



REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE
ON
RAIL ABANDONMENTS
AND THE POTENTIAL FOR RAIL LINE
ACQUISITIONS

PREPARED BY



COLORADO
Department of Transportation
Division of Transit & Rail

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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 27th 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 past year, there has been a development pertaining to rail abandonments or potential rail line acquisitions within Colorado.

This year, Colorado Pacific Rio Grande has applied to the Surface Transportation Board (STB) to abandon a portion of the Creede Branch between Monte Vista and South Fork. As of this report, abandonment approval has not been granted and is being reviewed by the STB. The abandonment of this track will isolate the privately owned Denver and Rio Grande from South Fork to Creede from the national network, putting the entire Creede Branch west of Monte Vista at risk.

Many general rail planning activities that 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.

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 many of the cities and towns in the Front Range and across the state.

As of 2025, 13 privately owned freight railroads operate in Colorado and operate on 2,545 route miles of track.¹ 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.² They primarily provide localized service with connections to 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. One additional class three railroad, the Deseret Power Railway, operates an entirely electrified, completely isolated corridor transporting coal from the Deserado Mine (near Dinosaur) in Colorado to the Bonanza Power Plant near Bonanza, Utah.

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:

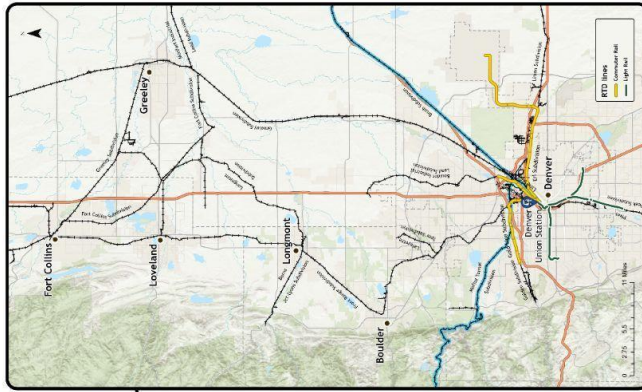
- The *California Zephyr*, which runs daily between Chicago and San Francisco. Colorado stops include Fort Morgan, Denver, Fraser/Winter Park, Granby, Glenwood Springs, and Grand Junction. This service operates over UP track from Utah to Denver, and BNSF Railway track eastward of Denver.
- The *Southwest 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 Winter Park ski area as well as Fraser via the UP Moffat Tunnel Subdivision and serves primarily residents and tourists.

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. In 2026, Rocky Mountaineer will rebrand as the *Canyon Spirit* and will launch service beyond Moab to Salt Lake City.

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 bought by Colorado Pacific Rio Grande Railroad. The rolling stock has been sold, and there has been no sign of continuing scenic railroad services by the new owner.

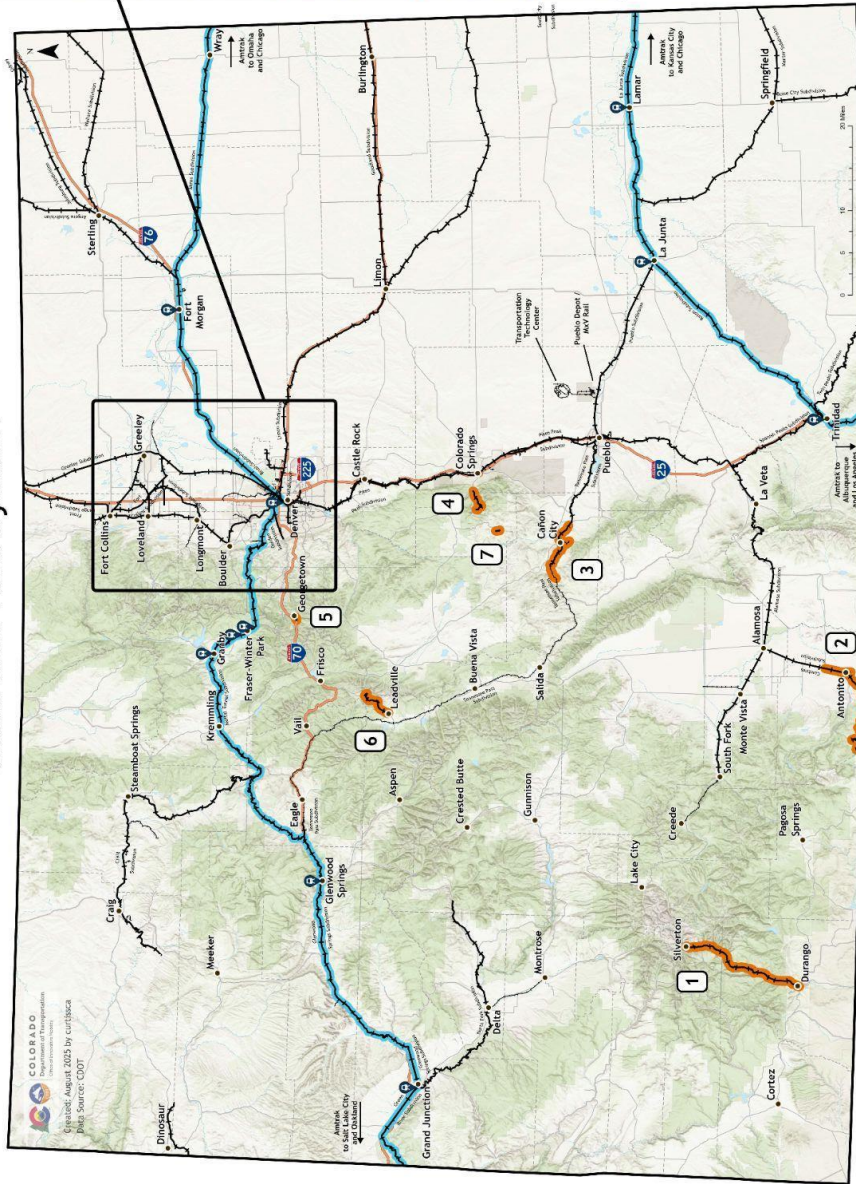
Colorado Rail System



Location: Denver and the North Front Range

Legend

- 📍 Amtrak Stations
- Major Cities
- + Railroads - Main sub network
- Railroads - all other track
- Amtrak Routes
- Tourist Rail Lines
- ▭ Counties
- Interstates
- Highways



Tourist Rail Line Key

1. Durango & Silverton Narrow Gauge RR
2. Cumbres & Toltec Scenic RR
3. Royal Gorge RR
4. Pikes Peak Cog Railway
5. Georgetown Loop RR
6. Leadville, Colorado, and Southern RR
7. Cripple Creek & Victor Narrow Gauge RR

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. 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.

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. It 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.

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 state 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 it 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 before 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 the production fee for clean transit will be distributed in the following manner:

- 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 for passenger rail projects and service.

Past Transportation Commission Actions

The Transportation Commission believes that 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 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 the Transportation Commission adopted 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 (FRA) requirements mandate that each state's plan 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.

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 occur 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 multi-modal transportation choice. In addition, once a railroad corridor is abandoned, it is unlikely to 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.

Specific industry tracks at power plants are not typically included in this report. Reasons vary, but include that they are too narrow to be useful; they are owned by the respective industry through Industry Track Agreements (ITA), not the railroads themselves; or they are not of a length or to a meaningful location to be beneficial to any future State purpose.

Burnham Yard (UP)

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

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. CTIO purchased the property on May 19, 2021. In partnership with OEDIT, CDOT and CTIO have completed a planning study, and have concluded that the entire property is a remnant, and no other transportation use is needed. Working with the Department of Personnel and Administration (DPA) Public Private Partnership office, CTIO is beginning the preparation of the site for sale.

The Burnham Lead, the former Denver and Rio Grande main line, currently serves three customers along the 2.82 mile stretch of track running between the Consolidated Main Line from South Denver to near Auraria Parkway. As a part of an agreement with UP, the State of Colorado purchased the lead line between the south end of the Burnham Yard property and Auraria Parkway, and this section will be permanently removed from service. The Burnham Lead was previously exempted from abandonment proceedings, and therefore no formal abandonment proceeding is expected to be filed with the STB.

This is expected to be the final update on the Burnham Yard site in the SB37 report series.

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 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.

Two portions of the Tennessee Pass subdivision remain in operation. At the east end, between Parkdale and Pueblo, two operators run trains. In 1997, UP sold 12 miles of track to a joint venture of the Canon City & Royal Gorge Railroad and Rock & Rail Inc (Royal Gorge Express LLC); who now owns and operates the line with UP retaining overhead trackage rights. The Royal Gorge Route Railroad currently offers scenic, tourist-oriented passenger service from Cañon City to near Parkdale. Rock and Rail is a Class III short line railroad serving the Martin Marietta Parkdale Quarry with unit aggregate trains, interchanging with UP in Pueblo. The western-most seven miles of the subdivision remain in routine operation with UP serving the American Gypsum facility in Gypsum, CO. Trains pick up gypsum products such as drywall from the plant and switch them to Glenwood Springs for inclusion in outbound trains across the UP system.

Between Gypsum and Parkdale, the Subdivision is classified as “Out of Service” by the UP. Track remains in place on the mainline, with turnouts and sidings in place, and is

overall in relatively good condition given the lack of maintenance on the subdivision. Continuous-welded rail (CWR) installation was completed on most of the corridors in the mid-1990s, immediately before the track was taken out of service. Several rockfalls have occurred making the corridor impassable, and some culverts have been plugged causing the track to be flooded with sediment and debris. The signal system was removed on the westernmost end between Dotsero and Gypsum and the section between Gypsum and Parkdale has been vandalized heavily over the years and is not functional today. The signal system between Pueblo and Parkdale is still in service. The last revenue freight train to run the entire length of the corridor was in 1997, and only occasional hi-rail inspection trucks have been seen on the corridor in the last few years. Conversations with UP indicate that they do not intend to abandon this line and would prefer to maintain the status quo or find a regional shortline to operate the corridor providing local freight and/or passenger service as opportunities arrive.



Figure 1: Tennessee Pass Subdivision at Camp Hale National Monument (C. Enright/CDOT)

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. 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. Over the past few years, CMP has begun meeting with stakeholders and discussing potential options for re-starting service in the corridor.

Additionally, a grassroots advocacy group called the “Western Rail Coalition” has begun to assemble interest and to advocate for the investigation and implementation of passenger rail on the corridor. They have gathered initial support from local officials in the Eagle Valley and into the Arkansas Valley for this effort and are expected to continue to press for investigation of the corridor. The state continues to monitor the line.

Fort Collins Branch Line (UP)

The Fort Collins Branch line 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) Monte Vista to South Fork

The Colorado Pacific Rio Grande applied on July 22, 2025 to abandon a segment of track between Monte Vista to South Fork. This section of track currently does not have any customers and has not seen regular service since 2007. CXRG plans to let the right-of-way revert to adjacent land owners rather than preserve the corridor for either trail or future rail use. The abandonment of this portion of railroad will isolate the Denver and Rio Grande Railroad’s track from South Fork to Creede from the national network. The abandonment will effectively jeopardize the future of the entire Creede Branch west of Monte Vista.

The petition will abandon tracks from milepost 272.75 to milepost 299.3 and CXRG has requested the STB to rule by September 21st, 2025. CXRG states the corridor has not been used since 2007 and they intend to remove all track upon abandonment being granted. The land will revert to adjacent landowners as CXRG states that a trail conversion would be too complicated. The abandonment application is STB filing 309801.

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 2000s to restore the line for a tourist operation. This resulted in adverse abandonment proceedings which lead to 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 (D&RG). The branch is used by a rail peddle-cart operation called *Revolution Rail* but is otherwise out of service.

The CXRG's petition (STB filing 309801) to abandon its portion of track from Monte Vista to South Fork will jeopardize the future viability of the Creede Branch if granted by the STB as the D&RG's track will be permanently isolated from the national rail network.

CDOT will monitor this rail corridor and its potential sale over the coming years.

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 West Elk Mine, had an approved expansion blocked by a federal judge in 2019. Closure of West Elk Mine does not appear to be imminent, but should the mine 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 direct concern for abandonment, the low amount of traffic and the association with the aforementioned North Fork Branch Line warrants continued monitoring of status and usage.

Craig Branch Line (UP)

The Craig Branch Line splits from the UP Central Corridor (continuing as the Moffat Tunnel Subdivision) at Bond, heading north to Phippsburg where the Craig Subdivision begins, then keeps going north onward to Steamboat Springs and then west to Craig, with a spur line to Pinnacle Peak approximately 9.5 miles west of Steamboat Springs. The Craig Branch traverses some exceptionally challenging terrain with steep grades and complex curvature, and while built initially to attempt to connect Denver to Salt Lake City, a majority of traffic the corridor saw was dedicated to the export of coal from several mines around Craig. At the peak of coal export traffic, about five to eight trains a day would bring loaded coal off the Branch to ship out. Traffic as well was intra-corridor; with shuttle trains between mines and power stations.



Figure 2: Rock Creek Canyon - Craig Branch (C. Enright/CDOT)

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. A new source of traffic is now present on the corridor, with the delivery of frac sand and drill steel to Craig for transloading, to support drilling operations taking place in Utah and far western Colorado’s Uintah Basin.

Additionally, communities along this line have indicated an interest in reintroducing passenger rail service within the area. CDOT initiated a study in late 2023 to develop a comprehensive Service Development Plan (SDP) for the “Mountain Rail” corridor to outline feasible and effective passenger rail service. This Service Development Planning effort remains in progress, and more information can be found at: <https://www.codot.gov/projects/coloradomountainrail>.

As established by Senate Bill 24-190, the Craig Branch was named an eligible rail line where businesses that are rail served can receive state tax rebates of up to 75% of eligible costs as well as a tax credit to the UPRR for maintenance. A business with traffic originating or terminating on the Craig Branch can obtain a tax rebate for:

- Freight costs with the railroad
- Transloading costs (at a site within the Yampa Valley)

- Rail infrastructure capital costs (such as construction of side tracks, industry tracks, rail served industrial structures, transloading facilities, or other infrastructure in the Yampa Valley).

For more information or to apply, visit: <https://oedit.colorado.gov/programs-and-funding/tax-credits/freight-rail-tax-credit>

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 the 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. Therefore, CDOT staff have determined the need to monitor this branch since there is a possibility that the CEMEX plant may close in the near future.

Great Western Railroad – Welty Line

The Welty Line is a 6.2 mile, single-track rail line owned by the Great Western Railway of Colorado (GWR), beginning near Johnstown, CO, extending to near Welty, CO in Weld County. The line was constructed to serve the sugar beet industry and has fallen into disuse with the decline of said industry. cursory examination of the state of the Line by DTR staff shows it is partially used to store rail cars and is otherwise not used or in a state of regular repair.

On October 5, 2022, a group of landowners filed an application with the STB asking the Board to authorize the “third party” or “adverse” abandonment of the line. An adverse abandonment takes place when landowners or the community surrounding files with the STB to formally cease the operation of a railroad and to cause the line to revert back to ownership of surrounding landowners. The Landowners claimed that the line had not been used for 43 years, that reinstatement of rail service was not feasible, and that the public would benefit from the Landowners being able to restore the land to productive use. Great Western filed a reply in 2022, refuting the claims made and noting future plans for customers and restarting service. Additional filings proceeded through 2024 including those by the Town of Johnstown supporting abandonment and an environmental assessment.

The STB formally denied this application and request on June 28, 2025. The STB cited that they have a “statutory duty to preserve and promote continued rail service”; and noted that a present or future need may still be present on the corridor, and that no compelling evidence is present that the line will never need to be used for transportation in the future. They additionally note that the landowners petitioning do

not appear to have complete or accurate information about the future of the corridor, and that merely because no trains currently run on the line that does not necessarily mean they won't in the future.

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. One attempt to abandon is in progress (Creede Branch), and one additional recent attempt was declined by the STB (Welly Line).

CDOT is recommending the following:

Prioritized Corridor List

Following the direction of Policy Directive 1607 and CRS 43-1-1303, CDOT lists the following corridors in priority order for consideration of preservation should they be abandoned to ensure ongoing transportation use:

1. **Creede Branch (D&RG and CXRG portions)** - Under active threat of abandonment. CXRG has petitioned the Surface Transportation Board to grant abandonment by September 21, 2025. The right-of-way will not be preserved and revert to adjacent landowners.
2. **Tennessee Pass** - As both an east-west corridor across the Rocky Mountains and a corridor with substantial local communities and industries that could benefit from rail service.
3. **Craig Branch** - Providing a critical rail link to a community in transition as well as a corridor under study for passenger rail service, long term preservation is critical for the Craig Branch.
4. **North Fork Branch** - Serving a community that was once reliant on coal mining and export, now with the line able and ready to serve other industries or economic development opportunities.
5. **Lyons Branch** - Provides local connectivity to a proposed regional rail corridor (Front Range Rail).
6. **Fort Collins Branch** - While not under immediate threat, a reduction in customers may result in this strategically positioned corridor being threatened.

Abandonment/Acquisition Recommendations

CDOT should continue to monitor activities on the prioritized list of corridors above. This includes routine collaboration with railroads, local partners, and ongoing consideration in rail planning efforts to preserve and enhance operations as reasonable to further the goals of the system.

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.

Eligible Lines under SB24-190

As required by SB-24-190, CDOT designates eligible rail lines for consideration in the tax credits offered for both freight customers and railroads. Eligible lines must be “at risk of inactivity or abandonment due to a lack of demand resulting from coal transition” and for purposes of rail operator credits must be “covered by an access agreement for passenger rail access on the line”. (CRS 39-22-563)

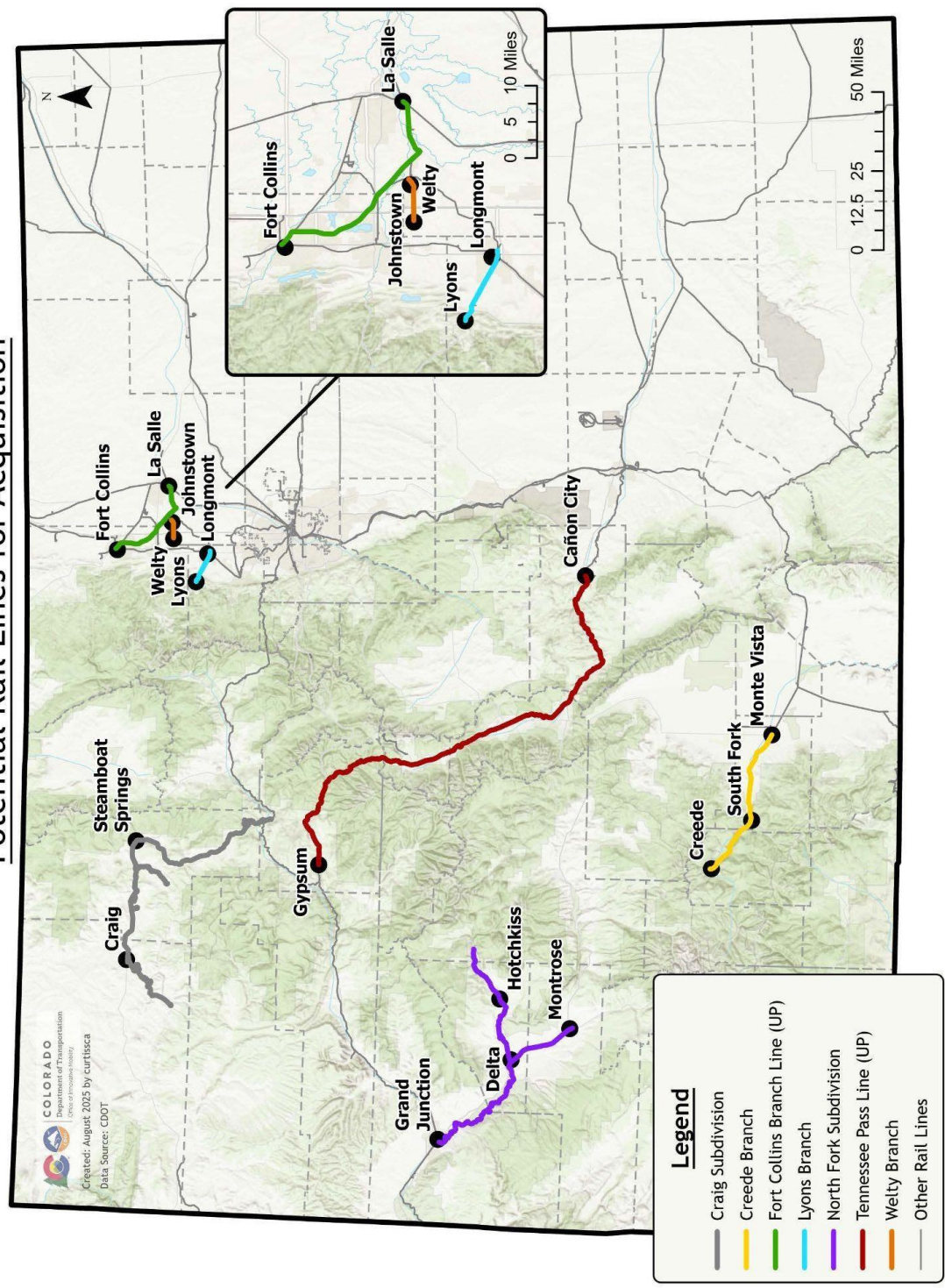
CDOT continues to designate the Craig Branch Line, beginning at MP 128.8 of the Moffat Tunnel Subdivision, extending to Phippsburg, and the entirety of the Craig Subdivision as eligible under these criteria.

The North Fork Branch, particularly the portion extending from Delta to Hawksnest, serving the West Elk mine, is under consideration for future listing for eligibility. The absence of a present passenger use agreement on the corridor precludes eligibility for credits to the Railroad, but credit may still be granted in the future to freight customers.

Opposition to Abandonments

CDOT affirms the stated policy goals of both legislation and Transportation Commission action to preserve all rail corridors that may feasibly be preserved, and to this effect, stand in opposition to any proposed abandonment action in the state. It is imperative that rail corridors are preserved intact for future reuse and economic development purposes.

Potential Rail Lines for Acquisition



COLORADO
 Department of Transportation
 Office of Intermountain Operations
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 Data Source: CDOT

Legend

- Craig Subdivision
- Creede Branch
- Fort Collins Branch Line (UP)
- Lyons Branch
- North Fork Subdivision
- Tennessee Pass Line (UP)
- Welty Branch
- Other Rail Lines