

SURFACE TRANSPORTATION BOARD

NOTICE

Docket No. NOR 42135

DENVER ROCK ISLAND RAILROAD COMPANY v. UNION PACIFIC RAILROAD
COMPANY

Decided: May 10, 2012

On March 16, 2012, the Denver Rock Island Railroad Company (DRIR), a Class III rail carrier, filed a complaint to commence arbitration under 49 C.F.R. § 1108, pursuant to Section VI of the Rail Industry Agreement¹ (“RIA”).² DRIR asserts that, pursuant to one of the principles agreed to by the parties in the RIA, which is illustrated under Exhibit C, Example 7, “New Routes,” Union Pacific Railroad Company (UP) should grant trackage rights or haulage rights to DRIR over the East Denver Belt Line.³ According to DRIR, the rights would stretch over less than one mile of UP’s East Denver Belt Line in the Denver Terminal Area. These rights would connect DRIR’s Silver Yard and DRIR’s Stockyards Lead Track and would allow new traffic to and from DRIR’s Silver Yard to access points on BNSF Railway Company’s system. DRIR has asked for trackage rights, but UP refuses to grant them. UP has offered, however, to perform the transportation itself at a stated switching charge per car.

In its April 16, 2012 reply, UP states that it is willing to arbitrate this dispute, but that it does not consent to an arbitration that would result in an award of trackage rights to DRIR.⁴

This matter, which has come to the Board under the terms of the RIA, will be sent to arbitration. The RIA calls for granting trackage rights or haulage rights under certain circumstances, and, if disputes between the parties persist after discussion and negotiation, Section VI of the RIA provides for binding arbitration pursuant to the Board’s arbitration rules at

¹ See Assn. of American R.Rs.—Agreement—Application Under 49 U.S.C. § 10706, 3 S.T.B. 910 (1998).

² DRIR’s complaint invokes the RIA provision for resolving disputes that arise under RIA Section IV(3), Paper Barriers and New Routes.

³ The RIA is an agreement between the Association of American Railroads and the American Short Line Regional Railroad Association that is intended to provide a framework for improving the ability of smaller railroads (Class II or III), on the one hand, and, on the other, Class I railroads to work together to serve the public in the most efficient possible manner.

⁴ UP’s Reply 5.

49 C.F.R. § 1108. UP and DRIR have agreed to these terms by signing the RIA. Accordingly, the Board will provide for arbitration in this matter.

DRIR and UP should now proceed with the selection of an arbitrator pursuant to 49 C.F.R. § 1108.6. A list of arbitrators is available from the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or (866) 254-1792.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.