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SERVICE DATE – FEBRUARY 7, 2019

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 570 (Sub-No. 4X)]

Palouse River & Coulee City Railroad, LLC—Discontinuance of Service Exemption—in Walla Walla County, Wash., and Umatilla County, Or.

On December 20, 2018, Palouse River & Coulee City Railroad, LLC (PCC) filed with the Board a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to discontinue its lease operations over approximately 55.56 miles of rail line owned by Union Pacific Railroad Company (UP) in Walla Walla County, Wash., and Umatilla County, Or. (the Line).

The Line is located between: (1) milepost 3.76, at Zangar Jct., Wash., and milepost 33.0, at Walla Walla, Wash.; and (2) milepost 46.80, at Walla Walla, Wash., and milepost 20.48, at Weston, Or. The Line traverses U.S. Postal Service Zip Codes 99362, 99363, and 97886.

PCC states that, based on information in its possession, the Line does not contain any federally granted rights-of-way. PCC states that any documentation in its possession will be made available to those requesting it.

PCC states that, in 1992, Blue Mountain Railroad, Inc. (BMR), entered into a lease agreement with UP. See also Blue Mountain R.R.—Lease, Acquis. & Operation Exemption—Union Pac. R.R., FD 32193 (ICC served Dec. 1, 1992). In 2000, BMR was merged into PCC. See Watco Co.—Corporate Family Transaction Exemption, FD 33898

(STB served July 24, 2000). According to PCC, BMR and then PCC have provided local and overhead service over the Line, as required by the lease. PCC states that, on April 30, 2018, it gave UP notice of its intent to terminate the lease. PCC further states that, once it ceases operations, the 12 customers on the Line will continue to receive service from either UP or a new operator.

As a condition to this exemption, any employee adversely affected by the discontinuance of service shall be protected under Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

By issuance of this notice,¹ the Board is instituting an exemption proceeding pursuant to 49 U.S.C. § 10502(b). A final decision will be issued by April 9, 2019.

Because this is a discontinuance proceeding and not an abandonment proceeding, trail use/rail banking and public use conditions are not appropriate. Because there will be environmental review during abandonment, this discontinuance does not require an environmental review. See 49 C.F.R. §§ 1105.6(c)(5), 1105.8(b).

Any offer of financial assistance (OFA) under 49 C.F.R. § 1152.27(b)(2) to subsidize continued rail service will be due no later than April 19, 2019, or 10 days after service of a decision granting the petition for exemption, whichever occurs sooner.² Each

¹ Due to the partial shutdown of the Federal government from December 22, 2018, through January 25, 2019, the Board was not able to timely publish this notice of petition. See 49 C.F.R. § 1152.27(b)(2)(i).

² The Board modified its OFA procedures effective July 29, 2017. Among other things, the OFA process now requires potential offerors, in their formal expression of
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OFA must be accompanied by a \$1,800 filing fee. See 49 C.F.R. § 1002.2(f)(25).

All filings in response to this notice must refer to Docket No. AB 570 (Sub-No. 4X) and must be sent to: (1) Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001; and (2) Karl Morell, 440 1st Street, N.W., Suite 440, Washington, DC 20001. Replies to this petition are due on or before February 27, 2019.

Persons seeking further information concerning discontinuance procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or refer to the full abandonment and discontinuance regulations at 49 C.F.R. pt. 1152. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Board decisions and notices are available on our website at www.stb.gov.

Decided: February 4, 2019.

By the Board, Allison C. Davis, Acting Director, Office of Proceedings.

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intent, to make a preliminary financial responsibility showing based on a calculation using information contained in the carrier's filing and publicly available information. See Offers of Financial Assistance, EP 729 (STB served June 29, 2017); 82 Fed. Reg. 30,997 (July 5, 2017).