8) Biological resources.

- (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.
- (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

By letter dated September 28, 2008, the Oregon Department of Environmental Quality (DEQ) responded that there are DEQ sites in the area and permits may be required if ballast is removed or if storm water run-off is impacted. See **Attachment No. 8**. UP will consult with the Oregon Division of State Land and Army Corps of Engineers if any salvage efforts will impact waters of the State or wetlands. See also the related letter from the Oregon Department of State Lands dated October 3, 2007 attached hereto as **Attachment No. 9** which indicates that portions of potential salvage activities may enhance fish habitats and restoration of wetlands.

Response:

- (i) The U.S. Fish and Wildlife Service has been contacted. To date, UP has not received a response.

- (ii) The National Park Service has been contacted. To date, UP has not received a response.

(9) Water.

- (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.
- (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.
- (iii) State whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

Response:

- (i) There are no anticipated adverse effects on water quality. The U.S. Environmental Protection Agency Regional Office ("USEPA") and Oregon NRCS State Office have been contacted. To date, UP has not received a response.
- (ii) The U.S. Army Corps of Engineers has been contacted. A response was received July 30, 2010 stating that if dredge or fill material is discharged into waters of the United States, a permit may be required. See **Attachment No. 5.**
- (iii) UP does not anticipate that there will be any requirements for Section 402 permits.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Response: There are no known adverse environmental impacts.

HISTORIC REPORT
49 C.F.R. § 1105.8(d)

(1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action:

Response: See **Attachment No. 1.**

(2) A written description of the right-of-way (including approximate widths to the extent known), and the topography and urban and/or rural characteristics of the surrounding area:

Response: The Bailey Branch and Hull Oakes Lead segments of the Line contain a combined total of approximately 132.6 acres of right-of-way, of which approximately 130.10 acres of right-of-way are owned by UP in fee with the remaining 2.5 acres being subject to reversionary rights. Based on information in UP's possession, the Line does not contain any federally granted right-of-way. The Bailey Branch is generally 60 feet wide and the Hull Oakes Lead varies from 40 to 50 feet in width. The topography is generally level except as the Hull Oakes Lead approaches its end point at Dawson when the topography becomes hilly . The area is rural with the exception of the town of Monroe.

(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:

Response: UP provided the Oregon Parks and Recreation Department State Historic Preservation Office ("Oregon SHPO") photographs of each of the structures on the Line that are 50 years old or older. A copy of the letter and pictures of the structures is attached hereto as **Attachment No. 6** and hereby made a part hereof. The Oregon

SHPO's response dated September 7, 2007 is attached as **Attachment No. 7**. Further 106 review may be required before the bridges may be removed.

(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations to the extent such information is known:

Response: See **Attachment No. 2** and **Attachment No. 6**.

(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action:

Response: See the preceding pages for a brief history and description of carrier operations.

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:

Response: UP does not have any relevant documentation.

(7) An opinion (based on readily available information in the UP's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. § 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):

Response: See **Attachment No. 6**.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.

Response: UP does not have any such readily available information.

(9) Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specified non-railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way. Photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the locations and type of the site (i.e., prehistoric or native American):

Response: Not applicable.

Dated this 29th day of March, 2011.

Respectfully submitted,



UNION PACIFIC RAILROAD COMPANY

Mack H. Shumate, Jr.

Senior General Attorney

101 North Wacker Drive, #1920

Chicago, Illinois 60606

312-777-2055 (Tel.)

312-777-2065 (Fax)

Email: mackshumate@up.com



WILLAMETTE & PACIFIC RAILROAD, INC.

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One Commerce Square

2005 Market St., Suite 1000

Philadelphia, PA 19103

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215-640-8501 (Fax)

ehocky@thorpreed.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Combined Environmental and Historic Report in Docket No. AB-33 (Sub-No. 257X) and Docket No. AB-986 (Sub-No. 1X), the Bailey Branch and Hull Oakes Lead in Benton County, Oregon, was served by First Class U.S. Mail, postage prepaid, on the 29th day of March, 2011, on the following parties:

State Clearinghouse (or alternate):

Oregon Department of Transportation
Rail Division
555 13th Street N.E., Suite 3
Salem, OR 97301-4179

State Environmental Protection

Agency:

Oregon Dept of Environmental Quality
811 SW 6th Avenue
Portland, OR 977204-1390

Head of each County:

Benton County Board of Commissioners
P.O. Box 3020
Corvallis, OR 97339-3020

Environmental Protection Agency

(Regional Office):

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

State Historic Preservation Office:

Parks and Recreation Department
State Historic Preservation Office
725 Summer Street NE, Suite C
Salem, OR 97301-1266

U.S. Fish and Wildlife:

U.S. Fish & Wildlife
Region 1
911 NE 11th Avenue
Portland, OR 97232

U.S. Army Corps of Engineers:

U. S. Army Corps of Engineers,
Northwestern Division
P.O. Box 2870
Portland, OR 97208-2870

National Park Service:

Pacific West Regional Office
National Park Service
One Jackson Center
1111 Jackson Center, Suite 700
Oakland, CA 94607

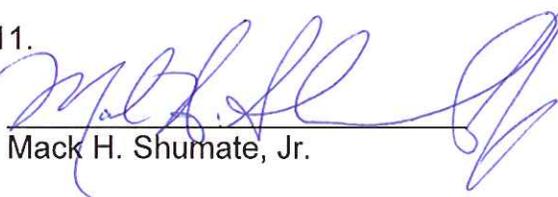
U.S. Natural Resources Conservation Service:

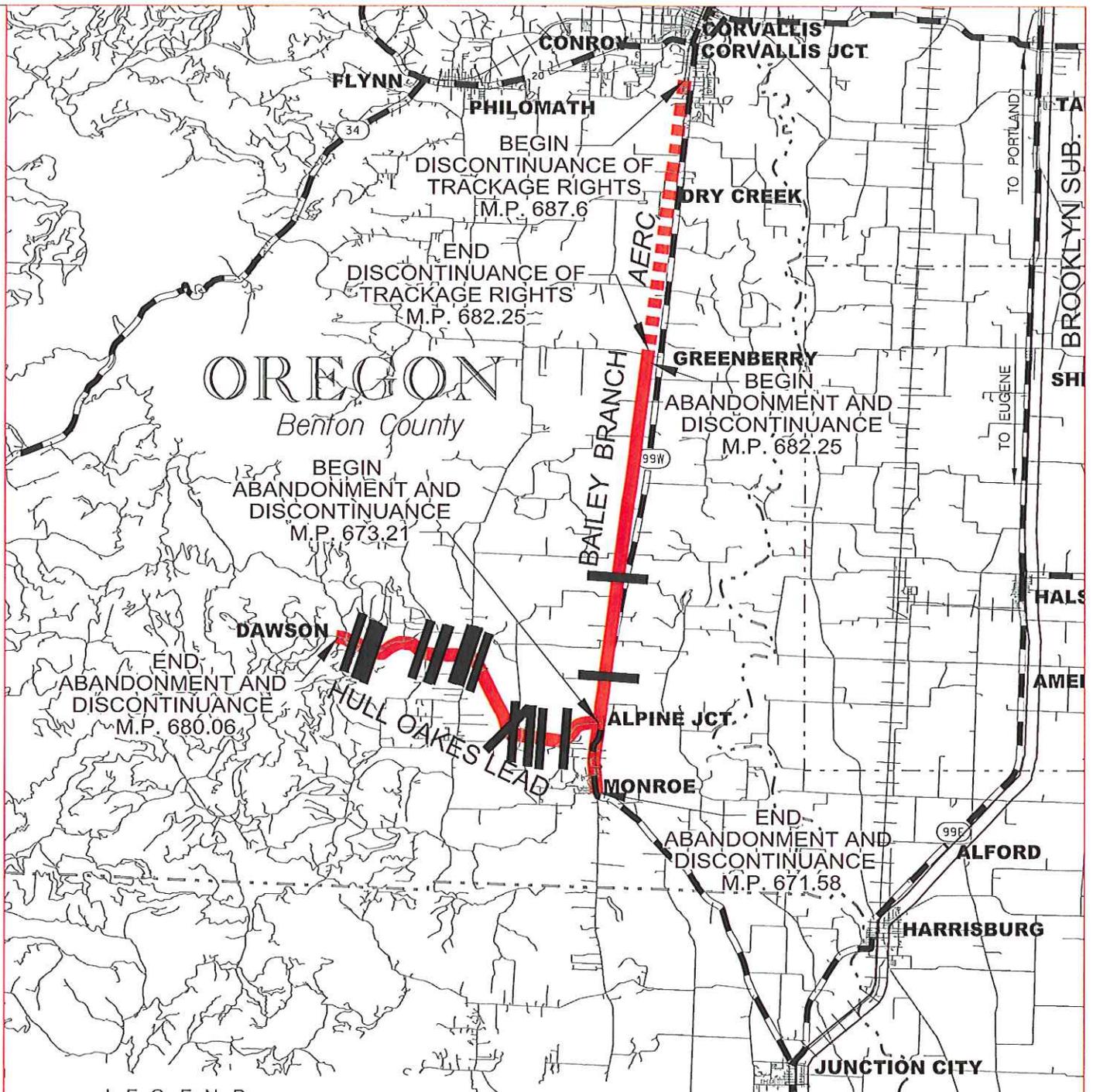
State Conservationist
Natural Resource Conservation Service
1201 NE Lloyd Blvd
Portland, OR 97232

National Geodetic Survey:

National Geodetic Survey
Geodetic System Division
Information Services
NOAA/NGS12
1315 E-W Highway
Silver Spring, MD 20910-3282

Dated this 29th day of March, 2011.


Mack H. Shumate, Jr.



HULL OAKES LEAD			
BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
674.04	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1937
674.58	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
674.83	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
674.84	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
675.21	7 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1941
675.36	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1938
676.97	4 SPAN TIMBER PILE TRESTLE OPEN DECK	60'	1913
677.23	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1913
677.32	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1913
677.4	2 SPAN TIMBER PILE TRESTLE OPEN DECK	27'	1913
677.88	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1919
677.95	3 SPAN TIMBER PILE TRESTLE OPEN DECK	42'	1913
678.32	5 SPAN TIMBER PILE TRESTLE OPEN DECK	75'	1952
679.4	5 SPAN TIMBER PILE TRESTLE OPEN DECK	75'	1930
679.53	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1939
679.61	5 SPAN TIMBER PILE TRESTLE OPEN DECK	73'	1930
679.91	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1932
BAILEY BRANCH			
BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
674.25	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1931
676.46	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1928

August 8, 2007

State Clearinghouse (or alternate):

Department of Transportation
Rail Division
355 Capitol St. NE
Salem, OR 97301-3871

State Environmental Protection Agency:

Department of Environmental Quality
811 6th Avenue, SW
Portland, OR 97204-1390

State Coastal Zone Management Agency

(if applicable):

Not applicable.

Head of County (Planning):

Benton County Commissioners
120 NW 4th Street
County Courthouse
Corvallis, OR 97330-0000

Environmental Protection Agency

(regional office):

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue
Seattle, WA 98101

U.S. Fish and Wildlife:

U.S. Fish & Wildlife Service
Pacific Region 1
500 Gold Avenue SW - Room 4000
Albuquerque, NM 87102

U.S. Army Corps of Engineers:

U.S. Army Engineer District, Portland
P. O. Box 2946
Portland, OR 97208-2946

National Park Service:

National Park Service
William D. Shaddox
Chief, Land Resources Division
800 North Capitol Street, NE., Room 540
Washington, D.C. 20002

U.S. Natural Resources Conservation Service:

Natural Resource Conservation Service
3867 Wolverine Street NE Suite F-16
Salem, OR 97305

National Geodetic Survey:

National Geodetic Survey
Edward J. McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

State Historic Preservation Officer
Parks and Recreation Department
725 Summer Street NE, Ste C
Salem, OR 97301

Re: Proposed Abandonment and Discontinuance of Operations of the Bailey Branch from M. P. 671.58 near Monroe to M. P. 687.60 near Corvallis Jct., and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson in Benton County, Oregon; STB Docket No. AB-33 (Sub-No. 257) and AB-986 (Sub-No. 1)

Dear Sirs:

Union Pacific Railroad Company ("UP") and Willamette and Pacific Railroad, Inc. ("W&P") plan to request authority from the Surface Transportation Board (STB) to abandon (UP) and discontinue operations (W&P) on the Bailey Branch from M. P. 671.58 near Monroe to M. P. 687.60 near Corvallis Jct., and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson, a total distance of 22.87 miles in Benton County, Oregon. A map of the proposed track abandonment shown in black is attached.

Pursuant to the STB's regulations at 49 C.F.R. Part 1152, and the environmental regulations at 40 C.F. R. Part 1105.7, this is to request your assistance in identifying any potential effects of this action as indicated in the paragraphs below. We do not anticipate any adverse environmental impacts. However, if you identify any adverse environmental impacts, describe any actions that are proposed in order to mitigate the environmental impacts. Please provide us with a written response that can be included in an Environmental Report, which will be sent to the STB.

LOCAL AND/OR REGIONAL PLANNING AGENCIES. State whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

U. S. SOIL CONSERVATION SERVICE. State the effect of the proposed action on any prime agricultural land.

U. S. FISH AND WILDLIFE SERVICE (And State Game And Parks Commission, If Addressed). State (1) whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects, and, (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

STATE WATER QUALITY OFFICIALS. State whether the proposed action is consistent with applicable Federal, State or Local water quality standards. Describe any inconsistencies.

U. S. ARMY CORPS OF ENGINEERS. State (1) whether permits under Section 404 of the Clean Water Act (33 U.S. C. § 1344) are required for the proposed action and (2) whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

U. S. ENVIRONMENTAL PROTECTION AGENCY AND STATE ENVIRONMENTAL PROTECTION (OR EQUIVALENT AGENCY). (1) Identify any potential effects on the surrounding area, (2) identify the location of hazardous waste sites and known hazardous material spills on the right-of-way and list the types of hazardous materials

involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

Thank you for your assistance. Please send your reply to Union Pacific Railroad, Mr. Chuck Saylor, 1400 Douglas Street, Mail Stop 1580, Omaha, NE, 68179. If you need further information, please contact me at (402) 544-4861.

Yours truly,

Charles W. Saylor

Attachment
Copies:

Bruce Carswell
President & General Manager
Portland & Western Railroad
650 Hawthorne Avenue, SE, Suite 220
Salem, OR 97301

Eric M. Hocky
Gollatz, Griffin & Ewing, P.C.
Four Penn Center, Suite 200
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808



BOARD OF COMMISSIONERS

408 SW Monroe Ave., Suite 111

P.O. Box 3020

Corvallis, OR 97339-3020

(541) 766-6800

FAX (541) 766-6893

September 6, 2007

Mr. Charles W. Saylor
Union Pacific Railroad
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179

Re: Bailey Branch near from Corvallis to Monroe in Benton County, Oregon

Dear Mr. Saylor:

The discontinuance and abandonment of the operation of the Bailey Branch [*STB Docket No. AB-33 (Sub-No. 257) and No. AB 986 (Sub-No. 1)*] is not in our community's best interest, nor is it in the best interest of the transportation system in the State of Oregon. Oregon must strengthen its transportation system in all modes in order to encourage a robust economy and provide mobility for freight and people without sacrificing livability for our residents. An important tool is rail. We need to rebuild, not dismantle, our rail infrastructure.

Following are points relevant to the categories of concern cited in your letter of August 8, 2007 to be included in an Environmental Report to be sent to the Surface Transportation Board (STB):

- The Bailey Branch to Monroe and to the Hull Oakes Lead to Dawson is included in the County's Transportation Improvement Plan (TSP). This is a plan required by the Oregon Department of Transportation and our land use agency, Oregon Department of Land Use and Conservation. The TSP addresses the movement of goods and people while conserving our resource lands for agriculture and forestry.
- Benton County is located in the Willamette Valley which has some of the highest quality farmland in the world. The rail in question runs through land zoned exclusive farm use paralleling a state highway. The reduction of rail capacity can only result in a need to increase road and highway capacity which will impinge on those valuable resource lands.
- Another feature of the rail and highway corridor is wetlands. Increased road and highway capacity will impinge upon wetlands which compose a great deal of the Willamette Valley floor. The rail corridor takes less space which results

significantly less impact on the wetland resource which is home to important habitat for a variety of plants and animals.

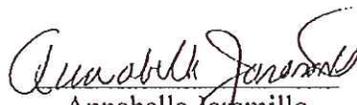
- Our wetland resources in Benton County are becoming more and more important as a water quality factor. We cannot ignore the utility of these lands to help cool and filter our water before slowly returning to our streams and rivers. It is important to choose the transportation mode with the least negative impact.

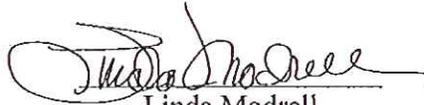
In summary, rail is vitally important to the future of Benton County and the most populous region in Oregon called the Willamette Valley. The degradation of the quantity and quality of resources lands, air quality, water quality, and wetlands and species habitat by other transportation modes is significant.

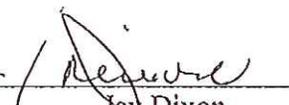
We cannot afford the loss of a transportation resource that helps to reduce the impact of other transportation modes. In fact, we cannot afford to continually expand roads and highways and ignore rail for the sake of our economy, the environment, and quality of life.

Thank you for the opportunity to have our concerns included in the Environmental Report.

Sincerely,


Annabelle Jaramillo
Chair


Linda Modrell
Commissioner


Jay Dixon
Commissioner

c: Kelly Taylor, ODOT Rail Division

September 26, 2007

*Thank you to our
Platinum Star Members*

Alphagraphics
ATS Systems Oregon, Inc.
The Ball Studio/Photography
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CH2M HILL
Cardinal Point Properties, LLC
The Corvallis Clinic
Debra I. Ringold, Ph.D., Inc.
Evanite Fiber Corporation
Hewlett-Packard
Jeanne Smith & Associates, PC
Key Bank
OSU Federal Credit Union
Pacific Power
Peak Internet
R3 Engraving & Signs
Samaritan Health Services
Starker Forests, Inc.
Stover Nevhart & Co., PC
Town & Country Realty

420 NW 2nd Street
Corvallis, OR 97330

Phone: 541-757-1505

Fax: 541-766-2996

info@cbchambercoalition.com
www.cbchambercoalition.com

Dr. James R. Young
Unlon Pacific Railroad
1400 Douglas Street
Omaha, NB 68179

RE: Bailey Branch, Benton County, Oregon
Docket Numbers: AB-33 and AB-986

Dear Dr. Young:

The current embargo and proposed abandonment of the rail line south of Corvallis is unconscionable. Having railroad access available to existing and future developments in our industrial park is a loss, not only to Corvallis and rural Benton County, but also to the State of Oregon. South Corvallis contains roughly 1000 acre of contiguous, undeveloped industrially zoned land, containing heavy, light and mixed use zones. It is the largest contiguous site in the Willamette Valley and although it has not been developed yet, as the community continues to shift to a balanced development model and sites in the valley become fewer and farther between, we know this site will be developed.

As fuel economy becomes more important in our global competitiveness, the cost per ton that shipping by rail affords us is an important tool in our economic strategy. By failing to provide this efficiency, you create an unnecessary hardship for all the businesses served on this line, not to mention the additional stress put on state and local highways in both traffic and maintenance as a result.

Making the improvements to the rail line that were funded through two state grants in the amount of \$320,000 and use of the \$49/car maintenance fee from all users on the line would have fixed the initial problems and prevented current problems faced today because of years of deferred maintenance on the line. The fact that Unlon Pacific didn't oversee the work, do it in a timely manner or make the minimum investments to keep the line in working order should not result in the punishment of the stable and hardworking businesses of this area.

I would like an opportunity to support different choices. If you are interested in seeing how we can work together, to save this line and the businesses that it serves, please let me know.

Sincerely,



Mysty Rusk
President

cc: Charles Saylor, Oregon Transportation Commission, Governor Kulongoski, Peter DeFazio, Darlene Hooley, Ron Wyden, Gordon Smith, Benton County Commissioners

DEPARTMENT OF THE ARMY
PORTLAND DISTRICT, CORPS OF ENGINEERS
1600 EXECUTIVE PARKWAY SUITE 210
EUGENE, OR 97401-2156

OFFICIAL BUSINESS



MS. COLLEEN GRAHAM
UNION PACIFIC RAILROAD
LAW DEPARTMENT
1400 DOUGLAS ST STOP 1580
OMAHA, NE 68179-0002



REGULATORY
PERMIT APPLICATION RECEIPT

Portland District

TO:	APPLICANT (<i>Printed Name</i>) ^{1,2}	DATE
	MS. COLLEN GRAHAM	28 JUL 2010
RE:	PROJECT NAME	
	UNION PACIFIC RAILROAD (BAILEY BRANCH, OREGON)	
	CORPS APPLICATION ID NUMBER ▶ NWP-2010-412	
After preliminary evaluation of your application, we may contact you if additional information is required. Please refer to the Corps Application Identification (ID) Number above when you contact this office regarding your project/property.		
If you have questions, please contact the project manager below by telephone or written request.		
FROM:	PROJECT MANAGER (<i>Printed Name</i>)	PHONE NUMBER
	MR. BRIAN WILSON	541.465.6765

NWP FL 1145-1 (Jun 2003), V1.00

Previous editions not usable.

Proponent Office: CENWP-OP-G



DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, PORTLAND DISTRICT
EUGENE FIELD OFFICE
1600 EXECUTIVE PARKWAY, SUITE 210
EUGENE, OREGON 97401-2156

REPLY TO
ATTENTION OF:

July 30, 2010

Operations Division
Regulatory Branch
Corps No. NWP-2010-412

Ms. Colleen Graham
Union Pacific Railroad
Law Department
1400 Douglas Street, Stop 1580
Omaha, Nebraska 68179-0002

Dear Ms. Graham:

The U.S. Army Corps of Engineers (Corps) received Union Pacific Railroad's (UPRR) application for abandonment and discontinuance of operations of the Bailey Branch from MP 671.58 near Monroe to MP 687.60 near Corvallis Jct., and the Hull Oakes Lead from MP 673.21 near Alpine Jct. to MP 680.06 near Dawson, Benton County, Oregon. UPRR's application has been assigned Corps No. NWP-2010-412. Please refer to this number in all future correspondence.

The Corps has jurisdiction over water bodies under the authority provided in the Rivers and Harbors Act and the Clean Water Act.

Under Section 10 of the Rivers and Harbors Act of 1899, the Corps has authority to issue permits for structures or work (including excavation) in or affecting navigable waters of the United States. Limits of jurisdiction extend to the mean high water mark in tidally influenced areas and to the ordinary high water mark in non-tidal but navigable waters.

Under Section 404 of the Clean Water Act, the Corps has authority to issue permits for the placement of fill or dredged material in waters of the United States. The term "waters of the United States" includes the territorial seas and tidally influenced waters up to the high tide line. "Waters" also include all other waters up to their ordinary high water mark that are part of a surface tributary system to and including navigable (non-tidal) waters of the United States. Wetlands adjacent to these waters are also "waters of the United States."

If at any time during the course of UPRR's proposed project, UPRR discharges dredged or fill material occurs within waters of the United States, a Department of the Army permit will be required.

If UPRR has any questions regarding our regulatory authority, please contact Mr. Brian Wilson at the letterhead address, by telephone at (541) 465-6765, or email brian.j.wilson@usace.army.mil.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kevin P. Moynahan".

Kevin P. Moynahan
Chief, Regulatory Branch

Copy Furnished:

Oregon Department of State Lands (Kiryuta)
U.S. Environmental Protection Agency (Vallette)
Oregon Department of Environmental Quality (Saxon)

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, PORTLAND DISTRICT
EUGENE FIELD OFFICE
1600 EXECUTIVE PARKWAY SUITE 210
EUGENE, OREGON 97401-2156
OFFICIAL BUSINESS

MS. COLLEEN GRAHAM
UNION PACIFIC RAILROAD
LAW DEPARTMENT
1400 DOUGLAS ST STOP 1580
OMAHA, NE 68179-0002

6817930002



UNION PACIFIC RAILROAD
101 N. Wacker Dr., Rm. 1920
Chicago, Illinois 60606-1718

Mack H. Shumate, Jr. Senior General Attorney, Law Department

P 312 777 2055
F 312 777 2065

March 29, 2011

VIA E-FILE

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

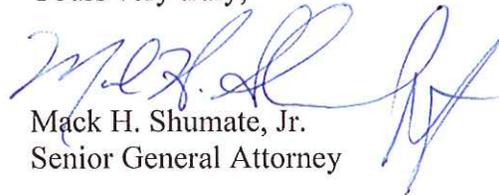
Re: Proposed Abandonment of and Discontinuance of Service on the Bailey Branch from M. P. 671.58 near Monroe to M. P. 682.25 near Greenberry, and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson in Benton County, Oregon; STB Docket No. AB-33 (Sub-No. 257) and AB-986 (Sub-No. 1)

Dear Ms. Brown:

Attached for filing in the above-referenced docket is the Combined Environmental and Historic Report prepared pursuant to 49 C.F.R. §1105.7 and §1105.8, with a Certificate of Service, and a transmittal letter pursuant to 49 C.F.R. §1105.11.

Union Pacific and Willamette and Pacific Railroad, Inc. anticipate filing a Petition for Exemption to Abandon and discontinue service on the Line in this matter on or after April 18, 2011.

Yours very truly,


Mack H. Shumate, Jr.
Senior General Attorney

2011_03_29 STB EHR Cover Ltr.doc



March 29, 2011

VIA E-FILE

TO: SEE ATTACHED SERVICE LIST

Re: Proposed Abandonment of and Discontinuance of Service on the Bailey Branch from M. P. 671.58 near Monroe to M. P. 682.25 near Greenberry, and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson in Benton County, Oregon; STB Docket No. AB-33 (Sub-No. 257) and AB-986 (Sub-No. 1)

To whom it may concern:

On or after April 18, 2011 Union Pacific Railroad Company ("UP") and Willamette and Pacific Railroad, Inc. ("WPRR") expect to be filing with the Surface Transportation Board ("STB" or "Board") a Petition for Exemption seeking authority for an exempt abandonment by UP and discontinuance of service by WPRR from Milepost 671.58 near Monroe to Milepost 682.25 near Greenberry, and the Hull Oakes Lead from Milepost 673.21 near Alpine Junction to Milepost 680.06, a total distance of 17.52 miles, located in Benton County, Oregon (collectively the "Line"). UP and WPRR will also seek to discontinue their respective overhead trackage rights over the Albany & Eastern Railroad Company between Greenberry and Corvallis, Oregon. Attached is a Combined Environmental and Historic Report which describes the proposed action and any expected environmental and historic effects, as well as a map of the affected area.

Union Pacific is providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA) at the following address, and refer to the above-referenced Docket Number:

Surface Transportation Board
Section of Environmental Analysis (SEA)
395 East Street, S.W., Room #100
Washington, DC 20423-0001
Telephone No.: (202) 245-0296

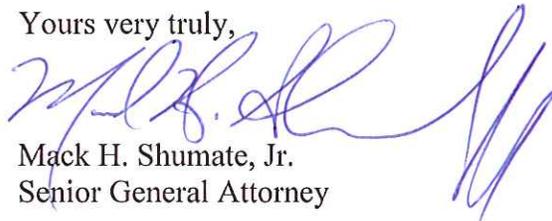
March 29, 2011

Page 2

Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within three (3) weeks.

Your comments will be considered by the Board in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. UP's representative in this matter is Mack H. Shumate, Jr., who may be contacted by telephone at (312) 777-2055 or by mail at 101 North Wacker Drive, Room 1920, Chicago, IL 60606.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Mack H. Shumate, Jr.', with a stylized flourish extending to the right.

Mack H. Shumate, Jr.
Senior General Attorney

SERVICE LIST

State Clearinghouse (or alternate):

Oregon Department of Transportation
Rail Division
555 13th Street N.E., Suite 3
Salem, OR 97301-4179

State Environmental Protection Agency:

Oregon Dept of Environmental Quality
811 SW 6th Avenue
Portland, OR 977204-1390

Head of each County:

Benton County Board of Commissioners
P.O. Box 3020
Corvallis, OR 97339-3020

Environmental Protection Agency

(Regional Office):

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

State Historic Preservation Office:

Parks and Recreation Department
State Historic Preservation Office
725 Summer Street NE, Suite C
Salem, OR 97301-1266

U.S. Fish and Wildlife:

U.S. Fish & Wildlife
Region 1
911 NE 11th Avenue
Portland, OR 97232

U.S. Army Corps of Engineers:

U. S. Army Corps of Engineers,
Northwestern Division
P.O. Box 2870
Portland, OR 97208-2870

National Park Service:

Pacific West Regional Office
National Park Service
One Jackson Center
1111 Jackson Center, Suite 700
Oakland, CA 94607

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
1201 NE Lloyd Blvd
Portland, OR 97232

National Geodetic Survey:

National Geodetic Survey
Geodetic System Division
Information Services
NOAA/NGS12
1315 E-W Highway
Silver Spring, MD 20910-3282

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-33 (Sub-No. 257X)
Docket No. AB-986 (Sub-No. 1X)

UNION PACIFIC RAILROAD COMPANY
WILLAMETTE & PACIFIC RAILROAD, INC., LESSEE
-- ABANDONMENT OF AND DISCONTINUANCE
OF SERVICE OVER THE --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON
(THE BAILEY BRANCH AND HULL OAKES LEAD)

Combined Environmental and Historic Report

UNION PACIFIC RAILROAD COMPANY

Mack H. Shumate, Jr.
Senior General Attorney
101 North Wacker Drive, #1920
Chicago, Illinois 60606
312/777-2055 (Tel.)
312/777-2065 (Fax)
Email: mackshumate@up.com

WILLAMETTE & PACIFIC RAILROAD, INC.

Eric M. Hocky, Esq.
Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market St., Suite 1000
Philadelphia, PA 19103
215/640-8500 (Tel.)
215/640-8501 (Fax)
ehocky@thorpreed.com

Dated: March 29, 2011
Filed: March 29, 2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**Docket No. AB-33 (Sub-No. 257X)
Docket No. AB-986 (Sub-No. 1X)**

**UNION PACIFIC RAILROAD COMPANY
WILLAMETTE & PACIFIC RAILROAD, INC., LESSEE
-- ABANDONMENT OF AND DISCONTINUANCE
OF SERVICE OVER THE --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON
(THE BAILEY BRANCH AND HULL OAKES LEAD)**

Combined Environmental and Historic Report

Union Pacific Railroad Company ("UP") and Willamette & Pacific Railroad, Inc., ("WPRR") submit this Combined Environmental and Historic Report pursuant to 49 C.F.R. § 1105.7(e) and 49 CFR §1105.8(d), respectively, in connection with their anticipated request for authorization for UP to abandon and for WPRR to discontinue service over, the Bailey Branch from M. P. 682.25 near Greenberry to M. P. 671.58 near Monroe (the "Bailey Branch"), and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson (the "Hull Oakes Lead"), a total distance of 17.52 miles in Benton County, Oregon (collectively, the "Line").¹ The Line traverses U.S.

¹ The discontinuance by WPRR in and of itself would not require an environmental and historic report. See *Norfolk Southern Railway Company – Discontinuance of Service Exemption – In St. Joseph and LaPorte Counties, IN*, STB Docket No. AB-290 (Sub-No. 307X) (served June 18, 2008); *Everett Railroad Company – Discontinuance of Service Exemption – In Blair County, PA*, STB Docket No. AB-721X (served November 16, 2007); *Columbus and Greenville Railway Company – Discontinuance of Service Exemption – In Greenwood, MS*, STB Docket No. AB-297 (Sub-No. 103X) (served July 2, 2007). However, because UP and WPRR will be filing a joint petition for exemption, WPRR joins in this report.

Postal Service Zip Codes 97333 and 97456. UP and WPRR anticipate that a joint Petition for Exemption for UP to abandon and WPRR to discontinue service perspectives on the Line, will be filed with the Surface Transportation Board ("STB") on or after April 20, 2011 by UP and WPRR. In the joint petition, UP will seek authority to abandon the Line and WPRR will seek authority to discontinue service over the Line. UP and WPRR will also seek to discontinue their respective overhead trackage rights over the Albany & Eastern Railroad Company between Greenberry and Corvallis, Oregon.²

A map of the Line (**Attachment No. 1**), and UP's initial letter to federal, state and local government agencies (**Attachment No. 2**) are attached to this EHR and are hereby made a part hereof. Responses to UP's initial letter received to date are attached and sequentially numbered as indicated below and are hereby made a part hereof.

ENVIRONMENTAL REPORT
49 C.F.R. § 1105.7(e)

(1) Proposed action and alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Response: The proposed action seeks authorization for UP to abandon and for WPRR to discontinue service over the Bailey Branch from M. P. 682.25 near Greenberry to M. P. 671.58 near Monroe, and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson, a total distance of 17.52 miles in Benton County, Oregon. The Line has been out of service since June 2007 due to poor track

² As noted in footnote 1 above, the proposed discontinuance of trackage rights does not require an environmental and historic report. See also 49 CFR §1105.6(b)(3).

condition. Prior to the Line being taken out of service, the primary commodity handled was lumber. Preservation of the Line via sale was explored with public and private interests, but the discussions were not successful. As a result of said discussions, an adjoining segment of the Bailey Branch was sold to VFRC, LLC and is now operated by Albany & Eastern Railroad Company pursuant to STB authority.

The estimated cost for necessary rehabilitation of the Line required to bring the Line back to an FRA Class I standards substantially exceeds the potential revenue that could be generated on the Line under current projections. There is no imminent location of new rail oriented industry that would justify the Line's rehabilitation and continued operation.

There is no overhead traffic on the Line.

The Bailey Branch, from the beginning of the abandonment to Alpine Junction, plus the entire Hull Oakes Lead from Alpine Junction to Dawson, was constructed in the years 1909 and 1910 by the Corvallis and Alsea River Railway. The short remaining portion of the Bailey Branch from Alpine Junction to the end of the Line for which abandonment and discontinuance of service is hereby being sought, at Monroe, was constructed by the Portland, Eugene and Eastern Railway in 1913.

The Bailey Branch is currently constructed with 75-pound jointed rail; the exact year it was laid is unknown. The Hull Oakes Lead is laid with a combination of 75-, 76-, and 80-pound rail put down in the 1920's.

The Bailey Branch and the Hull Oakes Lead segments of the Line contain a combined total of approximately 132.6 acres of right-of-way, of which approximately 130.10 acres of right-of-way are owned by UP in fee with the remaining 2.5 acres being

subject to reversionary rights. Based on information in UP's possession, the Line does not contain any federally granted right-of-way. Any documentation in UP's possession with regard to the Line will be made available to those requesting it.

After abandonment, the closest rail options would be the Albany & Eastern Railroad Company at Greenberry and the WPRR at Corvallis. Union Pacific and Portland & Western Railroad (an affiliate of WPRR) have parallel lines to the east between Eugene and Albany, Oregon. The Bailey Branch is parallel to Oregon Highway 99W, which connects to U.S. Highway 20 at Corvallis. Interstate 5, the main regional highway, can be accessed directly via these two highways or via connections involving other local roads. Dawson, on the Hull Oakes Lead, is served by local roads.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

Response: Given the base year and forecast year volume of 378 cars (to be more fully described in the joint petition for exemption), a truck to railcar ratio of four to one, and a 100% empty return rate for the trucks, the abandonment could potentially result in approximately 3,024 additional loaded and empty trucks annually on area roads, or about twelve (12) trucks per twenty-four (24) hour weekday. The area highway network, especially the two federal highways, is sufficiently capable of handling this minor increase in potential daily truck volume. Further, since the Line has been out of service since 2007, it is likely that any diversion to trucks has already occurred.

(3) Land Use.

- (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

- (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.
- (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 49 C.F.R. § 1105.9.
- (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

Response:

- (i) UP, as the owner of the Line, has no current plans for the property which makes up the right-of-way of the Line after completion of the proposed abandonment.³ UP contacted the Benton County Board of Commissioners (the “Commissioners”), who responded that the discontinuance and abandonment of the operation of the Bailey Branch is not in the community’s best interests or in the best interests of the Oregon transportation system. The Commissioners’ response cited the County’s Transportation Improvement Plan (TSP), the area’s farmland, wetlands, and water quality as factors impacted by the proposed abandonment. The Commissioner’s response is attached as **Attachment No. 3**, and is hereby made part hereof. The Corvallis-Benton Chamber Coalition (the “CBCC”) submitted a written response citing the local economic consequences of the proposed abandonment. The CBCC’s response is attached as **Attachment No. 4**, and is hereby made part hereof.
- (ii) The United States Natural Resources Conservation Service has been contacted. To date, UP has received no response.

³ If abandonment / discontinuance is granted, WPRR’s lease of the Line will terminate and WPRR will have no rights in or to the property.

- (iii) Not Applicable.
- (iv) The Line's right-of-way may be suitable for alternative public use.

(4) Energy.

- (i) Describe the effect of the proposed action on transportation of energy resources.
- (ii) Describe the effect of the proposed action on recyclable commodities.
- (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.
- (iv) If the proposed action will cause diversions from rail to motor carriage of more than:
 - (A) 1,000 rail carloads a year, or
 - (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

Response:

- (i) The only commodity handled on the Line prior to the suspension of service, was lumber, and the abandonment will therefore have no impact on the transportation of energy resources.
- (ii) The abandonment will not affect the transportation of recyclable commodities.
- (iii) The proposed transaction may result in a limited decrease in overall energy efficiency, due to the need for shippers to move their traffic at least part of the distance to and from their respective facilities via motor carrier.
- (iv)(A) It is estimated that 378 railcars will be diverted from rail to motor carriage during the forecast year.

(iv)(B) The Line is 17.52 miles long. The vast majority of the base year and forecast year traffic (320 out of 378 railcars) originated at the western end of the Line at Dawson. The remainder of the traffic originated at the Monroe end of the Line (4 railcars), and at Alpine Jct. (54 railcars). Therefore, the potential 378 railcars annually spread over miles over which it must be handled works out to be less than approximately twenty-five (25) railcars per mile annually. Therefore, the thresholds for calculating net charges in energy and consumption are not exceeded.

- (5) **Air.** (i) If the proposed action will result in either:
- (A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or
 - (B) an increase in rail yard activity of at least 100% (measured by carload activity), or
 - (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. §10901 (or §10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.

Response: UP and WPRR do not anticipate any such effects.

- (5) **Air.** (ii) If the proposed action affects a class 1 or nonattainment area under the Clean Air Act, and will result in either:
- (A) an increase in rail traffic of at least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or
 - (B) an increase in rail yard activity of at least 20% (measured by carload activity), or
 - (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within

the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. §10901 (or 49 U.S.C. §10505), or a case involving the reinstatement of service over a previously abandoned line, only the three train a day threshold in this item shall apply.

Response: There will be no increase in rail traffic, rail yard activity, or truck traffic at or above the stated thresholds as a result of the proposed action.

(5) Air. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Response: The proposed action will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause:

- (i) an incremental increase in noise levels of three decibels Ldn or more or
- (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area and quantify the noise increase for these receptors if the thresholds are surpassed.

Response: Not applicable.

(7) Safety.

- (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).
- (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

- (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

Response:

- (i) The proposed action will have no detrimental effects on public health and safety.
- (ii) The proposed action will not affect the transportation of hazardous materials.
- (iii) There are no known hazardous materials waste sites or sites where known hazardous material spills have occurred on or along the subject right-of-way.

(8) Biological resources.

- (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.
- (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

By letter dated September 28, 2008, the Oregon Department of Environmental Quality (DEQ) responded that there are DEQ sites in the area and permits may be required if ballast is removed or if storm water run-off is impacted. See **Attachment No. 8**. UP will consult with the Oregon Division of State Land and Army Corps of Engineers if any salvage efforts will impact waters of the State or wetlands. See also the related letter from the Oregon Department of State Lands dated October 3, 2007 attached hereto as **Attachment No. 9** which indicates that portions of potential salvage activities may enhance fish habitats and restoration of wetlands.

Response:

- (i) The U.S. Fish and Wildlife Service has been contacted. To date, UP has not received a response.

- (ii) The National Park Service has been contacted. To date, UP has not received a response.

(9) Water.

- (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.
- (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.
- (iii) State whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

Response:

- (i) There are no anticipated adverse effects on water quality. The U.S. Environmental Protection Agency Regional Office ("USEPA") and Oregon NRCS State Office have been contacted. To date, UP has not received a response.
- (ii) The U.S. Army Corps of Engineers has been contacted. A response was received July 30, 2010 stating that if dredge or fill material is discharged into waters of the United States, a permit may be required. See **Attachment No. 5.**
- (iii) UP does not anticipate that there will be any requirements for Section 402 permits.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Response: There are no known adverse environmental impacts.

HISTORIC REPORT
49 C.F.R. § 1105.8(d)

(1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action:

Response: See **Attachment No. 1.**

(2) A written description of the right-of-way (including approximate widths to the extent known), and the topography and urban and/or rural characteristics of the surrounding area:

Response: The Bailey Branch and Hull Oakes Lead segments of the Line contain a combined total of approximately 132.6 acres of right-of-way, of which approximately 130.10 acres of right-of-way are owned by UP in fee with the remaining 2.5 acres being subject to reversionary rights. Based on information in UP's possession, the Line does not contain any federally granted right-of-way. The Bailey Branch is generally 60 feet wide and the Hull Oakes Lead varies from 40 to 50 feet in width. The topography is generally level except as the Hull Oakes Lead approaches its end point at Dawson when the topography becomes hilly . The area is rural with the exception of the town of Monroe.

(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:

Response: UP provided the Oregon Parks and Recreation Department State Historic Preservation Office ("Oregon SHPO") photographs of each of the structures on the Line that are 50 years old or older. A copy of the letter and pictures of the structures is attached hereto as **Attachment No. 6** and hereby made a part hereof. The Oregon

SHPO's response dated September 7, 2007 is attached as **Attachment No. 7**. Further 106 review may be required before the bridges may be removed.

(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations to the extent such information is known:

Response: See **Attachment No. 2** and **Attachment No. 6**.

(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action:

Response: See the preceding pages for a brief history and description of carrier operations.

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:

Response: UP does not have any relevant documentation.

(7) An opinion (based on readily available information in the UP's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. § 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):

Response: See **Attachment No. 6**.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.

Response: UP does not have any such readily available information.

(9) Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specified non-railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way. Photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the locations and type of the site (i.e., prehistoric or native American):

Response: Not applicable.

Dated this 29th day of March, 2011.

Respectfully submitted,



UNION PACIFIC RAILROAD COMPANY

Mack H. Shumate, Jr.

Senior General Attorney

101 North Wacker Drive, #1920

Chicago, Illinois 60606

312-777-2055 (Tel.)

312-777-2065 (Fax)

Email: mackshumate@up.com



WILLAMETTE & PACIFIC RAILROAD, INC.

Eric M. Hocky, Esq.

Thorp Reed & Armstrong, LLP

One Commerce Square

2005 Market St., Suite 1000

Philadelphia, PA 19103

215-640-8500 (Tel.)

215-640-8501 (Fax)

ehocky@thorpreed.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Combined Environmental and Historic Report in Docket No. AB-33 (Sub-No. 257X) and Docket No. AB-986 (Sub-No. 1X), the Bailey Branch and Hull Oakes Lead in Benton County, Oregon, was served by First Class U.S. Mail, postage prepaid, on the 29th day of March, 2011, on the following parties:

State Clearinghouse (or alternate):

Oregon Department of Transportation
Rail Division
555 13th Street N.E., Suite 3
Salem, OR 97301-4179

State Environmental Protection

Agency:

Oregon Dept of Environmental Quality
811 SW 6th Avenue
Portland, OR 977204-1390

Head of each County:

Benton County Board of Commissioners
P.O. Box 3020
Corvallis, OR 97339-3020

Environmental Protection Agency

(Regional Office):

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

State Historic Preservation Office:

Parks and Recreation Department
State Historic Preservation Office
725 Summer Street NE, Suite C
Salem, OR 97301-1266

U.S. Fish and Wildlife:

U.S. Fish & Wildlife
Region 1
911 NE 11th Avenue
Portland, OR 97232

U.S. Army Corps of Engineers:

U. S. Army Corps of Engineers,
Northwestern Division
P.O. Box 2870
Portland, OR 97208-2870

National Park Service:

Pacific West Regional Office
National Park Service
One Jackson Center
1111 Jackson Center, Suite 700
Oakland, CA 94607

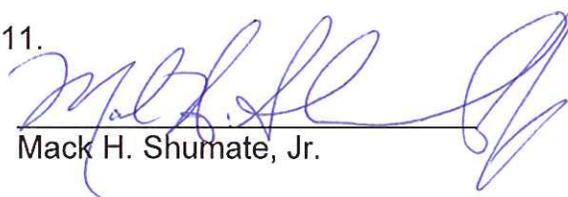
U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
1201 NE Lloyd Blvd
Portland, OR 97232

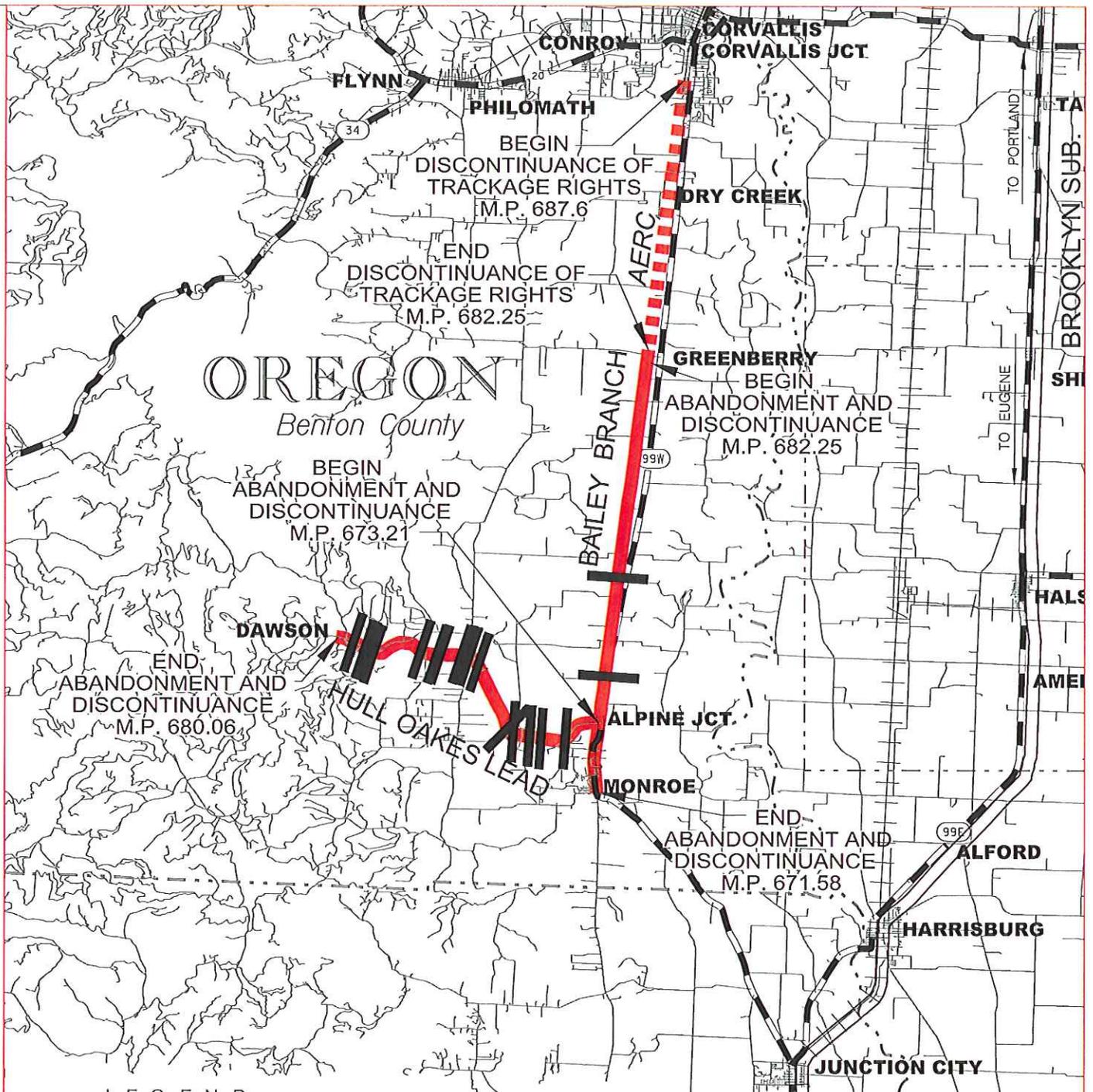
National Geodetic Survey:

National Geodetic Survey
Geodetic System Division
Information Services
NOAA/NGS12
1315 E-W Highway
Silver Spring, MD 20910-3282

Dated this 29th day of March, 2011.



Mack H. Shumate, Jr.



HULL OAKES LEAD			
BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
674.04	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1937
674.58	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
674.83	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
674.84	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
675.21	7 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1941
675.36	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1938
676.97	4 SPAN TIMBER PILE TRESTLE OPEN DECK	60'	1913
677.23	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1913
677.32	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1913
677.4	2 SPAN TIMBER PILE TRESTLE OPEN DECK	27'	1913
677.88	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1919
677.95	3 SPAN TIMBER PILE TRESTLE OPEN DECK	42'	1913
678.32	5 SPAN TIMBER PILE TRESTLE OPEN DECK	75'	1952
679.4	5 SPAN TIMBER PILE TRESTLE OPEN DECK	75'	1930
679.53	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1939
679.61	5 SPAN TIMBER PILE TRESTLE OPEN DECK	73'	1930
679.91	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1932
BAILEY BRANCH			
BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
674.25	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1931
676.46	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1928

August 8, 2007

State Clearinghouse (or alternate):

Department of Transportation
Rail Division
355 Capitol St. NE
Salem, OR 97301-3871

State Environmental Protection Agency:

Department of Environmental Quality
811 6th Avenue, SW
Portland, OR 97204-1390

**State Coastal Zone Management Agency
(if applicable):**

Not applicable.

Head of County (Planning):

Benton County Commissioners
120 NW 4th Street
County Courthouse
Corvallis, OR 97330-0000

**Environmental Protection Agency
(regional office):**

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue
Seattle, WA 98101

U.S. Fish and Wildlife:

U.S. Fish & Wildlife Service
Pacific Region 1
500 Gold Avenue SW - Room 4000
Albuquerque, NM 87102

U.S. Army Corps of Engineers:

U.S. Army Engineer District, Portland
P. O. Box 2946
Portland, OR 97208-2946

National Park Service:

National Park Service
William D. Shaddox
Chief, Land Resources Division
800 North Capitol Street, NE., Room 540
Washington, D.C. 20002

U.S. Natural Resources Conservation Service:

Natural Resource Conservation Service
3867 Wolverine Street NE Suite F-16
Salem, OR 97305

National Geodetic Survey:

National Geodetic Survey
Edward J. McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

State Historic Preservation Officer
Parks and Recreation Department
725 Summer Street NE, Ste C
Salem, OR 97301

Re: Proposed Abandonment and Discontinuance of Operations of the Bailey Branch from M. P. 671.58 near Monroe to M. P. 687.60 near Corvallis Jct., and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson in Benton County, Oregon; STB Docket No. AB-33 (Sub-No. 257) and AB-986 (Sub-No. 1)

Dear Sirs:

Union Pacific Railroad Company ("UP") and Willamette and Pacific Railroad, Inc. ("W&P") plan to request authority from the Surface Transportation Board (STB) to abandon (UP) and discontinue operations (W&P) on the Bailey Branch from M. P. 671.58 near Monroe to M. P. 687.60 near Corvallis Jct., and the Hull Oakes Lead from M. P. 673.21 near Alpine Jct. to M. P. 680.06 near Dawson, a total distance of 22.87 miles in Benton County, Oregon. A map of the proposed track abandonment shown in black is attached.

Pursuant to the STB's regulations at 49 C.F.R. Part 1152, and the environmental regulations at 40 C.F. R. Part 1105.7, this is to request your assistance in identifying any potential effects of this action as indicated in the paragraphs below. We do not anticipate any adverse environmental impacts. However, if you identify any adverse environmental impacts, describe any actions that are proposed in order to mitigate the environmental impacts. Please provide us with a written response that can be included in an Environmental Report, which will be sent to the STB.

LOCAL AND/OR REGIONAL PLANNING AGENCIES. State whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

U. S. SOIL CONSERVATION SERVICE. State the effect of the proposed action on any prime agricultural land.

U. S. FISH AND WILDLIFE SERVICE (And State Game And Parks Commission, If Addressed). State (1) whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects, and, (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

STATE WATER QUALITY OFFICIALS. State whether the proposed action is consistent with applicable Federal, State or Local water quality standards. Describe any inconsistencies.

U. S. ARMY CORPS OF ENGINEERS. State (1) whether permits under Section 404 of the Clean Water Act (33 U.S. C. § 1344) are required for the proposed action and (2) whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

U. S. ENVIRONMENTAL PROTECTION AGENCY AND STATE ENVIRONMENTAL PROTECTION (OR EQUIVALENT AGENCY). (1) Identify any potential effects on the surrounding area, (2) identify the location of hazardous waste sites and known hazardous material spills on the right-of-way and list the types of hazardous materials

involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

Thank you for your assistance. Please send your reply to Union Pacific Railroad, Mr. Chuck Saylor, 1400 Douglas Street, Mail Stop 1580, Omaha, NE, 68179. If you need further information, please contact me at (402) 544-4861.

Yours truly,

Charles W. Saylor

Attachment
Copies:

Bruce Carswell
President & General Manager
Portland & Western Railroad
650 Hawthorne Avenue, SE, Suite 220
Salem, OR 97301

Eric M. Hocky
Gollatz, Griffin & Ewing, P.C.
Four Penn Center, Suite 200
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808



BOARD OF COMMISSIONERS

408 SW Monroe Ave., Suite 111

P.O. Box 3020

Corvallis, OR 97339-3020

(541) 766-6800

FAX (541) 766-6893

September 6, 2007

Mr. Charles W. Saylor
Union Pacific Railroad
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179

Re: Bailey Branch near from Corvallis to Monroe in Benton County, Oregon

Dear Mr. Saylor:

The discontinuance and abandonment of the operation of the Bailey Branch [*STB Docket No. AB-33 (Sub-No. 257) and No. AB 986 (Sub-No. 1)*] is not in our community's best interest, nor is it in the best interest of the transportation system in the State of Oregon. Oregon must strengthen its transportation system in all modes in order to encourage a robust economy and provide mobility for freight and people without sacrificing livability for our residents. An important tool is rail. We need to rebuild, not dismantle, our rail infrastructure.

Following are points relevant to the categories of concern cited in your letter of August 8, 2007 to be included in an Environmental Report to be sent to the Surface Transportation Board (STB):

- The Bailey Branch to Monroe and to the Hull Oakes Lead to Dawson is included in the County's Transportation Improvement Plan (TSP). This is a plan required by the Oregon Department of Transportation and our land use agency, Oregon Department of Land Use and Conservation. The TSP addresses the movement of goods and people while conserving our resource lands for agriculture and forestry.
- Benton County is located in the Willamette Valley which has some of the highest quality farmland in the world. The rail in question runs through land zoned exclusive farm use paralleling a state highway. The reduction of rail capacity can only result in a need to increase road and highway capacity which will impinge on those valuable resource lands.
- Another feature of the rail and highway corridor is wetlands. Increased road and highway capacity will impinge upon wetlands which compose a great deal of the Willamette Valley floor. The rail corridor takes less space which results

significantly less impact on the wetland resource which is home to important habitat for a variety of plants and animals.

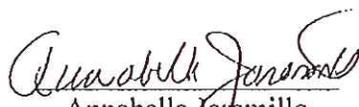
- Our wetland resources in Benton County are becoming more and more important as a water quality factor. We cannot ignore the utility of these lands to help cool and filter our water before slowly returning to our streams and rivers. It is important to choose the transportation mode with the least negative impact.

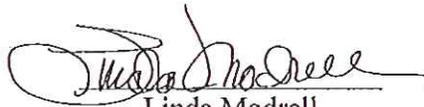
In summary, rail is vitally important to the future of Benton County and the most populous region in Oregon called the Willamette Valley. The degradation of the quantity and quality of resources lands, air quality, water quality, and wetlands and species habitat by other transportation modes is significant.

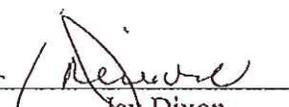
We cannot afford the loss of a transportation resource that helps to reduce the impact of other transportation modes. In fact, we cannot afford to continually expand roads and highways and ignore rail for the sake of our economy, the environment, and quality of life.

Thank you for the opportunity to have our concerns included in the Environmental Report.

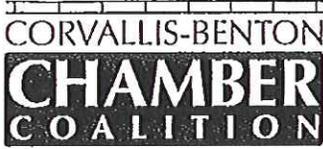
Sincerely,


Annabelle Jaramillo
Chair


Linda Modrell
Commissioner


Jay Dixon
Commissioner

c: Kelly Taylor, ODOT Rail Division



September 26, 2007

*Thank you to our
Platinum Star Members*

- Alphagraphics
- ATS Systems Oregon, Inc.
- The Ball Studio/Photography
- Blackledge Furniture
- CH2M HILL
- Cardinal Point Properties, LLC
- The Corvallis Clinic
- Debra I. Ringold, Ph.D., Inc.
- Evanite Fiber Corporation
- Hewlett-Packard
- Jeanne Smith & Associates, PC
- Key Bank
- OSU Federal Credit Union
- Pacific Power
- Peak Internet
- RJ Engraving & Signs
- Samaritan Health Services
- Starker Forests, Inc.
- Stover Nevhart & Co., PC
- Town & Country Realty

Dr. James R. Young
Unlon Pacific Railroad
1400 Douglas Street
Omaha, NB 68179

RE: Bailey Branch, Benton County, Oregon
Docket Numbers: AB-33 and AB-986

Dear Dr. Young:

The current embargo and proposed abandonment of the rail line south of Corvallis is unconscionable. Having railroad access available to existing and future developments in our industrial park is a loss, not only to Corvallis and rural Benton County, but also to the State of Oregon. South Corvallis contains roughly 1000 acre of contiguous, undeveloped industrially zoned land, containing heavy, light and mixed use zones. It is the largest contiguous site in the Willamette Valley and although it has not been developed yet, as the community continues to shift to a balanced development model and sites in the valley become fewer and farther between, we know this site will be developed.

As fuel economy becomes more important in our global competitiveness, the cost per ton that shipping by rail affords us is an important tool in our economic strategy. By failing to provide this efficiency, you create an unnecessary hardship for all the businesses served on this line, not to mention the additional stress put on state and local highways in both traffic and maintenance as a result.

Making the improvements to the rail line that were funded through two state grants in the amount of \$320,000 and use of the \$49/car maintenance fee from all users on the line would have fixed the initial problems and prevented current problems faced today because of years of deferred maintenance on the line. The fact that Unlon Pacific didn't oversee the work, do it in a timely manner or make the minimum investments to keep the line in working order should not result in the punishment of the stable and hardworking businesses of this area.

I would like an opportunity to support different choices. If you are interested in seeing how we can work together, to save this line and the businesses that it serves, please let me know.

Sincerely,

Mysty Rusk
President

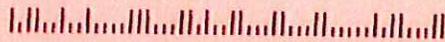
cc: Charles Saylor, Oregon Transportation Commission, Governor Kulongoski, Peter DeFazio, Darlene Hooley, Ron Wyden, Gordon Smith, Benton County Commissioners

DEPARTMENT OF THE ARMY
PORTLAND DISTRICT, CORPS OF ENGINEERS
1600 EXECUTIVE PARKWAY SUITE 210
EUGENE, OR 97401-2156

OFFICIAL BUSINESS



MS. COLLEEN GRAHAM
UNION PACIFIC RAILROAD
LAW DEPARTMENT
1400 DOUGLAS ST STOP 1580
OMAHA, NE 68179-0002



REGULATORY
PERMIT APPLICATION RECEIPT

Portland District

TO:	APPLICANT (<i>Printed Name</i>) ^{1,2}	DATE
	MS. COLLEN GRAHAM	28 JUL 2010
RE:	PROJECT NAME	
	UNION PACIFIC RAILROAD (BAILEY BRANCH, OREGON)	
	CORPS APPLICATION ID NUMBER ▶ NWP-2010-412	
After preliminary evaluation of your application, we may contact you if additional information is required. Please refer to the Corps Application Identification (ID) Number above when you contact this office regarding your project/property.		
If you have questions, please contact the project manager below by telephone or written request.		
FROM:	PROJECT MANAGER (<i>Printed Name</i>)	PHONE NUMBER
	MR. BRIAN WILSON	541.465.6765

NWP FL 1145-1 (Jun 2003), V1.00

Previous editions not usable.

Proponent Office: CENWP-OP-G



DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, PORTLAND DISTRICT
EUGENE FIELD OFFICE
1600 EXECUTIVE PARKWAY, SUITE 210
EUGENE, OREGON 97401-2156

REPLY TO
ATTENTION OF:

July 30, 2010

Operations Division
Regulatory Branch
Corps No. NWP-2010-412

Ms. Colleen Graham
Union Pacific Railroad
Law Department
1400 Douglas Street, Stop 1580
Omaha, Nebraska 68179-0002

Dear Ms. Graham:

The U.S. Army Corps of Engineers (Corps) received Union Pacific Railroad's (UPRR) application for abandonment and discontinuance of operations of the Bailey Branch from MP 671.58 near Monroe to MP 687.60 near Corvallis Jct., and the Hull Oakes Lead from MP 673.21 near Alpine Jct. to MP 680.06 near Dawson, Benton County, Oregon. UPRR's application has been assigned Corps No. NWP-2010-412. Please refer to this number in all future correspondence.

The Corps has jurisdiction over water bodies under the authority provided in the Rivers and Harbors Act and the Clean Water Act.

Under Section 10 of the Rivers and Harbors Act of 1899, the Corps has authority to issue permits for structures or work (including excavation) in or affecting navigable waters of the United States. Limits of jurisdiction extend to the mean high water mark in tidally influenced areas and to the ordinary high water mark in non-tidal but navigable waters.

Under Section 404 of the Clean Water Act, the Corps has authority to issue permits for the placement of fill or dredged material in waters of the United States. The term "waters of the United States" includes the territorial seas and tidally influenced waters up to the high tide line. "Waters" also include all other waters up to their ordinary high water mark that are part of a surface tributary system to and including navigable (non-tidal) waters of the United States. Wetlands adjacent to these waters are also "waters of the United States."

If at any time during the course of UPRR's proposed project, UPRR discharges dredged or fill material occurs within waters of the United States, a Department of the Army permit will be required.

If UPRR has any questions regarding our regulatory authority, please contact Mr. Brian Wilson at the letterhead address, by telephone at (541) 465-6765, or email brian.j.wilson@usace.army.mil.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kevin P. Moynahan".

^{gk}Kevin P. Moynahan
Chief, Regulatory Branch

Copy Furnished:

Oregon Department of State Lands (Kiryuta)
U.S. Environmental Protection Agency (Vallette)
Oregon Department of Environmental Quality (Saxon)

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, PORTLAND DISTRICT
EUGENE FIELD OFFICE
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6817930002

