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SEA

SERVICE DATE - AUGUST 27, 2004

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423

ENVIRONMENTAL ASSESSMENT

**STB Docket No. AB-33 (Sub-No. 214X), Union Pacific Railroad Company--Abandonment Exemption--in Lane, Ness, and Rush Counties, KS
and**

**STB Docket No. AB-853 (Sub-No. 2X), Kansas and Oklahoma Railroad, Inc.--
Discontinuance Exemption--in Lane, Ness, and Rush Counties, KS**

BACKGROUND

In this proceeding, the Union Pacific Railroad Company (UP) and the Kansas & Oklahoma Railroad, Inc. (K&O) have filed a joint petition under 49 U.S.C. 10502 seeking exemption from the requirements of 49 U.S.C. 10903 in connection with the abandonment and discontinuation of service of a 58.5-mile rail line located between Mileposts 664.5, near Healy and Milepost 606.0, near McCracken in Lane, Ness, and Rush Counties, Kansas. The proposed action involves the discontinuation of service on the line by the lessee K&O and the abandonment of the line by UP. A map depicting the line in relationship to the area served is appended to the report. If the exemption becomes effective, the railroad will be able to salvage track, ties and other railroad appurtenances, and to dispose of the right-of-way.

DESCRIPTION OF THE LINE

The rail line proposed for abandonment is part of the Hoisington Subdivision, which was constructed by the Denver, Memphis, & Atlantic Railway in 1887. The line was laid with 112-pound jointed rail; though 11 miles of the line were laid with 132-pound welded rail. The rail line includes two bridges constructed in 1933 and 1939. Before 1996, the rail line was used mostly as an overhead route by the Denver and Rio Grande Western Railroad (DRGW) who had trackage rights on the line. In 1996, the UP and the Southern Pacific Transportation Company (SP) merged after which the line was used mostly to service local businesses. In 1997, the line was leased to Central Kansas Railway, L.L.C (CKR) and in 2001 the lease was transferred to K&O. At that point, K&O acquired most of the assets of CKR. The line is currently used for the shipment of grain, primarily wheat.

The area served by the rail line is rural in nature with a low population. Over the last couple of years, rail traffic on the line has diminished markedly making the continued operation of the line unprofitable. UP and K&O (the railroads) do not believe there is any alternative to abandonment of the line.

The railroads have indicated that the line is not suitable for other public purposes including roads, trails, conservation, or energy production. Most of the title to the land under the line is reversionary. According to information currently available to railroads, the line does not include federally granted rights-of-way.

ENVIRONMENTAL REVIEW

The railroads have submitted an environmental report that concludes the quality of the human environment will not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. The railroads have served the environmental and historical reports on a number of appropriate Federal, state, and local agencies as required by the Board's environmental rules at 49 CFR 1105.7(b). We have investigated and reviewed the record in this proceeding.

The National Geodetic Survey has submitted comments stating that 54 geodetic station markers may be affected by the proposed abandonment and requests 90 days notification in advance of any activities that may disturb or destroy these markers.

Traffic

According to the railroads, Farmers Coop Elevator & Merc. Assn. (Farmers Coop), Right Cooperative Association (Right Coop), and Collingwood Grain, Inc. (Collingwood) are the only currently active rail shippers on the line. Most of the traffic shipped on the line consists of outbound cars of grain and wheat. The railroads write that these businesses shipped 231 carloads combined on the line in 2003. Using the traffic data from this one year period, the proposed abandonment could result in the conversion of 231 railcars to truck traffic. Using a conversion factor of 4 trucks per railcar,¹ SEA calculated that, if all the rail traffic is diverted to truck traffic, about 924 loaded trucks per year or 1848 total trucks (assuming an empty backhaul) could be added to area roadways per year. This equates to approximately 8 trucks per day being added to area road during a 240-workday year². This increase will not exceed the Board's thresholds of an increase of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment [49 C.F.R. 1105.7(e)].

In 2003, Farmers Coop, which has facilities in Shields, Ransom and Utica, shipped 9 carloads of sorghum grain, and 55 carloads of wheat from the Shields facility; they also shipped 22 carloads of wheat from Ransom, and moved 43 carloads of wheat from its Utica facility. In the same year, Right Coop shipped 77 carloads of grain out of its facility in Arnold and Collingwood shipped 10 carloads of milo and 15 carloads of wheat from its facility in Brownell. According to the railroads, alternative rail and truck service is available to accommodate the

¹ The conversion factor is an estimate used to calculate the rail to truck conversion of varied commodities.

²240 workdays result when weekends and holidays are subtracted from a 365-day year.

shippers currently using the line. All of the bridge traffic over the line can be rerouted to other lines. K&O operates a parallel line 30 to 40 miles to the north. In addition, there is an adequate road network in the area and numerous general commodity, heavy hauling and bulk carriers that serve the area.

K&O has suffered economic setbacks making its continued leasing of the line unprofitable. In 2003, K&O had an avoidable loss of \$228,850 although this estimate does not reflect all of the actual financial losses the company had in this year. According to the railroads, the costs associated with the maintenance and operation of the line, coupled with its low utilization, make the abandonment of the line their only option.

HISTORIC REVIEW

The railroads submitted an historic report as required by the Surface Transportation Board's environmental rules [49 CFR 1105.8(a)]. The railroad served the report on the Kansas State Historic Preservation Office (SHPO) pursuant to 49 CFR 1105.8(c). The SHPO has submitted comments stating that no historic properties listed in or eligible for inclusion in the National Register of Historic Places (National Register) would be affected by the proposed abandonment. Although the line includes two historic bridges, the SHPO has indicated that neither bridge is eligible for listing in the National Register. We have reviewed the report and the information provided by the SHPO and concur with the SHPO's comments.

Pursuant to the Advisory Council on Historic Preservation's regulations for implementing the section 106 process of the National Historic Preservation Act at 36 CFR 800.4(d)(1) and 36 CFR 800.8, we have determined that the proposed abandonment will not affect historic properties listed in or eligible for inclusion in the National Register. The documentation for this finding, as specified at 36 CFR 800.11(d), consists of the railroad's historic report, all relevant correspondence, and this EA, which have been provided to the SHPO and made available to the public.

CONDITIONS

We recommend that the following environmental condition be placed on any decision granting abandonment authority:

1. The National Geodetic Survey (NGS) has identified 54 geodetic station markers along the rail line and requests 90 days notice to plan relocation of any markers which may be disturbed or destroyed. Therefore, Union Pacific Railroad Company **shall notify NGS 90 days prior to salvage activities in order to plan for their relocation.**

CONCLUSIONS

Based on the information provided from all sources to date, we conclude that, as currently proposed, and if the recommended condition is imposed, abandonment of the line will

not significantly affect the quality of the human environment. Therefore, the environmental impact statement process is unnecessary.

Alternatives to the proposed abandonment would include denial (and therefore no change in operations), discontinuance of service without abandonment, and continued operation by another operator. In any of these cases, the existing quality of the human environment and energy consumption should not be affected.

PUBLIC USE

Following abandonment and salvage of the rail line, the right-of-way may be suitable for other public use. A request containing the requisite four-part showing for imposition of a public use condition (49 CFR 1152.28) must be filed with the Board and served on UP within the time specified in the Federal Register notice.

TRAILS USE

A request for a notice of interim trail use (NITU) is due to the Board, with a copy to UP, within the time specified in the Federal Register notice. Nevertheless, the Board will accept late-filed requests as long as it retains jurisdiction to do so in a particular case. This request must comply with the Board's rules for use of rights-of-way as trails (49 CFR 1152.29).

PUBLIC ASSISTANCE

The Board's Office of Public Services responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact the Office of Public Services directly at (202) 565-1592, or mail inquiries to Surface Transportation Board, Office of Public Services, Washington, DC 20423.

COMMENTS

If you wish to file comments regarding this environmental assessment, you should send an **original and two copies** to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Catherine Glidden, who prepared this environmental assessment. **Please refer to Docket Nos. AB-33 (Sub-No. 214X) and AB-853 (Sub-No. 2X) in all correspondence addressed to the Board.** If you have questions regarding this environmental assessment, you should contact Catherine Glidden, the environmental contact for this case, by phone at (202) 565-1542, fax at (202) 565-9000, or e-mail at gliddenc@stb.dot.gov.

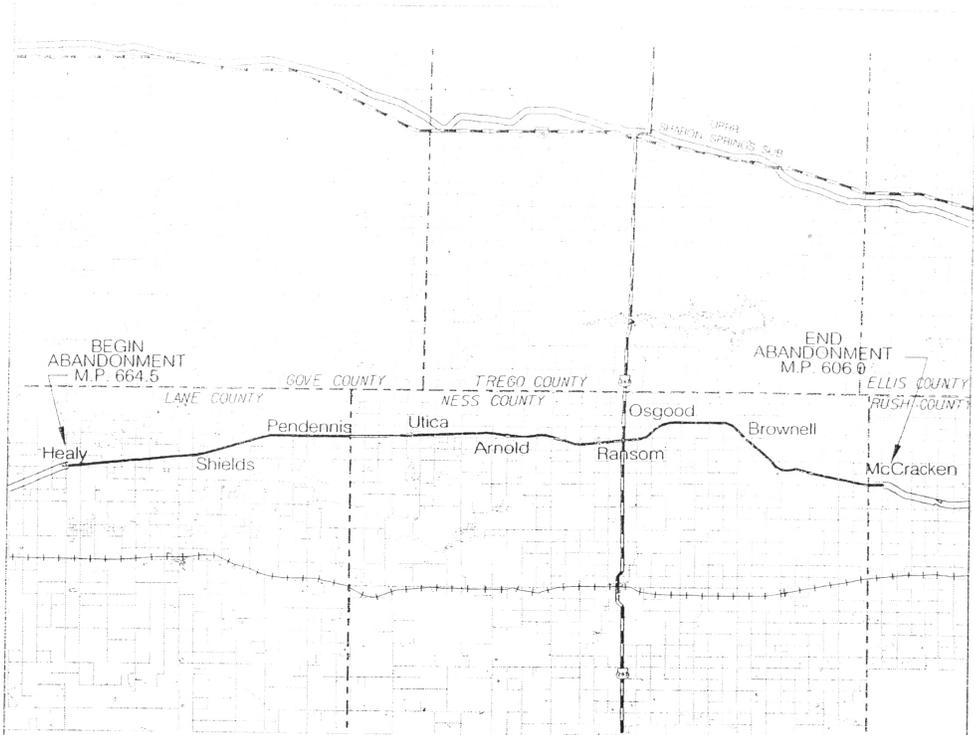
Date made available to the public: **August 27, 2004**

Comment due date: September 27, 2004 (30 days)

By the Board, Victoria Rutson, Chief, Section of Environmental Analysis.

Vernon A. Williams
Secretary

Attachment



- LEGEND**
- TRACKAGE LEASED AND OPERATED BY K&O RAILROAD TO BE ABANDONED
 - OTHER UPRR LINES
 - OTHER RAILROADS
 - PRINCIPAL HIGHWAYS
 - OTHER ROADS
 - 50+ YEAR OLD STRUCTURES

HOISINGTON SUBDIVISION
 MP 606.0 TO MP 664.5
 TOTAL OF 58.5 MILES
 IN LANE COUNTY, KANSAS= 19.78 MILES
 IN NESS COUNTY, KANSAS= 38.56 MILES
 IN RUSH COUNTY, KANSAS= 0.16 MILES

UNION PACIFIC RAILROAD CO.
HOISINGTON SUBDIVISION
KANSAS
 INCLUDING 50+ YEAR OLD STRUCTURES

SCALE MILES

FILE: q:\abandonments\ab0336_mccracken.dgn DATE: 12-Aug-03 07:49

AB-33-Sub No. 214X And AB-853-Sub No. 2X ID-34871