

PREPARED BY



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INTRODUCTION

The purpose of this report is to provide the Transportation Legislation Review Committee (TLRC) with the Colorado Department of Transportation's (CDOT) report on rail abandonments and recommendations relative to possible rail line acquisitions. This is the 26th report submitted by the Executive Director of CDOT to the TLRC on rail abandonment pursuant to 43-1-1303 (3) C.R.S.

Over the course of the past year, there have been a few notable developments pertaining to rail abandonments or potential rail line acquisitions within Colorado.

As reported in previous SB 37 Reports, Union Pacific (UP) Railroad's Burnham Yard in central Denver holds great potential opportunities in the yard, adjacent tracks, and surrounding right-of-way and property, prompting CDOT and the Colorado High Performance Transportation Enterprise (HPTE), (d.b.a. Colorado Transportation Investment Office (CTIO)) to purchase the property in May 2021. The primary purpose of the acquisition is to enable potential improvements to the transportation infrastructure in central Denver, notably including increased capacity for Regional Transportation District's (RTD) light rail lines, future development opportunities for the City and County of Denver, and reduction in rail crossings. The Tennessee Pass Line, also owned by UP, is included in this report. UP has not expressed any intentions of abandoning the line, even though it has not operated freight trains on the line in many years. However, several groups, both private and public, have inquired about utilizing the line for regional passenger and tourist rail operations. UP's Fort Collins Branch remains in this report as well, but no changes in its status have occurred in the past year.

Many of the general rail planning activities, which have appeared in prior reports, are no longer included in this report. Rail planning activities are documented in the 2024 State Freight and Passenger Rail Plan, which was approved by the Transportation Commission of Colorado on February 15, 2024 and accepted by the Federal Railroad Administration (FRA) on May 17, 2024.

Part I provides **Background Information** on Colorado's rail system and Legislative and Transportation Commission actions. **Part II** describes **Abandonment Activities**, which have occurred over the past year. **Part III** lists the **Recommendations** of CDOT.

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PART I: BACKGROUND

Rail System in Colorado

The Colorado rail system currently includes both a freight rail network and a limited passenger rail network. The role of the railroads and rail transportation in the state is to provide efficient and safe transportation choices for the movement of goods and people while connecting effectively to other transportation modes. The rail system in the state is an interconnected component of much larger regional, national, and global multimodal transportation systems and economies.

Rail infrastructure in Colorado provided the first major addition of transportation infrastructure to the Rocky Mountain west, as lines were initially constructed south from Cheyenne to connect to Denver. Mining and agricultural booms helped the network expand and lay the foundation for much of the cities and towns in the Front Range and across the state.

As of 2024, 13 privately owned freight railroads operate in Colorado and operate on 2,545 route miles of track. The extent of this network is reflected in the fact that 48 of Colorado's 64 counties are directly served by the freight rail network. There are two Class I freight railroads in Colorado, BNSF Railway and Union Pacific (UP). Combined, they operate nearly 80 percent of the freight track miles and carry most of the rail freight in the state.

In addition, there are three regional railroads and nine short line railroads in Colorado, comprising over 20 percent of freight track miles in the state. They primarily provide localized service with connections to the Class I railroads. They principally serve the agricultural industry, as well as the oil & gas industry, and are very valuable assets to both local and statewide economies.

The passenger rail system in Colorado is presently limited. Outside of the Regional Transportation District's (RTD) light rail and commuter rail lines in the Denver metro area, Amtrak and Rocky Mountaineer Railroad provide passenger rail service through the state

Amtrak's three passenger routes use existing freight tracks and rely on freight railroad infrastructure to be maintained and/or upgraded for efficient service. These three routes are:

- The California Zephyr, which runs daily between Chicago and San Francisco. Colorado stops include Fort Morgan, Denver, Fraser/Winter Park, Granby, Glenwood Springs, and Grand Junction. This service operates over UP track from Utah to Denver, and BNSF Railway track eastward of Denver.
- The Southwest Chief runs daily between Chicago and Los Angeles. Colorado stops include Lamar, La Junta, and Trinidad. Much of this service operates over BNSF Railway track.
- Winter Park Express is a seasonal rail service operated through a partnership between Amtrak and the Winter Park Resort. It connects Denver Union Station directly to the ski area via the UP Moffat Tunnel Subdivision and serves primarily residents and tourists.

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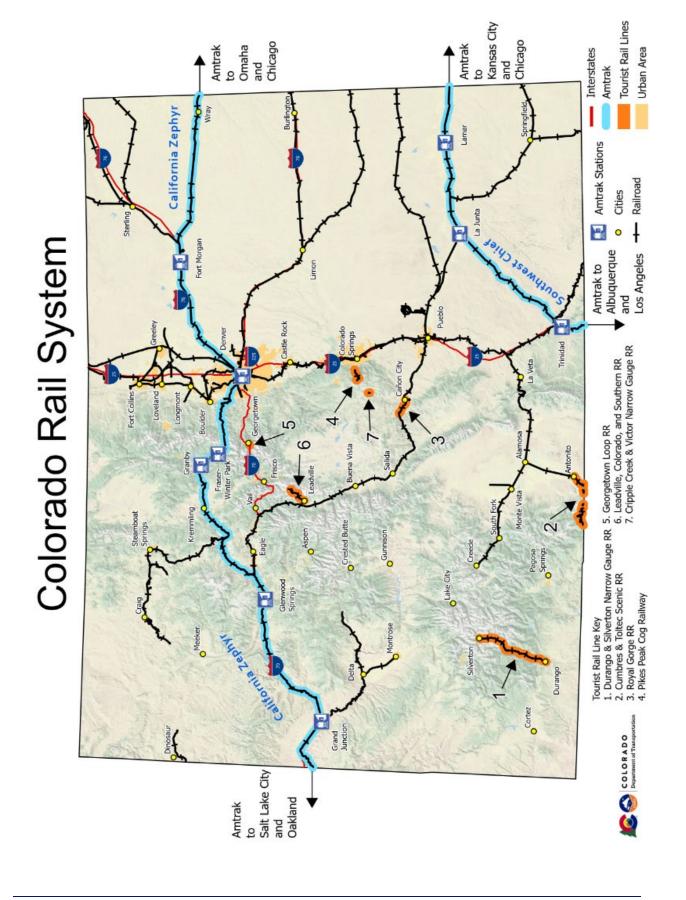
 $^{^{1}\} https://www.codot.gov/programs/transitandrail/state-freight-and-passenger-rail-plan_final_5-1-2024.pdf$

² https://www.aar.org/wp-content/uploads/2021/02/AAR-Colorado-State-Fact-Sheet.pdf

The Rocky Mountaineer Railroad, a Canada-based company, began offering its Rockies to the Red Rocks luxury passenger rail service in 2021. The company launched the route with seasonal departures from August to October. It runs on existing freight railroads. It is a two-day journey between Denver, Colorado and Moab, Utah with an overnight stop in Glenwood Springs, Colorado.

Colorado has seven tourist railroads that showcase Colorado's history and offer trips through Colorado's scenic outdoors. These scenic and tourist lines are in Cripple Creek/Victor, Durango/Silverton, Georgetown, Leadville, Manitou Springs/Colorado Springs, Cañon City, and one between Antonito and Chama, New Mexico. One tourist railroad—the Rio Grande Scenic Railroad—suspended service indefinitely in 2019 while its parent company was in bankruptcy. The railroad has since been purchased by CP Rio Grande Railroad. The rolling stock has been sold, and there has been no indication of continuing scenic railroad services by the new owner.

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Colorado Legislative Actions

1997 SB 37 / CRS 43-1-1303: CDOT Report to Legislature

In 1997, the General Assembly enacted Senate Bill (SB) 37, concerning the disposition of abandoned freight and passenger railroad rights-of-way in Colorado. According to this legislation and resulting state statute (CRS Title 43, Part 13 - Acquisition of Abandoned Railroad Rights-of-Way, 43-1-1303 rev. 2013), an existing rail line, railroad right-of-way, or an abandoned railroad right-of-way is eligible for acquisition by CDOT, if the Executive Director determines it serves one or more of the following purposes:

- (1) Preservation of the rail line for freight or passenger service;
- (2) Maintenance of a rail corridor for future transportation purposes or interim recreational purposes;
- (3) Access to surrounding state manufacturing facilities, agricultural areas, or other locales that may be adversely affected by the loss of rail service or loss of railroad corridor; or
- (4) Any public use of the rail line or railroad right-of-way that is compatible with the future use as a railroad or other transportation system.

The legislation also requires the Transportation Commission of Colorado (Transportation Commission) to review any property determined to be eligible for acquisition and approve the acquisition before the Executive Director submits the prioritized list of rail lines or rights-of-way to be acquired to the Transportation Legislation Review Committee (TLRC) ((43-1-1303) (2)). CDOT Policy Directive 1607 (PD 1607) and the State Freight and Passenger Rail Plan, both described further below, are Transportation Commission and staff-level implementation of the SB 37 legislation.

43-1-1308 C.R.S., states, "the members of the TLRC shall make a written report setting forth its recommendations, findings, and comments as to each recommendation for the acquisition of railroad rights-of-way and their uses and submit the report to the General Assembly."

43-1-1301(3) C.R.S., stipulates that the "Executive Director shall submit a prioritized list with recommendations to the TLRC concerning the railroad rights-of-way or rail lines to be acquired by the state and their proposed use."

2021 SB 21-238 / CRS 32-22-102: Creation of Front Range Passenger Rail District

On June 30, 2021, Governor Polis signed into law the creation of The Front Range Passenger Rail District (FRPRD) as the successor to the Southwest Chief and Front Range Passenger Rail (SWCFRPR) Commission, created by SB 17-153. The SWCFRPR Commission was originally created to replace the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission, created HB 14-1161. This bill, SB 21-238, allowed for the creation of a rail district along the Front Range, the largest special district in the state, for the purpose of designing, developing, financing, constructing, operating, and maintaining an interconnected passenger rail system along the Front Range.

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The Board of Directors of the rail district has the ability to:

- Ask voters who reside within the district to vote on sales and use taxes;
- (2) Create station area improvement districts to cover the cost of construction, operation, and maintenance of the station, but only with approval of property owners within a two-mile radius of the proposed station;
- (3) Enter into public-private partnerships; and
- (4) Employ its own personnel and contract with public or private entities for the operation and maintenance of the Front Range Passenger Rail.

For more information, see https://www.ridethefrontrange.com/.

2024 SB 24-184 / CRS 43-4-804 et al: Support Surface Transportation Infrastructure Development

This law authorizes the Colorado Transportation Investment Office (CTIO) to impose a congestion impact fee of up to \$3 per day on top of the existing state daily vehicle rental fee with the intent that revenue from these funds would be used to fund rail and transit projects across the State.

In addition to establishing a statewide source of transit and rail funding, the law does the following:

- Requires CTIO to develop a new multimodal strategic capital plan, complete an initial
 assessment of opportunities available through 2030 to leverage federal money, and
 detail its work to reduce traffic congestion and greenhouse gas emissions and support
 the expansion of public transit in its annual report to the legislature.
- Authorizes CTIO, the Regional Transportation District (RTD), The Front Range Passenger Rail District (FRPRD), and CDOT to enter into a standalone intergovernmental agreement with each other, or create a separate legal entity, to implement the completion of construction and operation of the RTD's northwest fixed guideway corridor, including an extension of the corridor to Fort Collins as the first phase of front range passenger rail service. Additionally, these entities are to provide a report containing an implementation plan for construction and operations of the corridor to the TLRC and the governor. This plan must include the identification and evaluation of options for a governance structure to manage this construction and operations and may consider the creation of a Colorado rail authority to house some or all passenger rail services under one entity and create a plan to begin providing front range passenger rail service no later than January 1, 2029.
- Requires FRPRD and CDOT to annually report to the transportation legislation review committee and the governor regarding the status of the service development plan for front range passenger rail service between Trinidad, Pueblo, and Fort Collins.
- Requires CDOT's Division of Transit and Rail to submit a report containing a development plan for rocky mountain rail service to the legislative committees that oversee transportation and the governor not later than December 31, 2024.

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2024 SB 24-190 / CRS 32-22-560 et al: Rail & Coal Transition Community Economic Measures

To support the continued use of the railroad tracks associated with coal transition communities, the law created two (2) income tax credits:

- 1. Freight Tax Credit The freight tax credit is a fully refundable income tax credit that incentivizes taxpayers to incur costs in the use of freight rail transportation of freight that either originates or terminates at a business located in a coal transition community and on a rail line in this state that CDOT has determined is at risk of inactivity or abandonment due to a lack of demand resulting from coal transition. The Colorado Office of Economic Development and International Trade (OEDIT) administers the freight tax credit and may annually reserve up to \$5 million worth of tax credits on or after January 1, 2025, but prior to January 1, 2036. A taxpayer must apply to OEDIT for the reservation of the freight tax credit. After OEDIT reserves the freight tax credit for a taxpayer, they may issue the taxpayer a tax credit certificate in an amount equal to 75% of the relevant costs both stated in the taxpayer's tax credit application and incurred by the taxpayer.
- 2. Operator Tax Credit: The operator tax credit is a fully refundable income tax credit that incentivizes railroad operators to maintain rail line access to coal transition communities. For income tax years 2027 through 2037, a common carrier engaged in the transportation of freight on a rail line designated by CDOT as a "qualified rail line" is allowed a credit in an amount stated in a tax credit certificate issued by CDOT. The amount in a tax credit certificate must not exceed 75% of the direct operating and capital improvements necessary to maintain or improve a qualified rail line as stated in the taxpayer's tax credit application and incurred by the taxpayer. CDOT is required to designate a rail line as a qualified rail line if they determine that the rail line is at risk of inactivity or abandonment and is covered by an access agreement for passenger rail access. A taxpayer must apply to CDOT for the issuance of an operator tax credit certificate. CDOT may annually issue up to \$5 million of operator tax credits. The operator tax credit is subject to recapture if the taxpayer does not meet one or more of the service criteria specified in an access agreement for the qualified rail line.

This law defined a coal transition community as a Colorado municipality, county, or region where a Colorado coal-fueled electrical power generating plant that was in operation at any time in 2017, a Colorado coal mine that was actively producing at any time in 2017, or a center for the manufacturing or transportation supply chain of such a plant or coal mine was or is located.

2024 SB 24-230 / CRS 33-61-101: Oil & Gas Production Fees

This law requires the Clean Transit Enterprise (CTE) to impose a production fee for clean transit to be paid quarterly by every producer of oil and gas in the state (producer). The production fee for clean transit applies to all oil and gas produced by the producer in the state on and after July 1, 2025.

Money collected from production fee for clean transit will be distributed in the following manner:

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- 70% to the local transit operations cash fund to be used for expanding local transit service and prioritizing transit improvements in certain communities;
- 10% to the local transit grant program cash fund to be used for providing competitive grants to certain eligible entities for expenses associated with providing public transportation; and
- 20% to the rail funding program cash fund to be used for passenger rail projects and service.

Past Transportation Commission Actions

The Transportation Commission believes that certain significant rail corridors represent an irreplaceable state transportation resource and that it is critical to preserve them because once they are lost, the cost of recreating equivalent corridors in the future will be prohibitive.

In June 2000, the Transportation Commission first approved a **Rail Corridor Preservation Policy, also known as CDOT PD 1607.** The policy directive was updated and approved by the Transportation Commission in August 2014 and again in the fall of 2023. As updated, PD 1607 states the reasons why rail transportation is important to Colorado.

To facilitate a more comprehensive examination of which rail corridors are of interest to the state, the Transportation Commission directed CDOT staff to identify significant rail corridors. In November 2000, CDOT prepared a list of **State Significant Rail Corridors**, which were adopted by the Transportation Commission as part of the Statewide Transportation Plan. The criteria used to identify these State Significant Rail Corridors included existing and potential future demand for passenger and freight services and local/regional support for the preservation of the corridor.

CDOT is responsible for maintaining the Colorado Freight and Passenger Rail Plan, which was last updated in February 2024. Federal Railroad Administration requirements mandate each state's plan to be updated every four years. The Rail Plan serves as a framework for future freight and passenger rail planning in Colorado. It contains the most recent information concerning the forecasted growth of freight and passenger rail operations and includes an updated short-term (four-year) investment plan, and a long-term (20-year) investment vision. The Rail Plan identifies the state's priority strategies and actions to implement them.

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PART II: ABANDONMENT ACTIVITY "WATCH LIST"

When a rail line is not economically viable to operate, the result is often either (1) the sale of the line, usually from the two Class I railroads (Union Pacific (UP) and/or BNSF Railway), to small, regional railroad companies; or (2) a formal request for abandonment to the U.S. Surface Transportation Board (STB) by the owner of the rail line. A railroad may also stop operating a rail line and keep it in an inactive status, as has been done for the Tennessee Pass Line. Rather than abandon a line, a larger railroad company will usually solicit bidders for the purchase of the line by a short line operator or regional railroad to maintain rail service along the line. These smaller railroad companies usually have lower operating costs and do not need the same volume of business on the line as the larger railroads to be profitable.

The ability to respond quickly to a potential abandonment can be an important factor in ensuring corridor preservation: once a Request to Abandon has been formally filed with the STB, abandonment can take place in as little as 90 days.

The issue of rail lines being abandoned is of statewide importance due to the impact these abandonments may have on the remainder of the transportation system. As lines are lost, the freight that was being moved by rail must then be moved by truck, causing additional deterioration (e.g., pavement surface condition and/or increased traffic volumes) of the local roadways and/or state highways. In addition, some businesses cannot survive without access to a rail line, thereby causing these businesses either to relocate to another area in the state or to move out of state, resulting in negative local or statewide economic impacts. The loss of a rail line additionally precludes the potential for passenger service to be added as a multimodal transportation choice. In addition, once a railroad corridor is abandoned, it is unlikely it will be returned to rail service or be available for any transportation purpose, especially if the rail tracks are salvaged and the right-of-way is sold or reverts to adjoining property owners.

CDOT will continue to monitor short line railroads in the state to ascertain their current financial status and to examine the prospects for their continued survival because they continue to be an important part of Colorado's future.

Burnham Yard (UP)

In November 2015, UP decided to close and sell the Burnham Shop repair yard in central Denver due to a decline in coal shipments and a desire to consolidate maintenance activities.

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Burnham Yard and Surrounding Area



Acquisition

CDOT Region 1 and the Colorado High Performance Transportation Enterprise (HPTE), doing business as the Colorado Transportation Investment Office (CTIO), successfully negotiated the purchase with UP to acquire the Burnham Yard site. After some delays brought on by the COVID-19 pandemic, CTIO purchased the property on May 19, 2021. Under the deal, CDOT will pay UP \$50 million for the property, with CDOT Region 1 and HPTE each providing \$7.5 million—for a total of \$15 million—and the remainder being financed through a bank loan. Since the purchase, CDOT has assumed responsibility for the property and completed an effort to preserve historic structures.

Next Steps

In partnership with the OEDIT, CDOT and CTIO have initiated a planning study, anticipated to be completed in 2024, to identify technically feasible alignment options, identify early environmental impacts, and begin early planning efforts to identify remnant parcels and secure the right of way for rail infrastructure. Additional planning and environmental efforts will continue after this study, in close coordination with local stakeholders.

Tennessee Pass Line (UP)

The Tennessee Pass line runs 178 miles from near Gypsum, through Eagle, Edwards, Avon, and Minturn, under Tennessee Pass (by tunnel) and along the Arkansas River via Leadville, Buena Vista, Salida, and Cañon City to Pueblo. The Tennessee Pass line has been identified as significant to CDOT because of its potential to carry both passengers and freight, and because it is the only existing trans-mountain alternative in Colorado to the Moffat Tunnel line. In addition, unlike the Moffat Tunnel Route which has restricted clearances, the Tennessee Pass Line is the only east/west trans-mountain line that meets the clearance requirements for double-stack intermodal trains within the state of Colorado. The Tennessee Pass Line may serve as an alternate route as trans-mountain rail demand grows due to increased development on the Western Slope or if the Moffat Tunnel were damaged or closed for any

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reason. Such an event would have a significant impact on Colorado, particularly on the Western Slope, since the railroads would be forced to move freight through Wyoming.

The Royal Gorge Route Railroad currently offers scenic, tourist rail trips on 12 miles of the Tennessee Pass Line west of Cañon City. CDOT often receives inquiries from parties interested in operating commuter and/or tourist operations on the line. Although no freight has been shipped across the full Tennessee Pass Line since 1997, recent conversations with the UP indicate that they do not intend to abandon this line in the near future.

In December 2020, Colorado Midland & Pacific Railway Company (CMP), a subsidiary of Rio Grande Pacific Corporation, entered into a commercial agreement with UP for the potential use of the corridor for commuter passenger services over the pass. However, CMP's filing for expedited common carrier authority was rejected by the STB on March 25, 2021, over environmental and safety concerns. The ruling does not bar CMP from leasing the property and the STB indicated common carrier authority to operate could be obtained through non-expedited means. CMP stated that they are currently reviewing the ruling and considering the next steps.

CMP has a renewable lease on the property and is interested in partnering with local and state agencies to develop commuter rail service on the Tennessee Pass corridor connecting Eagle County and Arkansas Valley communities. In addition, CMP has an interest in exploring any local freight opportunities that may currently go via truck along the corridor. CMP has expressed a desire to meet with local stakeholders and will gather information on the current condition of the rail line in the coming year.

Fort Collins Branch Line (UP)

The Fort Collins Branch line is a line that runs southeast from Fort Collins to Milliken and Dent, then east to La Salle. It is identified as a Rail Corridor of State Significance since it connects Greeley and Fort Collins to the North I-25 corridor and was identified as part of the preferred alternative in the North Front Range Transportation Alternatives Feasibility Study (NFRTAFS, March 2000). However, it should be noted that this branch line was not included in the Preferred Alternative of the North I-25 Environmental Impact Statement (December 2011), though that EIS recommends a new commuter rail line connecting the commuter rail line in Longmont and the north end of the RTD FasTracks North Metro Line. Recent conversations with the UP indicate that they do not intend to abandon this line in the near future. CDOT will continue to monitor activities on this rail line, but it will not be considered a potential line for acquisition until such time as conditions may warrant.

Colorado Pacific Rio Grande (CXRG)

The Colorado Pacific Rio Grande (CXRG), formerly the San Luis & Rio Grande Railroad (SLRG) runs west from a connection with the UP Railroad at Walsenburg, Colorado, over the Sangre de Cristo Mountains at La Veta Pass and into the San Luis Valley. At Alamosa, the railroad splits with a branch extending south to Antonito, Colorado just north of the New Mexico border, and another branch northwest to South Fork. In total, this is approximately 150 route miles of track. Scenic passenger service was offered on the line by the Rio Grande Scenic Railroad (RGSR) from 2006 to 2019, but the service ended indefinitely when the SLRG went into receivership.

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In September 2019, SLRG was placed in receivership, which is an alternative to bankruptcy during which SLRG continued operating. Leading up to receivership, SLRG had struggled with rising maintenance needs and logistics difficulties with access to the national rail network. In late 2019, the receivership was ended and SLRG was placed into involuntary bankruptcy. On December 20, 2022, the line was purchased by KCVN, with the Surface Transportation Board (STB) confirming the sale on January 5, 2023. KCVN assigned all of its rights in the Asset Purchase Agreement to Colorado Pacific Rio Grande, a short line railroad that is part of the Solviev Group. CXRG operates the railroad today providing freight service from the San Luis Valley to Walsenburg interchanging with Union Pacific.

One section of the Colorado Pacific Rio Grande to watch is the segment of track between Monte Vista to South Fork. This section of track currently does not have any customers and is primarily used for railcar storage. Otherwise, the Colorado Pacific Rio Grande appears to be under stable ownership again and thus this is the last year the majority of the CPRG will appear in this report.

Towner Line

While not presently under the direct concern for abandonment, the Towner Line was under prior observation after an abandonment attempt and purchase/sale by the State. The line is now owned and operated by CXRG.

The Towner Line runs from Towner, CO to NA Junction, where the line intersects with the BNSF Pueblo Subdivision. The line was initially built by Missouri Pacific (MoPac) and became property of the Union Pacific with the purchase of the MoPac in 1997. The Towner Line today is in good condition, and with the construction of a large interchange with BNSF Railway at NA Junction, it is not anticipated that the Towner Line will be under any real threat of abandonment.

If no changes occur, this is the final appearance of the Towner Line in this report.

North Fork Branch/Montrose Industrial Lead Line (UP)

The North Fork Branch line runs southeast from Grand Junction through Delta and east to the West Elk Mine in Somerset. At Delta, the line branches off with the Montrose Industrial Lead heading south to Montrose.

The North Fork Line is included here due to a decrease in coal traffic over recent years. In 2010, there were three active coal mines along this line. Since then, two of the three have closed. The final remaining mine along the line, the West Elk Mine, had an approved expansion blocked by a federal judge in 2019. Although the closure of West Elk Mine is not imminent, the mine's position as the primary industry east of Delta along the North Fork Branch Line and the decline of traffic in recent years indicates to CDOT staff that, when the mine does eventually close, it could create a situation in which the line is not economically viable to operate.

The Montrose Industrial Lead currently runs one train a week. While not presently under the direct concern for abandonment, the low amount of traffic and the association with the aforementioned North Fork Branch Line warrants inclusion of the Montrose Industrial Lead on this list.

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Craig Branch Line (UP)

The Craig Branch Line splits from the Moffat Tunnel Subdivision Mainline at Bond, heading north to Steamboat Springs and then west to Craig, with a spur line to Pinnacle Peak approximately 9.5 miles west of Steamboat Springs.

In 2020, the Tri-State Generation and Transmission Association announced that they would be retiring the Colowyo Mine and Craig Station by 2030. As coal is the primary customer along this branch, the closure of the mine and power station in Craig could lead to the abandonment of the Craig Branch Line. Additionally, communities along this line have indicated an interest in reintroducing passenger rail service within the area if such an abandonment were to occur. Such a service could plausibly be expanded to include service to Denver or Glenwood Springs/Grand Junction. Therefore, CDOT staff have determined a need to monitor this line in case any such proceedings were to occur.

Creede Branch

The Creede branch stretches from South Fork where it connects to the Colorado Pacific Rio Grande and proceeds west to the outskirts of Creede. This branch line has not seen rail traffic in decades although there was an effort in the early 2000's to restore the line for a tourist operation. This resulted in adverse abandonment proceedings which resulted in the rail line being removed within the city limits of Creede. The branch has been up for sale for a few years by the current owner, the Denver and Rio Grande Railroad. The branch is used by a rail peddle-cart operation called Revolution Rail but is otherwise out of service. CDOT should monitor this rail corridor and its potential sale over the coming years.

Lyons Branch (BNSF)

The Lyons Branch is owned and operated by BNSF Railway. The branch begins with a connection to the BNSF Front Range Sub in Longmont and runs northwest until it terminates just east of the intersection of US 36 and SH 66 near Lyons. The branch serves one industrial customer, the CEMEX Longmont Lyons Cement plant. The branch formerly continued into downtown Lyons. This track has been removed and the ROW is now owned by the Town of Lyons.

In April 2024, Boulder County issued a termination notice to CEMEX, Inc. requiring the company to cease operations at their Lyons cement plant, thereby bringing the viability of their operations beyond 2025 into question. CEMEX has appealed the decision and will be able to operate its cement plant under current operating conditions until a final determination is made. However, as the last customer on the Lyons Branch, its closure would put future use of the line in jeopardy. There are no clear rail uses for the Branch if CEMEX operations cease. Therefore, CDOT staff have determined a need to monitor this branch due to the possibility that operation of the CEMEX plant may cease in the near future.

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PART III: RECOMMENDATIONS

There are no major rail lines in Colorado which have been abandoned in the past year that impact the state's transportation system. CDOT is recommending the following:

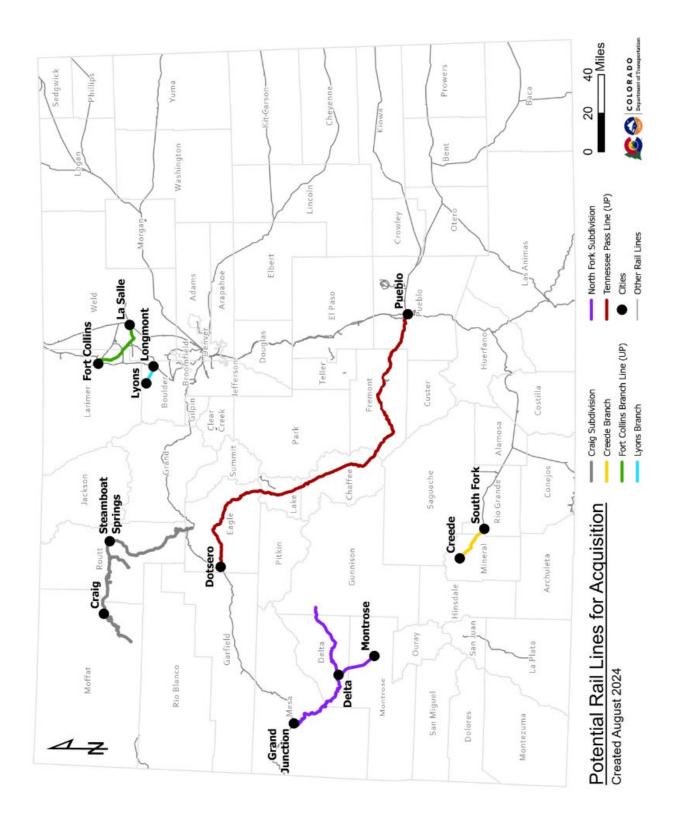
Abandonment/Acquisition Recommendations

CDOT should monitor activities on the Tennessee Pass, Craig Subdivision, North Fork Branch/Montrose Industrial Lead, the Lyons Branch, and the Fort Collins Branch Lines.

There is no indication that Union Pacific (UP) or BNSF will abandon these lines in the near future, however, the potential closure of the CEMEX cement plant could change the situation of the Lyons Branch rather quickly. Accordingly, the state should initiate discussions with BNSF and local stakeholders regarding the future of the Lyons Branch.

Likewise, the associated freight rail activity in Craig is not slated to cease until late this decade. However, discussions around the fate of the rail line should feasibly begin before such activity has ended. CDOT will closely monitor the progress of any developments. This includes efforts to implement SB 24-190 to incentivize new freight activity and to develop Mountain Rail service. If any of these lines are abandoned, the state should consider taking appropriate action to preserve them for freight and/or passenger service in the future.

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