



Gabriel S. Meyer
Assistant General Attorney

August 18, 2008

Via Electronic Filing

The Honorable Anne Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

**Re: Petition of Joseph R. Fox for Declaratory Order, STB Docket No. 35161
(Ironton Branch, Provo, Utah)**

Dear Ms. Quinlan:

Enclosed for filing in the above-referenced matter is Union Pacific Railroad Company's ("UP's") Reply to Joseph R. Fox's Petition for Declaratory Order. UP's Reply was originally due by July 10, 2008. The Board granted UP two extensions of time to pursue a possible settlement with Mr. Fox. Because UP could not reach a settlement with Mr. Fox, UP now submits its Reply.

Thank you very much for your time and attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,



Gabriel S. Meyer

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35161

**JOSEPH R. FOX
PETITION FOR DECLARATORY ORDER**

REPLY OF UNION PACIFIC RAILROAD COMPANY

Contains Color Image

UNION PACIFIC RAILROAD COMPANY

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Dated and Filed: August 18, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35161

**JOSEPH R. FOX
PETITION FOR DECLARATORY ORDER**

REPLY OF UNION PACIFIC RAILROAD COMPANY

Union Pacific Railroad Company ("UP") files this Reply in response to Joseph R. Fox's Petition for Declaratory Order ("Petition") filed on June 20, 2008 in Finance Docket No. 35161. The Petition seeks a declaratory order from the Board, finding that UP abandoned a rail line known as the Ironton Branch, in Provo, Utah, and that as a result, the line is no longer subject to STB jurisdiction. For the reasons explained below, the Board should deny Mr. Fox's request.

First, UP has continued to use the Ironton Branch and actively seeks to attract new business to the line. Second, except for a 0.07-mile segment of the line, which UP has physically abandoned, the remainder of the Ironton Branch is classified as yard track and is subject to STB jurisdiction. And third, UP never took action to physically abandon other parts of the line. For these reasons, Mr. Fox's Petition is without merit and the Board should deny it without further proceedings.

I. Background and History

The Ironton Branch extends 1.87 miles, from Milepost 0.00 to Milepost 1.87. The segment of the Ironton Branch in dispute (the "Line") extends 1.16 miles, from a point of connection with UP's Provo Subdivision (Milepost 0.71) to its termination point (Milepost 1.87).¹ Mr. Fox's real property, located at 1922 E. Ironton Boulevard, Provo, Utah, abuts the Line for a distance of approximately 200 feet near Milepost 1.25, where the Line crosses Ironton Boulevard at grade. South of Mr. Fox's property, the Line's single track expands into a multiple-track yard. A map of the Ironton Branch is attached as Exhibit 1.

In August, 1977, UP requested authority from the Interstate Commerce Commission ("ICC") to physically abandon the portion of the Ironton Branch extending from Milepost 0.64 to Milepost 0.71.² In an October, 1977 decision,

¹ The portion of the Ironton Branch extending from Milepost 0.0 to Milepost 0.64 is classified as yard track, while the Milepost 0.64 to Milepost 0.71 segment is physically abandoned and is not subject to STB jurisdiction. Although Mr. Fox seeks a Board declaration that the entire Ironton Branch is abandoned, the Milepost 0.0 to Milepost 0.64 segment does not abut Mr. Fox's property, and is separated from the Line by the abandoned portion of the Ironton Branch. As a result, the Board should limit its consideration in this matter to the Milepost 0.71 to Milepost 1.87 portion of the Ironton Branch, which is the only portion of the line that abuts Mr. Fox's property.

² Although UP sought to "abandon" the entire Ironton Branch, it stated that it intended to physically abandon only the segment extending from Milepost 0.64 to Milepost 0.71, while retaining the remaining segments of the Ironton Branch as yard track. As yard track, these portions of the line remained part of UP's rail network and subject to ICC/STB jurisdiction, although they were no longer subject to ICC/STB abandonment licensing authority. It is a common practice for railroads to reclassify main line tracks as yard or spur tracks through means of an abandonment proceeding, as UP did here. See, e.g., *Norfolk Southern Rwy. Co.—Abandonment Exemption—In Brunswick County, VA—* STB Docket No.

the ICC authorized UP to physically abandon the Ironton Branch between these points, and to reclassify the remainder of it as yard track, which UP would continue to operate as part of its rail network. (Exhibit 2.) Following this decision, UP filed a notice with the ICC dated December 30, 1977 stating, "Track from M.P. 0.64 to M.P. 0.71 will be retired and removed with the portions from M.P. 0.00 to M.P. 0.64 and from M.P. 0.71 to M.P. 1.87 to be retained and reclassified as yard trackage." (Exhibit 3.) As yard (switching) track under 49 U.S.C. § 10906, the Line remains subject to STB jurisdiction under 49 U.S.C. § 10501(b), which preempts state jurisdiction over its status and disposition.³

Since obtaining authority to reclassify the Line as yard track in 1977, UP has continued to utilize it. From the time of reclassification and continuing until approximately 2000, UP used the Line to stage railcars moving to and from nearby Geneva Steel and other customers. UP also established and operated a railcar repair facility on the Line for approximately three years in the mid 1990s. In order to adapt the Line for car repairs, UP invested in the Line's physical plant, spending approximately \$250,000 to replace ties, reconfigure the yard area, and

AB-290 (Sub. No. 287X), STB served May 2, 2008; *CSX Transportation, Inc.—Abandonment Exemption-in Floyd County, KY*, STB Docket No. AB-55 (Sub. No. 627X), STB served May 24, 2006.

³ *Port City Properties v. Union Pacific R. Co.*, 518 F.3d 1186, 1188 (10th Cir. 2008). "[Section] 10906 has been interpreted to preclude *all* regulation of industrial or spur tracks: 'When sections 10906 and 10501(b)(2) are read together, it is clear that Congress intended to remove [STB] authority over the entry and exit of these auxiliary tracks, while still preempting state jurisdiction over them, leaving the construction and disposition of [them] entirely to railroad management.'" (Emphasis in original.) (Citing *Cities of Auburn and Kent*, 2 S.T.B. 330, 1997 WL 362017 at *7 (1997).)

construct vehicle access roads between the tracks. More recently, UP used the Line to store a number of cabooses, which were moved off the Line in 2007.

UP also continues to solicit new business that would use the Line. In the future, UP may use the Line as a team track or transload facility to serve local shippers, or alternatively, as a car storage facility. Rail traffic originating and terminating in the Provo region has grown rapidly in recent years, and UP expects this trend to continue during the long term. The Line would provide needed capacity to handle rising traffic levels.

The Line remains intact, with the exception of the switch connecting it with UP's Provo Subdivision, which UP removed in 2006. UP intends for the removal to be temporary and can readily restore the switch in order to allow future traffic movements over the Line.

II. UP Has Not Abandoned the Line

Mr. Fox makes three arguments in support of his claim that UP has abandoned the portion of the Ironton Branch in dispute. First, he argues that UP intended to physically abandon the Line. Second, he argues that the ICC's 1977 decision removed the line from ICC/STB jurisdiction. And third, he contends that UP disconnected the Line from the national rail network, making it an abandoned railroad. Mr. Fox is incorrect on all three counts. UP's continued use of the Line, its continuing efforts to draw business to the Line, and the Line's potential use as a team track or transload facility clearly demonstrate that UP has not abandoned

it. The Line remains subject to STB jurisdiction. And UP has not permanently disconnected the Line from the national rail network.

a. UP has not shown intent to abandon the Line

Mr. Fox suggests that UP has made little use of the Line, demonstrating its intent to abandon it. To the contrary, UP has demonstrated an affirmative intent to retain the Line in active service. UP has regularly used the Line during much of the time since its reclassification as yard track, and continues to seek out new business that would use the Line in the future.

In assessing a carrier's intent to abandon a line, the Board considers a range of factors. The Board has held:

[W]hether a line has been fully abandoned (i.e., whether consummation has taken place) is a question of the carrier's intent. Indicia of intent to consummate that have been identified include whether a certificate of public convenience and necessity has been issued, whether operations have ceased, whether tariffs have been canceled, whether a letter has been filed with the ICC or the Board that the abandonment has been consummated, and whether the track and ties have been salvaged.⁴

Based upon these criteria, UP has not shown the requisite intent to abandon the Line. UP has not sought Board authority to physically abandon Line, has not filed a consummation notice with the Board indicating that it has

⁴ *Burlington Northern R.R. Co.—Abandonment—In Grays Harbor County, WA*, STB Docket No. AB-6 (Sub. No. 207), STB served July 25, 1997, at 4. See also *Birt v. Surface Transp. Bd.*, 90 F.3d 580 (D.C. Cir. 1996); *Illinois Cent. Gulf R.R. Co.—Abandonment-in DeWitt and Piatt Counties, Illinois*, 5 I.C.C. 2d 1054, 1060 (1989).

abandoned it,⁵ has not ceased operations over it, has not permanently severed it from the national rail network, and has not salvaged it.

Additionally, as discussed above, UP used the Line regularly during much of the time period between its reclassification in 1977 and the present UP's decision to retain the Line in place and not salvage it, while continuing to use it for rail service indicates that UP intends to retain the Line in active service.⁶

The Board also recognizes that a carrier's efforts to generate new business on a rail line shows intent not to abandon.⁷ As UP's Steven J. McLaws discusses in his attached Verified Statement, UP actively seeks new business that would utilize the Line, and several businesses have expressed interest in utilizing the Line as a team track or transload facility. The Provo region has experienced a marked increase in manufacturing activity during recent years,

⁵ As noted above, in its December 30, 1977 letter to the ICC, UP stated that it would retain the Line as yard track.

⁶ Mr. Fox, appearing to concede that UP continued to use the Line following its reclassification as yard track cites *Consolidated Rail Corp.—Petition for Declaratory Order* (Petition at 5), which stands for the proposition that rail service may continue over abandoned rail lines that are no longer subject to STB jurisdiction. This decision has no bearing on the instant matter. Unlike the Ironton Branch Line, which involves 49 U.S.C. § 10906 yard track that remains subject to STB jurisdiction, the rail lines in *Conrail* had previously been the subject of abandonment proceedings and "were no longer railroad lines recognized by the ICC for jurisdictional purposes." *Consolidated Rail Corp.—Petition for Declaratory Order*, 1 I.C.C. 2d 284, 286 (1984).

⁷ See *Birt v. Surface Transp. Bd.*, 90 F.3d 580, 586, n12 (D.C. Cir. 1996) ("[T]he Commission has previously found an intent to abandon based on a railroad's failure to make any efforts to attract rail traffic on a line where service had been discontinued." (citations omitted)); *Consolidated Rail Corp. v. I.C.C.*, 29 F.3d 706, 711 (DC Cir. 1994); *City of Colorado Springs & Metex Metro. Dist.*, ICC Finance Docket No. 31271, ICC served Mar. 22, 1989, 1989 WL 238362 at *4 (carrier's efforts to solicit traffic for movement over line demonstrate intent not to abandon).

and UP expects this trend to continue, driving up demand for rail service. The Line's strategic location and physical characteristics make it ideally suited to help accommodate this rising demand as a team track or transload facility. It is located near major roadways and highways, including Interstate 15, making it easily accessible to trucks and other motor traffic that would serve it. The Line is also close to UP's Provo switching yard, which would serve as a staging point for traffic moving to and from a team track or transload facility. The cost of converting the Line into a team track or transload facility to handle this rising traffic would be substantially less than acquiring an alternative location to build such a facility from scratch.

b. UP did not physically abandon the Line

Contrary to Mr. Fox's claim that UP has physically abandoned the entire Ironton Branch, UP has only abandoned the portion extending from Milepost 0.64 to Milepost 0.71, as it clearly stated in its December 30, 1977 letter to the ICC. UP reclassified the rest of the Ironton Branch, including the Line at issue in this proceeding, as yard track, which remains subject to STB jurisdiction and is not subject to state law, in accordance with 49 U.S.C. § 10501(b). Consistent with its continued use of the Line as yard track, UP has left most of the Line's trackage in place since its reclassification.

Moreover abandonment authority is permissive. Even if at the time UP filed its abandonment application with the ICC, UP had intended to later physically abandon the Line, the Line would have become abandoned only if UP exercised the abandonment authority it received from the ICC. As the Board has

stated, "[A]bandonment authority . . . is permissive authority that the railroad may decide not to exercise. The agency retains jurisdiction over rail properties until abandonment authority has been exercised." *Honey Creek Railroad, Inc.—Petition for Declaratory Order*, STB Finance Docket No. 34869, STB served June 4, 2008, at 4. UP continued to utilize the Line and has not exercised any such authority. And while yard track was subject to state law for a number of years following the ICC's grant of abandonment authority, Mr. Fox provides no evidence showing that the Line was abandoned pursuant to it.

c. UP did not sever the Line from the national rail network

Although Mr. Fox argues that UP's removal of the switch at the point of connection with the Provo Subdivision demonstrates intent to abandon, the Board has held that removal of limited sections of a rail line such as a connecting switch, which can be readily restored, does not demonstrate abandonment intent.⁸

In support of his argument that UP's removal of the switch shows intent to abandon, Mr. Fox cites, *RLTD Railway Corp. v. STB*. But the facts in that case bear little resemblance to the instant matter. In *RLTD*, the Board concluded that the line at issue "became irrevocably severed from the national rail transportation

⁸ See, e.g., *Norfolk and Western Railway Company-Abandonment Exemption-Between Kokomo and Rochester in Howard, Miami, and Fulton Counties, IN*, STB Docket No. AB-290 (Sub. No. 168X), STB served May 4, 2005, at 7 (removal of track materials entitled to little evidentiary weight where other evidence shows intent not to abandon); *SSW Ry. Co.--Abandonment In Smith & Cherokee Counties, TX*, 9 I.C.C.2d 429, 430-31 (1992) ("removal of portions of track and switches" not definitive evidence of carrier's intent to abandon rail line).

system . . . when the [railroad] connection from Rennie's Station to Traverse City was abandoned, thus forever eliminating [the line owner's] ability (or anyone else's) to provide rail freight service in interstate commerce on the [line]." *RLTD Rwy. Corp—Abandonment Exemption in Leelanau County, MI*, 2 S.T.B. 685, 693 (1997). The connecting line extended 2.77 miles and had been abandoned 16 years previously.⁹ In contrast, in the instant matter the missing switch can be readily restored and does not rise to the level of an irrevocable severance.

III. Conclusion

Mr Fox fails to provide any evidence that UP physically abandoned the portion of the Ironton Branch in dispute, or that it intended to do so. Since reclassifying most of the Ironton Branch as yard track more than 30 years ago, UP has left the Line intact, has continued to operate traffic over it, and has never consummated abandonment of it, either through a formal declaration or through its actions. Moreover, UP's marketing staff continues to solicit new business that would use the Line, which is well suited for conversion to a team track or transload facility. For these reasons, Mr. Fox's Petition for Declaratory Order is without merit and UP respectfully requests that the Board deny it without further proceedings.

⁹ *Chesapeake and Ohio Rwy. Co—Abandonment—Between Manistee and Bay View and Between Traverse City and Rennies, MI*, 46 FR 31081, 31082 (June 12, 1981).

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

A handwritten signature in cursive script, reading "Gabriel S. Meyer", is written over a horizontal line.

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Omaha, Nebraska 68179
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Fax: (402) 501-3393
Email: gmeyer@up.com

VERIFIED STATEMENT OF STEVEN J. MCLAWS

My name is Steven J. McLaws. I am the General Director Industrial Development for Union Pacific Railroad Company ("UP"). My office address is 1400 Douglas Street, Omaha, Nebraska, 68179. I hold a Bachelor's and a Master's degree, both in Corporate Finance, from Idaho State University. I am also a Certified Financial Analyst and I hold a Project Management Certificate. I began my employment with UP in 1978. During my career at UP I have held various positions in the Finance, Engineering, and Marketing & Sales departments. I have been in my current position since 2001. As General Director Industrial Development, my responsibilities include assisting new and existing customers to locate and expand rail-served facilities across UP's rail network.

The purpose of this statement is to provide information regarding the potential conversion of UP's Ironton Branch, located in Provo, Utah County, UT, for use as a rail-served multi-modal transload facility, to handle traffic from new and existing shippers in the region. Such a facility would be capable of handling a wide range of commodities, including chemicals, agricultural products, and aggregates, as well as manufactured goods. The facility would be located on the portion of the Ironton Branch that extends from Milepost 0.71 to Milepost 1.87, and is the subject of the dispute before the Surface Transportation Board in this matter.¹

¹ UP reclassified the Ironton Branch as yard track in 1977. Since reclassification, UP has routinely used the portion of the line at issue in this dispute for ongoing rail operations. From the late 1970s until approximately 2000, UP used the line for staging and storage of rail equipment for Geneva Steel and other customers, and for a three-year period during the mid 1990s, UP used the line as a railcar repair site. More

As I explain below, the Ironton Branch is a strategically located asset, and is well-suited to handle growing traffic demand in the region as a transload facility. I base my observations and conclusions upon several inspections I have made of the Ironton Branch and the surrounding area between 1995 and the present time, and from discussions with my coworkers and other UP personnel.

I. An Ironton Branch transload facility would provide needed capacity to handle rising traffic levels.

Rail traffic in the Provo area has increased substantially during recent years, with carloads originating and terminating in the area rising by an average annual rate of six percent. UP expects traffic to increase at an even greater rate in the future as job growth in Utah County continues its long-term upward trend. Much of this job growth has been attributable to the influx of manufacturing industries into the area.

Conversion of the Ironton Branch into a team track facility would help UP handle new business and provide enhanced service for existing shippers. Using available space along the Ironton Branch, its tracks could be configured to handle up to 50 cars per day, while still providing sufficient room to allow the free movement of trucks that would serve the facility.

UP has had discussions with six shippers, whose products include plastics, machinery, construction materials, food and beverage products, and other industrial goods, about the possibility moving traffic via an Ironton Branch transload facility. The traffic these shippers generate would be a combination of new business and traffic relocated from other area transload facilities.

recently, UP used the line to store a number of cabooses awaiting transfer to a buyer. The cabooses were removed in 2007.

II. The Ironton Branch is the best location for a new transload facility.

The Ironton Branch is located near a number of major roads and highways including Interstate 15, which is approximately one mile away, making it easily accessible to trucks and other motor traffic. Additionally, the Ironton Branch has ready access to electric utility lines. Trains would travel to an Ironton Branch transload facility via UP's Provo Subdivision, which connects with the Ironton Branch at a junction point approximately two miles south of UP's Provo Yard. The yard would serve as an operational staging point for traffic moving to and from the facility.

Development of the Ironton Branch as a transload facility would have the added benefit of allowing UP to consolidate and close several existing smaller transload facilities in the area. This includes the Hardy transload facility located in Geneva, UT, which is currently the principal transload facility in the Provo region. That facility has a number of shortcomings. In order to access it, train crews must make a shove movement through a non-signalized at-grade crossing at Geneva Road, creating an unsafe movement for UP crews and potential danger for passing motorists. Moreover, due to the location of roadways and other structures surrounding the Hardy transload facility, UP cannot feasibly expand it.

In contrast, the Ironton Branch is ideally suited for use as a transload facility, with space to handle rising traffic volumes. UP estimates that it could convert the Ironton Branch into a transload facility at a cost of roughly \$2 million—a substantially lower cost than UP would incur to purchase land and construct an equivalent transload facility elsewhere in the Provo area (assuming, of course, that UP could even obtain a suitable

alternate site with access to UP rail lines, highways, and electric utility lines). It simply would not make economic sense for UP to acquire an alternative site for team track use, at an approximate cost of \$3.5 to \$5 million, particularly when UP already has a suitable location available to it.

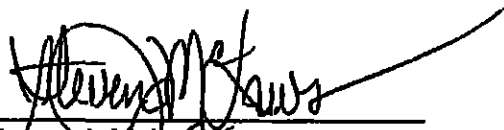
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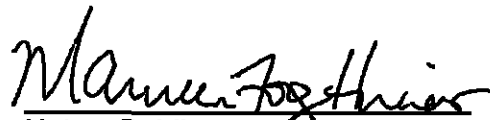
Steven J. McLaws, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated.



Steven J. McLaws

SUBSCRIBED and SWORN to before me this 18th day of August, 2008.

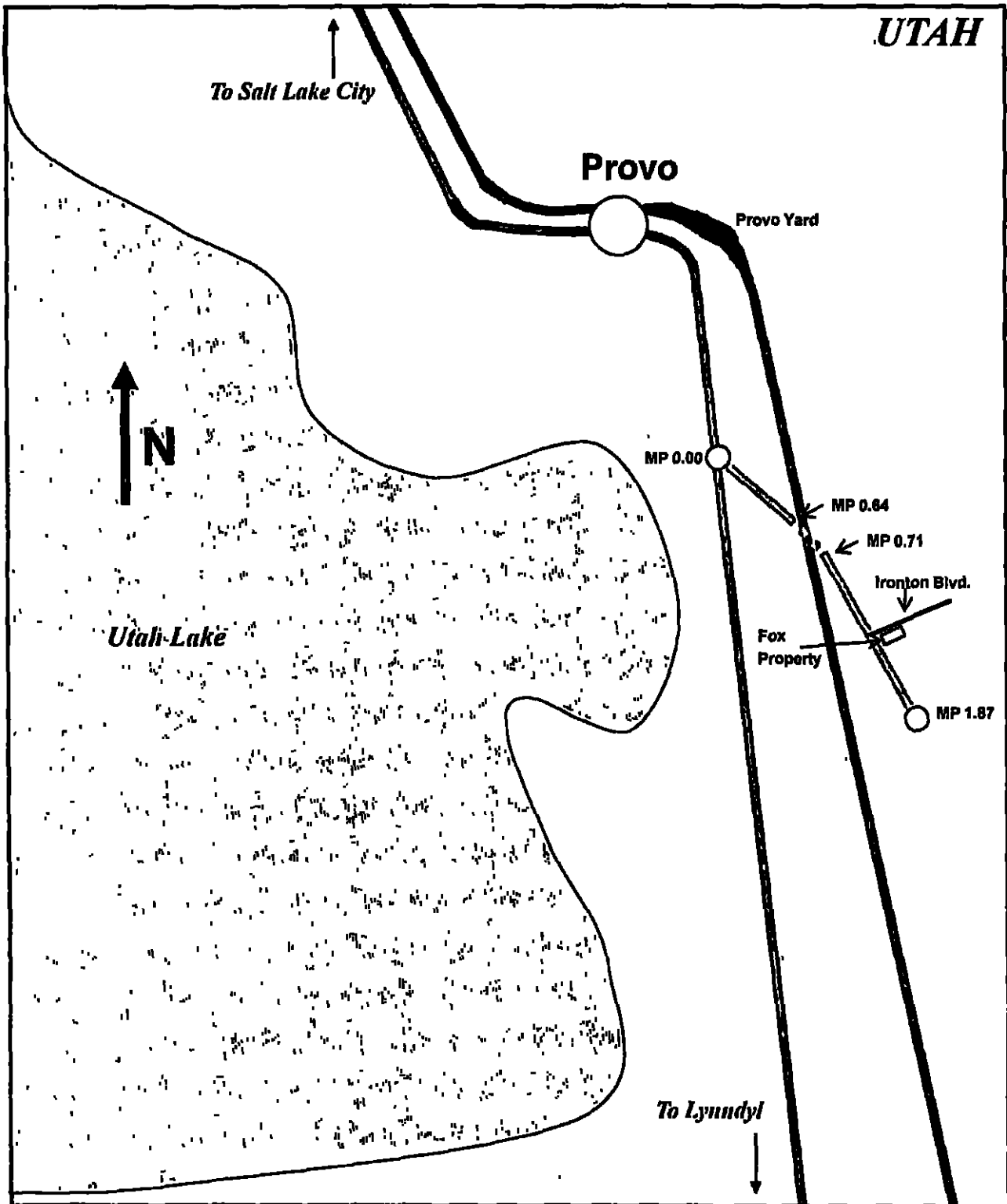




Notary Public

Exhibit 1

Ironton Branch



- Union Pacific—Provo Subdivision
- Union Pacific—Sharp Subdivision
- - - Ironton Branch (yard track)
- ... Ironton Branch (abandoned)

Map not to scale.

Exhibit 2

CERTIFICATE AND ORDER

INTERSTATE COMMERCE COMMISSION

No. AB-85 (Sub-No. 3)

SERVICE DATE

OCT 6 1977

WPH
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ARP
PWH

LOS ANGELES & SALT LAKE RAILROAD COMPANY, UNION PACIFIC RAILROAD COMPANY
AND THE DENVER & RIO GRANDE WESTERN RAILROAD COMPANY--ABANDONMENT PORTION
OF THE "IRONTON BRANCH" IN UTAH COUNTY, UTAH

KSK
CFR

PRESENT: VIRGINIA MAE BROWN, Commissioner, to whom the matter which is the subject
of this certificate and order has been referred for action.

(By Circulate!)

On August 4, 1977, the Los Angeles & Salt Lake Railroad Company (LA&SL), the Union Pacific Railroad (UP), and The Denver & Rio Grande Western Railroad Company (Rio Grande), referred to jointly as "applicants," jointly filed an application under section 1a of the Interstate Commerce Act, for a certificate of public convenience and necessity authorizing the LA&SL and Rio Grande to physically abandon and the UP and Rio Grande to abandon operations over a branch line of railroad known as the Ironton Branch, which extends from milepost 0.00 to milepost 1.87 near Ironton in Utah County, Utah.

Since no petition to investigate has been filed as provided in section 1a(3) of the Act and pursuant 49 C.F.R. section 1121.36(a)(1), this proceeding may be disposed of on the record as submitted. Although the line is shown as a category 1 line on the LA&SL System Diagram filed with the Commission on April 29, 1977, since there has been no objection to the proposed abandonment by any affected user, state or political subdivision, the proceeding need not be delayed for the 4 month period following the date upon which the system diagram was filed. Section 1a(5)(b) of the Act.

If the abandonment is authorized, applicants intend to remove and retire portions of the line between milepost 0.64 and 0.71. The remainder of the track will remain in place and be reclassified as yardtrack. There are no remaining shippers located on the Ironton Branch. Therefore, abandonment of this portion will have no effect on the movement of products to and from the area by rail.

I, therefore, find, that the present and future public convenience and necessity permit the physical abandonment of the Ironton Branch by the Los Angeles & Salt Lake Railroad Company and The Denver Rio Grande Western Railroad Company, and the abandonment of operations by the Union Pacific Railroad Company and The Denver & Rio Grande Railroad Company over the Ironton Branch Line of railroad. This finding is subject to the condition that employees shall be entitled to the protection enacted in and developed pursuant to section 405 of the Rail Passengers Service Act (45 USC 565) as stated in Oregon Short Line R. Co.--Abandonment--Goshen 354 I.C.C. 76 (1977). I further find that abandonment by the applicants of the Ironton Branch line will not result in a serious adverse impact on rural and community development and that this decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

I, therefore, order that, in the absence of any petitions to investigate the requirement of section 1121.38(a) of the Regulations that publication of notice of abandonment decisions in the Federal Register be made only after such a decision becomes administratively final, is waived. Notice of findings previously made shall be submitted for publication in the Federal Register on the date the certificate and order is served. Within 10 days after receiving notice that an offer of financial assistance is being considered, applicants shall comply with the information

requirements of section 1121.30 of the Regulation.

All correspondence to the Commission regarding offers of financial assistance for the continued operations or acquisition of the Ironton Branch Line shall refer to this proceeding. "AB-RSGP" shall be typed on the lower left-hand corner of envelope containing such correspondence.

I further order that actual abandonment may be effected by the applicant after the effective date of this certificate and order provided no offer for continued rail operations is received. This authority to abandon is subject to the employee conditions set forth above.

If the abandonment is effected, tariffs applicable to the Ironton Branch Line may be cancelled if, pursuant to section 6 of the Interstate Commerce Act, the Commission is given not less than 10 days notice. Applicants shall refer to this certificate and order by date and docket number when filing schedules which cancel tariffs applicable to the Ironton Branch Line.

If the authority granted in this certificate and order is not exercised within one year from its effective date, it shall be of no further force and effect.

This certificate and order shall be effective 45 days from the date of publication of notice in the Federal Register unless otherwise ordered by this Commission.

Dated at Washington, D.C., on the 27th day of September, 1977.

By the Commission, Commissioner Brown,

H.G. HOMMUS, JR.
Acting Secretary

(SEAL)

Exhibit 3

December 30, 1977

1806.1

Mr. B. J. Thomas, Jr., Director
Bureau of Accounts
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Thomas:

This refers to certificate and order covering Finance Docket No. AB-35 (Sub-No. 3), service date October 6, 1977, authorizing the Los Angeles & Salt Lake Railroad Company to abandon the Ironton Branch from M.P. 0.00 to M.P. 1.87 at Ironton, Utah.

Transportation operations were discontinued on this line and track physically severed at 9:00 A.M., December 5, 1977. Track from M.P. 0.64 to M.P. 0.71 will be retired and removed with the portions from M.P. 0.00 to M.P. 0.64 and from M.P. 0.71 to M.P. 1.87 to be ~~retained and reclassified as yard trackage.~~

Accordingly, attached are two copies of proposed journal entry for retirement of the properties prepared in accordance with Sections 2-3, 2-7, and 2-8 of the instructions for property accounts in the Uniform System of Accounts for Railroad Companies.

Will appreciate advice of your approval.

Yours truly,

Original Signed
J. P. DEASEY

Attach.

BCC: Mr. T. B. Graves, Jr.
Mr. C. B. Schaefer
Mr. J. H. Rebensdorf

CERTIFICATE OF SERVICE

I, Gabriel S. Meyer, hereby certify that on this 18th day of August, 2008, I caused a copy of the above Reply in STB Docket No. 35161 to be served, via electronic mail, upon the following party:

Mr Joseph R. Fox
1149 East 1630 South
Spanish Fork, UT 84660



Gabriel S. Meyer