

SERVICE DATE – JANUARY 12, 2026

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 33 (Sub-No. 354X)

UNION PACIFIC RAILROAD CO.—ABANDONMENT EXEMPTION—
IN JEFFERSON COUNTY, WIS.

Digest:¹ This decision permits Union Pacific Railroad Co. to abandon approximately 0.88 miles of rail line in Jefferson County, Wis., subject to conditions.

Decided: January 9, 2026

On September 24, 2025, Union Pacific Railroad Co. (UP), a Class I rail carrier, filed a petition under 49 U.S.C. § 10502 for an exemption from the prior approval requirements of 49 U.S.C. § 10903 to abandon an approximately 0.88-mile rail line known as the Jefferson Junction Lead between milepost 49.12 at the Clyman Subdivision and milepost 50, near the city of Jefferson, all of which is located in Jefferson County, Wis. (the Line). UP also seeks exemptions and waivers relating to the Board's offer of financial assistance (OFA), public use, and interim trail use provisions. Notice of UP's petition was served and published in the Federal Register on November 21, 2025 (90 Fed. Reg. 52,786). No replies to UP's petition were filed. The Board will grant the exemption from 49 U.S.C. § 10903 for the Line, subject to historic and standard employee protective conditions.

BACKGROUND

UP seeks to abandon the Line and sell the track to Aztalan Bio, LLC (Aztalan), the only shipper on the Line. (Pet. 2.) Aztalan supports the proposed abandonment and intends to remove and reconfigure the track adjacent to its facility in order to improve and expand its rail access and increase its use of rail transportation. (Id. at 2-3, 5, Ex. 2 at 1.) UP states that the reconfigured track will connect to UP's Clyman Subdivision, and UP will provide rail service to Aztalan after the abandonment. (Id. at 2, 5, Ex. 2 at 1.) According to UP, use of the Line will be limited to Aztalan's movement of railcars at its own facilities; storage, loading and unloading operations; and receipt and delivery of rail cars to UP. (Id. at 3.) UP states that there is currently no rail traffic on the Line, no other industries are located on the Line, and no other shippers have requested to locate on the Line. (Id. at 2, 3.)

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol'y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

DISCUSSION AND CONCLUSIONS

Exemption from 49 U.S.C. § 10903. Under 49 U.S.C. § 10903, a rail line may not be abandoned without prior approval from the Board. Under 49 U.S.C. § 10502, however, the Board shall, to the maximum extent consistent with 49 U.S.C. subtitle IV, part A, exempt a transaction or service from regulation when the Board finds that: (1) continued regulation is not necessary to carry out the rail transportation policy (RTP) of 49 U.S.C. § 10101; and (2) either (a) the transaction or service is of limited scope, or (b) regulation is not necessary to protect shippers from the abuse of market power.

In this case, detailed scrutiny of the proposed abandonment under 49 U.S.C. § 10903 is not necessary to carry out the RTP. Aztalan, the Line's only shipper, supports the proposed abandonment and has agreed to purchase the track once the Line is abandoned. (Pet., Ex. 2 at 1.) Granting UP's petition for exemption would avoid the increased burden, time, and costs required to file and process an abandonment application, thereby expediting regulatory decisions by minimizing the need for regulatory control over operation of the Line, 49 U.S.C. § 10101(2), reducing regulatory barriers to exit the industry, 49 U.S.C. § 10101(7), and providing for the expeditious handling and resolution of all proceedings required or permitted to be brought under this part, 49 U.S.C. § 10101(15). Additionally, as stated above, Aztalan intends to use the track for its own benefit after the proposed abandonment by reconfiguring the track to improve its rail access, increase its use of rail service, and reduce its use of truck transportation. (Pet. 2, 5, Ex. 2 at 1.) Granting UP's petition would thus allow UP to better meet its customer's needs, fostering sound economic conditions and competition with other modes, 49 U.S.C. § 10101(5), and encouraging efficient management of railroads, 49 U.S.C. § 10101(9). Other aspects of the RTP would not be adversely affected.

Regulation of the proposed transaction under 49 U.S.C. § 10903 also is not necessary to protect shippers from the abuse of market power. No shippers or potential shippers have objected to the proposed transaction.² To ensure that Aztalan is informed of the Board's action, UP will be required to serve a copy of this decision on Aztalan so that it is received by the shipper within five days of its service date, and to certify contemporaneously to the Board that it has done so.

Employee Protection. Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a carrier of its statutory obligation to protect the interests of its employees. Accordingly, as a condition to granting this exemption, the Board will impose the employee protective conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

Environmental and Historic Review. UP submitted a combined environmental and historic report with its petition and has notified the appropriate federal, state, and local agencies

² Because regulation is not necessary to protect shippers from the abuse of market power, the Board need not determine whether the transaction is limited in scope. See 49 U.S.C. § 10502(a)(2).

of the opportunity to submit information concerning the environmental impacts of the proposed abandonment. See 49 C.F.R. §§ 1105.7, 1105.8, 1105.11. The Board's Office of Environmental Analysis (OEA) has examined the report, verified the data it contains, and analyzed the potential effects of the proposed action on the quality of the human environment.

In a Draft Environmental Assessment (Draft EA) served on November 24, 2025, OEA concluded that the abandonment of the Line as proposed would not significantly affect the quality of the human environment, and did not recommend any environmental or historic preservation conditions. (Draft EA 4.)

Comments on the Draft EA were due by December 24, 2025. OEA received one comment from the Wisconsin Historical Society (SHPO) stating that it had no comments or concerns but requesting that all work should cease and its office should be contacted in the event that plans change or cultural materials/human remains are found. (See SHPO Comment 1, Dec. 16, 2025, EI-34151.)

In its Final Environmental Assessment (Final EA), issued on December 29, 2025, OEA recommends that the Board impose a condition providing that, in the event that any unanticipated archaeological sites, human remains, funerary items or associated artifacts are discovered during abandonment-related salvage activities, UP shall immediately cease all work and notify OEA and other specified parties to determine whether appropriate mitigation measures are necessary. (Final EA 2.)

The Board adopts the analysis and recommendations in the Final EA. Based on OEA's recommendations, the Board concludes that the proposed abandonment, as conditioned, will not significantly impact the quality of the human environment or the conservation of energy resources.

Offers of Financial Assistance. UP also petitions the Board to exempt it from the OFA requirements of 49 U.S.C. § 10904 and waive the related OFA regulations at 49 C.F.R. § 1152.27. Because no formal expressions of intent to file an OFA to acquire the Line or subsidize continued rail service were filed by the December 1, 2025 deadline, the Board will not consider OFAs in this case, and UP's petition for exemption from 49 U.S.C. § 10904 and waiver of § 1152.27 will be denied as moot.

Public Use. UP further petitions the Board for exemption from the public use provisions of 49 U.S.C. § 10905 and waiver of the associated regulations at 49 C.F.R. § 1152.28. Because no requests to negotiate for public use under 49 U.S.C. § 10905 were filed by the December 11, 2025 deadline, UP's petition for exemption from 49 U.S.C. § 10905 and waiver of § 1152.28 will be denied as moot.

Interim Trail Use. UP seeks a waiver of the interim trail use regulations at 49 C.F.R. § 1152.29. However, waiver is unnecessary in this case because under the Trails Act, the trails use program is voluntary and consensual between the railroad and the trail sponsor. See 49 C.F.R. § 1152.29; Nat'l Wildlife Fed'n v. ICC, 850 F.2d 694, 699-702 (D.C. Cir. 1988); Rail Abans.—Use of Rights-of-Way as Trails (49 C.F.R. Parts 1105 & 1152), 2 I.C.C.2d 591, 598

(1986). Accordingly, if UP does not consent to a request for a notice of interim trail use or abandonment (NITU), none will be issued. Moreover, requests for a NITU under § 1152.29 were due by December 11, 2025, and none were filed. UP's request for waiver of the interim trail use regulations will therefore be denied.

It is ordered:

1. Under 49 U.S.C. § 10502, the Board exempts from the prior approval requirements of 49 U.S.C. § 10903 UP's abandonment of the Line, subject to the employee protective conditions set forth in Oregon Short Line and the following condition:

a. In the event that any unanticipated archaeological sites, human remains, funerary items or associated artifacts are discovered during abandonment-related salvage activities, Union Pacific Railroad Company (UP) shall immediately cease all work and notify the Office of Environmental Analysis (OEA), interested federally recognized tribes, and the Wisconsin Historical Society (SHPO) pursuant to 36 C.F.R. § 800.13(b). OEA will then consult with the SHPO, interested federally recognized tribes, UP, and other consulting parties, if any, to determine whether appropriate mitigation measures are necessary.

2. UP is directed to serve a copy of this decision on Aztalan and certify to the Board that it has done so by January 20, 2026.

3. This exemption will be effective on February 11, 2026.

4. UP's requests for exemptions and waivers of the OFA procedures and public use condition provisions are denied as moot.

5. UP's request for waiver of the interim trail use regulations is denied.

6. Petitions to reopen and petitions to stay must be filed by January 27, 2026.

7. Pursuant to 49 C.F.R. § 1152.29(e)(2), UP shall file a notice of consummation with the Board to signify that it has exercised the authority granted and fully abandoned the Line. If consummation has not been effected by UP filing of a notice of consummation by January 12, 2027, and there are no legal or regulatory barriers to consummation, the authority to abandon will automatically expire. If a legal or regulatory barrier to consummation exists at the end of the one-year period, the notice of consummation must be filed no later than 60 days after satisfaction, expiration, or removal of the legal or regulatory barrier.

By the Board, Board Members Fuchs, Hedlund, and Schultz.