ATTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

Telephone 202-638-3307 FACSIMILE 202-783-6947 RECEIVED 8:19
2009 JUN 29 AM 7:30 XA
UTILITIES COMMISSION

kmorell@dc.billp.com

KARL MORELL

June 25, 2009

PRC-R-09-01

Commission Secretary Idaho Public Utilities Commission 472 West Washington Street P.O. Box 83720 Boise, ID 83720-0074

RE: STB Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City

Railroad, Inc. - Abandonment Exemption - In Latah County, Idaho

Dear Sir/Madam:

On or shortly after July 15, 2009, Palouse River & Coulee City Railroad, Inc. ("PRCC") will be filing with the Surface Transportation Board ("STB") a Notice of Exemption seeking authority to abandon its rail lines located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow (the "Lines"). Attached are an Environmental Report and Historic Report describing the proposed action and any expected environmental and historic effects, as well as a map of the affected area.

We are providing these reports so that you may review the information that will form the basis for the STB's independent environmental and historic analyses of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the STB's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001, Telephone (202) 245-0291, and refer to the above Docket No. AB-570 (Sub-No. 3X). Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to the undersigned) would be appreciated within 3 weeks.

June 25, 2009 Page 2

Your comments will be considered by the STB in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact the undersigned by telephone at (202) 638-3307 or by mail at Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005.

Sincerely,

Karl Morell

Attorney for Palouse River & Coulee City

Railroad, Inc.

Enclosures

PRC-R-09-01

RECEIVED

2009 JUN 29 AM 8: 19

IDAHO PUBLIC UTILITIES COMMISSION

(49 C.F.R. 1105.7) STB Docket No. AB-570 (Sub-No. 3X) UTIL PALOUSE RIVER & COULEE CITY RAILROAD, INC.

--ABANDONMENT EXEMPTION--IN LATAH COUNTY, IDAHO

ENVIRONMENTAL REPORT

(1) <u>Proposed Action and Alternatives.</u> Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Palouse River & Coulee City Railroad, Inc. ("PRCC"), proposes to abandon its rail lines located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow (the "Lines"). Upon receipt of abandonment authority, PRCC intends to remove the rail, track material, and ties. There is one small bridge on the Lines located at milepost 84.3, near the Washington-Idaho State Line. Local entities are interested in rail-banking all or most of the Lines. Consequently, PRCC will not remove or disturb the bridge and will leave the ballast in place.

The salvage process begins with the unbolting of the track materials and rails. With the use of specialized machinery placed on the railroad right-of-way, the rails and related track materials (angle bars, tie plates, spikes, switches and any other metal parts) are removed. Next the wooden ties are raised from the ballast with a tool designed for minimum disruption of ground material. The ballast, bridges and right-of-way will remain intact so as not to alter the prevailing water flows along the Lines. In addition, PRCC salvage contractors are required to

limit their activities to the width of the right-of-way and not to place fill or other material in water bodies. When the salvage process is complete, water flows in the area will not be disrupted.

The proposed abandonment will not change rail freight operations or maintenance practices on the Lines. No local or overhead traffic has been handled on the Lines for over two years. There currently are no active rail shippers located along the Lines.

The only alternative to abandonment would be not to abandon the Lines and force PRCC to absorb the opportunity costs of retaining these inactive Lines. This would not be a prudent use of carrier resources. The Lines are in poor condition and in need of substantial rehabilitation.

A map of the proposed abandonment is attached hereto as Exhibit 1.

(2) <u>Transportation System</u>. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local or overhead traffic has been handled on the Lines in over two years.

Since the Lines no longer handle rail traffic, the proposed abandonment will have no adverse effects on regional or local transportation systems and patterns.

(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conversation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

- (i) PRCC does not consider the proposed abandonment to be inconsistent with existing land use plans. PRCC contacted the Latah County Commissioners. See Exhibit 2. No response to this inquire has been received to date. A copy of this Report has been mailed to the appropriate local and state agencies for their information and comment.
- (ii) PRCC notified the USDA Natural Resources Conservation Service ("Conservation Service") of the proposed abandonment and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 3. The Conservation Service "has no comments or concerns with the listed resources for the abandonment of these rail lines through the city of Moscow, Idaho." See Exhibit 4. A copy of this Report is being supplied to the Conservation Service for its information and further comment.
 - (iii) The Lines do not pass through a designated coastal zone.
- (iv) The Lines traverses an urban area that has an adequate road and highway network.

 Therefore, there is little or no likelihood that the rail corridors are needed for a transit or highway corridor.
- (4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

- (i) The proposed abandonment will have no effect on the transportation of energy resources.
- (ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.
- (iii) The proposed abandonment will have no effect on overall energy efficiency as no local or overhead traffic has been handled on the Lines for over two years.
- (iv) The proposed abandonment will not cause any diversions of rail traffic to motor carriage, since no local or overhead traffic has been handled on the Lines for over two years.
- (5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at lease 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

- (i) The proposed abandonment will not result in meeting or exceeding the specified thresholds.
- (ii) The proposed abandonment will not result in meeting or exceeding the specified thresholds.
- (iii) The proposed abandonment will not affect the transportation of ozone depleting materials.
- (6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

- (7) <u>Safety</u>. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.
- (i) The proposed abandonment will have no detrimental effects on public health and safety. The removal of grade crossings and the associated signs and structures will enhance public safety by eliminating distractions to vehicular traffic crossing the Lines.
 - (ii) The proposed abandonment will not affect the transportation of hazardous materials.

- (iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridors of the Lines.
- (8) <u>Biological Resources</u>. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.
- (i) PRCC notified the U.S. Fish and Wildlife Service of the proposed abandonment and requested assistance in determining whether endangered or threatened species or areas designated as a critical habitat are likely to be adversely affected. See Exhibit 5. The U.S. Fish and Wildlife Service has identified one threatened species (Spalding's catchfly) in the project area. See Exhibit 6. The proposed abandonment and salvage operations will have no adverse effect on this threatened species. PRCC will not salvage the bridge and the ballast will remain intact.

 Consequently, the prevailing water flows will not be altered or impacted. Also the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fills or other material in the water bodies. A copy of this Report is being supplied to the U.S. Fish and Wildlife Service for its information and further comment.
- (ii) PRCC does not believe that any wildlife sanctuaries or refuges, National or State parks or forests would be adversely affected by the proposed abandonment. PRCC notified the National Parks Service of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 7. To date, no response to this request has been received. A copy of this Report is being supplied to the National Park Service for its information and comment.

- (9) <u>Water</u>. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.
- (i) PRCC is confident that the proposed abandonment will be consistent with applicable water quality standards. PRCC contacted the Idaho Department of Environmental Quality ("DEQ") and the U.S. Environmental Protection Agency concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to these requests has been received. Nevertheless, PRCC continues to believe that the proposed abandonment and salvage operations will be consistent with applicable Federal, State and local water quality standards. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. A copy of this Report is being supplied to the U.S. Environmental Protection Agency and the DEQ for their information and comment.
- (ii) PRCC is confident that no designated wetlands or 100-year flood plains will be adversely affected by the proposed abandonment. PRCC contacted the Corps of Engineers concerning these matters. See Exhibit 9. The Corps noted that an Army permit would be required for this project if it involved the discharge of dredged or fill material in waters of the United States. The Corps suggested that PRCC have the project area inspected by a qualified

wetland consultant. See Exhibit 10. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. Consequently, there will be no discharge of dredged or fill into waters of the United States. A copy of this Report is being supplied to the U.S. Army Corps of Engineers for its information and further comment.

(iii) PRCC contacted the U.S. Environmental Protection Agency concerning this matter and requested assistance in identifying any potential effects on applicable water quality standards and determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to this request has been received. Nevertheless, PRCC continues to believe that the proposed abandonment and salvage operations will not require permits under Section 402. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. A copy of this Report is being supplied to the U.S. Environmental Protection Agency for its information and comment.

(10) <u>Proposed Mitigation</u>. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

PRCC does not expect any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions. PRCC will, of course, adhere to any remedial actions suggested by the recipients of this Report and required by the Board.

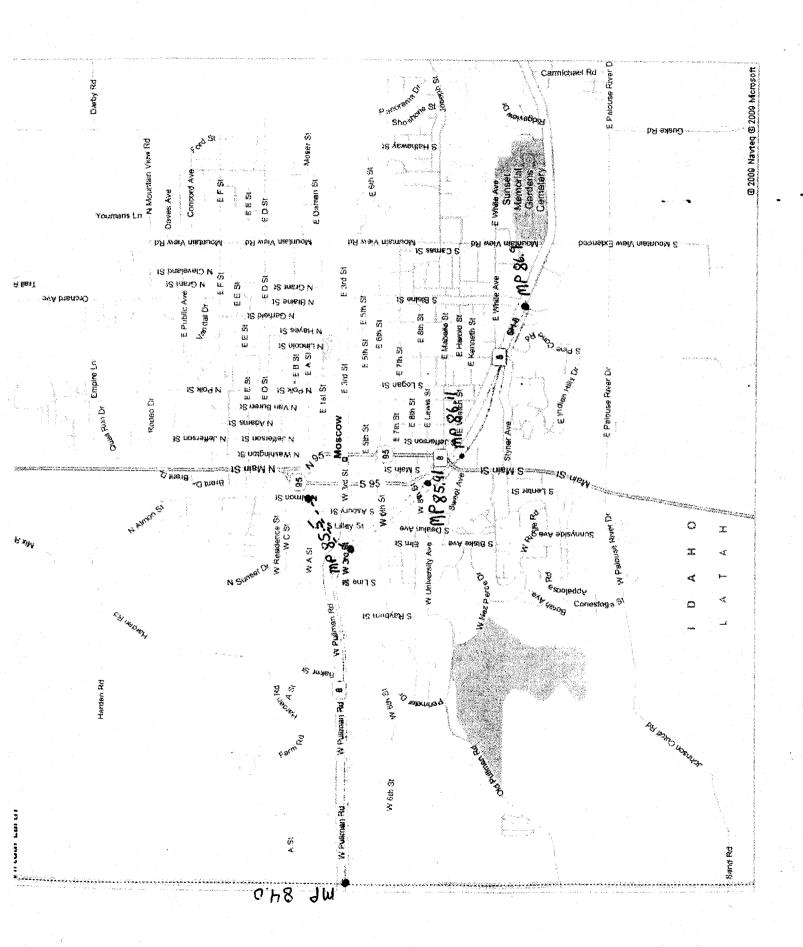


EXHIBIT 2

BALL JANIK LLP

ATTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.ballianik.com

Telephone 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

Latah County Commissioners P.O. Box 8068 Moscow, ID 83843

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.—Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on existing land use plans. We must determine whether the proposed abandonment is inconsistent with existing land use plans.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

Karl Morell
Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

ATTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

USDA Natural Resources Conservation Service 9173 West Barnes Drive, Suite C Boise, ID 83709

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.--Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on prime agricultural land.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely, Karl Morel

Karl Morell Attorney for:

Palouse River & Coulee City Railroad, Inc.



Natural Resources Conservation Service 9173 W. Barnes Dr., Ste C Boise, Idaho 83709 Phone: 208-378-5700 Fax: 208-378-5735

May 19, 2009

Karl Morell
Attorney for: Palouse River & Coulee City RR, Inc.
Ball Janik LLP
1455 F. Street, NW, Suite 225
Washington, D.C. 20005

Re: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.—Abandonment Exemption—In Latah County, Idaho.

Dear Mr. Morell,

This letter is in response to your May 8, 2009 request for information and comments on the above referenced project.

The resource impacts that the Natural Resources Conservation Service (NRCS) typically reviews and provides comments for, if necessary, include the following:

- Soil Suitability and limitations
- Erosion, sediment and dust control
- Water discharge from project area to off-site locations Impact to water quality and irrigation systems
- Effects of disruption to natural drainage patterns
- Consideration for soil and water conservation management systems and measures on project and adjacent lands; and, Impacts on previously installed soil and water conservation management systems
- Prime and Unique Farmland
- Impacts on Ecosystems
- Impacts on other NRCS-related projects

The NRCS has no comments or concerns with the listed resources for the abandonment of these rail lines through the city of Moscow, Idaho. The proposed abandonment will occur within an existing transportation right-of-way. Soil suitability and effects to prime and unique farmland will not be changed nor otherwise affected. Erosion, sediment, dust and water control should be included within normal operating plans as required by federal and

state regulatory agencies. It is unlikely that there would be additional effects to plant communities, terrestrial and aquatic ecosystems, biodiversity, or fuel loads. There are no current or planned NRCS-related projects in that area.

If you have any questions, please contact Mark Weatherstone, Assistant State Conservationist - Technical Services at (208)378-5720 or email at mark.weatherstone@id.usda.gov.

Sincerely,

JEFF BURWELL

State Conservationist

cc:

Bob Tribelhorn, Assistant State Conservationist - Operations West, NRCS, Moscow, ID Mark Weatherstone, Assistant State Conservationist - Technical Services, NRCS, Boise, ID

Darin Vrem, Cultural Resource Specialist/Archaeologist, NRCS, Boise, ID Hal K. Swenson, Assistant State Soil Scientist, NRCS, Boise, ID Bruce Knapp, Resource Soil Scientist, NRCS, Moscow, ID Patrick Evans, District Conservationist, NRCS, Moscow, ID

EXHIBIT 5

ATTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

U.S. Fish and Wildlife Service 1387 S. Vinnell Way, Room 368 Boise, Idaho 83709

RE:

Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.--Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

Karl Morell Attorney for:

Palouse River & Coulee City Railroad, Inc.

Moull



United States Department of the Interior

IDAHO FISH AND WILDLIFE OFFICE

1387 S. Vinnell Way, Room 368 Boise, Idaho 83709 Telephone (208) 378-5243 http://www.fws.gov/idaho



MAY 2 9 2009

Karl Morell Ball Janik LLP 1455 F Street, NW Suite 225 Washington, D.C. 20005

Subject:

Palouse River and Coulee City Railroad, Inc. Abandonment Exemption-Latah

County, Idaho—Species List 970.3000 14420-2009-SL-0390

Dear Mr. Morell:

The Fish and Wildlife Service (Service) is providing you with a list of endangered, threatened, proposed, and/or candidate species, and designated critical habitat which may occur in the area of the abandonment exemption. You requested this list by letter on May 8, 2009. Please refer to the species list number 14420-2009-SL-0390 shown above in all correspondence and reports.

Non-Federal Lands and Section 7

Section 7 of Endangered Species Act of 1973 (Act), as amended, requires Federal agencies to assure that their actions do not jeopardize any listed species and provides a process for exemption of take for Federal agencies. Although your project is located on non-Federal lands, if there is a Federal action (funding, permitting, or direct action) associated with your project, the Federal agency is required to consult with the Service if the action may affect a listed species. Section 7 regulations also allow for applicants to be involved in the consultation process. For instance, a Federal agency may designate you or another non-Federal entity to represent them in an informal consultation.

The enclosed list fulfills the requirements for a species list under section 7(c) of the Act. If the project decision has not been made within 180 days of this letter, regulations require that you request an updated list. More information on the regulations and procedures for section 7 consultation, including the role of permit or license applicants, can be found in the "Endangered Species Consultation Handbook" at

http://www.fws.gov/endangered/consultations/s7hndbk/s7hndbk.htm (last accessed May 26, 2009). Section 7 consultation information specific to Idaho listed species can also be found on the Idaho Fish and Wildlife Office website at http://www.fws.gov/idaho/agencies.htm (last accessed May 26, 2009).



Karl Morell

Palouse River and Coulee City Railroad, Inc. Abandonment Exemption

Voluntary Agreements for Species Conservation on Private Lands

The Act includes provisions for the conservation of listed species on both Federal and non-Federal lands. A private landowner may wish to enter into an agreement with the Service under section 10 of the Act for activities that benefit listed, proposed, and candidate species. Voluntary agreements such as Safe Harbor Agreements or Candidate Conservation Agreements contribute to the conservation of listed, proposed, or candidate species while allowing for management activities on non-Federal lands. In addition, Section 9 of the Act prohibits the "taking" of any listed species without an exemption (issued by the Service) for that take¹. For private landowners, that exemption is developed through the permit process of Section 10 (through a Habitat Conservation Plan) of the Act. More information on the various mechanisms for take exemption available to private landowners under the Act can be found at http://www.fws.gov/idaho/Landowners.htm (last accessed May 26, 2009).

If you have any questions about your responsibilities under the Act, or require further information, please contact Barbara Chaney at the Idaho Fish and Wildlife Office at (208) 378-5259. For information on conservation opportunities under section 10 of the Act, contact Conservation Planning Branch Chief Kendra Womack at the Idaho Fish and Wildlife Office at (208) 685-6951. Thank you for your continued interest in endangered species conservation.

Sincerely,

Jeffery L. Foss, State Supervisor Idaho Fish and Wildlife Office

Enclosure

I Take of threatened or endangered animal species is defined as; harass, harm, pursue, hunt, shoot, wound, kill, trap, capture or collect, or to attempt to engage in any such conduct. Harm is further defined by the Service to include significant habitat modification or degradation that results in death or injury to listed species by significantly impairing essential behavioral patterns, including breeding, feeding, or sheltering. Harass is defined by the Service as an intentional or negligent act or omission which creates the likelihood of injury to wildlife by annoying it to such an extent as to significantly disrupt normal behavior patterns which include, but are not limited to, breeding, feeding, or sheltering.



PALOUSE RIVER AND COULEE CITY RAILROAD, INC. ABANDONMENT EXEMPTION LATAH COUNTY, IDAHO SPECIES LIST 14420-2009-SL-0390

LISTED SPECIES

STATUS

Spalding's catchfly (Silene spaldingii)

Listed Threatened

PROPOSED SPECIES & PROPOSED/DESIGNATED CRITICAL HABITAT

None

CANDIDATE SPECIES²

None

Information on the above species and their management can be found on the Environmental Conservation Online System (ECOS) website at http://ecos.fws.gov/ecos_public/index.do (last accessed May 26, 2009) and the Idaho Fish and Wildlife Office website at http://www.fws.gov/idaho/agencies.htm (last accessed May 26, 2009).

²Candidate species have no protection under the Act, but are included for your early planning consideration. Candidate species could be proposed or listed during the project planning period, and would then be covered under Section 7 of the Act. The Service advises an evaluation of potential effects on candidate species that may occur in the project area.

ATTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

National Park Service One Jackson Center 1111 Jackson Street, Suite 700 Oakland, CA 94607

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.--Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

Karl Morell
Attorney for:

Palouse River & Coulee City Railroad, Inc.

EXHIBIT 8

BALL JANIK LLP

ALLOKNEIS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

Telephone 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

Administrator Department of Environmental Quality 1118 F Street Lewiston, ID 83501

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.—Abandonment Exemption—In Latah County,

Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely, Kail Morell

Karl Morell Attorney for:

Palouse River & Coulee City Railroad, Inc.

ATTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

U.S. Environmental Protection Agency 1200 Sixth Avenue Seattle, WA 98101

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.--Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84,0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

Karl Morell
Attorney for:

Palouse River & Coulee City Railroad, Inc.

TTORN

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

Telephone 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

U.S. Army Engineer District, Walla Walla 201 North Third Avenue Walla Walla, WA 99362-1876

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.-Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. PRCC does not believe any permits under Section 404 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009 Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

Karl Morell
Attorney for:

Palouse River & Coulee City Railroad, Inc.





DEPARTMENT OF THE ARMY WALLA WALLA DISTRICT, CORPS OF ENGINEERS 201 NORTH THIRD AVENUE WALLA WALLA, WASHINGTON 99362-1876

June 5, 2009

Regulatory Division

SUBJECT: NWW-2009-322-W04

Mr. Karl Morell Ball Janik, LLP 1455 F Street, NW Suite 225 Washington, D.C. 20005

Dear Mr. Morell:

This is in response to your May 8, 2009 letter requesting our comments on the Palouse River & Coulee City Railroad's abandonment of rail lines between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, Idaho; (2) milepost 86.11 and milepost 86.9 in Moscow; and (3) mile post 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. Section 404 of the Clean Water Act (33 U.S.C. 1344) requires a Department of the Army permit be obtained for the discharge of dredged or fill material into waters of the United States. This includes most perennial and intermittent rivers and streams, natural and man-made lakes and ponds, and wetlands, as well as irrigation and drainage canals and ditches that are tributaries to other waters, requires a Department of the Army permit be obtained for any structures or work in or affecting navigable waters of the United States. Paradise Creek is a water regulated under Section 404. Activities regulated under Section 404 include excavation and mechanized land clearing activities which result in the discharge of dredged material and destroy or degrade waters of the United States.

Based on the information provided, we are unable to determine if the proposed project will involve any work subject to our jurisdiction. We would suggest you have the project area inspected by a qualified wetland consultant to determine if the proposed project will involve work in such areas. If it does, you should then have these areas identified and delineated and submitted for our review and approval. We would also suggest you select someone who is knowledgeable in the methods we use for delineating jurisdictional wetlands. Enclosed for your information are our requirements for preparing wetland delineations and a list of consultants who may be able to assist you.

If the proposed project will involve the discharge of dredged or fill material in waters of the United States, including wetlands, a Department of the Army permit may be required prior to the start of construction. If so, you will need to complete and submit a permit application for processing and evaluation. Please be advised that starting work before obtaining the required

Department of the Army permit constitutes a violation of Section 404 and could result in legal action. If you have any questions concerning these regulatory matters, please contact me at 509-527-7156 (fax 509-527-7823).

Sincerely,

Duane E. Mitchell

Regulatory Project Manager

Dune & mitchel

Enclosures

PRC-R-09-01

RECEIVED

HISTORIC REPORT (49 C.F.R. 1105.8)

2009 JUN 29 AM 8: 19

PALOUSE RIVER & COULEE CITY RAILROAD, TNOTIES COMMISSION

-- ABANDONMENT EXEMPTION--IN LATAH COUNTY, IDAHO

The Historic Report should contain the information required by 1105.7(e)(1) of the Environmental Report. The following is excerpted from the Environmental Report prepared for the proposed abandonment:

Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Palouse River & Coulee City Railroad, Inc. ("PRCC"), proposes to abandon its rail lines located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow (the "Lines"). Upon receipt of abandonment authority, PRCC intends to remove the rail, track material, and ties. There is one small bridge on the Lines located at milepost 84.3, near the Washington-Idaho State Line. Local entities are interested in rail-banking all or most of the Lines. Consequently, PRCC will not remove or disturb the bridge and will leave the ballast in place.

The salvage process begins with the unbolting of the track materials and rails. With the use of specialized machinery placed on the railroad right-of-way, the rails and related track materials (angle bars, tie plates, spikes, switches and any other metal parts) are removed. Next the wooden ties are raised from the ballast with a tool designed for minimum disruption of

ground material. The ballast, bridges and right-of-way will remain intact so as not to alter the prevailing water flows along the Lines. In addition, PRCC salvage contractors are required to limit their activities to the width of the right-of-way and not to place fill or other material in water bodies. When the salvage process is complete, water flows in the area will not be disrupted.

The proposed abandonment will not change rail freight operations or maintenance practices on the Lines. No local or overhead traffic has been handled on the Lines for over two years. There currently are no active rail shippers located along the Lines.

The only alternative to abandonment would be not to abandon the Lines and force PRCC to absorb the opportunity costs of retaining these inactive Lines. This would not be a prudent use of carrier resources. The Lines are in poor condition and in need of substantial rehabilitation.

A map of the proposed abandonment is attached hereto as Exhibit 1.

HISTORIC REPORT

1. A U.S.G.S. topographic map (or alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;

A map and the identification of all structures on the Lines that may be 50 years old or older have been supplied to the Idaho State Historical Society ("IHS"). See Exhibit 2.

2. A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;

The rights-of-way are of varying widths. The Lines are located within the city limits of Moscow, Idaho near the University of Idaho. The Lines are located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow.

3. Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediate surrounding area;

In the May 8, 2009, letter to the IHS PRCC mistakenly stated that there were two bridges on the Lines. Upon further review, there is actually only one bridge on the Lines located at milepost 84.3, or 0.3 miles east of the Washington-Idaho State line. The two pictures attached to the May 8th letter are actually of the same bridge. See Exhibit 2. The bridge and the Lines were originally constructed in 1890. Most of the components of the bridge have been replaced over the years. Attached as Exhibit 3 is a map showing the location of the bridge. There is a former railroad bridge adjacent to the western end of the Lines associated with a former parallel rail line. That bridge, however, is now part of the Latah Trail and is not associated with the abandonment of the Lines. A picture of that bridge is attached as Exhibit 4.

4. The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

The bridge located on the Lines was originally constructed in 1890, but most of the components have been replaced over the years. PRCC is not in possession of any engineering documents regarding the maintenance or repairs of this bridge.

5. A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;

No traffic has moved over the Lines for over two years. The last active rail shipper on the Lines was Ferrell Gas. As a result, the involved Lines are no longer required for rail operations. PRCC is of the opinion that rehabilitation of the Lines cannot be economically justified. Since the Lines are not being used, no change to current transportation patterns are anticipated upon the abandonment of the Lines.

6. A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;

There are no available individual drawings for the bridge on the Lines. The bridge is quite common in design and construction and are of no historical significance. It is typical of many small bridges and underpasses found throughout North America. In any event, the bridge will remain undisturbed as a result of the proposed abandonment.

7. An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities);

In PRCC's view, the bridge is quite common in design and construction. It has no historical significance as to the history of railroad construction or operation. It is a common structure found on numerous railroads throughout North America. There are also no known

archeological resources in the project area. Attached as Exhibit 5 is the response PRCC received from the IHS.

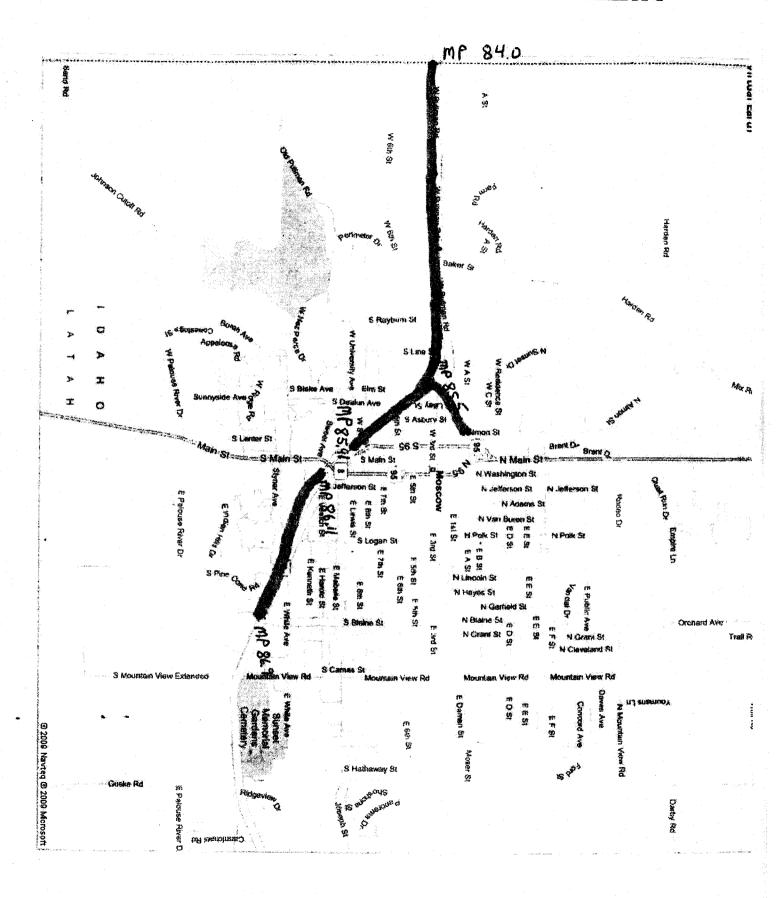
8. A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic waste), and the surrounding terrain.

There are no existing records as to the nature of any known subsurface ground disturbance or fill, or environmental condition that might affect the archeological recovery of any potential resources.

9. Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specific non railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (i.e. prehistoric or native American).

PRCC does not foresee the likelihood that any additional information will need to be supplied in association with the proposed line abandonment other than that information previously submitted. But, if any additional information is requested, PRCC will promptly supply the necessary information.

EXHIBIT 1



TTORNEYS

1455 F STREET, NW, SUITE 225 WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307 FACSIMILE 202-783-6947

KARL MORELL OF COUNSEL

kmorell@bjllp.com

May 8, 2009

Idaho State Historical Society 2205 Old Penitentiary Road Boise, ID 83712

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.--Abandonment Exemption—In Latah County, Idaho

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. One of the requirements for this filing with the STB is that the owner of the rail lines contact the State Historic Preservation Office regarding the proposed abandonment.

Enclosed is a map depicting the area where the rail lines are located. The proposed abandonment will involve the removal of the rail, track material, and crossties; however, there are currently no plans to remove any existing structures along the track.

The lines to be abandoned are within the city limits of Moscow, Idaho. The first line begins at milepost 84.0, at the Washington-Idaho State Line, and extends eastward past the sewage treatment plant, then parallel to the Latah Trail and then runs adjacent to the University of Idaho to milepost 85.91 west of Highway 95. The second line begins at milepost 86.11, immediately east of Highway 95 and extends eastward to Blaine Street. The third line begins at milepost 85.5 of the first line, and extends generally in a northeasterly direction to the intersection of A Street and Almon Street.

There are two bridges on the first line of unknown age. There are no bridges or other railroad structures on the second or third line. A photograph of each bridge is attached. The first

May 8, 2009 Page 2

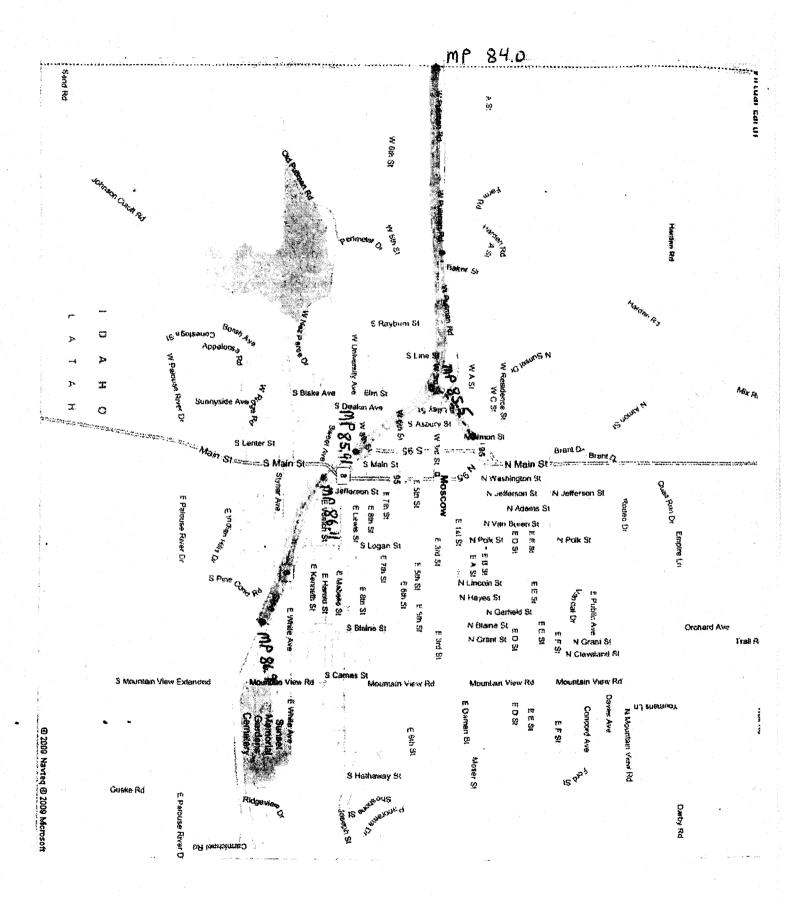
bridge is located at milepost 84.3. The second bridge is located between the State Line and the sewage treatment plant. Both structures are quite common in design and construction and, in PRCC's view, have no historical significance.

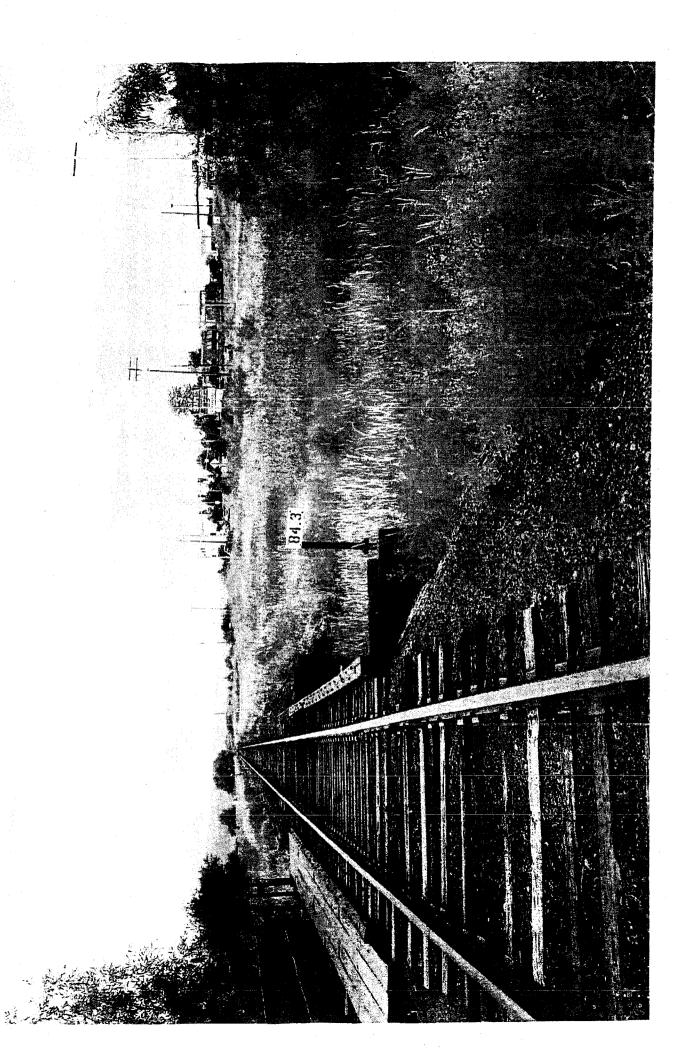
We will send you a copy of the Historic Report as soon as it is completed. If I can of further assistance regarding this matter, please call me at (202) 638-3307.

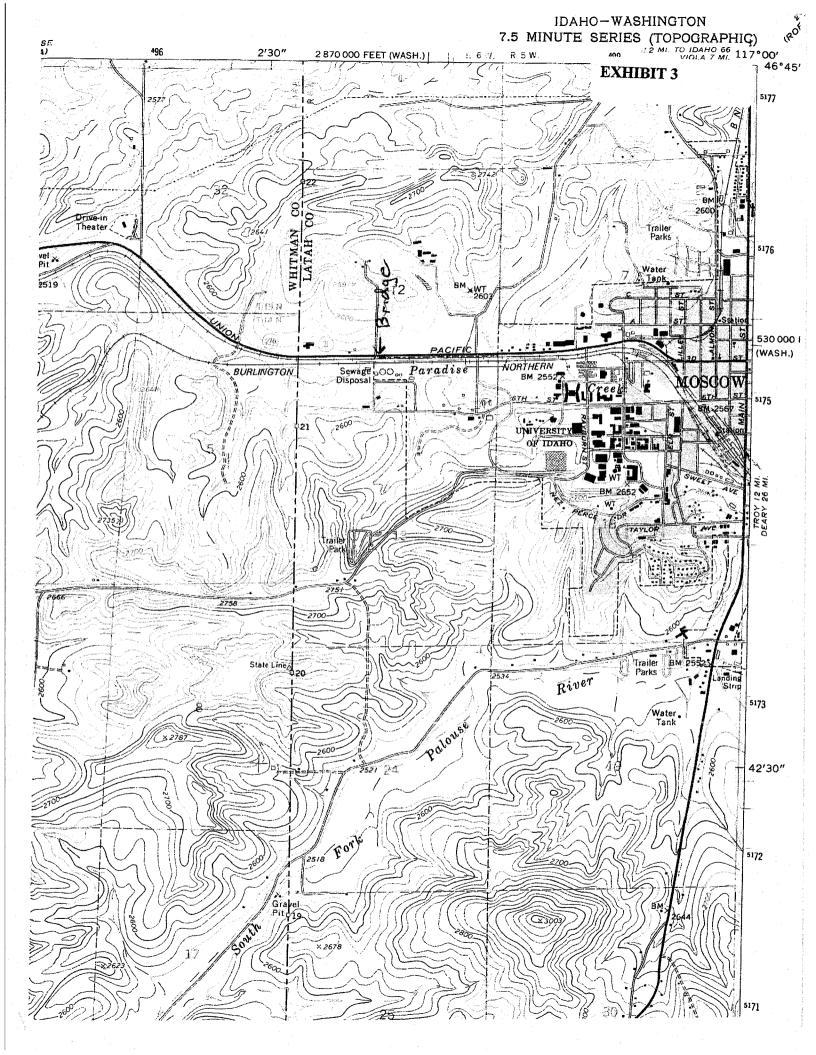
Sincerely,

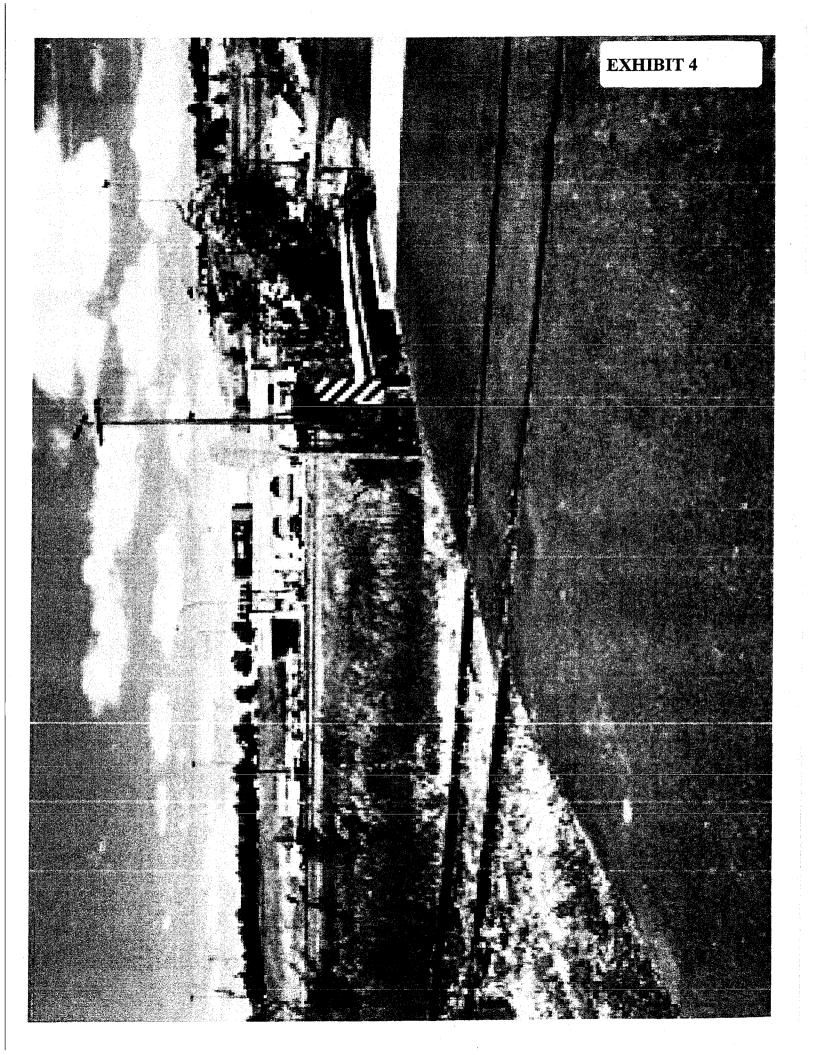
Moul Attorney for

Palouse River & Coulee City Railroad, Inc.











May 18, 2009

Karl Morell Ball Janik LLP 1455 F Street NW, Ste 225 Washington DC 20005

"The History and Preservation People"

Our mission: to educate through the identification, preservation, and interpretation of Idaho's cultural heritage. www.idahohistory.net

C.L. "Butch" Otter Governor of Idaho

Janet L. Gallimore Executive Director

Administration 2205 Old Penitentiary Road Boise, Idaho 83712-8250 Office: (208) 334-2682 Fax: (208) 334-2774

Archaeological Survey of Idaho 210 Main Street Boise, Idaho 83702-7264 Office: (208) 334-3847 Fax: (208) 334-2775

Historical Museum and Education Programs 610 North Julia Davis Drive Boise, Idaho 83702-7695 Office: (208) 334-2120 Fax: (208) 334-4059

Historic Preservation Office 210 Main Street Boise, Idaho 83702-7264 Office: (208) 334-3861 Fax: (208) 334-2775

Historic Sites Office 2445 Old Penitentiary Road Boise, Idaho 83712-8254 Office: (208) 334-2844 Fax: (208) 334-3225

Public Archives and Research Library 2205 Old Pententiary Road Boise, Idaho 83712-8250

Public Archives Office: (208) 334-2620 Fax: (208) 334-2626

Research Library Office: (208) 334-3356 Fax: (208) 334-3198

Oral History Office: (208) 334-3863 Fax: (208) 334-3198 RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.—Abandonment Exemption—in Latah County, Idaho.

Dear Mr. Morell,

Thank you for your letter and information of May 8 regarding the proposed abandonment and the eligibility of the two bridges for the National Register of Historic Places.

Although it appears that neither bridge meets National Register eligibility criteria, we will need to receive completed historic site forms (Idaho Historic Sites Inventory form, or equivalent) for the two bridges as well as the stretch of line to be abandoned before we can complete the evaluation. At a minimum, we will need approximate dates of construction (of the railroad line and the bridges) and maps which pinpoint the locations of the bridges.

As soon as we receive the above information, we can complete our review.

Sincerely.

Susan Pengilly

Deputy State Historic Preservation Officer

