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August 24, 2016

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

ENTERED  
Office of Proceedings  
August 31, 2016  
Part of  
Public Record



RE: Bailey Branch of the UPRR Abandonment Project (Docket No. AB-33 Sub-No. 257 and AB-986 Sub-No. 1

Dear Ms. Brown

In 2014, Benton County, Oregon purchased the above-referenced rail line ("Bailey Branch") from Union Pacific. The Bailey Branch is currently rail banked.

The Bailey Branch consists of a main, north-south rail line from milepost 682.25 near Greenberry, Or., to milepost 671.58 near Monroe, Or. ("north-south main line"). It also includes an east-west spur from milepost 673.21 near Alpine Junction, Or., to milepost 680.06 near Dawson, Or., on the Hull Oakes Lead (the "Dawson Spur"). For your convenience, I have included a color-coded map of the Bailey Branch. The north-south main line is in green; the Dawson Spur is in red.

The entire rail line purchase, the north-south main line and the Dawson Spur, enjoy rail banking status and an NITU has been issued for both segments the old rail line.

Because the rail lines have generated significant public interest, a number of possible options have been raised. In order to fully assess all options, Benton County requests confirmation of the rail bank consequences of the following scenarios:

- 1) If Benton County conveys the Dawson Spur to a single entity or a group of purchasers, such conveyance will not cause the north-south main line to lose its rail bank status.
- 2) If conveyance of the Dawson Spur is made to a single purchaser, can the Dawson Spur remain in rail banking? The north-south main line will remain in rail banking.
- 3) If portions, but not all, of the Dawson Spur are conveyed the private property owners, such piece meal conveyances will cause the Dawson Spur to lose its rail bank status, but the north-south main line will remain rail banked.

- 4) If Benton County leases segments of the north-south main line, while retaining ownership, such lease agreements will not cause the north-south main line to lose its rail bank status.
- 5) If Benton County leases or sells land outside the rail line 60-foot right-of-way, such transactions will not terminate rail banking for the Bailey Branch. Outside land includes sidings and parcels owned by Union Pacific but not used for rail service.
- 6) If Benton County sells the north-south main line with a covenant requiring the purchaser to assume responsible party status and maintain the rail bank status, the north-south main line will remain rail banked.

After reading 49 C.F.R. part 1152.29(t), it appears our conclusions listed in the above-described transactions are permitted and will not, in and of themselves, terminate the rail bank status of the Bailey Branch. However, Benton County would like confirmation that its reading of the C.F.R. is correct.

Thank you for your attention to this request. If it would be quicker and easier, you can reply by email to me at: [vance.m.croney@co.benton.or.us](mailto:vance.m.croney@co.benton.or.us)

Sincerely,



Vance M. Croney  
Benton County Counsel

VMC/tmf

c: Board of Commissioners  
Dennis Aloia  
Jeff Powers  
Josh Wheeler  
Tre Kennedy

# BENTON COUNTY

 North-South Main Line

 Dawson Branch



Miles



PHILOMATH

CORVALLIS

CORVALLIS

99  
W

BELLFOUNTAIN

ALPINE

GLENBROOK

MONROE

**CERTIFICATE OF SERVICE**

I hereby certify that I served copies of the letter dated August 24, 2016 to the Surface Transportation Board upon all parties of record in this proceeding, by U.S. Mail, postage prepaid, first class to the following:

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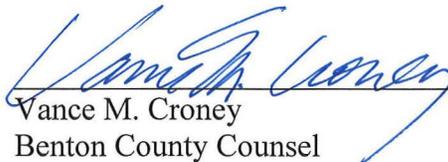
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DATED this 31<sup>st</sup> day of August, 2016.

Respectfully submitted,

  
Vance M. Croney  
Benton County Counsel