DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

RON LAW

DAVID SCOTT

WORKING FILE

FROM:BRAD PURDY

DATE:MAY 2, 1997

RE:UNION PACIFIC RAILROAD COMPANY’S PROPOSED ABANDONMENT OF THE HOMEDALE BRANCH IN OWYHEE COUNTY, IDAHO

On February 4, 1997, the Union Pacific Railroad Company (UP) submitted a notice with the Commission indicating its intent to seek approval from the Surface Transportation Board (STB) to abandon the Homedale branch from Milepost 33.5 in Marsing to Milepost 11.4 in Adrian, Oregon.  This branch serves the communities of Homedale and Marsing.

Following the receipt of UP’s notice, Staff conducted an investigation to determine what effect, if any, abandonment of the Homedale branch would have on local shippers and communities.  Staff discussed the matter with the Mayor of Homedale who stated that the community was not opposed to the abandonment and, in fact, many citizens supported the removal of the tracks due to the poor condition of certain crossings.  The Mayor also indicated that he did not think that the abandonment would adversely affect any potential growth or development in the future, nor did he feel that it would be necessary to conduct a hearing on the proposed abandonment in Homedale.

Staff’s investigation revealed that the only active shipper on the line in Homedale is the J.C. Watson Fertilizer and Chemical Company.  Staff was unable to contact the owner of that company, John Watson, but did discuss the matter with Ron Kerr of the Idaho Transportation Department.  Mr. Kerr recently visited with Mr. Watson and discussed the proposed abandonment of the Homedale branch.  According to Mr. Kerr, Mr. Watson told him that he was in the process of working out a deal with UP to arrange alternate transportation of his product.  Staff visited with several other Homedale residents regarding the abandonment and found no one who is opposed to that abandonment.

In Marsing, Staff met with Mr. Jerry Bowman, owner of Bowman Produce.  Mr. Bowman felt confident that UP would assist him in securing alternate transportation for his products.  He stated that he would not oppose the abandonment.  Bowman Produce is the only active shipper on the line in the Marsing area.

Marsing Mayor, Jenny Haaken, also stated that she did not oppose the abandonment and believed that most of the people of her community were in favor of it due to the deteriorated condition of crossings in the community.  She stated that she did not believe that the abandonment would affect the future economic development and growth of Marsing.  She did indicate that she thought that it might be a good idea for the Commission to conduct a hearing in Marsing so that local citizens would at least have an opportunity to attend and/or comment.  Staff spoke with several citizens in the community who are all in favor of the abandonment.

Staff also contacted Mr. Don Denton, who is the chairman of the Revitalization Committee for Marsing.  Mr. Denton explained that he was not opposed to the abandonment and, in fact, hoped that it could be expedited so that the tracks could be taken out as soon as possible to accommodate an Idaho Transportation Department project planned for Marsing.  Mr. Denton stated that he did not believe that the abandonment would affect the future growth or development of Marsing.  In fact, he hoped that the town could benefit from the use of the right-of-way once the tracks were removed.

In summary, Staff has not found anyone opposed to the abandonment in either of the affected communities.  Staff believes that there does not appear, at this time, to be much potential for real profitability on the line.  Staff has found no evidence indicating that closure of this line would impair the access of Homedale or Marsing to vital goods and services or that it would have an adverse effect on those communities.

Because of public concern that often arises over railroad abandonments and because the Mayor of Marsing felt a need, Staff recommends that the Commission conduct a hearing in Marsing to solicit public comment on the abandonment.

LEGAL ANALYSIS

Idaho Code § 62-424 provides:

62-424.  Hearing on abandonment.—Whenever any railroad proposes to abandon any branch line or main line now in operation within the state of Idaho, the railroad shall file notice of the intended abandonment with the public utilities commission shall schedule a public hearing on the proposed abandonment.  If the hearing results in a finding by the commission that the abandonment of the branch line or main line would adversely affect the area then being served and that there is reason to believe that the closure would impair the access of Idaho communities to vital goods and services and market access to those communities and that the line has potential for profitability, then the public utilities commission shall transmit a report of its findings to the interstate commerce commission on behalf of the people of the state of Idaho.

Staff’s investigation has revealed absolutely no evidence indicating that the abandonment of the Homedale branch would adversely affect the communities it serves or would impair the access of those communities to vital goods and services and market access to those communities.  Furthermore, there is nothing to indicate that the line has potential for profitability.

Commission Decision

Does the Commission wish to conduct a hearing in Marsing to solicit public input regarding the proposed abandonment?

If not, does the Commission find that the proposed abandonment would adversely affect the communities being served, impair access of those communities to vital goods and services and market access to those communities, and that the Homedale branch has a potential for profitability?  If so, legal counsel will prepare an Order and a report to the Surface Transportation Board to that effect.  If not, an Order will be prepared.

Brad Purdy

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