

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE PALOUSE RIVER )**  
**& COULEE CITY RAILROAD'S INTENT TO ) CASE NO. PRC-R-06-01**  
**ABANDON 0.2 MILES OF RAILROAD LINE )**  
**IN MOSCOW, IDAHO. ) ORDER NO. 30330**  
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On April 30, 2007, Palouse River & Coulee City Railroad filed a Petition for Exemption with the U.S. Surface Transportation Board (STB). The Petition seeks to abandon 0.2 miles of track in Moscow, Idaho. 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 then abandon the rail line 30 days after the notice is published in the Federal Register.

**THE PROPOSED ABANDONMENT**

The rail 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/8<sup>th</sup> 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. The Railroad asserts in its Petition that no local rail traffic has moved on the line in more than 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.

The Railroad asserts 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.

## THE COMMISSION'S PUBLIC HEARING

The Commission convened a public hearing in this matter on May 29, 2007. The Commission Staff presented the testimony of one witness. Neither the Railroad nor any shipper on the proposed abandonment offered testimony. Public testimony was given by two persons, one representing a development group that had purchased land along the proposed abandonment. This witness testified in favor of the proposed abandonment, stating that his group plans to move forward with a multi-use residential and commercial development of the area that would better connect the University of Idaho to downtown Moscow. The other public witness testified on behalf of FerrellGas Co. FerrellGas is located to the northwest of MP 85.91, just up from the proposed abandonment, and has traditionally shipped by rail. Although the proposed abandonment does not affect the ability of FerrellGas to ship by rail, the witness testified that the Railroad's termination of its track lease in December has. The witness testified that rail shipment was the least-cost method, and without rail, the higher cost of truck transportation will be passed on to customers. Staff's witness testified about the general location of the track and right-of-way, referring to the map attached to the Notice of Abandonment. Staff's witness stated that there are no shippers located on the section of rail proposed for abandonment and that there is a rail line that runs parallel to this area that is not being abandoned.

### DISCUSSION

Although the authority to grant or deny an abandonment rests with the STB and is governed by federal law, the Commission does have an obligation under state law to hold a public hearing regarding the abandonment. *Idaho Code* § 62-424. As stated in our Notice, the purpose of the hearing is for the Commission to determine whether the abandonment would: (1) adversely affect the area being served; (2) impair the access of Idaho shippers to vital goods and markets; and (3) whether the rail line has the 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).

Based upon the record in this case including the testimony offered at the public hearing, the lack of any intervenors, and the lack of objections, we find that Idaho shippers will not be adversely affected by the abandonment. The portion of the rail right-of-way proposed for abandonment has no active shippers and has had only one rail car shipment during the past year from a business that no longer exists on the track. We conclude that the abandonment will not

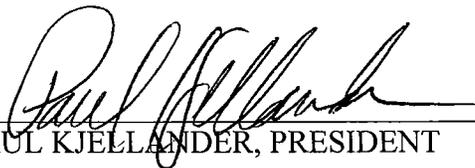
adversely affect the area, will not impair the access of shippers, and there is little likelihood this line had the potential for profitability.

**ORDER**

IT IS HEREBY ORDERED that this case be closed. The Commission will not file comments with the STB regarding this abandonment.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

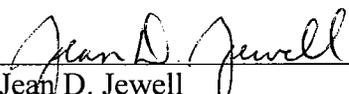
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31<sup>st</sup> day of May 2007.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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MACK A. REDFORD, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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