

IDAHO PUBLIC UTILITIES COMMISSION

Case No. UPR-R-04-2, Order No. 29683

January 12, 2005

Contact: Gene Fadness (208) 334-0339

Website: www.puc.idaho.gov

PUC won't contest rail abandonment

Boise – The Idaho Public Utilities Commission will not object to Union Pacific Railroad's intent to abandon a quarter-mile stretch of track in Caribou County.

The railroad wants to sell that portion of track to Agrium, the only user of the quarter-mile stretch. Agrium ships phosphate ore from a mining operation in Dry Valley. Agrium wants to buy the track to allow it to assemble larger dedicated trains and maximize its rail shipping activity.

The commission conducted a public hearing on January 6. Officials from Agrium and Union Pacific were represented at the hearing and one testified against the proposal.

Union Pacific indicated it would file with the federal Surface Transportation Board for an exemption that allows the railroad to abandon the rail line in as few as 30 days. To be eligible for an exemption, the railroad must certify that no rail traffic has moved on the line for two years and there are no outstanding complaints about lack of rail service.

While the commission does not make rail abandonment decisions, state statute requires the PUC to schedule a public hearing. The commission's role is to determine if the abandonment 1) adversely affects the area being served, 2) impairs the access of Idaho shippers to vital goods and markets, and 3) whether the rail line has the potential for profitability. If the commission determines the proposed abandonment is not in the public interest, it files comments and represents the state before the Surface Transportation Board. In this case, the commission has elected not to file comments.

END