

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: DON HOWELL
DONOVAN WALKER**

DATE: MAY 3, 2007

**SUBJECT: PALOUSE RIVER & COULEE CITY RAILROAD'S PETITION TO
ABANDON 0.2 MILES OF TRACK IN MOSCOW,
CASE NO. PRC-R-06-01**

On April 30, 2007, Palouse River & Coulee City Railroad filed its Petition for Exemption to Abandon 0.2-mile of track with the U.S. Surface Transportation Board (STB). The exemption process allows railroads to abandon rail lines if the abandonment is of limited scope and does not adversely affect national rail policy. 49 U.S.C. §§ 10502 and 10101. Under STB procedures, once the exemption is filed, the STB will publish a notice in the Federal Register within 20 days. Unless stayed, the Railroad may abandon the rail line 30 days after the notice is published in the Federal Register.

THE PROPOSED ABANDONMENT

The rail line and right-of-way in question runs between milepost (MP) 85.91 and 86.11 within the City of Moscow. The rail line proposed for abandonment generally runs between College Street/8th Street and the new bridge on U.S. Highway 95, in the southern part of downtown and to the east of the University of Idaho campus. See attached map. The Railroad asserts in its Petition that no local rail traffic has moved on the line in over a year. Petition at 4. The Railroad's Historical Report notes that a parallel rail line will remain active. The Railroad states that the line does not contain any federally granted right-of-way. Exhibit B.

The Railroad asserts that the area surrounding the line is undergoing commercial redevelopment and the existence of the rail line is impeding this redevelopment. Petition at 4. The Railroad reports that only one car was shipped on the subject line in 2006 and the only

shipper (Moscow Idaho Seed Company) has closed its facilities. The Railroad maintains that once the area is redeveloped, there is no possibility that future rail service will be needed. *Id.* The Railroad concludes that the exemption process is appropriate given the limited scope of the abandonment in this case.

STATE LAW

Although the authority to grant or deny rail abandonment rests with the STB, the Commission does represent the State in STB abandonment proceedings. *Idaho Code* § 62-424 provides that the “commission shall schedule a public hearing on the proposed abandonment.” The purpose of the hearing is for the Commission to determine whether the abandonment would: (1) adversely affect the area be served; (2) impair the access of Idaho shippers to vital goods and markets; and (3) whether the rail line has a potential for profitability. If the Commission finds that the abandonment would be adverse to the public interest, then it may represent the State in the STB abandonment proceeding. *Idaho Code* § 62-424(2).

STAFF RECOMMENDATION

In the last abandonment proceeding involving the Burlington Northern Santa Fe Railroad (BNSF) in Coeur d’Alene, the Commission decided to schedule a telephonic public hearing in this matter. Staff recommends the same procedure be used in this case. The Staff has previously distributed notice of the Railroad’s intent to state agencies, the City, and an adjacent rail shipper – FerrellGas.

COMMISSION DECISION

Does the Commission desire to schedule a telephonic hearing? If so, when?

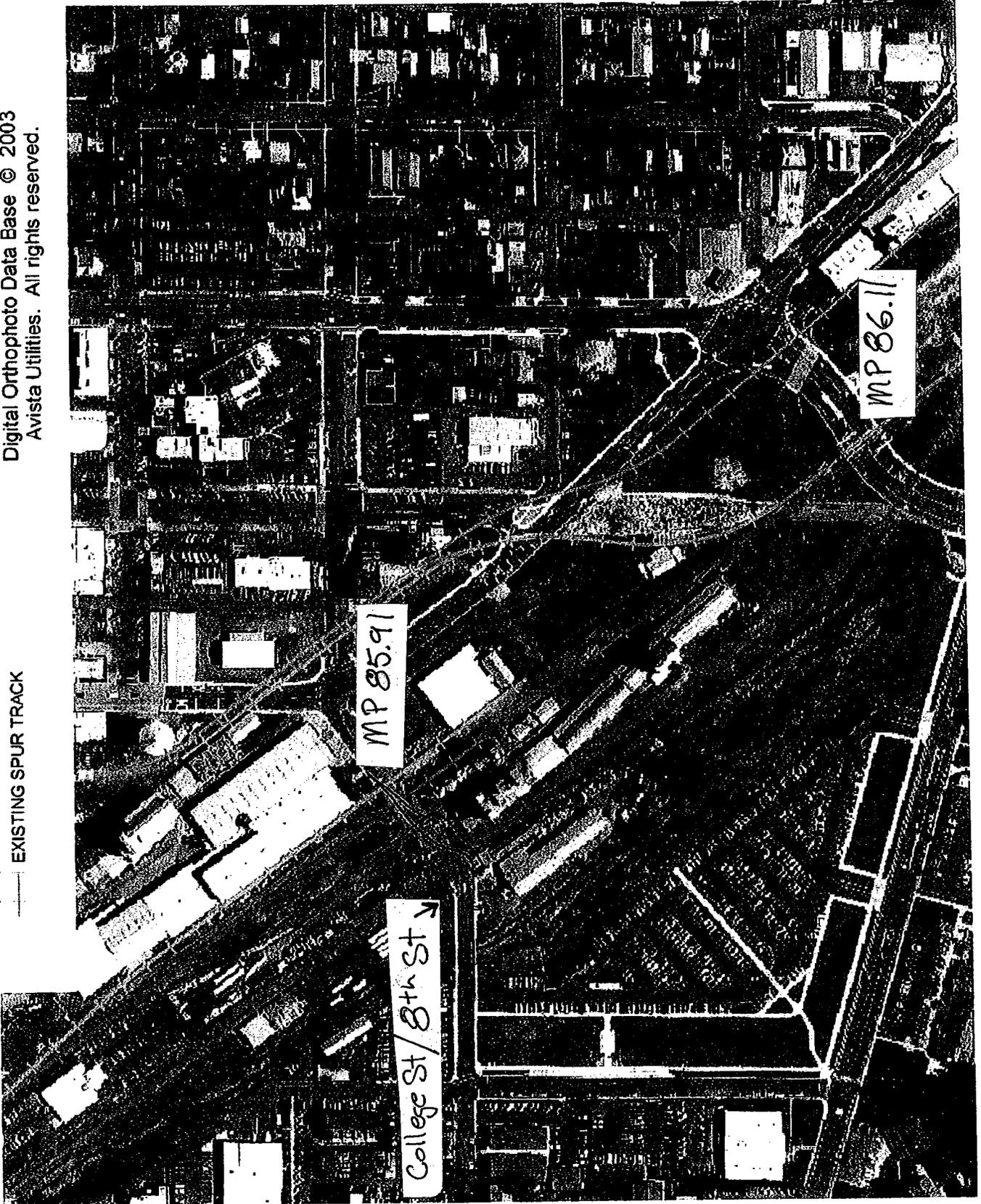


Don Howell

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EXISTING SPUR TRACK



Palouse River & Coulee City Railroad Abandonment
Moscow, Idaho
Case No. PRC-R-06-01