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SERVICE DATE – MARCH 1, 2013

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. AB 991 (Sub-No. 1X)]

Yellowstone Valley Railroad, L.L.C.—Discontinuance of Lease and Trackage Rights Operations Exemption—In Richland, Sheridan, Roosevelt, and Daniels Counties, Mont., and McKenzie County, N.D.

On February 11, 2013, Yellowstone Valley Railroad, L.L.C. (YVRR)¹ filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. § 10502 for exemption from the provisions of 49 U.S.C. § 10903, to discontinue YVRR's lease operations over two lines owned by BNSF Railway Company (BNSF) between: (1) milepost 43.0, in Crane, Mont., and milepost 78.6, near Snowden, Mont.; and (2) milepost 0.93, near Bainville, Mont., and milepost 100.3, near Scobey, Mont.

Additionally, YVRR seeks to discontinue its overhead trackage rights on two other BNSF lines between: (1) milepost 78.6, on the BNSF Sidney Subdivision near Snowden, and milepost 0.93, on the BSNF Scobey Subdivision, near Bainville; and (2) milepost 6.0, near Glendive, Mont., and milepost 0.0, at Glendive.² The lines traverse U.S. Postal

¹ According to YVRR, its name was formerly Yellowstone Valley Railroad, Inc. See Watco Holdings—Corp. Family Transaction, FD 35439 (STB served Nov. 4, 2010).

² YVRR acquired the lease over the lines and the overhead trackage rights in 2005. See Yellowstone Valley R.R.—Lease and Operation Exemption—BNSF Ry., FD 34737 (STB served Sept. 1, 2005).

Service Zip Codes 59212, 59217, 59221, 59222, 59226, 59330, 59242, 59247, 59254, 59257, 59258, 59263, and 59270.

In 2011, YVRR received authority to discontinue service between milepost 6.0, near Glendive, and milepost 43.0, at Crane.³ For that reason, YVRR states that it no longer needs the overhead trackage rights south of milepost 6.0. Accordingly, YVRR seeks authority to discontinue those rights between milepost 6.0, near Glendive, and milepost 0.0, at Glendive.

YVRR seeks to discontinue operations over the leased lines so that BNSF can once again resume operations over those lines. Once service is discontinued over the leased lines, YVRR states that it will no longer have any need for the overhead trackage rights between milepost 78.6, on the BNSF Sidney Subdivision near Snowden, and milepost 0.93, on the BNSF Scobey Subdivision, near Bainville. After the requested discontinuance is granted, YVRR will continue to operate as a common carrier performing transload and terminal switching operations on tracks it owns in Dore, N.D.⁴

The interest of railroad employees will be protected by the conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

³ See Yellowstone Valley R.R.—Discontinuance of Service Exemption—In Dawson and Richland Cntys., Mont., AB 991X (STB served June 28, 2011).

⁴ YVRR asserts that it constructed these tracks as team tracks while leasing the lines from BNSF and that it did not need Board authority for this project under 49 U.S.C. § 10906.

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. § 10502(b). A final decision will be issued by May 31, 2013.⁵

Because this is a discontinuance and not an abandonment, trail use/rail banking and public use conditions are not appropriate. Similarly, no environmental or historic documentation is required under 49 C.F.R. §§ 1105.6(c)(2) and 1105.8(b).

Any offer of financial assistance (OFA) under 49 C.F.R. § 1152.27(b)(2) to subsidize continued rail service will be due no later than 10 days after service of a decision granting the petition for exemption. Each OFA must be accompanied by the filing fee, which is currently set at \$1,600. See 49 C.F.R. § 1002.2(f)(25).

All filings in response to this notice must refer to Docket No. AB 991 (Sub-No. 1X) and must be sent to: (1) Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001; and (2) Karl Morell, 655 Fifteenth Street, N.W., Suite 225, Washington, DC 20005. Replies to the petition are due on or before March 21, 2013.

Persons seeking further information concerning discontinuance procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or refer to the full abandonment and discontinuance regulations at 49 C.F.R. pt. 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis at (202) 245-0305. [Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.]

⁵ YVRR asks the Board to act expeditiously. The carrier fears that it will soon start to lose employees as a result of this discontinuance filing, which in turn will impair its ability to provide service.

Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Decided: February 26, 2013.

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