

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-33 (Sub-No. 101)

UNION PACIFIC RAILROAD COMPANY--ABANDONMENT--
PLAINVILLE BRANCH (PLAINVILLE-COLBY LINE) IN ROOKS,
GRAHAM, SHERIDAN AND THOMAS COUNTIES, KS

Decided: January 15, 1997

By application filed December 6, 1996, Union Pacific Railroad Company (UP) seeks authority to abandon its line of railroad known as the Plainville-Colby Line between milepost 102.0 near Plainville and milepost 201.0 near Colby, a distance of 99.0 miles, in Rooks, Graham, Sheridan and Thomas Counties, KS. Public notice was properly given.

Protests were filed by Sheridan County, KS, Hoxie Implement Company, Inc., the Kansas State Corporation Commission, Graham County Commissioners, and the City of Hoxie, KS. Comments in opposition were filed by Rex Carswell, Vista Roth, Alfred and Barbara Rietcheck, and Lawrence Wark on behalf of CO-AG Co-operative. The United Transportation Union (UTU) filed comments seeking labor protection.

Sheridan County and the City of Hoxie contend that UP's abandonment of the Plainville Branch will deprive them of needed tax revenues and result in increased traffic congestion and maintenance costs on area roads and bridges. Sheridan County also seeks a condition requiring UP to repair or rebuild public road bridges adjacent to UP's right-of-way and grant the county permission to perform future maintenance on these bridges. Hoxie Implement maintains that the abandonment will increase its shipping costs and force it to reduce its payroll and employment. The individuals appearing on behalf of CO-AG Co-operative fear that their grain income will decline if the abandonment is permitted. UP replies that protestants' concerns do not address the merits of the abandonment application.

The application lacks certain information necessary to make a fully informed decision. In particular, UP should explain the precipitous drop in revenues for the forecast year. Although UP indicates that traffic levels remain static (323 carloads) between the base year and the forecast year, revenues decline 35% from the base year (\$1,002,796) to the forecast year (\$648,228).

In addition, UP should provide the following information: (1) On-Branch Costs. Provide supporting detail for computation of these costs, as required in the abandonment regulations. (2) Off-Branch Costs (other than return on freight cars). Provide supporting detail for the computation of this cost as required in 49 CFR 1152.32(n)(1). (3) Off-Branch Freight Car ROI Costs. Provide supporting detail for the computation of this cost. (4) Return on Value. Provide supporting detail for computation of working capital and income tax consequences as required in 49 CFR 1152.34(c)(1)(i) and (ii). (4) Net Liquidation Value. UP should provide an itemized breakout for this cost, showing: (a) gross salvage value, including market value or other support for reusable and scrap ties, rail and other track materials; (b) cost of removal, including unit costs and quantities for all

categories of track materials; and (c) real estate value, including appraisals supporting the value per acre of each parcel in the Real Estate Net Liquidation Value and the methodology used to determine fee simple titles and titles for non-reversionary parcels.

The environmental and energy impacts of the proposed abandonment have been examined and found not to be significant. The Board's Section of Environmental Analysis (SEA) served its environmental assessment (EA) on January 8, 1997. SEA stated that, subject to certain salvage conditions, abandonment will not significantly affect the quality of the human environment and that the environmental impact statement process is unnecessary. Interested persons may obtain a copy of the EA by writing to SEA, (Room 3100, 1201 Constitution Avenue, N.W., Washington, DC 20423) or by calling Elaine Kaiser, Chief of SEA, at (202) 927-6248.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. An investigation into the proposed abandonment will be instituted under the modified procedure. The parties must comply with the applicable provisions of 49 CFR 1112.1 through 1112.10.

2. To meet the new statutory time frames of the ICC Termination Act of 1995,¹ the schedule for filing verified statements is as follows:

Applicant's initial statements, including the additional data requested or required in this decision, will be due on February 3, 1997.

Protestants' initial and reply statements will be due on February 13, 1997.

Applicant's reply and rebuttal statement will be due on February 24, 1997.

3. This decision is effective on the date of service.

By the Board, David M. Konschnik, Director, Office of Proceedings.

¹ In lieu of the specific processing timetable found in former section 10904, new section 10903 has established a 4-month deadline after an application is filed for the submission of offers of financial assistance. The Board has adopted new rules in Abandonment and Discontinuance of Rail Lines and Rail Transportation Under 49 U.S.C. 10903, STB Ex Parte No. 537 (STB served Dec. 24, 1996), calling for a Board decision on the merits of an application by day 110 after the application is filed. Day 110 in this case is March 26, 1997. The new rules are scheduled to take effect on January 23, 1997, and, in general, will not apply to this proceeding which began prior to that time, but the Board is establishing a schedule that will permit it to meet the March 26, 1997 target date for a decision on the merits.

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Vernon A. Williams
Secretary