3.0 State Rail Planning

3.1 MONTANA RAIL SYSTEM SUMMARY

In 2006, eight freight railroads operated 3,238 rail miles in Montana (excluding trackage rights).[26] These eight carriers include: BNSF Railway (BNSF); Union Pacific (UP); Dakota, Missouri Valley, and Western (DMVW); Montana Rail Link (MRL); Central Montana Rail (CMR); Mission Mountain Railroad (MMR); Yellowstone Valley Railroad (YVR); and Rarus/Butte, Anaconda, and Pacific Railway (BAP). Table 3.1 summarizes the rail miles contributed by each carrier and Figure 3.1 illustrates the State's freight railroad network.

Table 3.1 Montana Railroad Statistics

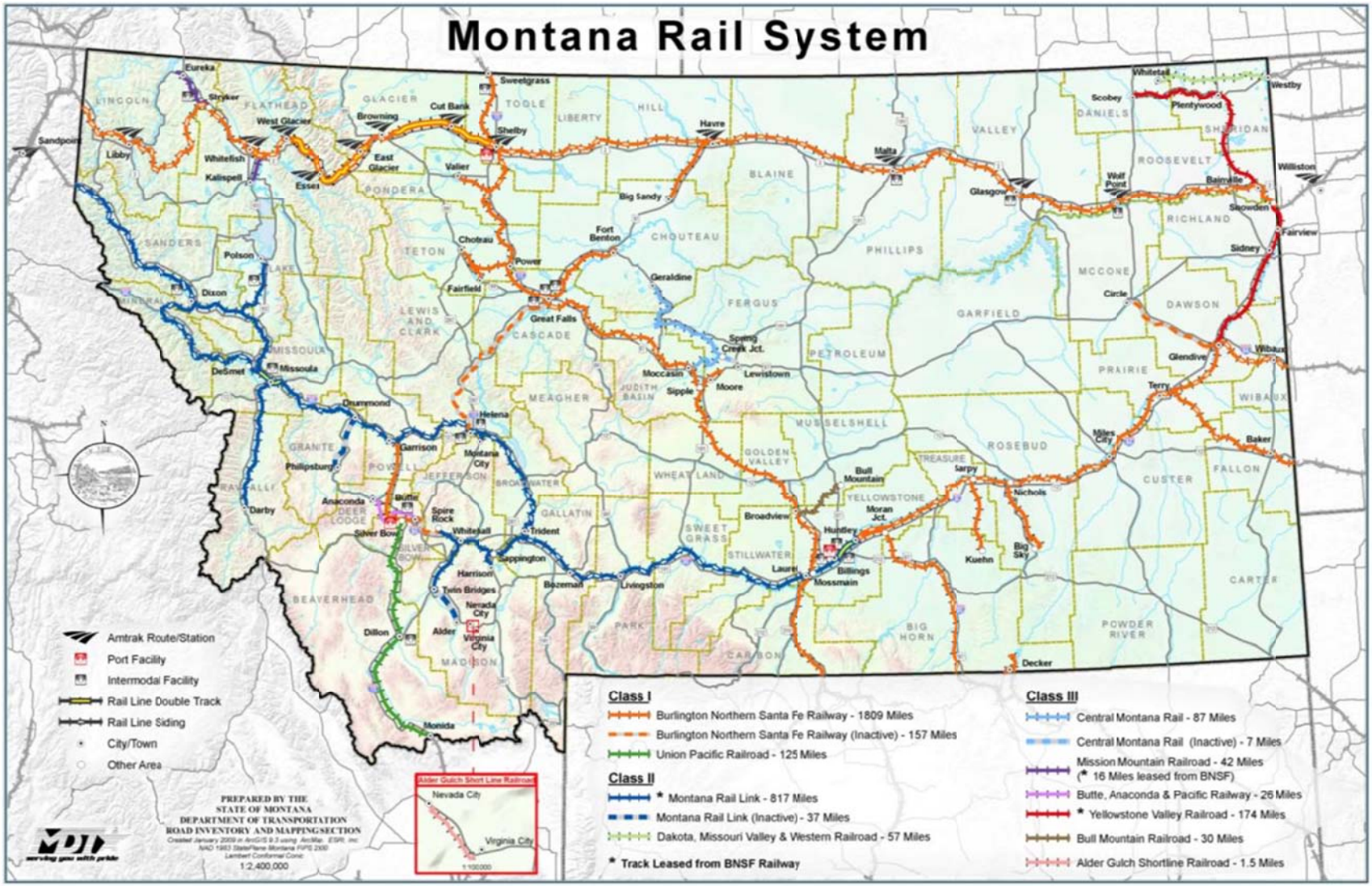
	Miles of Railroad Operated in Montana		
	2000	2005	2006
BNSF Railway	2,135	1,983	1,942
Union Pacific	125	125	125
Class I Railroads Total	2,260	2,108	2,067
Dakota, Missouri Valley, and Western	57	58	58
Montana Rail Link	812	807	807
Regional Railroads Total	869	865	865
Central Montana Rail	87	88	88
Mission Mountain Railroad	N/A	39	39
Yellowstone Valley Railroad	N/A	186	186
Montana Western Railway	59	N/A	N/A
Butte, Anaconda and Pacific Railway	69	25	25
Local Railroads Total	215	338	338
Network Total	3,344	3,311	3,270

Source: 2005 and 2006 data from the Association of American Railroads, 2000 data from the 2000 Montana State Rail Plan Update.

Note: Miles operated includes trackage rights. One mile of single track is counted the same as one mile of double track.

[26] Rail miles, synonymous with route miles, represents the total miles of road in freight service operation. One mile of single track is counted the same as one mile of double track. Lines operated under trackage rights are attributed only to the owning railroad. The total excludes sidings, turnouts, yard switching mileage, and mileage not in operation.

Figure 3.1 Montana Rail System



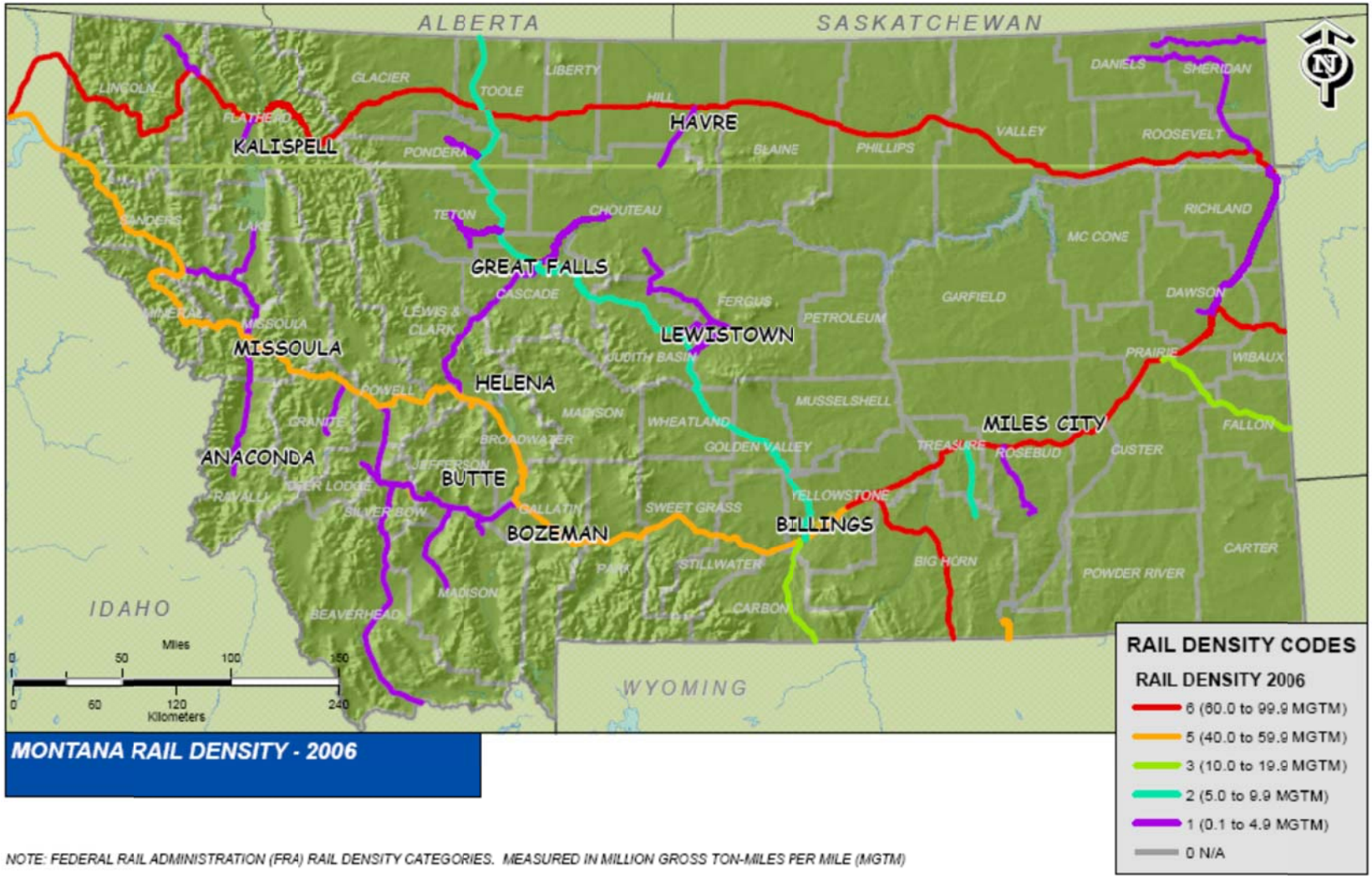
Montana railroads carried over 2.1 million total carloads in 2006, accounting for nearly 110 million total tons of freight. The railroads employed 3,157 people in the State, an increase of 35 employees from the previous year.[27]

Rail Density

The Federal Rail Administration (FRA) maintains a database of density codes for rail segments along the rail network throughout the country. Figure 3.2 displays rail density throughout Montana for 2006. The FRA density coding system consists of values 1 through 6, with 6 being the most densely traveled. The density codes are based on a measurement of million gross ton-miles per mile (MGTM) and reflect the volume of freight traffic flowing over railway segments. In Montana, the BSNF main lines have the highest freight rail densities, followed by the Montana Rail Link main line between Sandpoint, Idaho and Billings. All of the short-line railroads have a density of 1, hauling between 0.1 to 4.9 MGTM in 2006.

[27] Association of American Railroads, Railroad Service in Montana 2006, June 2008. Available at: http://www.aar.org/PubCommon/Documents/AboutTheIndustry/RRState_MT.pdf. Association of American Railroads, Railroad Service in Montana 2005, November 2006.

Figure 3.2 Montana Rail Density
2006



Source: Federal Rail Administration.

3.2 MONTANA'S RAILROADS

Introduction

This section describes the operating characteristics of Montana's freight rail system by owner. System characteristics include key station mileposts, maximum operating speeds (for both freight and passenger trains, where applicable), maximum gross car weight, annual operating statistics, primary commodities hauled, and track control processes.

Track control processes, defined for each railroad segment, provide authorization for a train to occupy a main track. Defining the terminology used throughout this section, the railroads in Montana operate under the following track control processes:

- **Centralized Traffic Control (CTC) –** A system in which signals indicate authorized train movements and when it is safe for a train to proceed. Signals may be used to control traffic in both directions and may be automatic or directly controlled by a dispatcher.
- **Occupancy Control System (OCS) –** Also known as "dark territory," OCS refers to a nonsignal-based system designed to ensure that no more than one train occupies a given section of main track at a time. Two examples of unsignalized systems used in Montana include:
  - *Track Warrant Control (TWC)* – Used on unsignalized systems, a track warrant provides permission to occupy main track between two specific points, typically defined by stations and mileposts. Dispatchers typically issue track warrants verbally by radio.
  - *Block Register Territory (BRT)* – Typically used on branch lines normally occupied by one train at a time, BRT requires that a train crew record the date and time of a proposed movement in the Block Register before proceeding. Previous entries in the Block Register are completed after a train has cleared the territory. If a second train needs to occupy the BRT at the same time, movements of both trains are required to operate at Restricted Speed (typically no faster than 15 mph).
- **Automatic Block Signal (ABS) –** A series of signals that control blocks of track between the signals. The signals automatically detect track occupancy by way of a low-voltage current running through the track and protects following trains traveling in a signaled direction. Unlike CTC signals, ABS system signals are not centrally controlled.

The rail operating characteristics for each rail segment were compiled from each owning railroad's timetables and track charts. Operating statistics were compiled from annual reports to the Montana Public Service Commission for the reporting years from 2005 to 2007. Where rail operators have divided their system into multiple subdivisions, the operating characteristics of each subdivision

are summarized individually. Note that detailed information on certain characteristics – such as track weight capacity and speed limits – is not available for all railroads in the State.

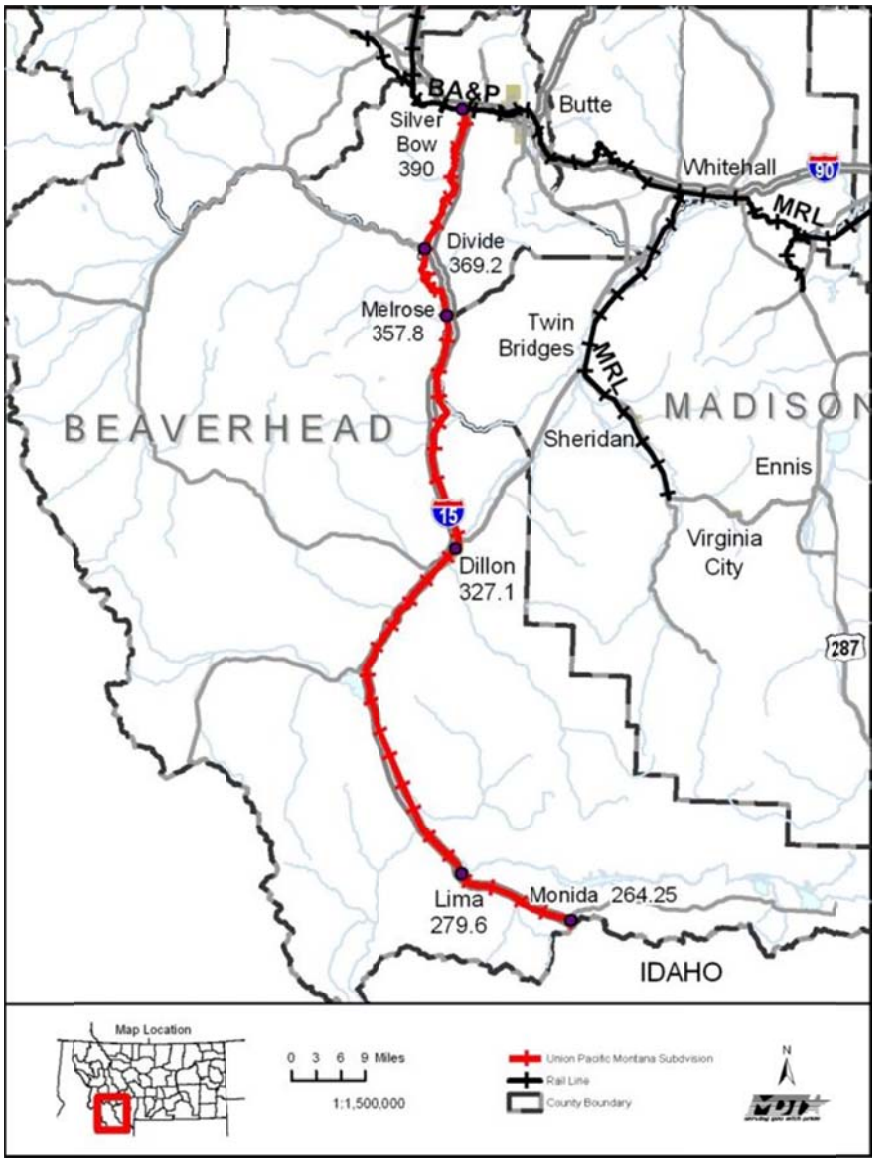
Union Pacific Railroad (UP)

Within the United States, Union Pacific (UP) controls 50,900 track miles, including route miles, other main line track, passing lanes, turnouts, and switching and classification yards. Headquartered in Omaha, Nebraska, the UP system serves 23 states in the western two-thirds of the country.[28]

UP is one of two Class I railroads in Montana. As of 2007, UP operated a total of 141 track miles in the State, consisting of 125.8 main line miles, seven miles of running track, 1 mile of way-switching, and eight miles of yard switching. Figure 3.3 displays UP's Montana Subdivision. Despite having a relatively limited number of track miles in the State, UP provides a critical connection between the Port of Montana (MP 390) in Silver Bow (a name for a track interchange area in Silver Bow County) and markets in the Western U.S. and southwestern U.S. which are not accessible by other rail carriers in the State. The border is at MP 264.25.

[28] Figures as of December 31, 2007. Union Pacific Corporation, 2007 Analyst Fact Book.

Figure 3.3 Union Pacific – Montana Subdivision



Source: Montana Department of Transportation.

Table 3.2 exhibits UP operating statistics in Montana from 2005 through 2007. UP owns and operates an automotive distribution center in Silver Bow County, which delivered 1,107 carloads of transportation equipment in 2007. Forest products, combined with lumber and wood products, accounted for approximately 75 percent of the tonnage originating in Montana. Other key commodities transported on the line include chemicals and allied products, petroleum and coal products, and nonmetallic minerals (except fuels).

Table 3.2 Union Pacific Operating Statistics in Montana
2005-2007

	Carloads			Tons		
Commodity	2005	2006	2007	2005	2006	2007
Originating						
Forest Products	948		997	97,362		104,127
Lumber and Wood Products	1,689		1,038	151,631		96,836
Stone, Clay, Glass, and Concrete Products	607		648	47,287		52,045
Other Commodities	275		76	20,464		4,293
Total Moves	3,519	N/A	2,759	316,744	N/A	257,301
All Other						
Chemicals and Allied Products	1,399		1,843	137,320		181,126
Petroleum and Coal Products	1,715		1,984	152,365		180,077
Forest Products	870		944	86,531		90,259
Nonmetallic Minerals except Fuels	860		801	83,039		77,600
Other Commodities	2,479		2,259	126,970		118,555
Total Moves	7,323	N/A	7,831	586,225	N/A	647,617
Terminating						
Chemicals and Allied Products	429		470	41,298		45,551
Transportation Equipment	–		1,107	–		20,075
Primary Metal Products	34		38	3,251		3,699
Nonmetallic Minerals except Fuels	57		40	4,935		3,609
Other Commodities	1,193		43	28,231		3,471
Total Moves	1,713	N/A	1,698	77,715	N/A	76,405

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

Note: Carload and tonnage data not reported for 2006.

BNSF Railway (BNSF)

BNSF Railway (BNSF) operates in 28 U.S. states and two Canadian provinces. The total system consists of approximately 32,000 route miles of track or 50,000 operated miles of track (including single and multiple main tracks, easements, yard tracks and sidings). In Montana, BNSF is one of two Class I railroads and operates 94 percent of the State's Class I rail miles. Headquartered in Fort Worth, Texas, BNSF employs approximately 40,000 personnel company-wide.

As of 2007, BNSF employed 1,855 employees in Montana with a payroll of over $118 million.

Table 3.3 displays summary operating information for BNSF, while Table 3.4 provides detailed operating statistics within the State between 2005 and 2007. Coal accounts for approximately 75 percent of BNSF's revenue freight (in terms of tonnage) originating within Montana. Other key commodities hauled by BNSF in Montana include farm products, lumber and wood products, and petroleum and coal products.

Table 3.3 BNSF Operating Statistics Summary *2005-2007*

	Within Montana							
	Revenue Freight Originating		All Other Freight Carried		Total Revenue Freight Carried		Total Revenue Freight Terminating	
	Carloads	Tons	Carloads	Tons	Carloads	Tons	Carloads	Tons
2005	355,157	38,885,116	1,896,538	84,309,209	2,251,695	123,194,325	30,218	2,153,003
2006	374,475	41,160,754	1,863,358	84,950,022	2,237,833	126,110,776	32,258	2,456,956
2007	379,789	41,650,904	1,758,106	89,365,914	2,137,895	131,016,818	33,500	2,648,026
Percent Change 2005-2007	+6.9%	+7.1%	-7.3%	+6.0%	-5.1%	+6.3%	+10.9%	+23.0%

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

The BSNF rail system operating in Montana is divided into the 23 subdivisions shown in Figure 3.4. The remainder of this section describes the location and operating characteristics of each BNSF branch and main line subdivision operating in Montana.[29]

Table 3.4 BNSF Operating Statistics *2005-2007*

	Carloads			Tons		
Commodity	2005	2006	2007	2005	2006	2007
Originating						
Coal	249,478	263,771	269,186	28,998,932	30,796,817	31,530,939
Farm Products	43,223	48,210	45,862	4,497,106	5,031,514	4,829,250
Petroleum and Coal Products	20,118	19,491	19,958	1,755,792	1,698,854	1,740,472
Lumber and Wood Products	17,852	16,282	13,594	1,587,808	1,484,380	1,256,006
Stone, Clay, Glass, and Concrete Products	5,307	5,182	5,878	515,927	506,981	576,780
Food and Kindred Products	4,513	6,330	6,235	432,310	573,717	552,113
Other Commodities[a]	14,666	15,209	19,076	1,097,241	1,068,491	1,165,344

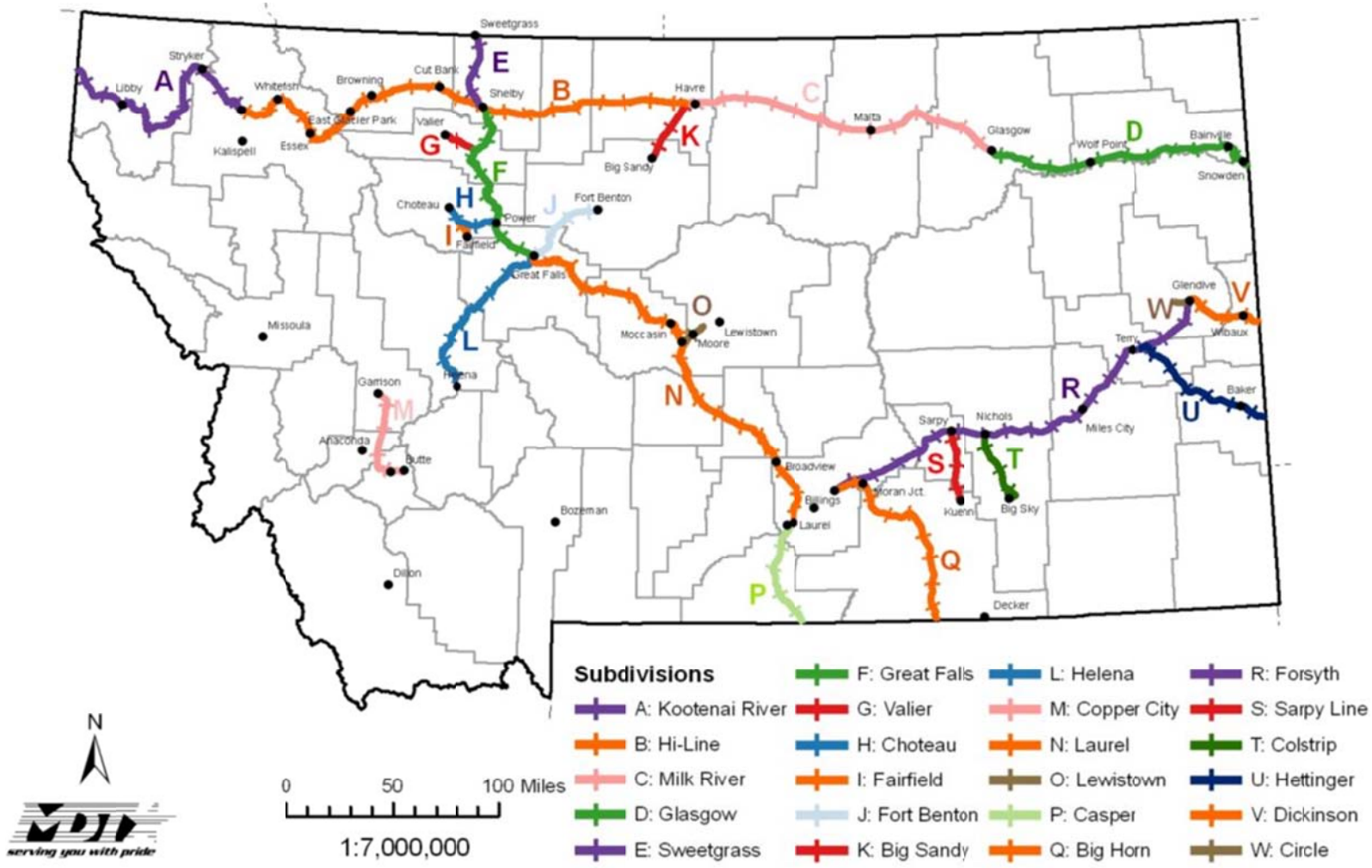
[29] Line information compiled from BNSF Railway Timetable No. 7, Montana Division, dated December 19, 2007; and Subdivision Track Charts provided by the BNSF Montana Director of Government Affairs.

Total Moves	355,157	374,475	379,789	38,885,116	41,160,754	41,650,904
All Other (Carried Within State)						
Coal	313,443	334,433	360,508	36,699,295	39,305,066	42,429,636
Farm Products	185,275	170,485	215,695	18,989,315	17,787,192	20,343,454
Miscellaneous Mixed Shipment	736,976	696,968	615,922	10,345,363	9,781,432	8,462,655
Food and Kindred Products	48,813	45,616	62,933	3,630,313	3,210,782	4,042,695
Lumber and Wood Products	60,275	54,755	41,217	4,872,784	4,650,993	3,544,249
Chemicals and Allied Products	16,232	16,678	20,000	1,152,083	1,270,229	1,626,073
Pulp, Paper, and Allied Products	29,771	34,380	34,778	1,328,710	1,445,448	1,434,719
Other Commodities	507,751	510,042	407,052	6,883,993	7,498,876	7,482,433
Total Moves	1,896,538	1,863,358	1,758,106	84,309,209	84,950,022	89,365,914
Terminating						
Coal	6,724	7,344	7,710	766,239	849,333	872,255
Petroleum and Coal Products	2,525	2,428	3,089	194,889	235,866	282,909
Lumber and Wood Products	3,554	3,988	2,486	295,205	342,651	224,010
Chemicals and Allied Products	1,469	1,555	2,399	139,097	144,602	220,330
Food and Kindred Products	1,739	1,994	2,190	140,333	172,234	203,438
Metallic Ores	760	806	2,026	76,374	79,842	198,777
Other Commodities	13,447	14,133	13,600	540,866	632,428	646,307
Total Moves	30,218	32,258	33,500	2,153,003	2,456,956	2,648,026

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

[a] Other Commodities include categories such as: Metallic Ores; Crude, Petro, Natural Gas; Nonmetallic Minerals except Fuels; Pulp, Paper, and Allied Products; Primary Metal Products; Fabricated Metal Products; Machinery; Transportation Equipment; Waste and Scrap; Shipping Containers, Returned Empty; and Hazardous Waste.

Figure 3.4 BNSF Statewide System Overview

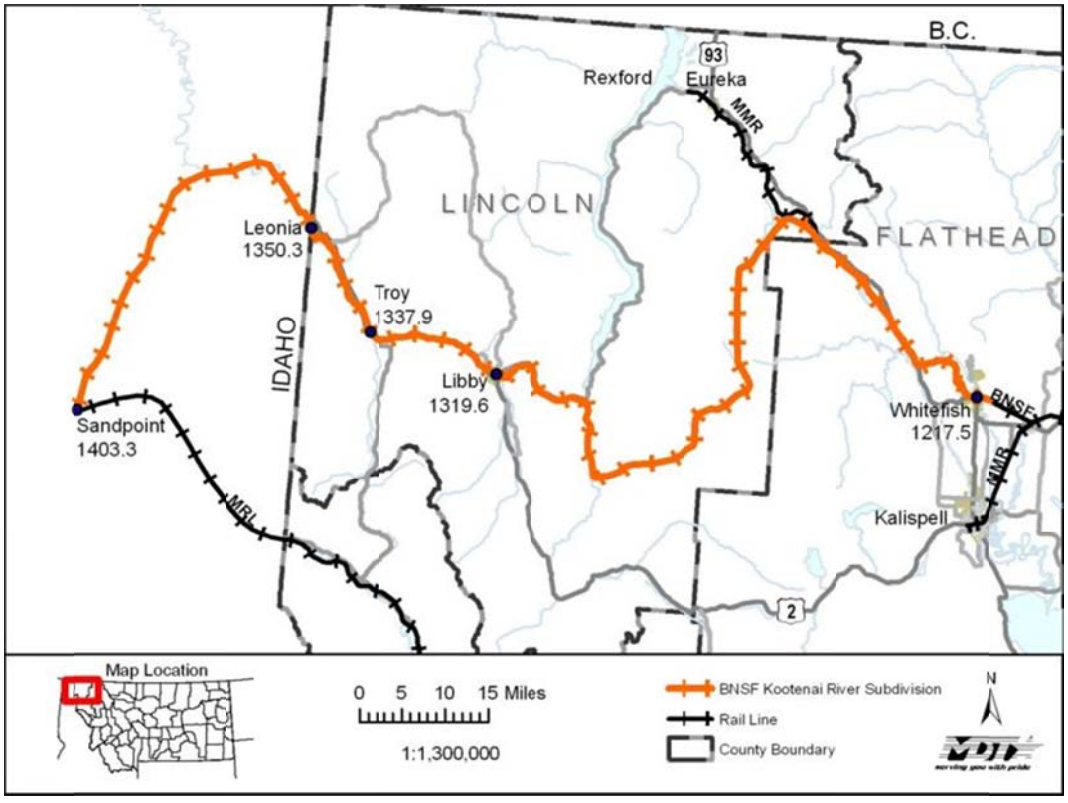


Source: Montana Department of Transportation.

Subdivision A – Kootenai River[30]

The Kootenai River Subdivision, shown in Figure 3.5, is a main line from Whitefish (MP 1217.5) to Sandpoint Junction, Idaho (which is numbered both MP 1403.3 and MP 2.9). There are 133.2 miles in Montana and 52.6 miles in Idaho with the state border at MP 1350.65. Twenty-five additional stations are located between Whitefish and Sandpoint Junction, including Leonia (MP 1350.3), Troy (MP 1337.9), and Libby (MP 1319.6). From Sandpoint Junction, the main line continues on to Spokane, Washington (MP 71.5, not shown). Connecting to the Hi-Line main line (Subdivision B) at Whitefish, the Kootenai River main line serves Amtrak passenger service as well as freight operations. Maximum speeds along the line range from 20 mph to 60 mph for freight and 20 mph to 79 mph for passenger service. The line operates under CTC and two short segments (totaling 9.3 miles) operate with two main tracks. The line has a maximum gross car weight of 143 tons.

Figure 3.5 BNSF – Kootenai River Subdivision



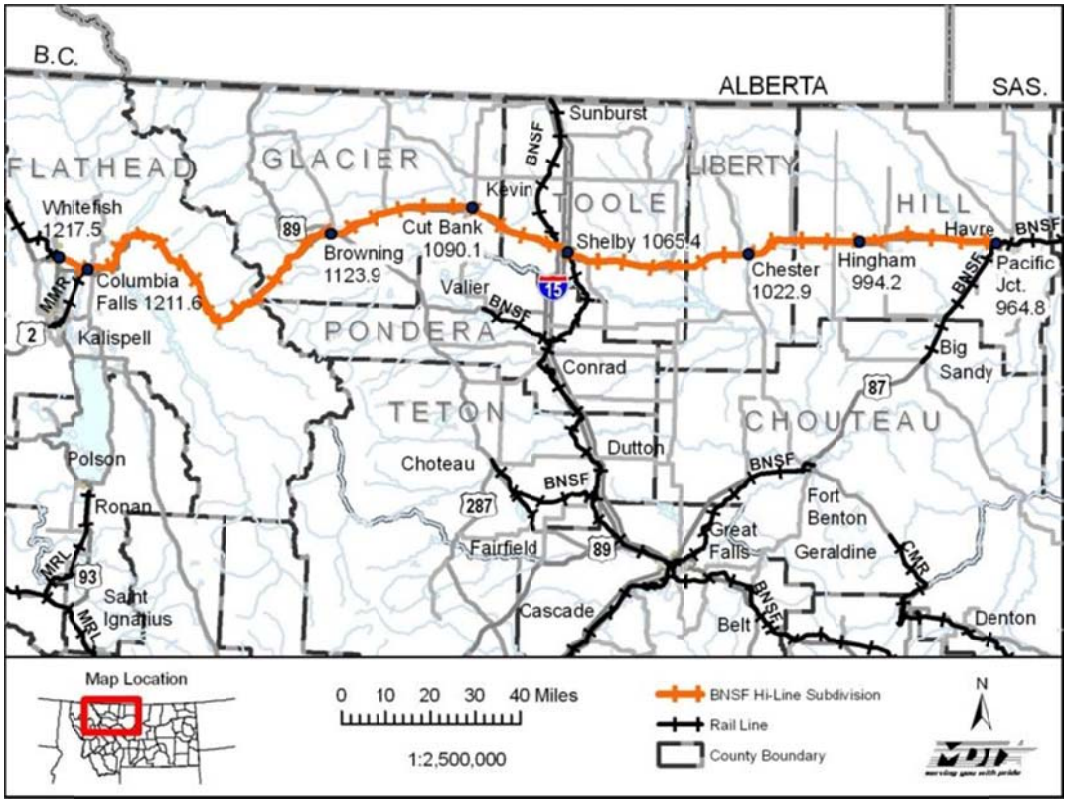
Source: Montana Department of Transportation.

[30] BNSF Railway, *Track Chart – Kootenai River Subdivision*, Revised January 2007.

Subdivision B – Hi-Line

The Hi-Line Subdivision is a 253.5-mile main line and one of the most utilized and visible lines in the State. As shown in Figure 3.6, the east-west route from just east of Pacific Junction (MP 964) on the east to Whitefish (MP 1217.5) on the west. Supporting both Amtrak passenger service and freight operations, the line meets the Kootenai River main line (Subdivision A) at Whitefish on the west and the Milk River main line (Subdivision C) at Pacific Junction on the east. There are 37 additional stations along the line, which include both passenger and freight service. Maximum speeds along the line are 79 mph (passenger) and 60 mph (freight). However, various permanent restrictions limit service to speeds between 45 and 70 mph for passenger service and 30 to 55 mph for freight operations. The Hi-Line main line is operated by CTC with two main tracks along several sections of the line. Maximum gross car weight limit is 143 tons.

Figure 3.6 BNSF – Hi-Line Subdivision

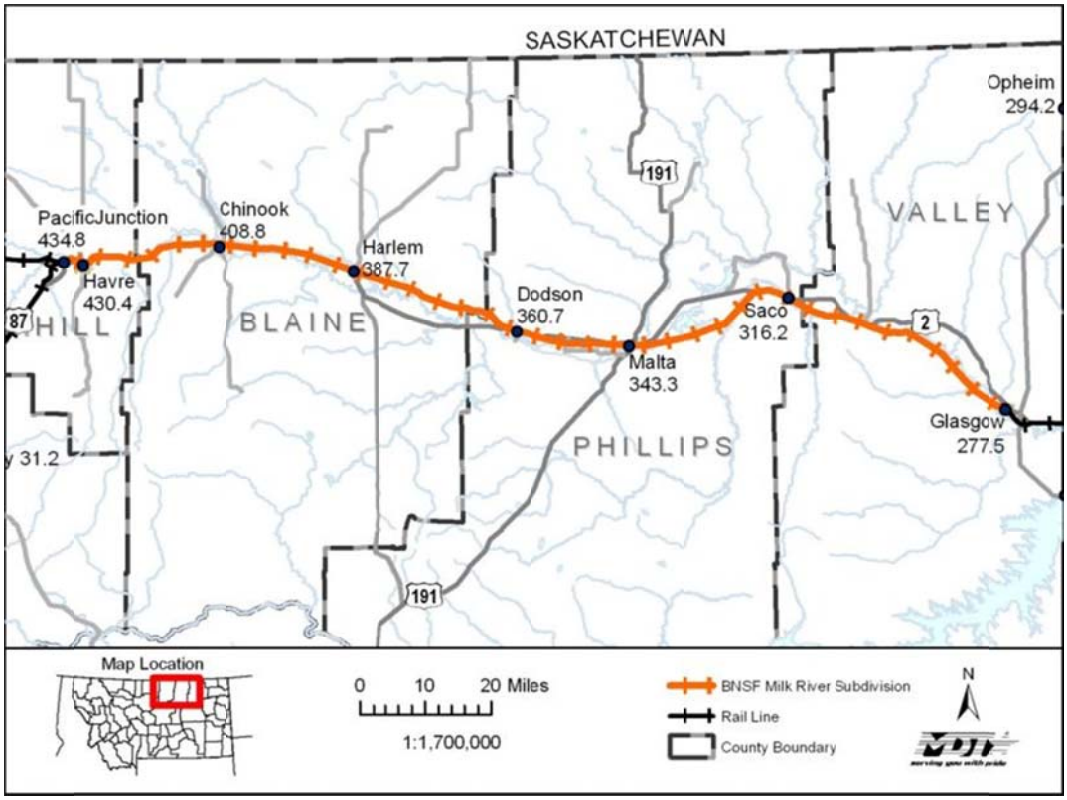


Source: Montana Department of Transportation.

Subdivision C – Milk River

The Milk River Subdivision (Figure 3.7) is a 155.8-mile main line segment from Glasgow (MP 278.2) to Pacific Junction (MP 434), near Havre. It connects to the Hi-Line main line (Subdivision B) on the west and the Glasgow main line (Subdivision D) on the east. The line has 16 additional stations, including Malta (MP 343.3), Harlem (MP 387.7), and four stations in the Havre area (MP 427.4, 429.3, 430.4, and 431.9). The line supports Amtrak passenger service as well as freight operations. Maximum speeds are 79 mph for passenger trains and 60 mph for freight trains. Maximum gross car weight is 143 tons along the entire line. The line is operated by CTC and uses two main tracks from Havre West (MP 431.9) to the Hi-Line Subdivision. The line serves three grain shuttle facilities; two in Havre (ADMS/CHS LLC), and one in Harlem (Columbia Grain Inc.).

Figure 3.7 BNSF – Milk River Subdivision

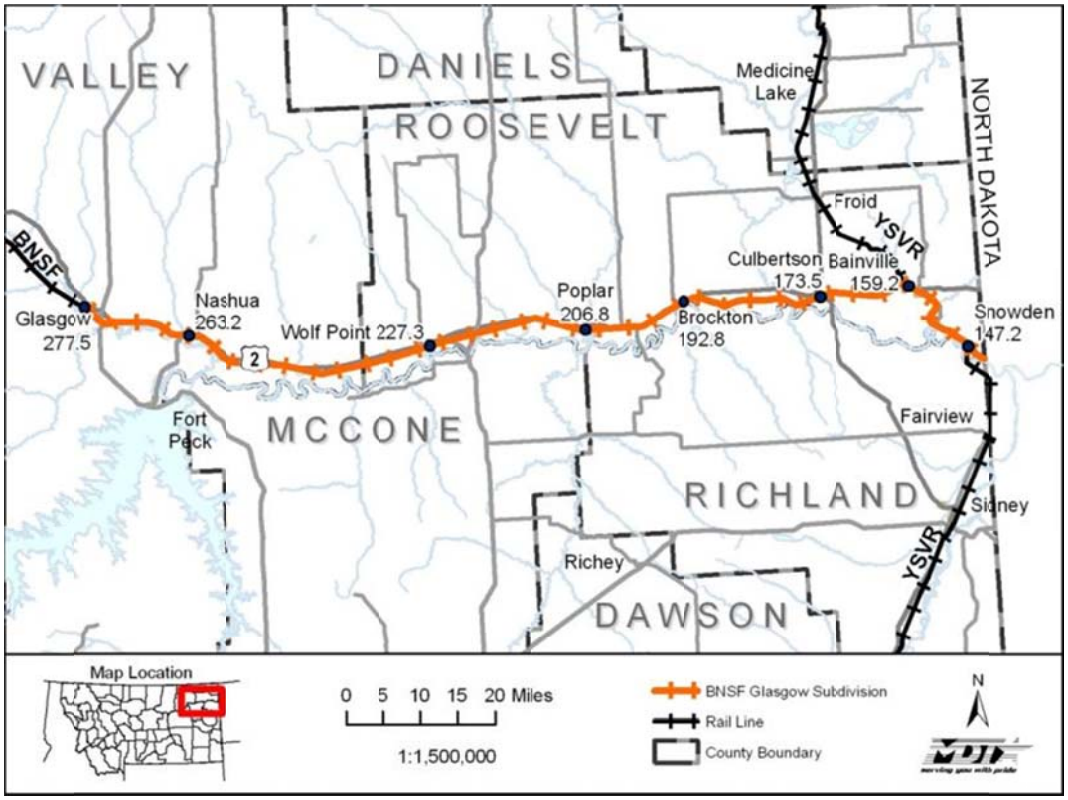


Source: Montana Department of Transportation.

Subdivision D – Glasgow

The Glasgow Subdivision, shown in Figure 3.8, is a 277.7-mile main line that extends from just west of Minot, North Dakota (MP 0.47) to just west of Glasgow (MP 278.2) where it connects to the Milk River main line (Subdivision C). There are 133.6 miles in Montana and 143.9 miles in North Dakota with the state border at MP 144.35. There are 27 stations situated along the line, including Williston, North Dakota (MP 121.1), Snowden (MP 147.2), Bainville (MP 159.2), Wolf Point (MP 227.3), and Glasgow (MP 277.5). The line supports Amtrak passenger service and freight operations with maximum speeds of 79 mph for passenger trains and 60 mph for freight trains. However speed restrictions limit operations to between 55 to 70 mph for passenger and 50 to 60 mph for freight operations on many segments of varying length. Numerous grain elevators are located along the line; among them are two 110-car shuttle facilities near Wolf Point operated by Cenex Harvest States, Inc. and Columbia Grain. The line is controlled by CTC and two main tracks are utilized between the following mile posts: 0 to 4.7, 5.9 to 14.0, 104.5 to 124.8, and 275.82 to 277.25.

Figure 3.8 BNSF – Glasgow Subdivision

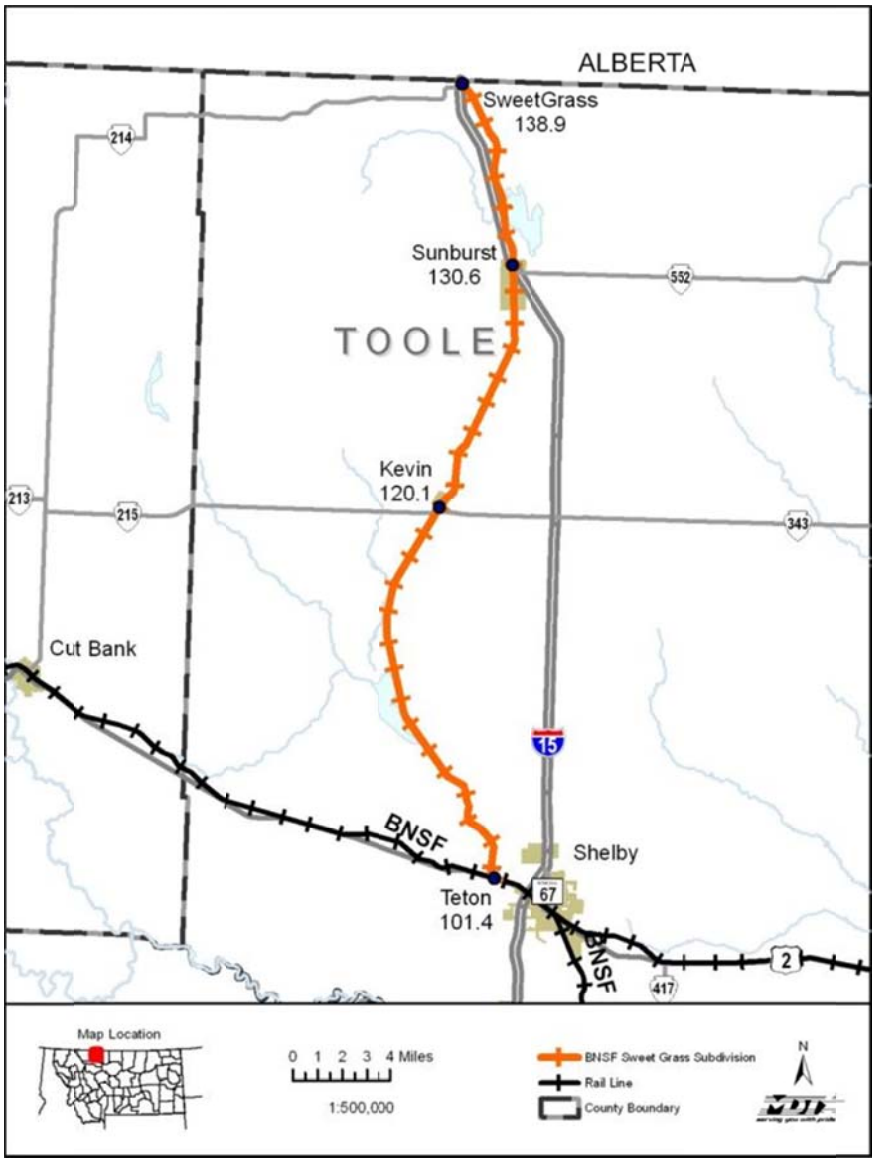


Source: Montana Department of Transportation.

Subdivision E – Sweet Grass

Shown in Figure 3.9, the Sweet Grass Subdivision is a single-tracked main line between Sweet Grass (MP 138.9) and Shelby (MP 101.4). Other stations on the line include Sunburst (MP 130.6) and Kevin (MP 120.1). The line is operated by TWC, and has a maximum speed of 40 mph with a maximum gross car weight of 143 tons.

Figure 3.9 BNSF – Sweet Grass Subdivision

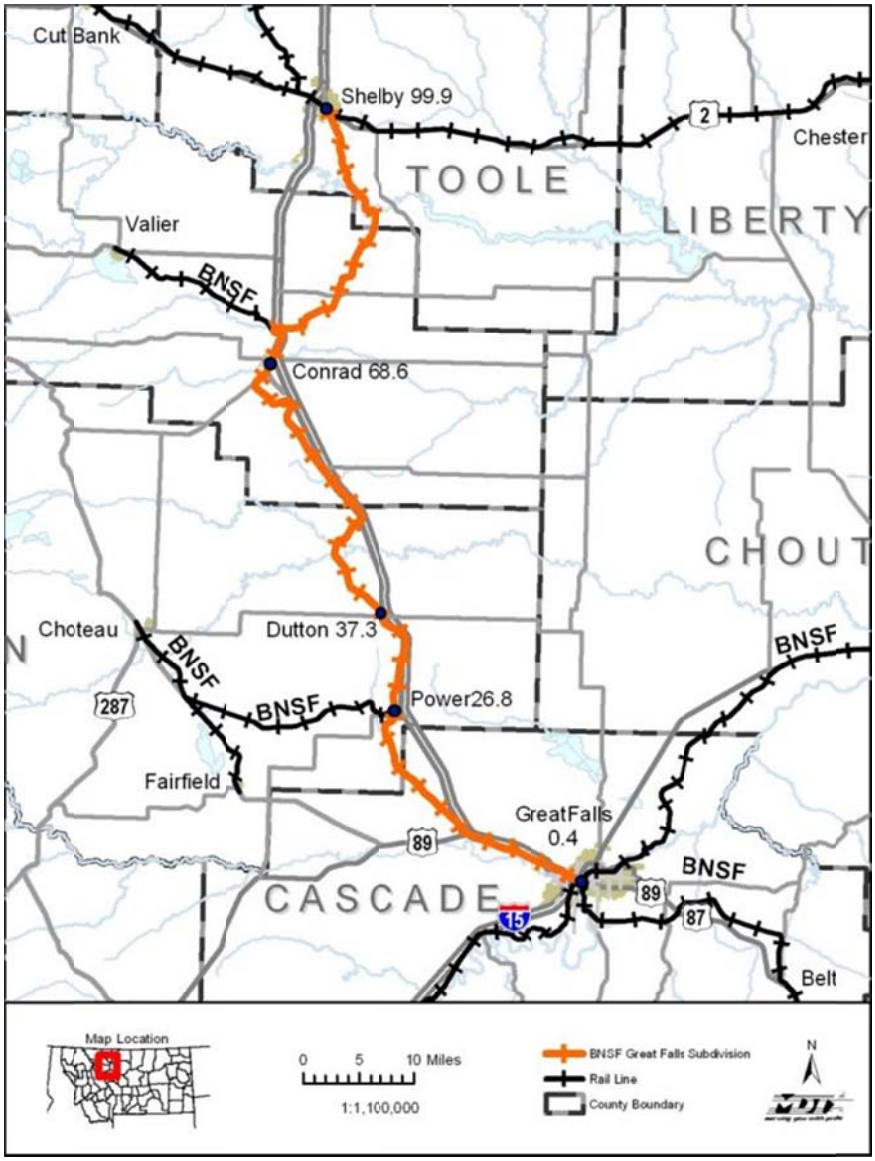


Source: Montana Department of Transportation.

Subdivision F – Great Falls

The Great Falls Subdivision, shown in Figure 3.10, is a 99.5-mile main line that runs from Shelby (MP 99.9) to Great Falls (MP 0.4). Ten additional stations are located along the line, as well as several grain elevators, including a 110-car shuttle facility in Collins operated by Mountain View Co-op. The line interchanges with the Hi-Line main line (Subdivision B) in Shelby. Maximum speed along the line is 49 mph; however, several permanent restrictions limit speeds on many segments to between 10 and 40 mph. The line is controlled by TWC.

Figure 3.10 BNSF – Great Falls Subdivision

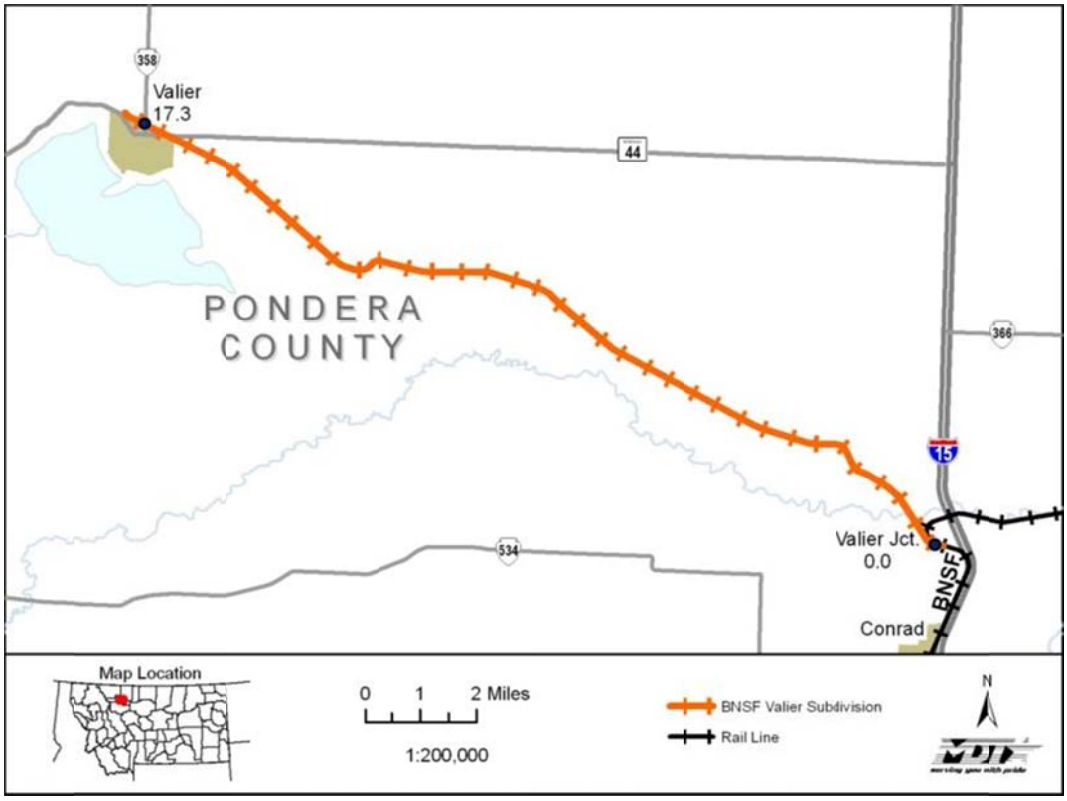


Source: Montana Department of Transportation.

Subdivision G – Valier

The Valier Subdivision is a 17.3-mile single-tracked branch line which connects Valier with the Great Falls main line (Subdivision F). Shown in Figure 3.11, the Subdivision's two stations are located at Valier (MP 17.3) and Valier Junction (MP 0.0). Maximum speed is 25 mph from MP 0.0 to MP 15.1 and 10 mph from MP 15.1 to the end of track. The line is operated by TWC and the maximum gross car weight is 143 tons.

Figure 3.11 BNSF – Valier Subdivision



Source: Montana Department of Transportation.

Subdivision H – Choteau

Choteau Subdivision, shown in Figure 3.12, is a branch line that runs from Power (MP 0.0) to Choteau (MP 29.6), where it serves a Cenex Harvest States, Inc. Co-op Grain elevator. The Choteau branch line converges with the Great Falls main line (Subdivision F) at Power. Eastham Junction (MP 21.1) and Choteau are the only stations along the line. Permanent restrictions limit the maximum freight speed to 10 mph along almost three-fourths of the Subdivision's 29-mile length. Maximum speeds of 25 mph are permitted between mileposts 21 and 27.9. The branch line is operated by TWC with a maximum gross car weight of 143 tons.

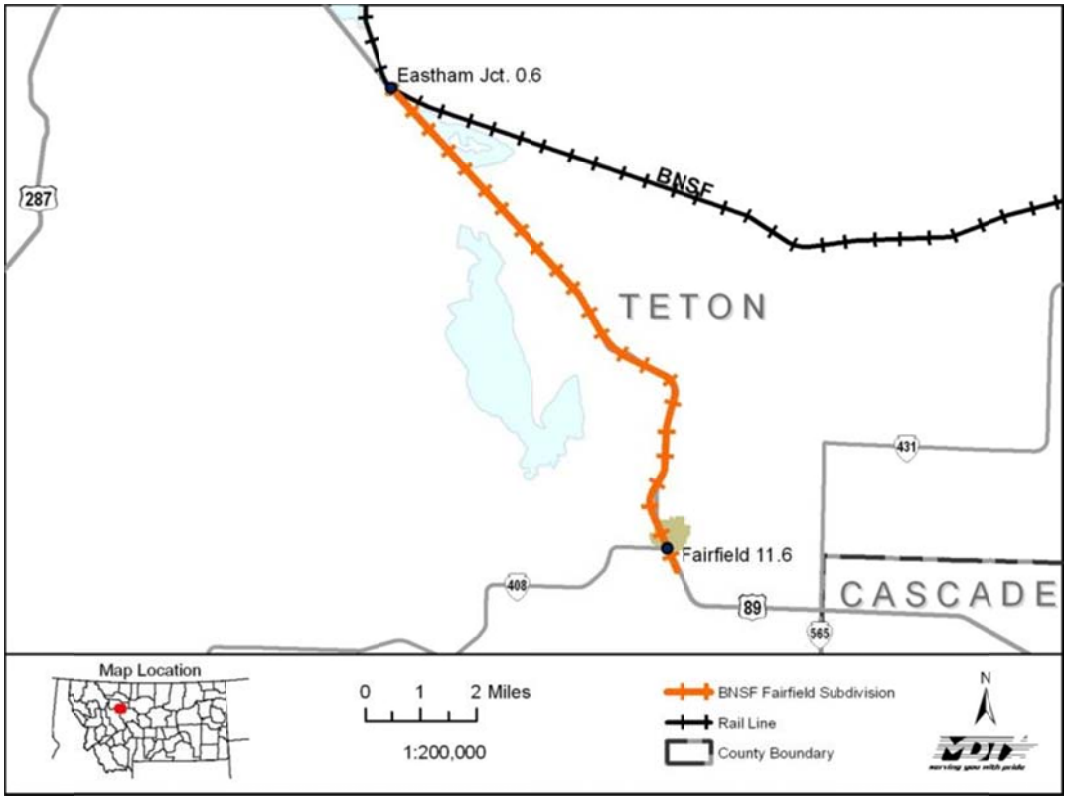
Figure 3.12 BNSF – Choteau Subdivision

Source: Montana Department of Transportation.

Subdivision I – Fairfield

The Fairfield Subdivision is a branch line that extends from Eastham Junction (MP 0.6) to Fairfield (MP 11.6) (Figure 3.13). This short segment serves a grain elevator in Fairfield and intersects the Choteau branch line (Subdivision H) at Eastham Junction. The line operates under TWC with a maximum gross car weight limit of 143 tons. Maximum speed along the line is 25 mph with a restriction to 10 mph near Fairfield and on all sidings.

Figure 3.13 BNSF – Fairfield Subdivision

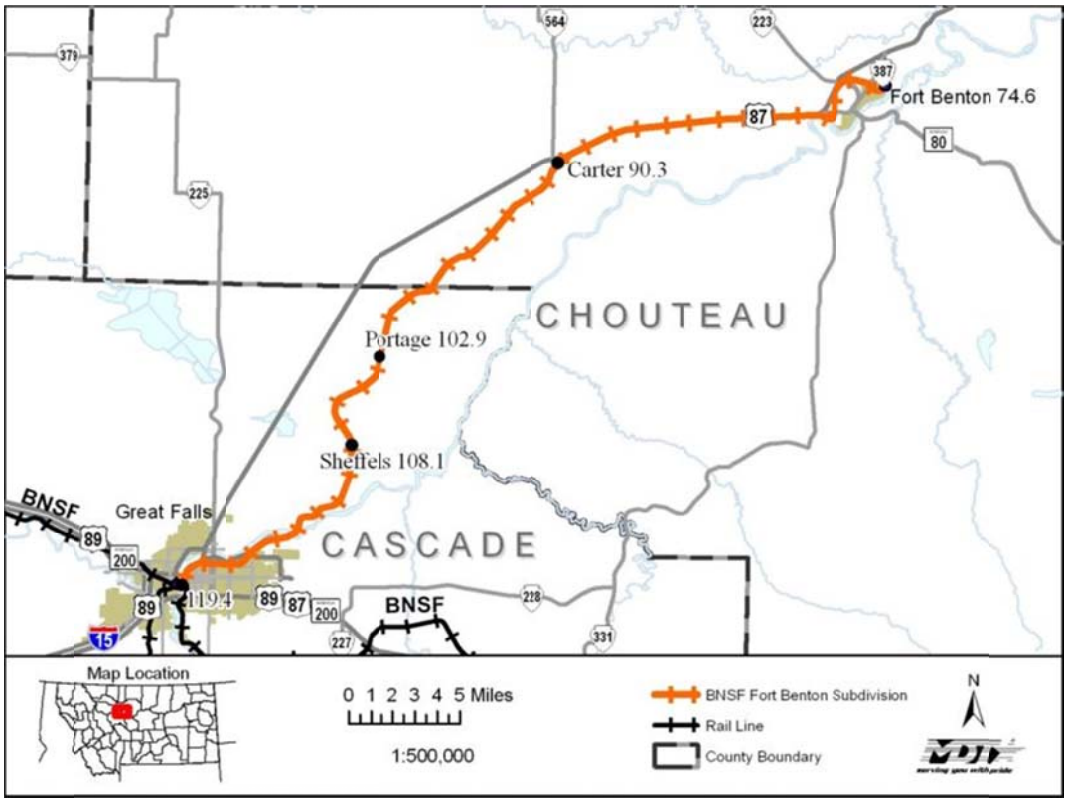


Source: Montana Department of Transportation.

Subdivision J – Fort Benton

The Fort Benton Subdivision, shown in Figure 3.14, is a 45.7-mile branch line that runs from Fort Benton (MP 73.6) to Great Falls (MP 119.3). The line converges with both the Laurel and Great Falls main lines in the City of Great Falls (Subdivisions N and F, respectively). Stations along the route include: Fort Benton (MP 74.6), Carter (MP 90.3), Portage (MP 102.9), and Sheffels (MP 108.1). Serving two grain elevator facilities, one in Carter and one in Fort Benton, the line has a maximum gross car weight limit of 143 tons. While the maximum speed is listed as 25 mph along the full length of the line, permanent speed restrictions limit speeds to 10 mph along several short segments of 1 mile or less. The Fort Benton line operates under TWC.

Figure 3.14 BNSF – Fort Benton Subdivision

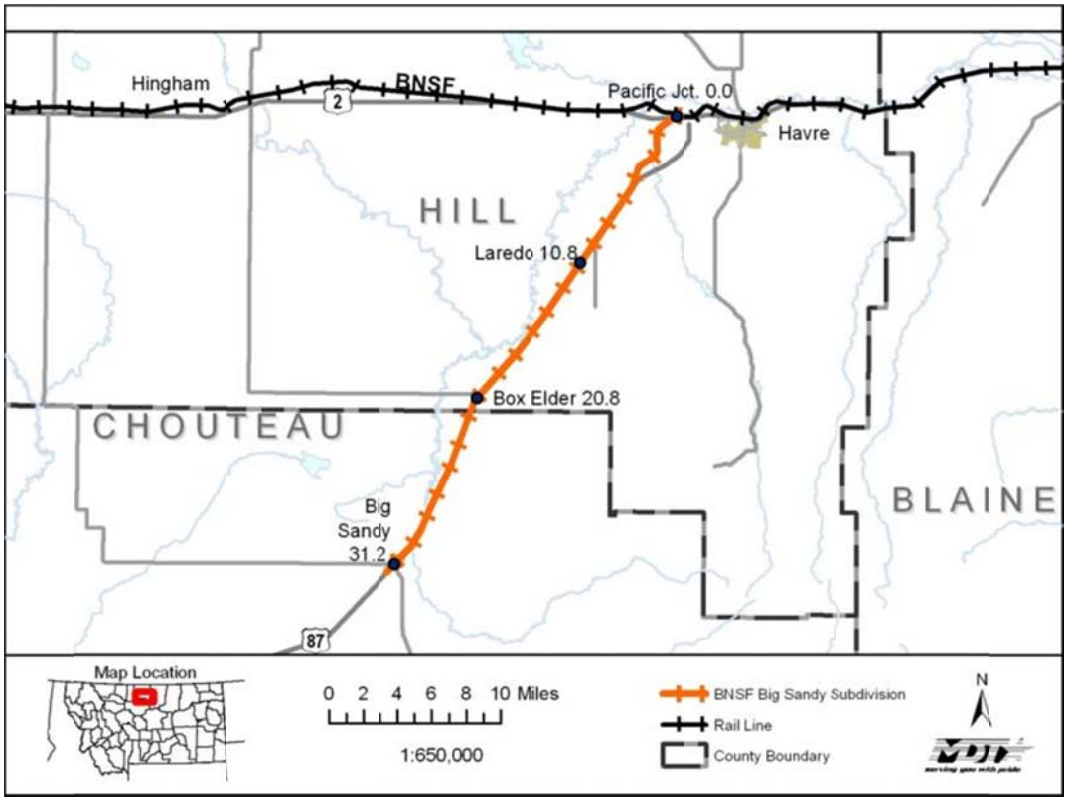


Source: Montana Department of Transportation.

Subdivision K – Big Sandy

The Big Sandy Subdivision begins at MP 0.0 in Pacific Junction and extends to MP 32.1 in Big Sandy (Figure 3.15). Stations along this branch line include Laredo (MP 10.8), Box Elder (MP 20.8), and Big Sandy (MP 31.2). This line services an ADM/CHS grain facility in Big Sandy and converges with the Hi-Line and Milk River main lines (Subdivisions B and C, respectively) at Pacific Junction (MP 0.0). The line operates under TWC with a 10 mph maximum speed. Maximum gross car weight is restricted to 143 tons along the Subdivision's 31.2-mile length.

Figure 3.15 BNSF – Big Sandy Subdivision

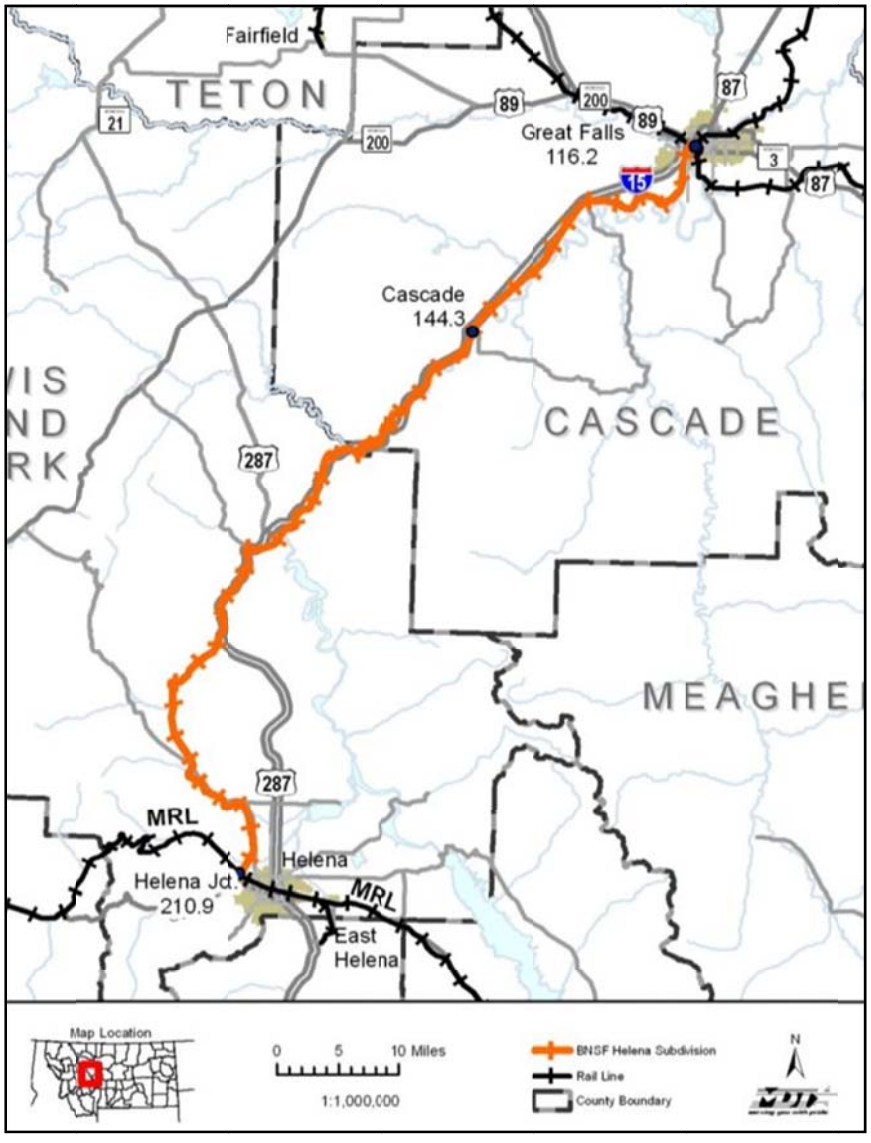


Source: Montana Department of Transportation.

Subdivision L – Helena

The Helena Subdivision, shown in Figure 3.16, is a 94.7-mile branch line between Great Falls (MP 116.2) and Helena Junction (210.9). The line converges with both the Laurel and Great Falls main lines in the City of Great Falls (Subdivisions N and F, respectively). The line currently is out of functional service for freight trains. There are known riverbank stability problems on the track near Ulm (located 14.2 miles west of Great Falls). Recently, this segment has been used for car storage. The line is controlled by TWC with a maximum car weight of 143 tons and maximum speed of 35 mph.

Figure 3.16 BNSF – Helena Subdivision

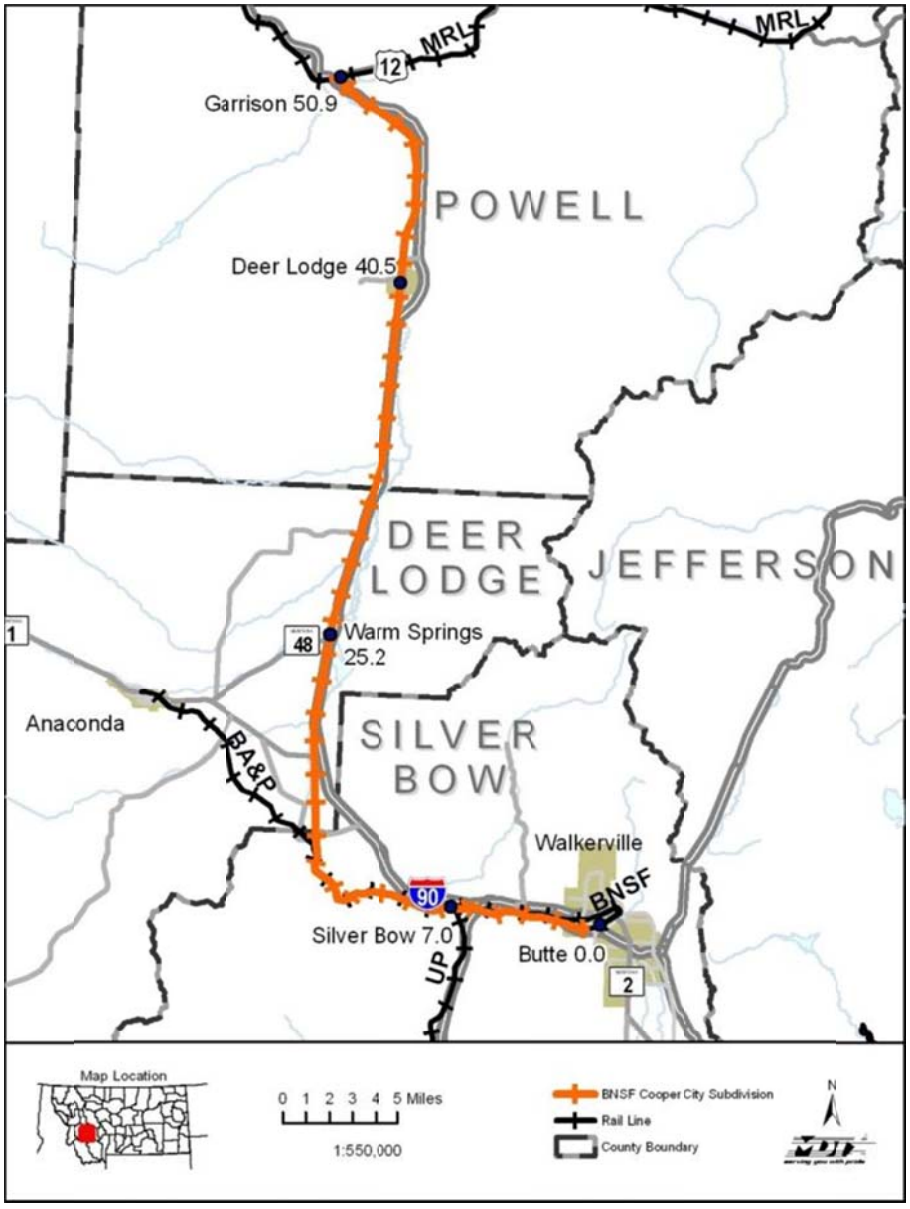


Source: Montana Department of Transportation.

Subdivision M – Copper City

The Copper City Main Line Subdivision connects Butte (MP 0.0) with Garrison (MP 51.1). As shown in Figure 3.17, other stations along the line include Silver Bow (MP 7.0), Warm Springs (MP 25.2), and Deer Lodge (MP 40.5). The line is controlled by TWC. Maximum speed on this single-track is 25 mph, and operation on the line is Occupancy Permission System, i.e., "dark territory." The line does not directly connect to other BNSF segments, but serves operations bridging between MRL at Garrison and UP at Silver Bow.

Figure 3.17 BNSF – Copper City Subdivision

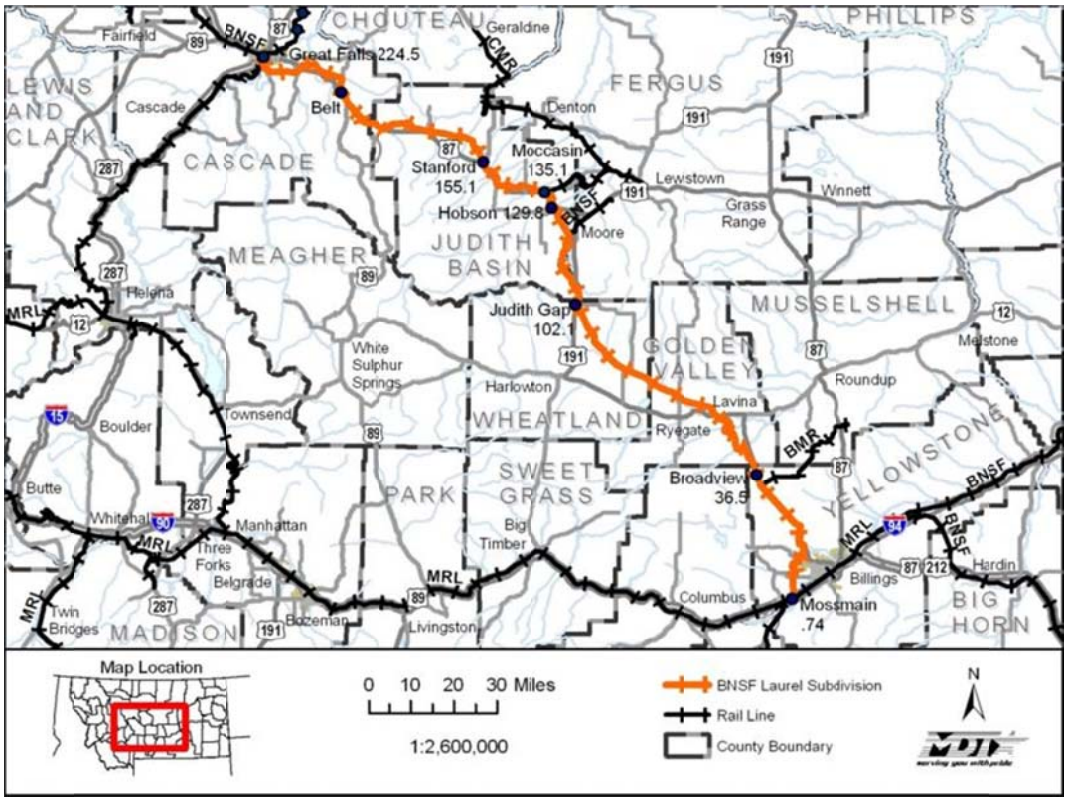


Source: Montana Department of Transportation.

Subdivision N – Laurel

The Laurel Subdivision, shown in Figure 3.18, is a 224-mile main line between Great Falls (MP 224.5) and Mossmain (MP 0.47). It connects to the Great Falls main line (Subdivision F) to the west and the Casper mainline (Subdivision P) to the east. There are 15 additional stations along the line, including Moccasin (MP 135.1) and Broadview (MP 36.5). There are several grain elevators on the line, and a 110-car shuttle facility at Moccasin owned by United/Harvest. The type of operation is TWC, and the maximum gross car weight is 143 tons. Speeds are limited to 49 mph along the line with permanent restrictions limiting speeds to between 25 and 40 mph on several short segments of varying length.

Figure 3.18 BNSF – Laurel Subdivision

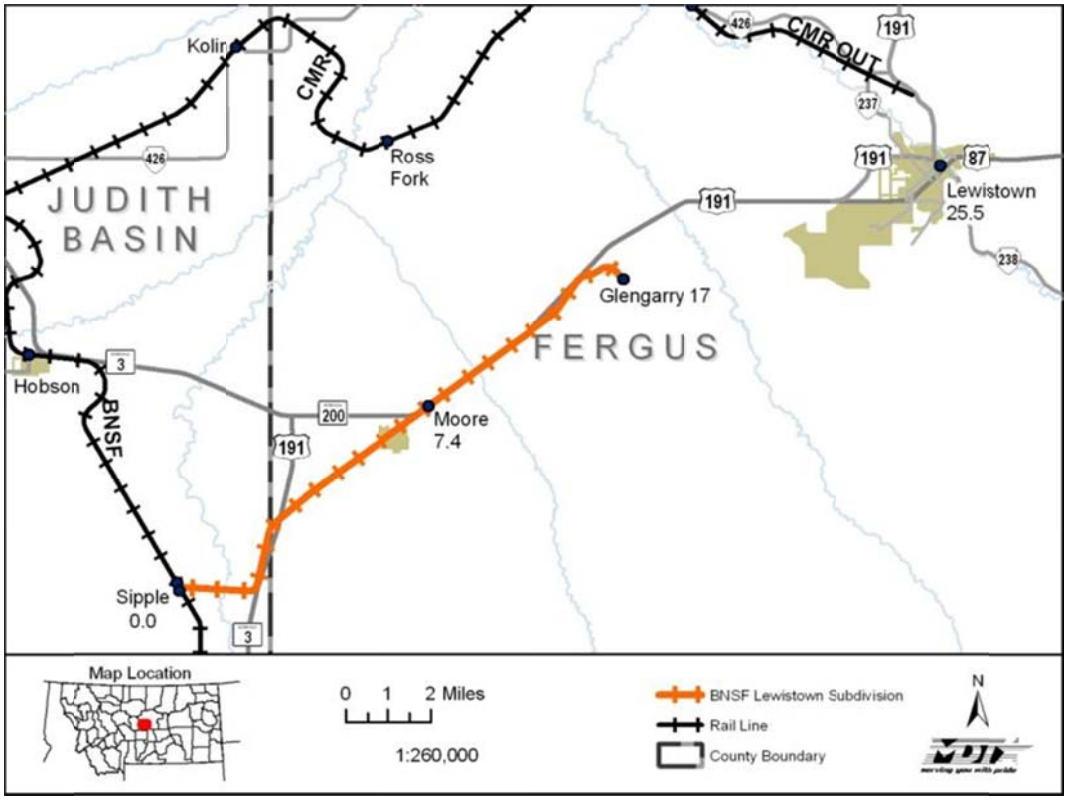


Source: Montana Department of Transportation.

Subdivision O – Lewistown

The Lewistown Subdivision is a single-tracked branch line running from Sipple (MP 0.0) to Lewistown (MP 28.4). Additional stations on the line, shown in Figure 3.19, include Moore (MP 7.4) and Glengarry (MP 17.0). The track from MP 13.88 to MP 27.35 was abandoned and rail banked June 14, 2007. The maximum gross car weight is 143 tons from Sipple to Glengarry and 134 tons from Glengarry to Lewistown. Track warrant control is in effect along the length of the line and the maximum speed is 25 mph.

Figure 3.19 BNSF – Lewistown Subdivision

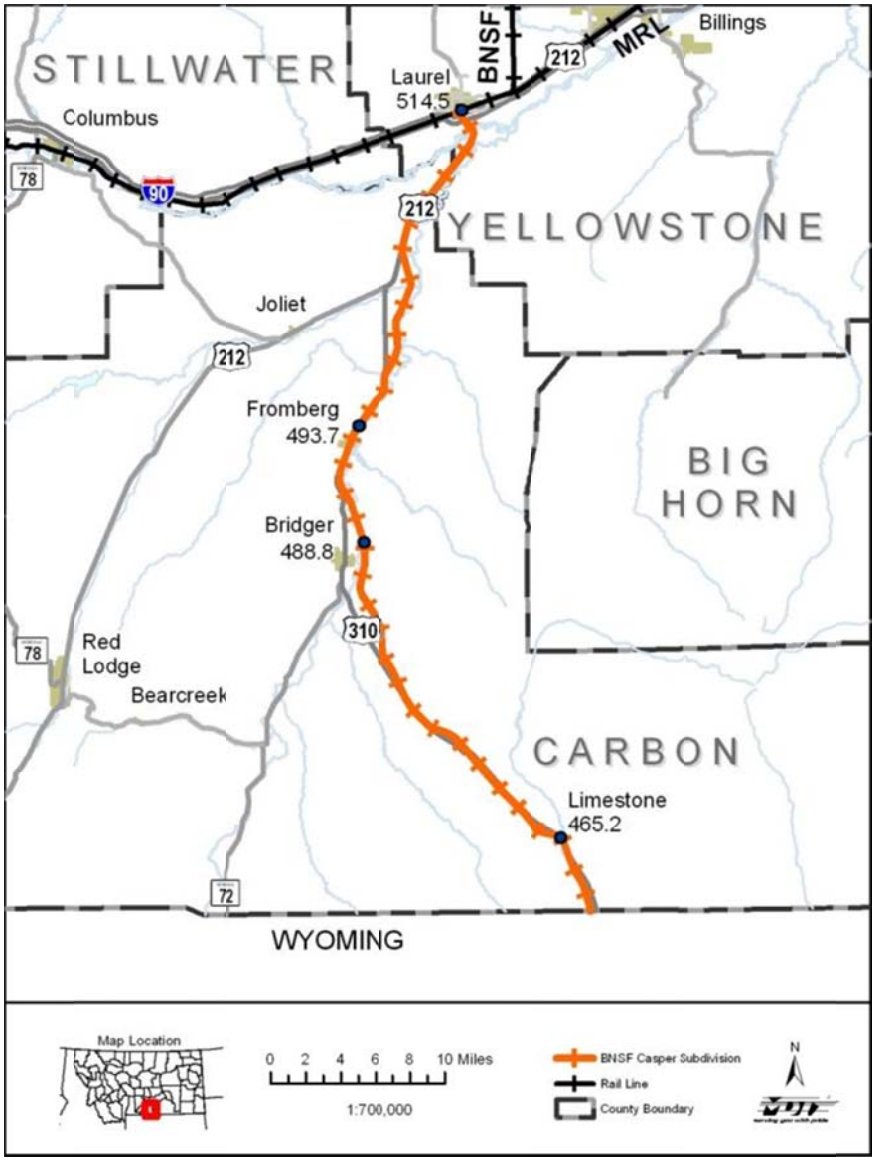


Source: Montana Department of Transportation.

Subdivision P – Casper

The Casper Subdivision connects Bridger Junction, Wyoming to Laurel (MP 514.5). Five stations and approximately 53.4 miles of the 381.3-mile subdivision are located in Montana, including Warren (MP 465.2), Wade (476.1), East Bridger (486.8), Fromberg (493.7), and Edgar (499.6). The maximum operating speed on the line is 40 mph, with permanent restrictions reducing the speed to between 20 and 30 mph on a several segments. "Dark Territory" operations are in effect along the Montana segments.

Figure 3.20 Casper Subdivision

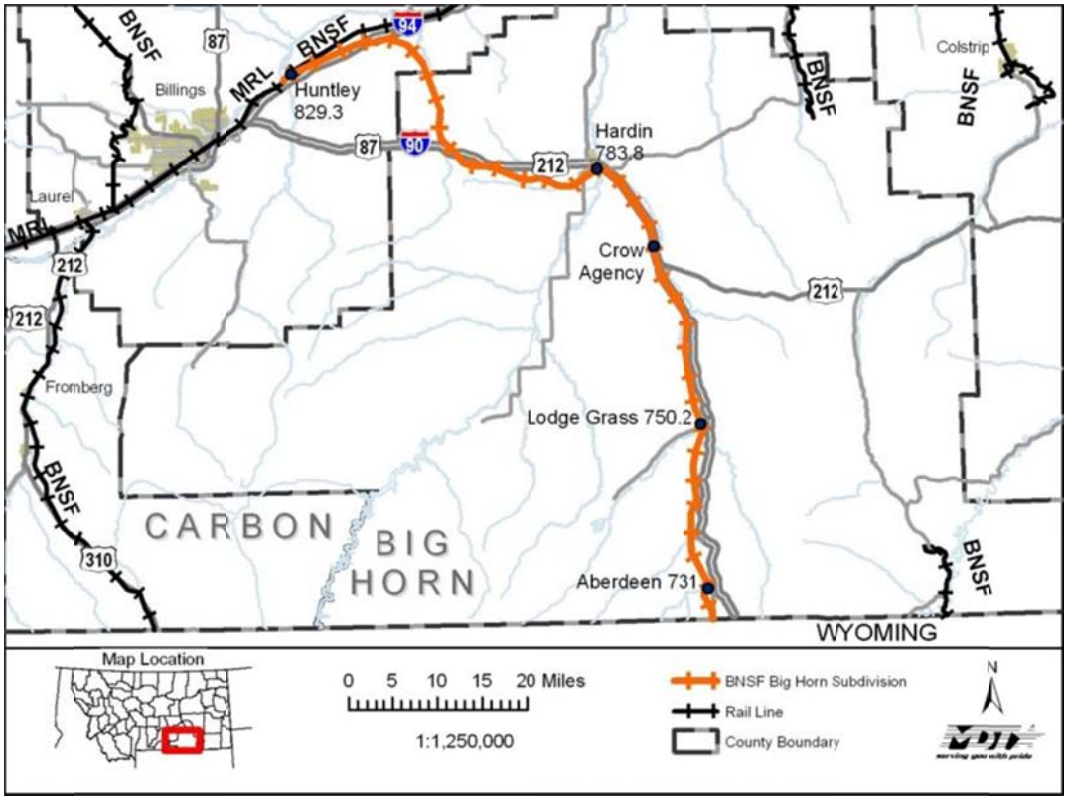


Source: Montana Department of Transportation.

Subdivision Q – Big Horn[31]

The Big Horn Subdivision connects Huntley (MP 829.3) with Sheridan, Wyoming. The Montana portion of the Big Horn line is 101.9 miles and shown in Figure 3.21. It is a major coal-hauling main line in the State, carrying loaded coal trains in both directions. The line is single-tracked with a maximum speed of 60 mph and maximum car weight of 144 tons. The line operates under CTC.

Figure 3.21 Big Horn Subdivision



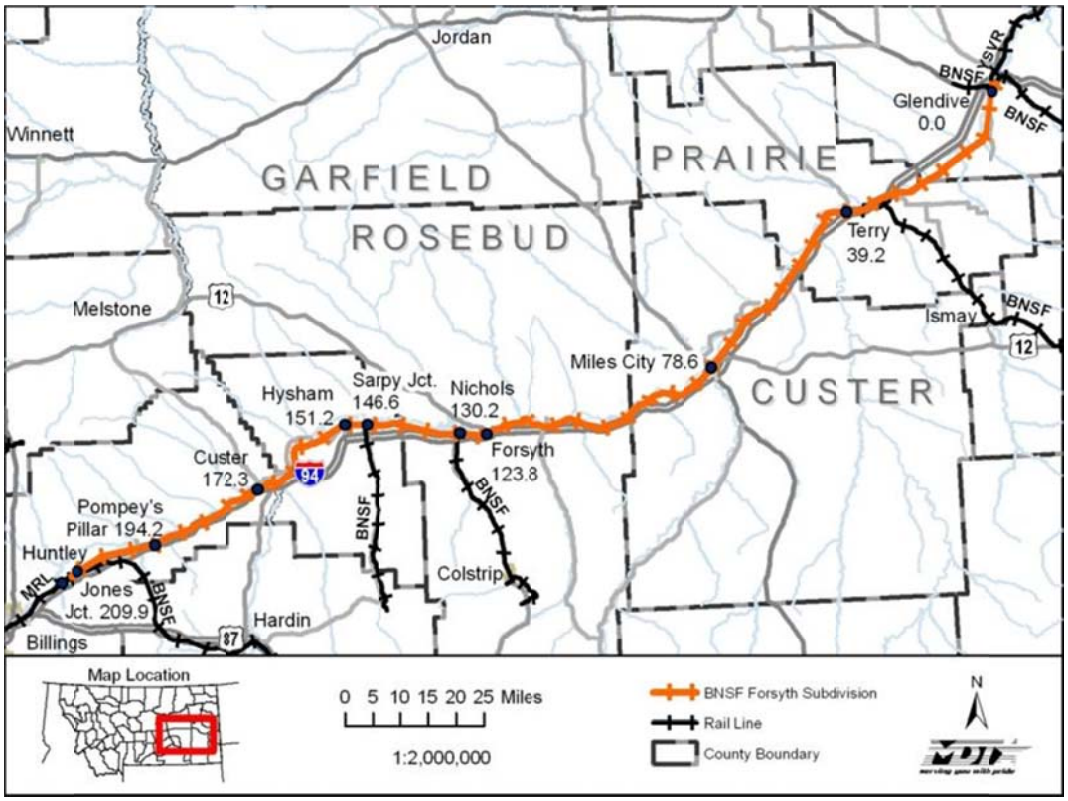
Source: Montana Department of Transportation.

[31] BNSF Railway, Powder River Division Timetable No. 9, Updated July 23, 2008.

Subdivision R – Forsyth

The Forsyth Subdivision is a main line that spans almost 210 miles from Glendive (MP 0.0) to Jones Junction (209.9) on the east side of Billings (Figure 3.22). There are 19 additional stations on the line, including: Terry (39.2), Miles City (MP 78.6), Forsyth (MP 123.8), Nichols (MP 130.2), Sarpy Junction (MP 146.6), Custer (MP 172.3), and Pompey's Pillar (MP 194.2). Maximum freight speed along the line is 60 mph, with numerous permanent restrictions ranging from 25 to 50 mph. The maximum gross car weight is 143 tons. TWC and ABS are in effect from Glendive (MP 0.0) to MP 123.2 and from MP 152.1 to MP 209.8. All other segments operate with CTC.

Figure 3.22 BNSF – Forsyth Subdivision



Source: Montana Department of Transportation.

Subdivision S – Sarpy Line

The Sarpy Line Subdivision, shown in Figure 3.23, is a single-tracked branch line between Sarpy Junction (MP 0.0) and Kuehn (MP 37.4) with no additional stations in between. The branch line serves as a connection to the Forsyth main line (Subdivision R) for Big Horn County. The maximum speed along the line is 40 mph except for sidings and switches in Kuehn which are limited to 10 mph. The line is operated by TWC and has a maximum gross car weight of 143 tons.

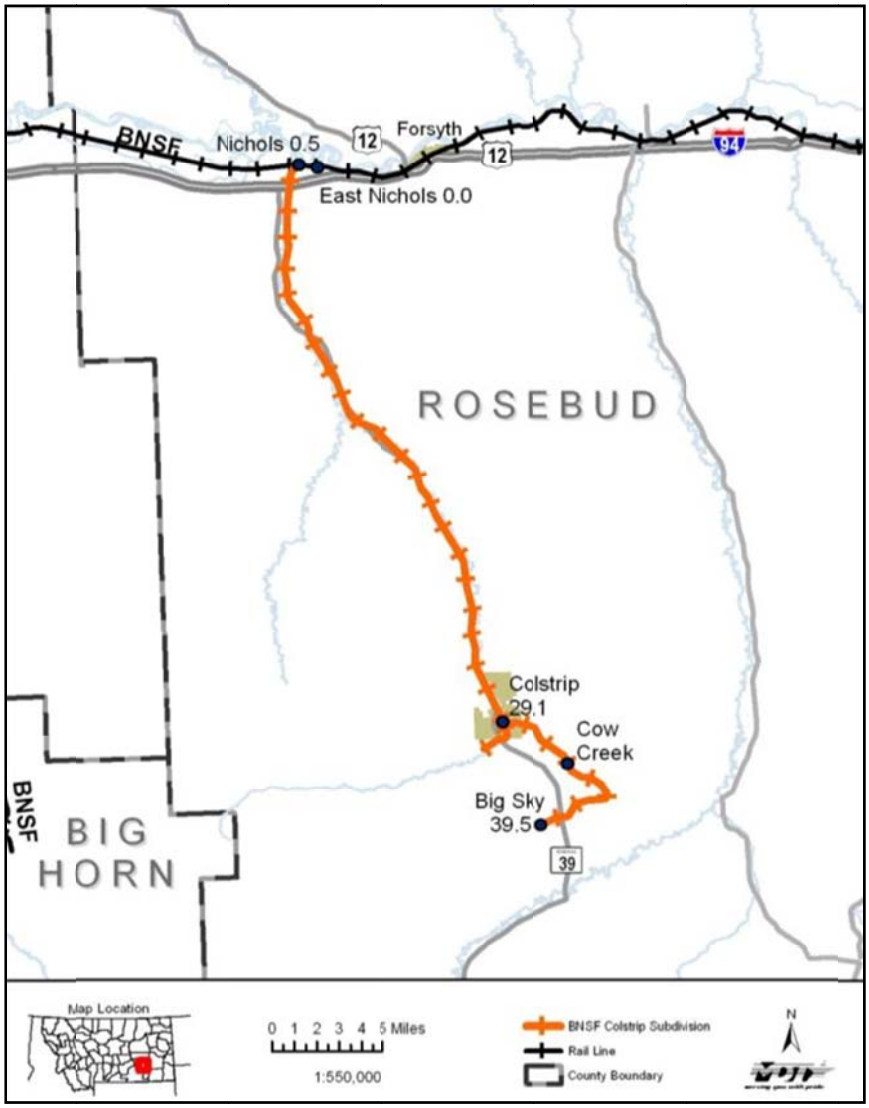
Figure 3.23 BNSF – Sarpy Line Subdivision

Source: Montana Department of Transportation.

Subdivision T – Colstrip

The Colstrip Subdivision, shown in Figure 3.24, is a branch line which runs from East Nichols Wye (MP 0.0) to a rail loading facility known as Big Sky (MP 39.5, not to be confused with the community of the same name in Gallatin County). BNSF-owned track ends at Cow Creek (MP 33.1) and Peabody Coal Company track continues to Big Sky. Other stations along the line include Nichols (MP 0.5) and Colstrip (MP 29.1). The branch line primarily serves coal mines in Rosebud County. The maximum speed along the line is 40 mph with a restriction to 25 mph through Colstrip and Big Sky. TWC is used along the line and the maximum gross weight of cars along the line is 143 tons. The Colstrip Line is switched with the Forsyth Main Line (Subdivision R) at East Nichols.

Figure 3.24 BNSF – Colstrip Subdivision

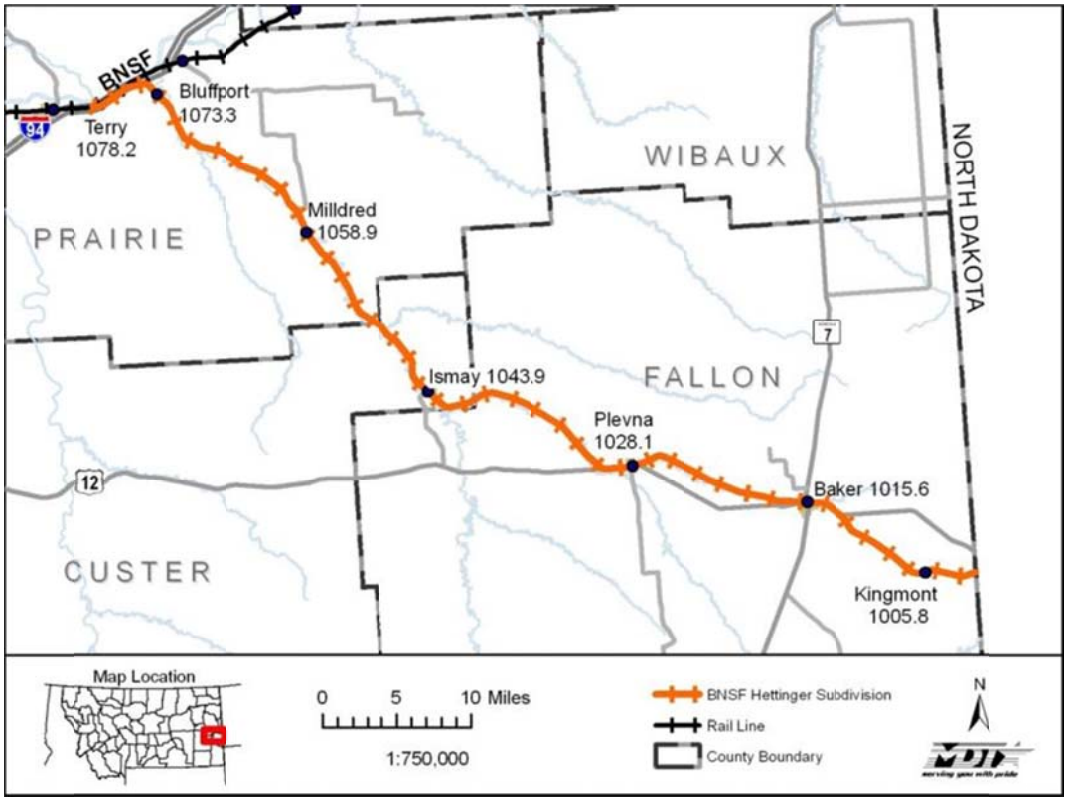


Source: Montana Department of Transportation.

Subdivision U – Hettinger

The Hettinger Subdivision is a main line between Hettinger, North Dakota (MP 926) and just past Terry, Montana (MP 1078.9). The line has 11 stations, six of which are located in Montana: Kingmont (1005.8), Baker (MP 1015.6), Plevna (MP 1028.1), Ismay (MP 1043.9), Mildred (1058.9), Bluffport (MP 1073.3), and Terry (MP 1078.2) (Figure 3.25). The border is at MP 1002.29. Maximum speed along the line is 40 mph with permanent restrictions to 20 mph near Terry. The maximum gross car weight limit is 143 tons, and the operation type is TWC. The line converges with the Forsyth main line (Subdivision R) at Terry.

Figure 3.25 BNSF – Hettinger Subdivision

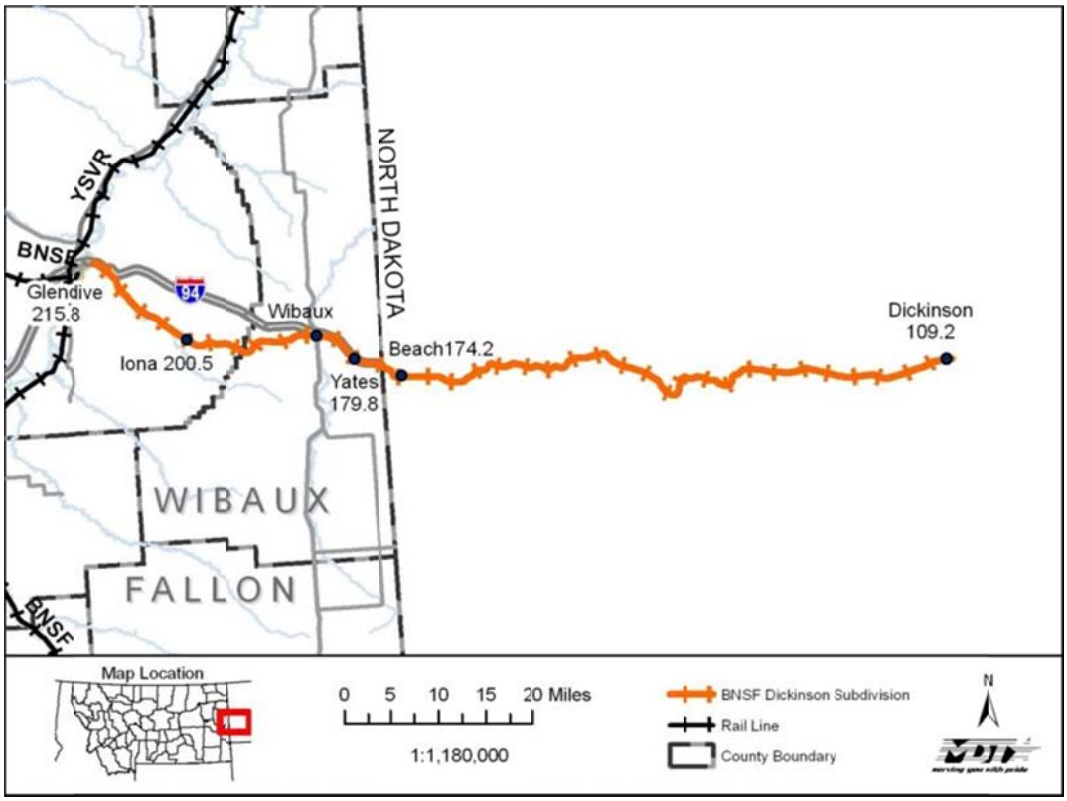


Source: Montana Department of Transportation.

Subdivision V – Dickinson

The Dickinson Subdivision is a main line that runs from Mandan Yard in Mandan, North Dakota (MP 0.0) to Glendive (215.8). The Montana segment of the Dickinson main line is 39.1 miles and shown in Figure 3.26. The border is at MP 176.7. There are 21 additional stations along the route, including: Dickinson (MP 109.2), Beach, (MP 174.2), and Iona (MP 200.5). Speed restrictions fluctuate throughout the line and vary between 20 mph and 50 mph. Maximum gross car weight is 143 tons and TWC and ABS operations are in effect along the length of the line. The Dickinson main line interchanges with the Forsyth main line (Subdivision R) at Glendive.

Figure 3.26 BNSF – Dickinson Subdivision



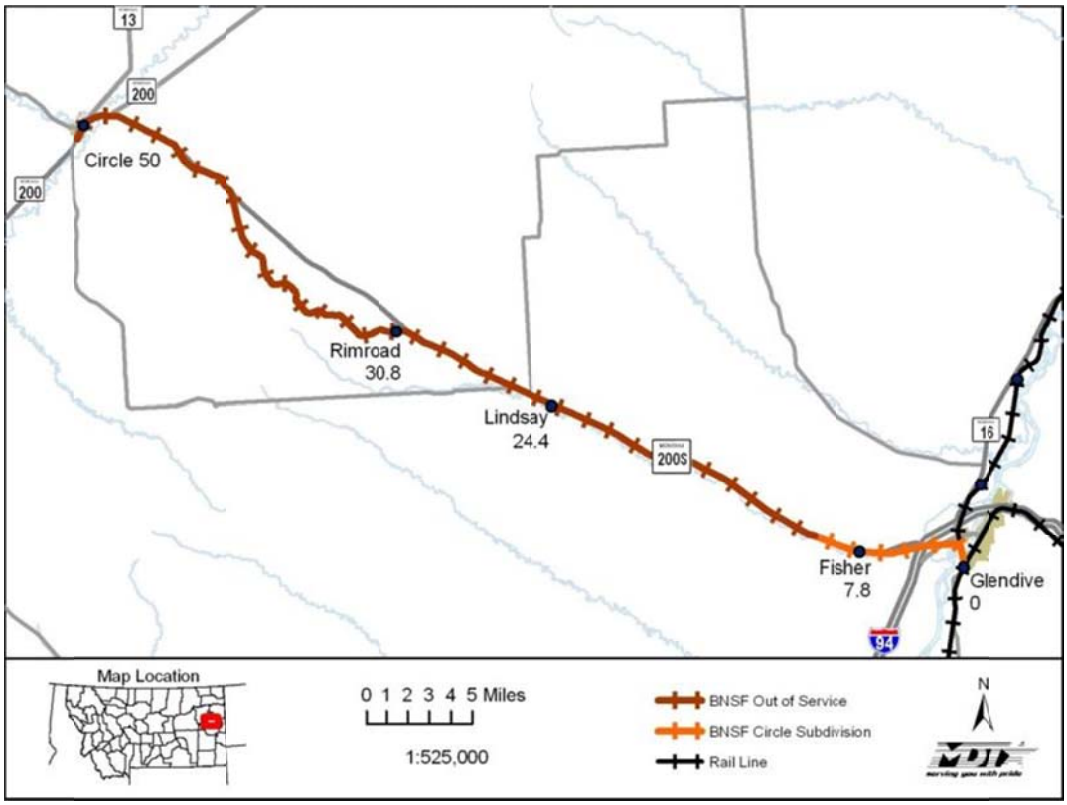
Source: Montana Department of Transportation.

Subdivision W – Circle

The Circle Subdivision, shown in Figure 3.27, is a 50.5-mile branch line between Glendive (MP 0.0) and Circle (MP 50.5). Stations include Fisher (MP 7.8), Lindsay (MP 24.4) and Rimroad (MP 30.8), and Circle (MP 50). The line operates under TWC with a maximum track speed of 10 mph and maximum gross car weight of 134 tons.

This line has witnessed decreased usage as a result of 110-car grain shuttle loading facility constructed in recent years in nearby Macon. Abandonment has been pursued by the railroad but currently is on hold indefinitely.

Figure 3.27 Circle Subdivision

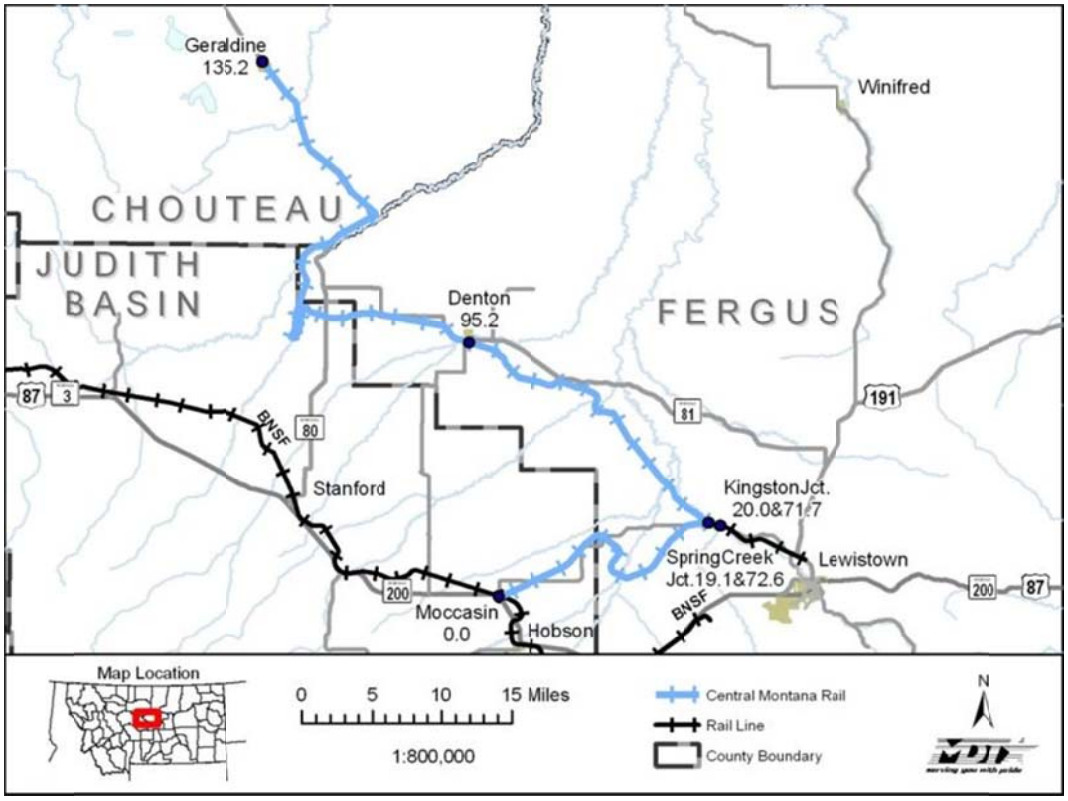


Source: Montana Department of Transportation.

Central Montana Rail (CMR)

Central Montana Rail, Inc. (CMR), shown in Figure 3.28, is a Class III local railroad which operates 88 route miles between Moccasin Junction (MP 0.0) and Geraldine (MP 135.2). It also includes 9.2 miles of switching tracks for an overall total of 96.2 miles.[32] There are 11 total stations along the line, including Kingston Junction (MP 20.0 and MP 71.7), and Denton (MP 95.2).[33] The maximum authorized speed is 25 mph, with restrictions in select areas to 10 mph. The line connects with the BNSF Laurel main line (Subdivision O) at Moccasin.

Figure 3.28 Central Montana Rail



Source: Montana Department of Transportation.

[32] Central Montana Rail, Inc., Montana Rail Road Statistics, December 2007.

[33] Central Montana Rail, Inc., Timetable No. 9, February 1, 2005.

Operating statistics for the years 2005 through 2007 are detailed in Table 3.5. While wheat accounted for approximately 92 percent of CMRs total revenue freight in each reporting year, CMR also hauled barley, fertilizer, and scrap. In 2007, CMR transported a total of 82,100 tons, attributing to an intrastate operating revenue of $617,827. A seasonal passenger/tourism train also operates on the line.

Table 3.5 Central Montana Rail Operating Statistics
2005-2007

	Carloads			Tons		
Commodity	2005	2006	2007	2005	2006	2007
Wheat	807	1,348	757	80,700	134,800	75,700
Barley	43	58	37	4,300	5,800	3,700
Fertilizer	28	42	10	2,800	4,200	1,000
Scrap	9	9	17	900	900	1,700
Total	887	1,457	821	88,700	145,700	82,100

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

Montana Rail Link (MRL)[34]

Montana Rail Link (MRL) has been in operation since October 1987 after assuming control of Montana's southern route from the Burlington Northern Railroad. Today, MRL is a Class II regional railroad operating more than 900 miles of track in its system throughout Montana, Idaho, and Washington. Of the 875 miles of track located in Montana, MRL leases approximately 70 percent of its road, including 557 miles of main line leased from BNSF.[35] MRL owns 254 miles of branch line within the State. Headquartered in Missoula, MRL has approximately 1,000 employees and a fleet of more than 2,100 freight cars and 176 locomotives.[36]

As shown in Table 3.6, MRL experienced notable increases in both carloads and tonnage between 2005 and 2007. Over the three-year period, total carloads increased by 10.9 percent, while total tonnage increased by 13.5 percent. The increase in coal movements between 2005 and 2007 accounted for a majority of this growth. In addition to coal, the primary commodities transported by MRL in Montana include farm products, petroleum and coal products, and lumber and wood products.

[34] Line-level information compiled from MRL Timetable No. 14, dated August 26, 2007; and the MRL System Condensed Profile and Track Chart, both provided by MRL Staff.

[35] Montana Rail Link, Annual Report to the Montana Public Service Commission, 2007.

[36] Montana Rail Link Corporate web site: http://www.montanarail.com/.

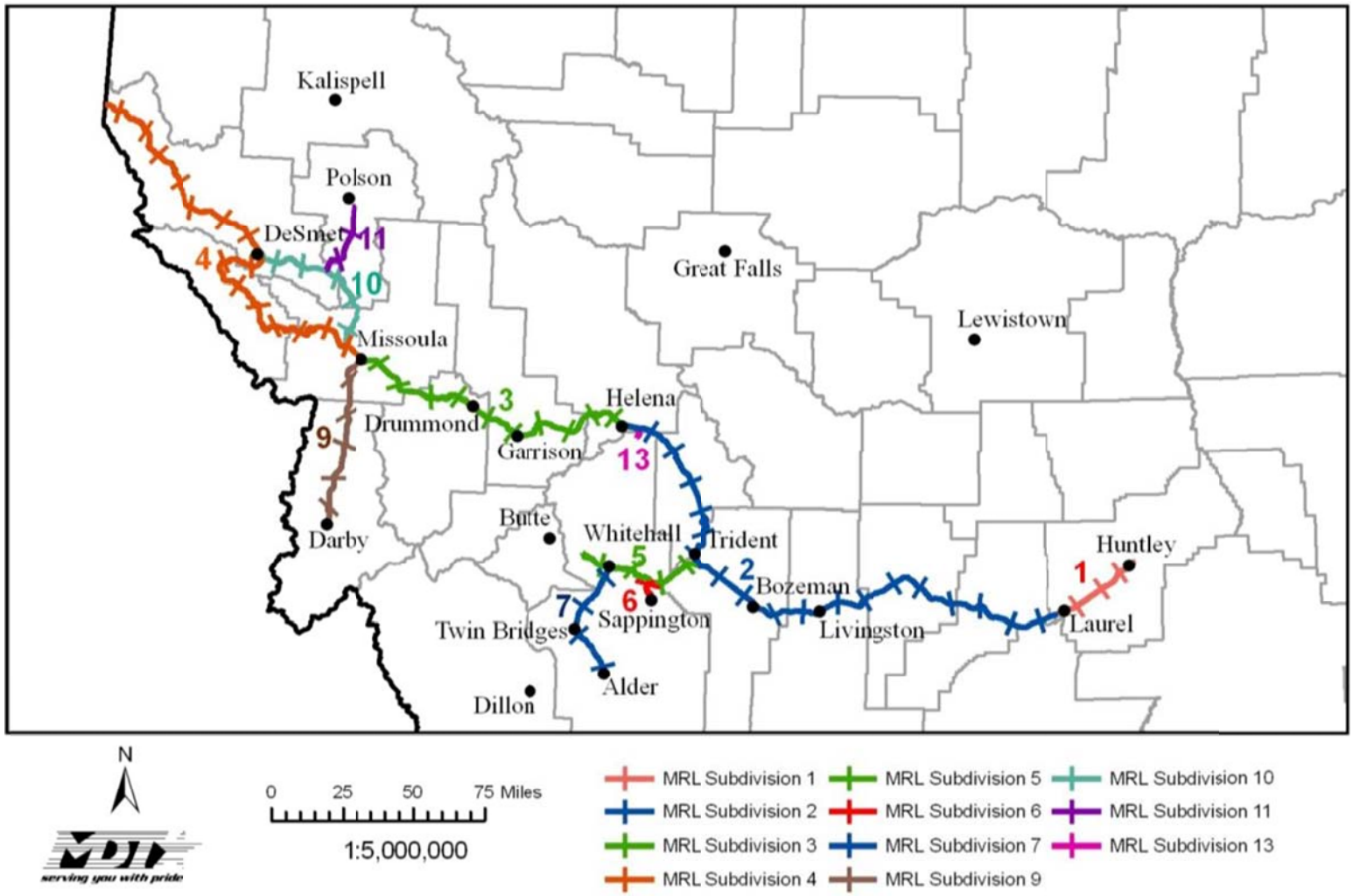
Table 3.6 Montana Rail Link Operating Statistics
2005-2007

Commodity	Carloads			Gross Tons		
	2005	2006	2007	2005	2006	2007
Coal	41,009	46,842	72,890	5,781,955	6,609,616	10,243,354
Farm Products	65,400	89,348	67,646	8,949,496	12,338,137	9,465,651
Petroleum and Coal Products	43,784	42,756	43,664	5,428,071	5,296,765	5,424,994
Lumber and Wood Products	42,542	46,906	36,007	5,137,807	5,687,045	4,318,853
Food and Kindred Products	18,969	18,447	22,016	2,407,015	2,328,178	2,829,528
Stone, Clay, Glass, and Concrete	22,360	22,879	21,292	2,842,262	2,931,239	2,736,557
Chemicals and Allied Products	12,658	12,657	16,047	1,636,651	1,631,539	2,057,997
All Other Commodities	53,339	54,256	53,311	6,154,995	6,294,416	6,422,805
Total	300,061	334,091	332,873	38,338,252	43,116,935	43,499,739

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

Within Montana, the MRL system is divided into 11 subdivisions, shown in Figure 3.29. Note that MRL subdivisions 8 and 12 no longer exist, and therefore are not included in the railroad's sequential numbering system. The location and operating characteristics of each subdivision is described in the following sections. Note that maximum rail car weight limits are not available for the MRL subdivisions.

Figure 3.29 MRL Statewide System Overview



Source: Montana Department of Transportation.

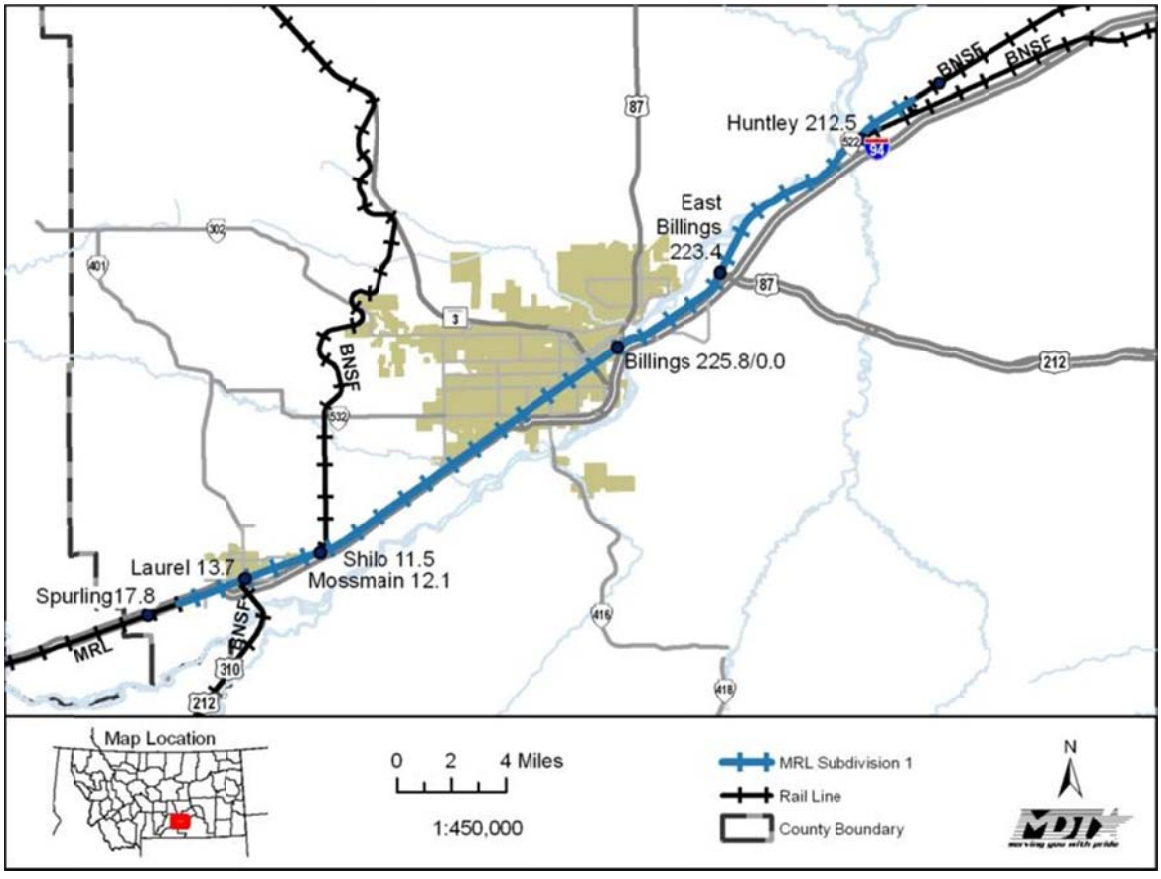
Note: Subdivisions 8 and 12 no longer exist.

Subdivision 1 – Huntley to Billings, Billings to Spurling

MRL's Subdivision 1 is a 33.7-mile main line that connects with BNSF Subdivisions Q (Big Horn) and R (Forsyth) and extends to Spurling (MP 17.8) west of Laurel (MP 13.7). In addition to the two subdivision termini stations shown in Figure 3.30, the line has seven stations along the route, including: Huntley (MP 212.5), East Billings (MP 223.4), Billings (MP 225.8 and MP 0), Shilo (MP 11.5), Mossmain (MP 12.1), and Laurel (MP 13.7).

The line is double-tracked and operated by TWC from East Billings to Shilo, and has either two main tracks or a single main track with CTC on the remaining miles of the route. Speed limits range from 10 mph to 45 mph on the main tracks and 10 mph to 35 mph on turnouts, sidings, and other tracks.

Figure 3.30 MRL Subdivision 1

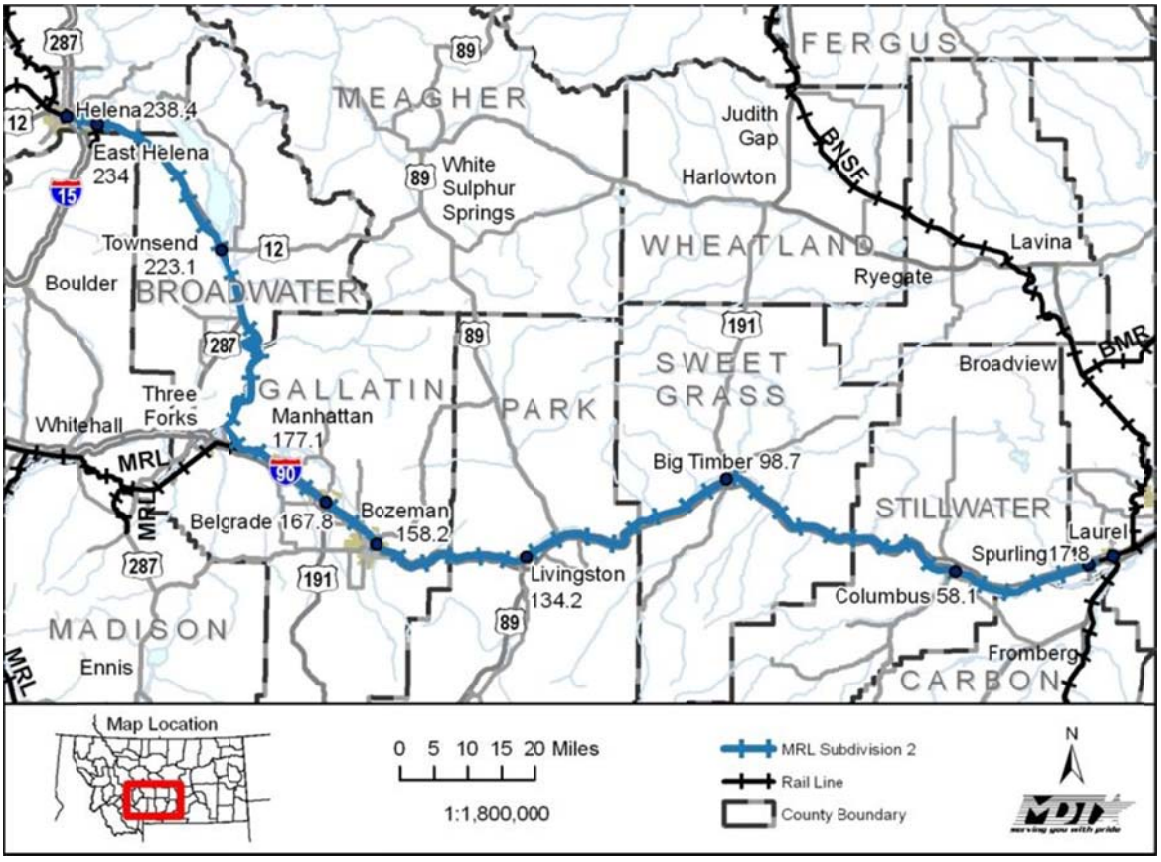


Source: Montana Department of Transportation.

Subdivision 2 – Spurling to Helena

Shown in Figure 3.31, MRL's Subdivision 2 is a 220.7-mile main line connecting Spurling (MP 17.75) with Helena (MP 238.4). There are 25 total stations located along the line, including Livingston (MP 134.2), Bozeman (MP 158.2), and East Helena (MP 234). The line has a single main track throughout and is operated by CTC. Speed limits range from 1 mph to 45 mph on the main track and 10 mph to 35 mph on turnouts, sidings, and other track. Subdivision 2 has three areas of FRA Excepted Track,[37] effectively limiting operations to maximum 10 mph. The excepted track segments are located in Livingston, Bozeman, and Helena.

Figure 3.31 Subdivision 2



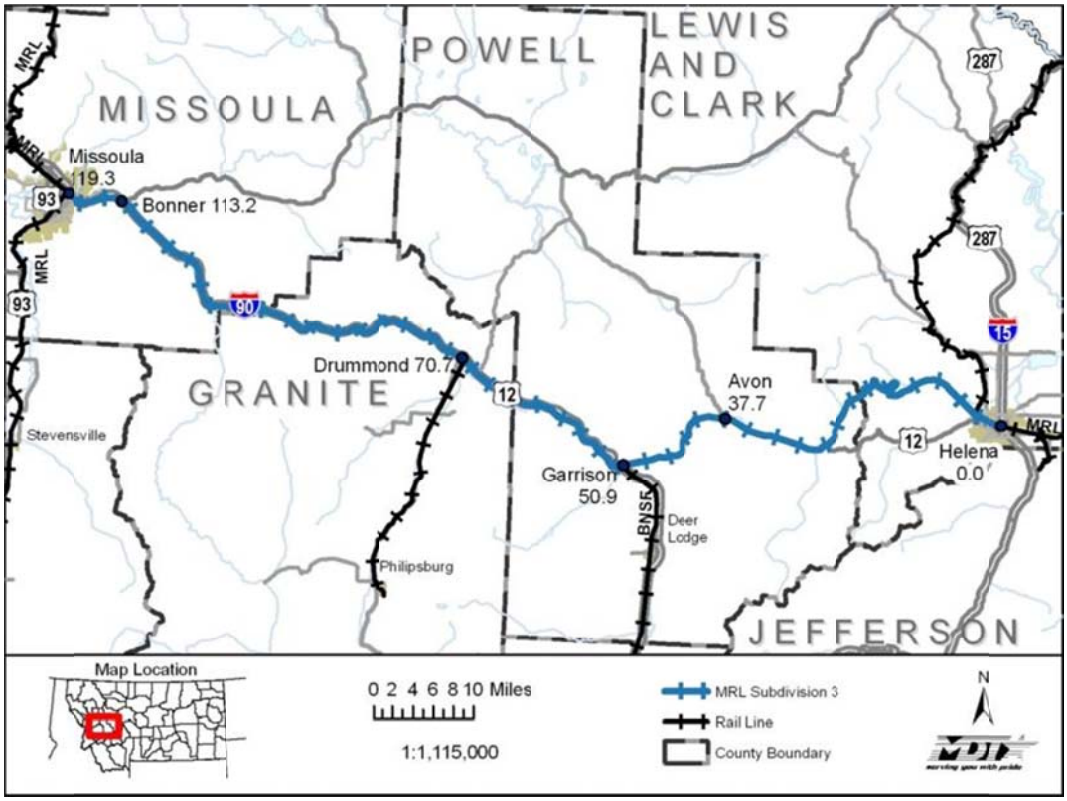
Source: Montana Department of Transportation.

[37] A track owner may designate a segment of track as FRA excepted track, which limits train speeds to 10 mph, prohibits passenger trains from operating on the track, and limits trains to no more than five hazardous material-carrying cars.

Subdivision 3 – Helena to Missoula

MRL Subdivision 3, shown in Figure 3.32, is a 119.3-mile main line connecting Helena (MP 0.0) and Missoula (MP 119.3). There are 14 additional stations along the route, including Garrison (MP 50.9), Drummond (MP 70.7), and Bonner (MP 113.2). The route is primarily single main tracked, with the exception of segments near Missoula and Helena, which use two main tracks. CTC is utilized along the entire subdivision. Speed limits on the main track are between 20 mph and 45 mph. Turnouts, sidings, and other tracks have maximum speeds between 5 mph and 35 mph.

Figure 3.32 MRL Subdivision 3

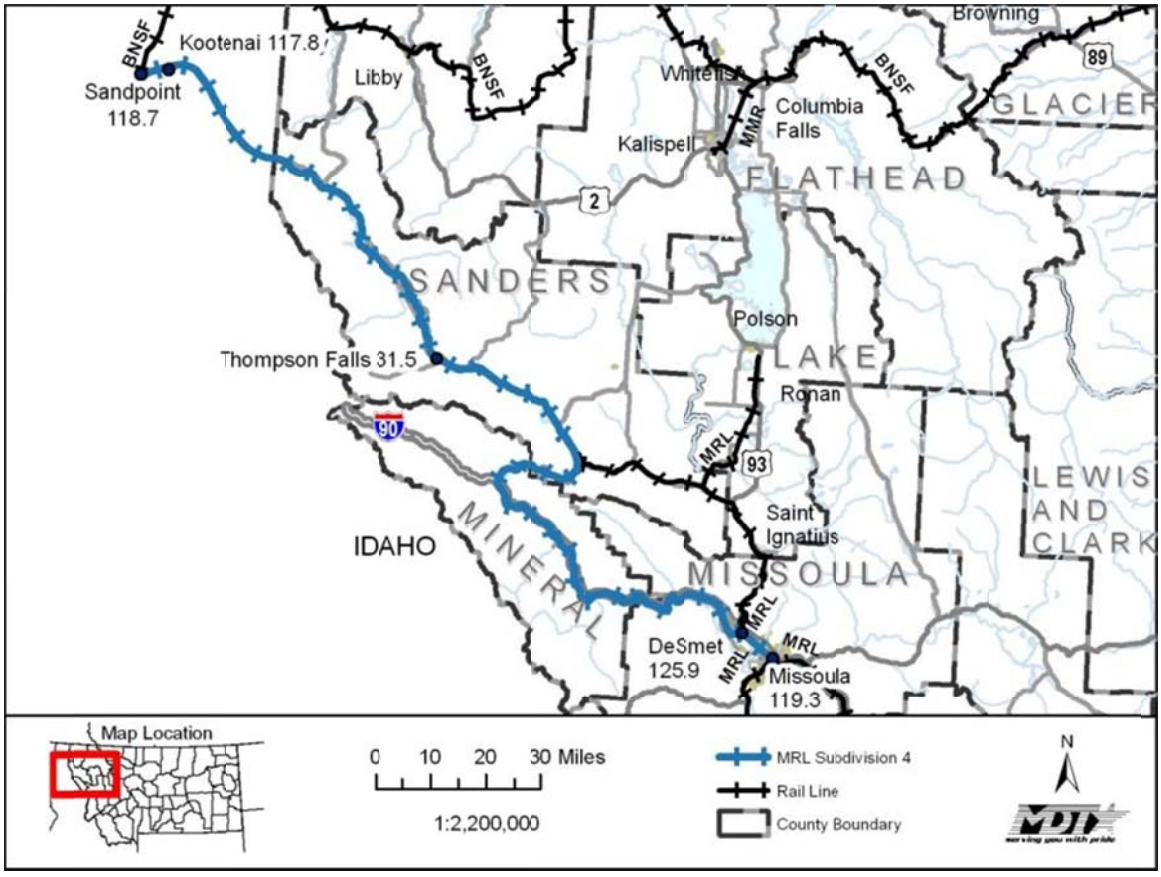


Source: Montana Department of Transportation.

Subdivision 4 – Missoula to Paradise, Paradise to Sandpoint Junction

MRL's Subdivision 4 (Figure 3.33) is a 218.6-mile main line between Missoula (MP 119.3) and Sandpoint Junction, Idaho (MP 118.7). The border is at MP 85.25 with 185.2 miles in Montana. The subdivision renumbers mileposts heading west at Paradise (MP 219.2 and MP 0.0). The subdivision connects with BNSF Subdivision A (Kootenai River) at Sandpoint Junction. There are 18 additional stations along the route, including DeSmet (MP 125.9), Thompson Falls (MP 31.5), and Kootenai (MP 117.8). The line is primarily single-tracked except for a 3-mile portion near Missoula at DeSmet, which includes two main tracks. The entire line is operated with CTC. Speed limits on the line range from 20 mph to 45 mph on the main track, and 10 mph to 30 mph on turnouts, sidings, and other tracks.

Figure 3.33 Subdivision 4

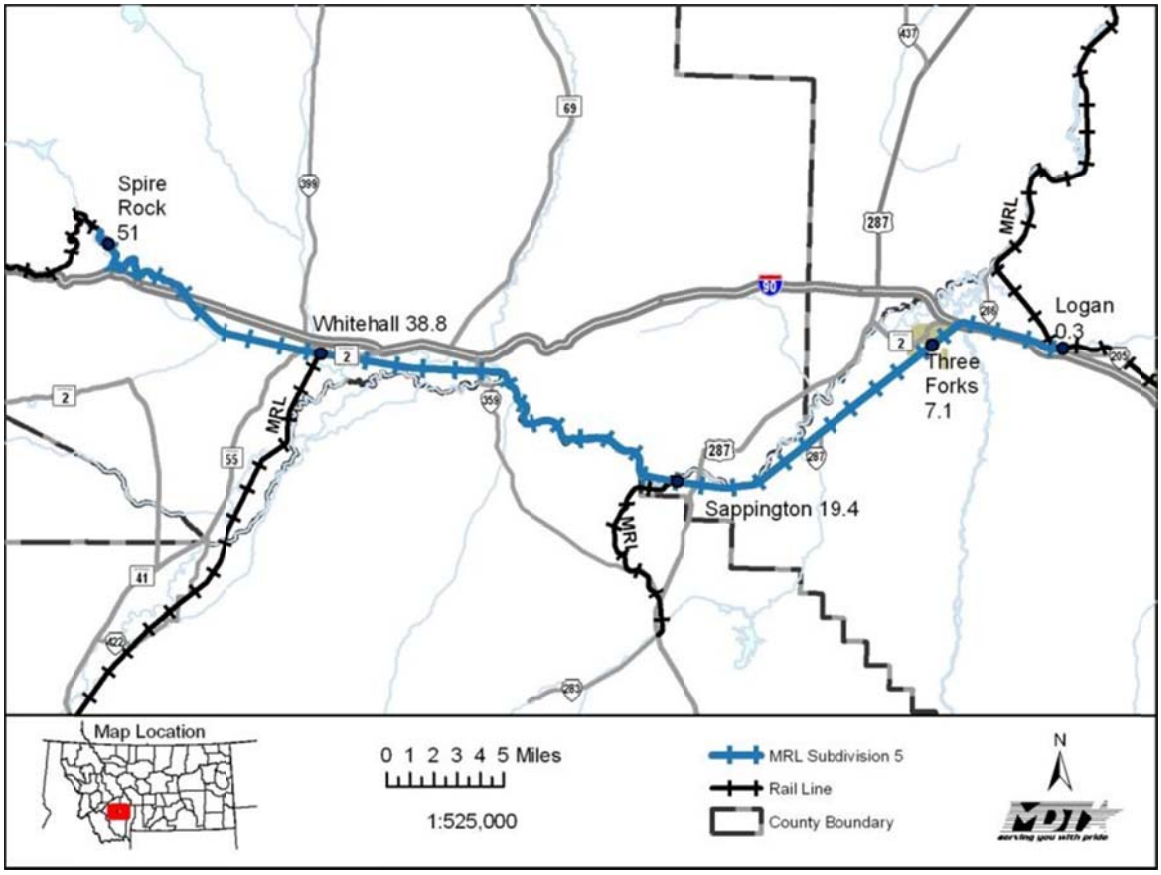


Source: Montana Department of Transportation.

Subdivision 5 – Logan to Spire Rock

MRL's Subdivision 5 is a 50.7-mile branch line connecting Logan (MP 0.3) with Spire Rock (MP 51). Subdivision 5 interchanges with an out-of-service BNSF line at Spire Rock and includes seven total stations, including Sappington (MP 19.4) and Whitehall (38.8). The line is single-tracked throughout and operated with TWC, except for CTC at Logan. Maximum speeds on the line are between 10 mph and 40 mph. Figure 3.34 illustrates Subdivision 5.

Figure 3.34 Subdivision 5



Source: Montana Department of Transportation.

Subdivision 6 – Sappington to Harrison

MRL's Subdivision 6 is a 9.7-mile branch line between Sappington (MP 0.0) and Harrison (MP 9.7), the sole stations on the line. This line currently is used primarily for storage. Maximum speed on this single-tracked line is 10 mph. Method of operation for the line is Block Register Territory (BRT). Figure 3.35 exhibits Subdivision 6.

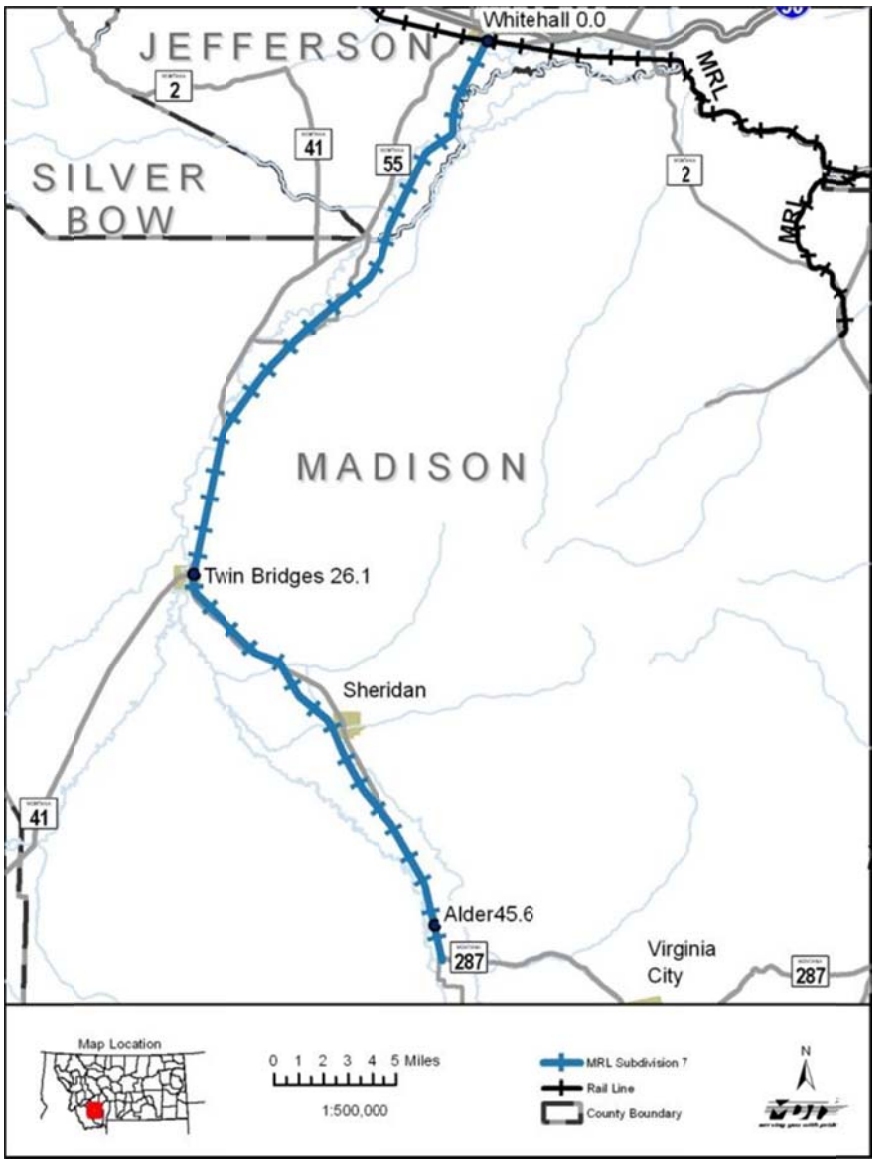
Figure 3.35 MRL Subdivision 6

Source: Montana Department of Transportation.

Subdivision 7 – Whitehall to Alder

MRL's Subdivision 7, shown in Figure 3.36, is a 45.6-mile main line between Whitehall (MP 0.0) and Alder (MP 45.6). The line is out of service from Twin Bridges (MP 26.1) to the end of the line at Alder – this section is FRA excepted track and used primarily for storage. Maximum speed on this single-tracked line is 25 mph, with a 2-mile section near Whitehall at 10 mph. BRT is the method of operation for this line.

Figure 3.36 Subdivision 7

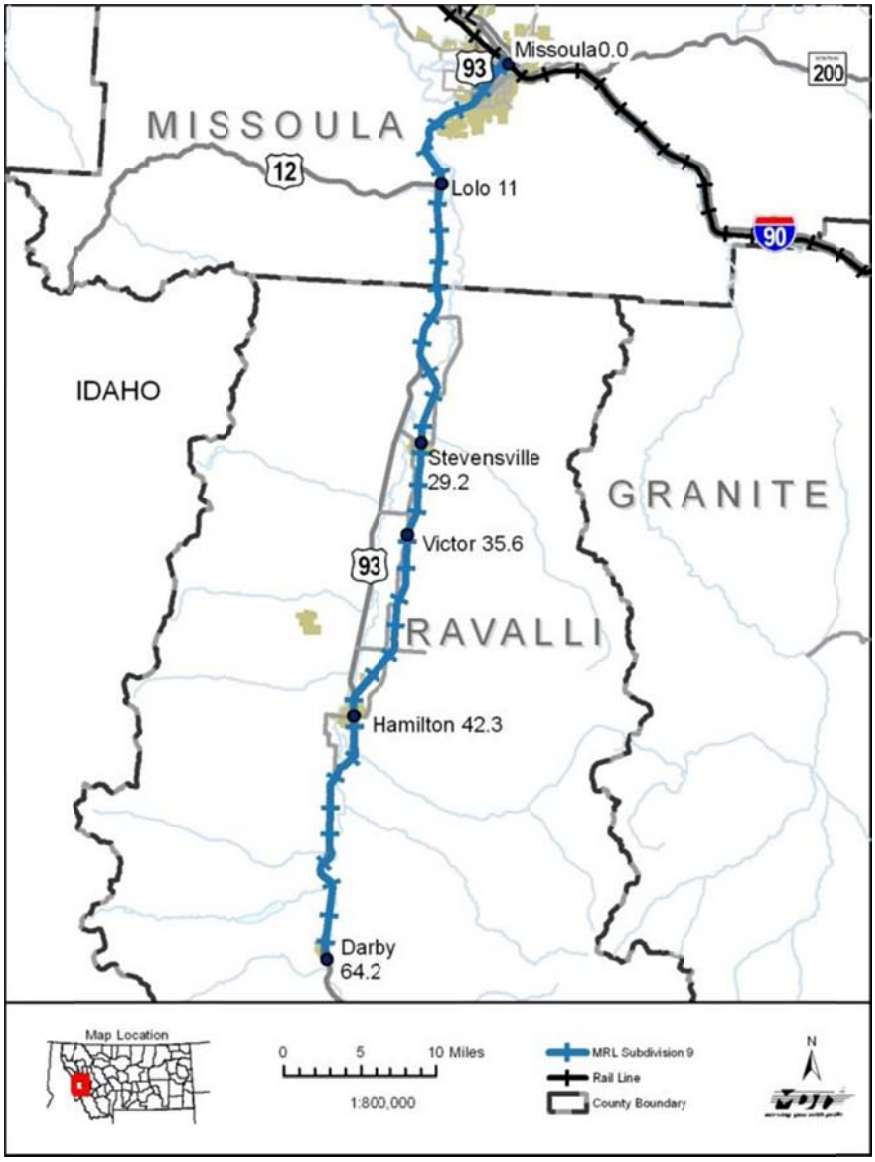


Source: Montana Department of Transportation.

Subdivision 9 – Missoula to Darby

MRL's Subdivision 9 is a 64.7-mile branch line from Missoula (MP 0.02) to Darby (MP 64.7) (Figure 3.37). There are four additional stations along this line at Lolo (MP 11.0), Stevensville (MP 29.2), Victor (MP 35.6), and Hamilton (MP 48.0). The entire line is single-track. Most of the line has a maximum speed of 25 mph; however, speeds are limited to 10 mph near Hamilton and Darby. TWC is the operation type utilized on Subdivision 9.

Figure 3.37 Subdivision 9

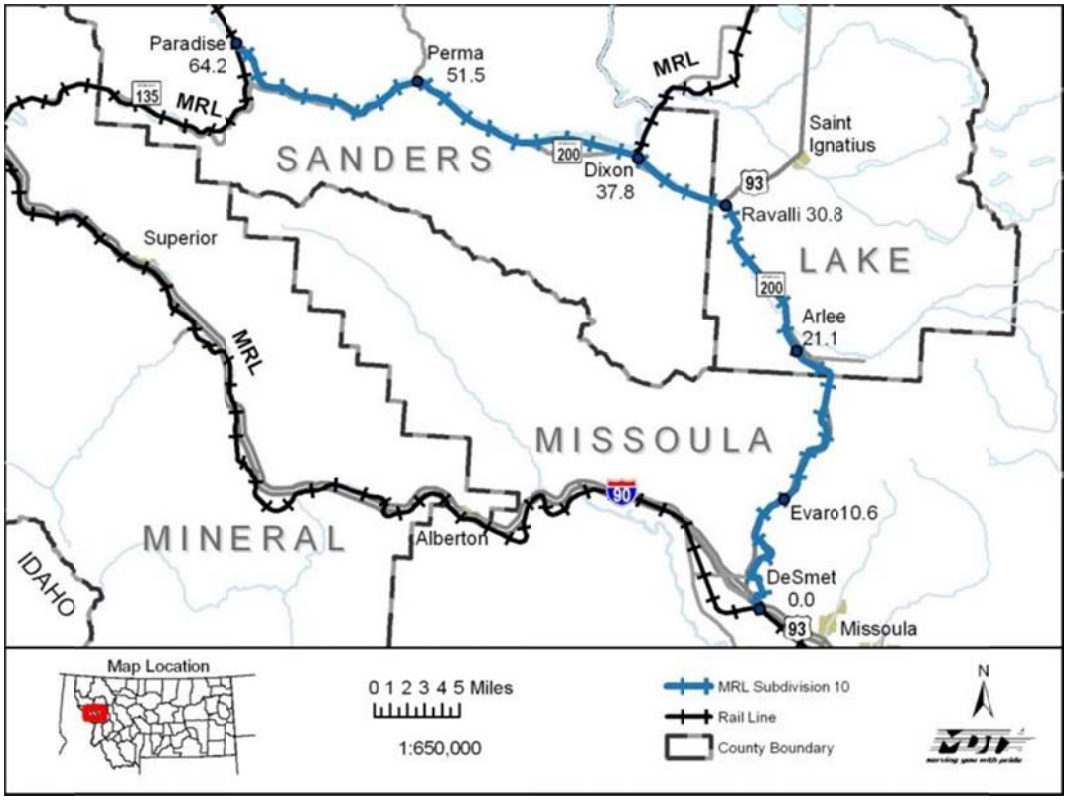


Source: Montana Department of Transportation.

Subdivision 10 – DeSmet to Paradise

MRL's Subdivision 10, Figure 3.38, is a 64.1-mile main line between DeSmet (MP 0.0) and Paradise (MP 64.1). There are five additional stations on the line: Evaro (MP 10.6), Arlee (MP 21.1), Ravalli (MP 30.8), Dixon (MP 37.8), and Perma (MP 51.5). With the exception of DeSmet and Paradise which are operated by CTC, the entire line is single-tracked operated by TWC. Maximum speeds on this line range from 25 mph to 45 mph.

Figure 3.38 Subdivision 10

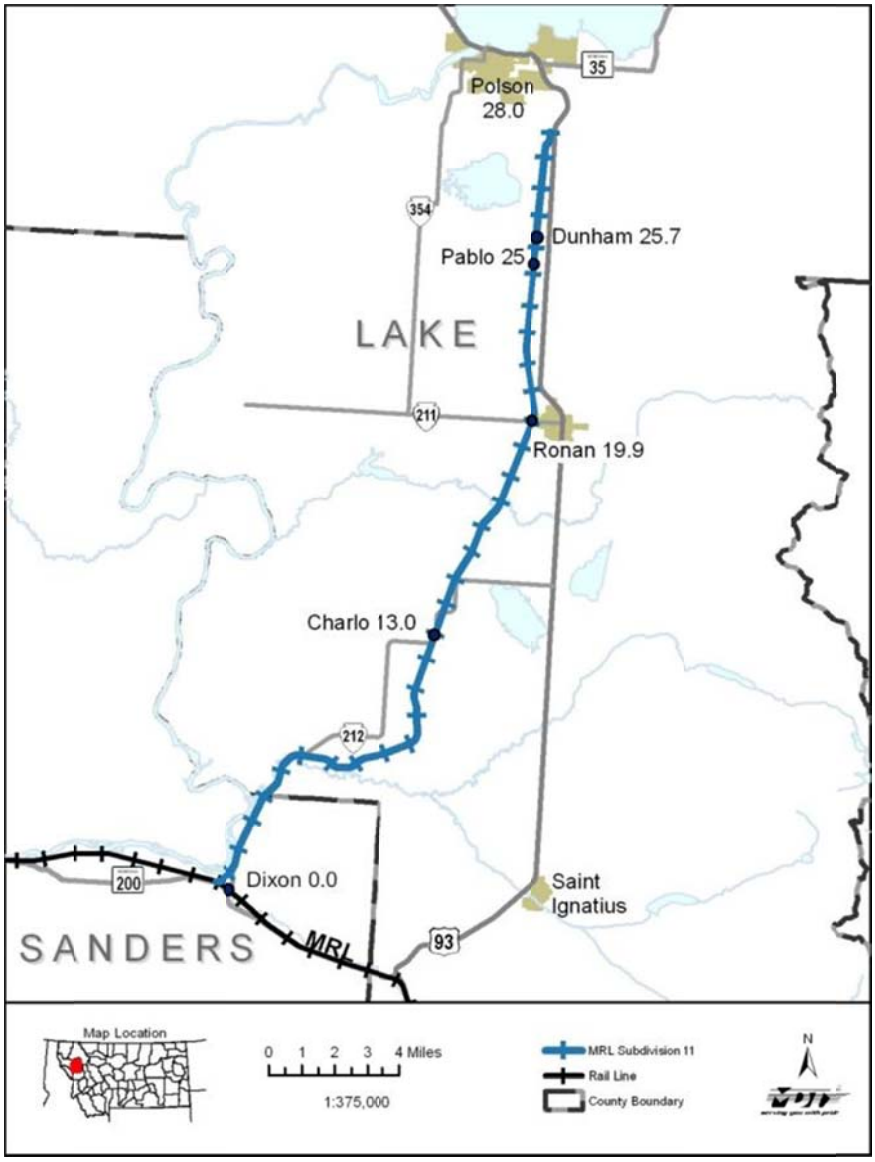


Source: Montana Department of Transportation.

Subdivision 11 – Dixon to Polson

MRL's Subdivision 11 is a 29.0-mile branch line between Dixon (MP 0.0) and Polson (MP 29.0). There are four additional stations on the route: Charlo (MP 13.0), Ronan (MP 19.9), Pablo (MP 25.0), and Dunham (MP 25.7). Maximum speed on the main track is 25 mph, with speeds restricted to 10 mph on turnouts, sidings, and other track. TWC is the method of operation for this line. Figure 3.39 exhibits Subdivision 11.

Figure 3.39 Subdivision 11

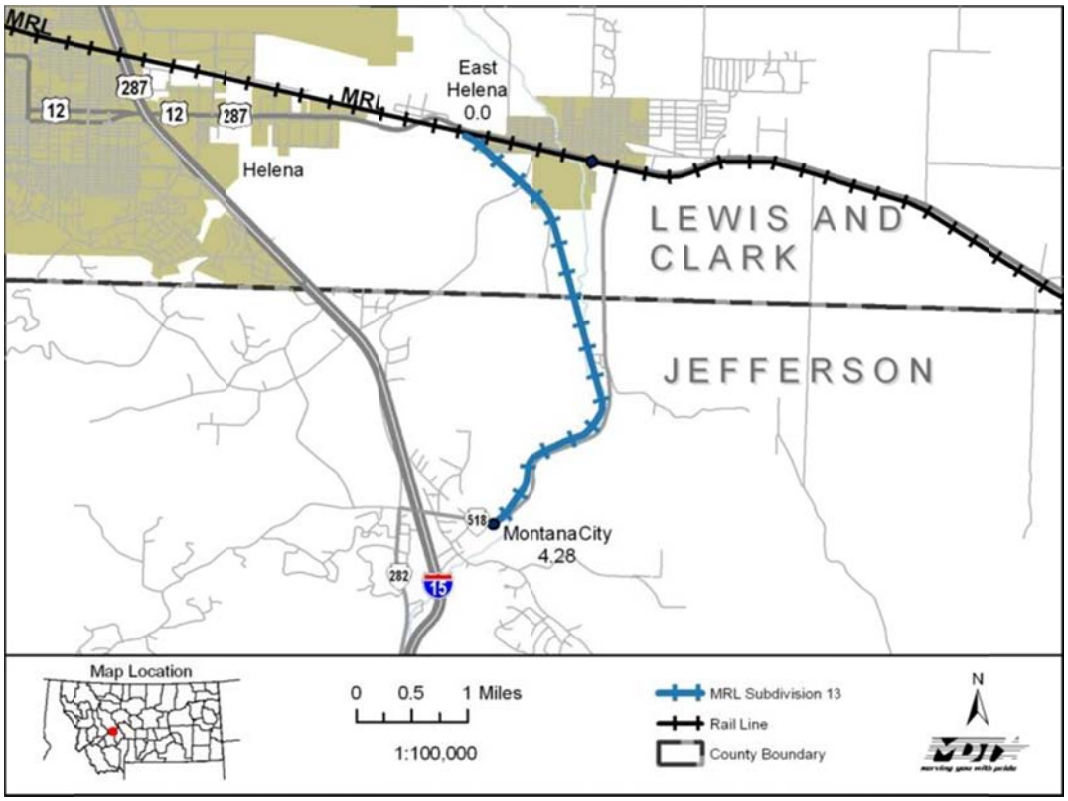


Source: Montana Department of Transportation.

Subdivision 13 – East Helena to Montana City

MRL's Subdivision 13 is a 4.9-mile branch line from East Helena (MP 0.0) to Montana City (MP 4.9). The line is single-tracked and has a 25 mph maximum speed, with a 10 mph maximum at the public crossing near East Helena at MP 0.78. BRT is the method of operation. Figure 3.40 shows Subdivision 13.

Figure 3.40 MRL Subdivision 13



Source: Montana Department of Transportation.

Subdivision BNSF – Sandpoint Junction to Spokane/Yardley (Operating Rights)

MRL also has operating rights on 63.1 miles of BNSF Railway tracks running from Sandpoint Junction, Idaho (MP 2.0) to Spokane/Yardley, Washington (MP 68.1). This links MRL's Montana and Idaho network to the BNSF mainline to Seattle.

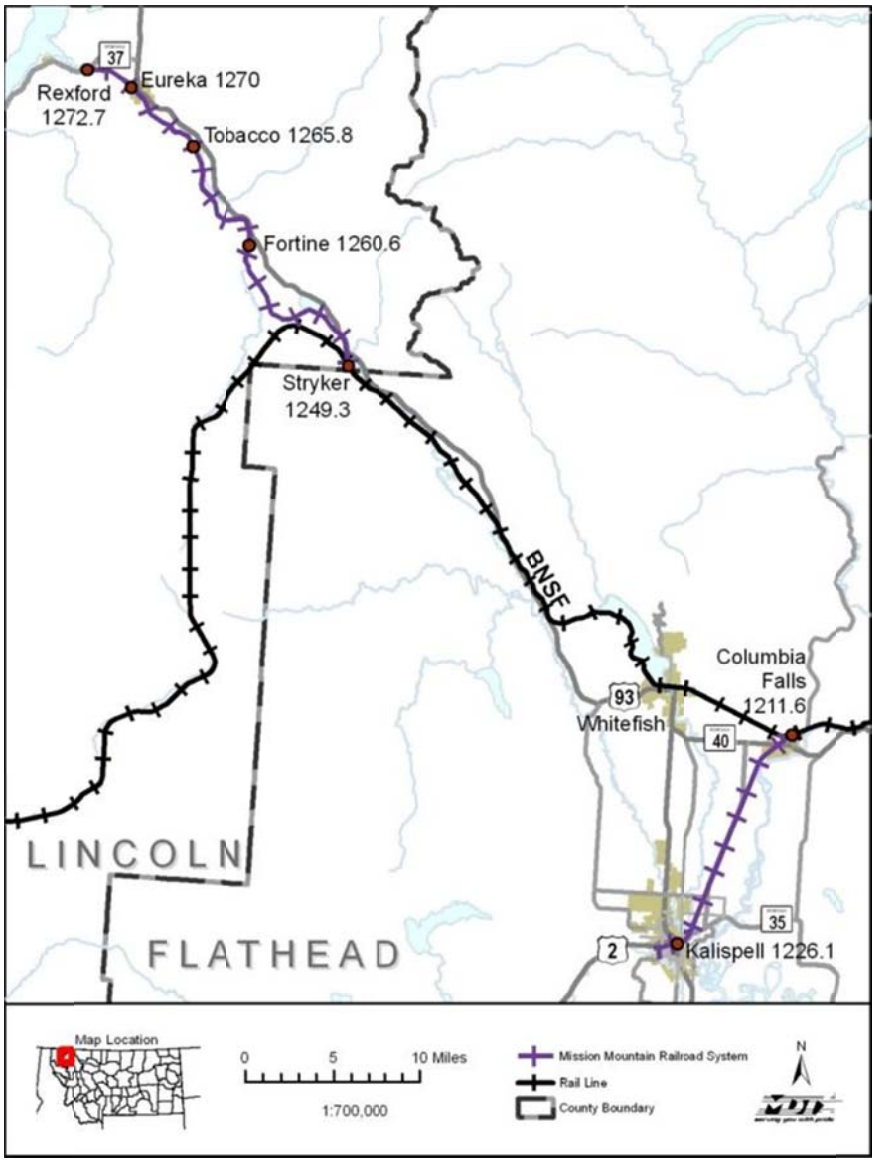
Mission Mountain Railroad (MMR)

Mission Mountain Railroad (MMR) is a subsidiary of Watco Industries, which owns 3,000 miles, leases 500 miles of track nationally, and operates 17 short-line railroads in 15 U.S. states. The company's regional headquarters is located in Twin Falls, Idaho.

The MMR short-line in Montana consists of two segments totaling 40.1 track miles (as of 2007), both of which interchange with BNSF (Figure 3.41). The northerly segment, owned by MMR, consists of a 24.2-mile line and 3.41 miles of switching track, interchanging at Stryker (MP 1,249.3) and ending at Rexford (MP 1272.8), just northwest of Eureka (MP 1,270). The southerly segment, leased from BNSF, is 15.9 miles with an additional 4.33 miles of switching track. It interchanges at Columbia Falls (MP 1,211.6) and ends in Kalispell (MP 1,226.1). Maximum freight speeds vary between 10 and 25 mph and the track capacity is 143 tons throughout. The method of operation is Occupancy Permission System i.e., "dark territory."[38]

[38] BNSF Railway, Track Chart– – Kalispell Subdivision, Updated June 2006.

Figure 3.41 Mission Mountain Railroad System



Source: Montana Department of Transportation.

In 2007, MMR hauled 164,620 freight car-miles and 9,790 gross ton-miles. As shown in Table 3.7 summarizing MMR's operating statistics between 2005 and 2007, the primary transported commodities include barley, lumber, and various wood products. Note that the railroad did not report commodity tonnages for 2007.

Table 3.7 Mission Mountain Rail Operating Statistics
2005-2007

	Carloads			Tons		
Commodity	2005	2006	2007	2005	2006	2007
Barley	0	2	21	0	261	N/A
Particle Board	5	0	52	N/A	0	N/A
Lumber	189	40	36	N/A	5,220	N/A
Treated Lumber	0	0	4	0	0	N/A
Oriented Strand Board	0	0	1	0	0	N/A
Veneer Wood/Plywood	590	1	1	N/A	131	N/A
Total	784	43	115	7,478	5,612	N/A

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

[a] Tons of Revenue Freight.

Yellowstone Valley Railroad (YVR)

Yellowstone Valley Railroad (YVR) is a short-line operated by Watco Industries. YVR operates between Scobey and Glendive in Northeast Montana, and serves several grain elevators along its route. As of 2007, YVR operated 178.56 total miles of track (172.7 miles of Class II leased rail, and 5.86 miles of yard switching track).[39] It interchanges with BNSF at Glendive, Snowden, and Bainville. As shown in Figure 3.42, the operation consists of two line segments leased from BNSF plus BNSF trackage rights over the segment between them. The northerly segment runs from just past Scobey (MP 100.3) to the BNSF interchange at Bainville (MP 0.0). It has a maximum track speed of 25 mph. The southerly segment is between just past Snowden (MP 78.7) to Glendive (MP 0.1). There are 8.73 miles in North Dakota with the line crossing the Montana border at MP 64.67 and MP 73.4. It interchanges with BNSF at both ends, and operates at a maximum track speed of 45 mph. Excepting the 12-mile segment of BNSF trackage rights between Snowden and Bainville, YVR operates on an Occupancy Permission System, i.e., "dark territory" (a system that does not require any

[39] Yellowstone Valley Railroad, Annual Report to the Montana Public Service Commission, 2007.

signals to ensure that on any given section of main track there is at no time more than one train). The line has a 143-ton capacity throughout.

Figure 3.42 Yellowstone Valley Railroad System

Source: Montana Department of Transportation.

In 2007, total intrastate operating revenues were $353,025. Table 3.8 shows 2006 and 2007 operating statistics. Fertilizer, petroleum, and wheat were the three primary commodities hauled by YVR in 2007. The railroad did not report commodity tonnage in 2007.

Table 3.8 Yellowstone Valley Railroad Operating Statistics
2006-2007

	Carloads		Tons	
Commodity	2006	2007	2006	2007
Wheat	88	107	20,425	N/A
Lentils	4	35	397	N/A
Superphosphate Fertilizer	0	426	0	N/A
Peas	1	21	91	N/A
Petroleum	224	204	15,807	N/A
Beans	10	0	942	N/A
Limestone	278	0	28,132	N/A
Calcium Chloride	4	0	376	N/A
Railroad Ties	0	3	0	N/A
Total	609	796	61,170	N/A

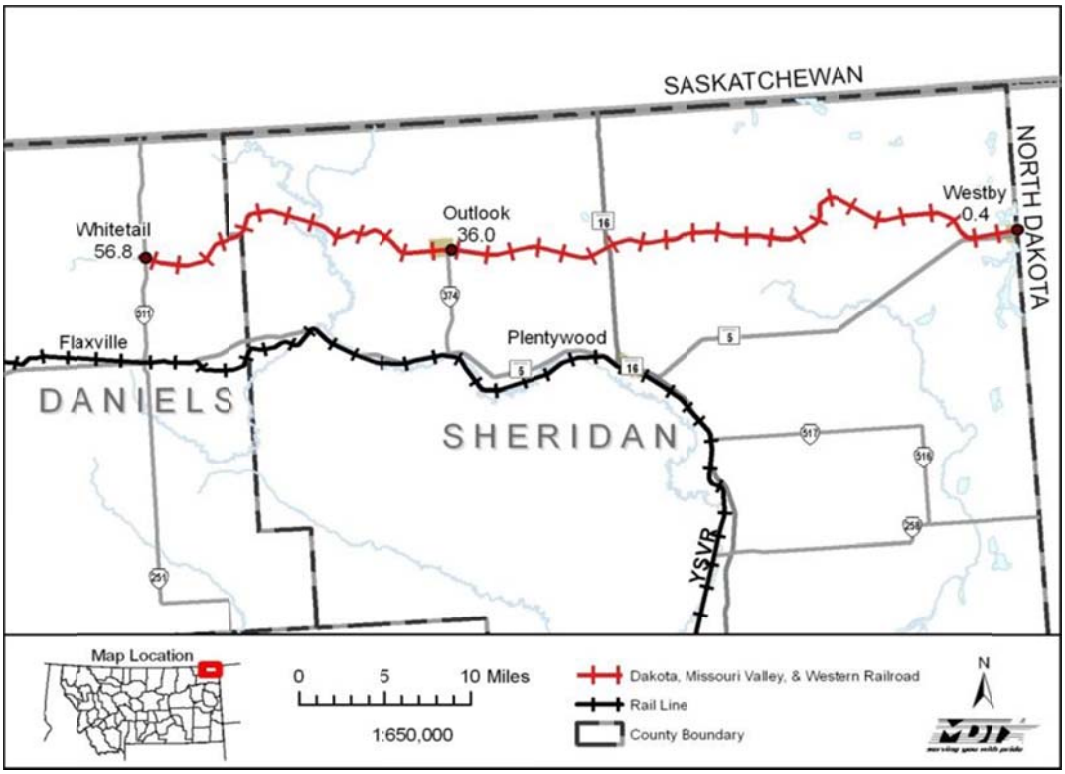
Source: 2006 and 2007 Annual Reports to the Montana Public Service Commission.

Dakota, Missouri Valley, and Western Railroad (DMVW)

Dakota, Missouri Valley, and Western Railroad (DMVW) is a regional railroad, formerly part of the Soo Line Railroad (SOO) with 364 total track miles in Montana and North Dakota. In Montana, DMVW is comprised of 56.9 miles of road and 2.9 miles of passing crossovers and turnouts for a total of 59.8 operating miles.[40] The Montana segment runs between Westby (MP 0.4) and Whitetail (MP 56.8). There is a station at Outlook (MP 36.0). The DMVW system is shown in Figure 3.43. The DMVW line is unsignaled with Block Register Train Control. The maximum operating speed and track weight capacity on the line is unavailable.

[40] Dakota, Missouri Valley, and Western Railroad, Annual Report to the Montana Public Service Commission, 2007.

Figure 3.43 Dakota, Missouri Valley, and Western Railroad System



Source: Montana Department of Transportation.

DMVW was the recipient of LRFA funding in 2000 for cross-tie, surfacing, and other track components, with a 30 percent match by Canadian Pacific. As shown in Table 3.9 summarizing the railroad's 2005 to 2007 operating statistics, wheat is the primary commodity hauled on this line, accounting for almost 96 percent of total revenue freight in 2007.

Table 3.9 Dakota, Missouri Valley, and Western Railroad Operating Statistics *2005-2007*

	Carloads			Tons		
Commodity	2005	2006	2007	2005	2006	2007
Durum Wheat	1,779	1,457	1,807	177,900	145,700	185,217
Wheat	779	871	775	77,900	87,100	79,437
Peas	47	90	85	4,700	9,000	8,712
Ballast	8	9	5	800	900	512
Fertilizer	0	0	4	0	0	410
Rail and Ties	2	0	3	200	0	307
Empty	0	0	12	0	0	360
Total	2,615	2,427	2,691	261,500	242,700	274,955

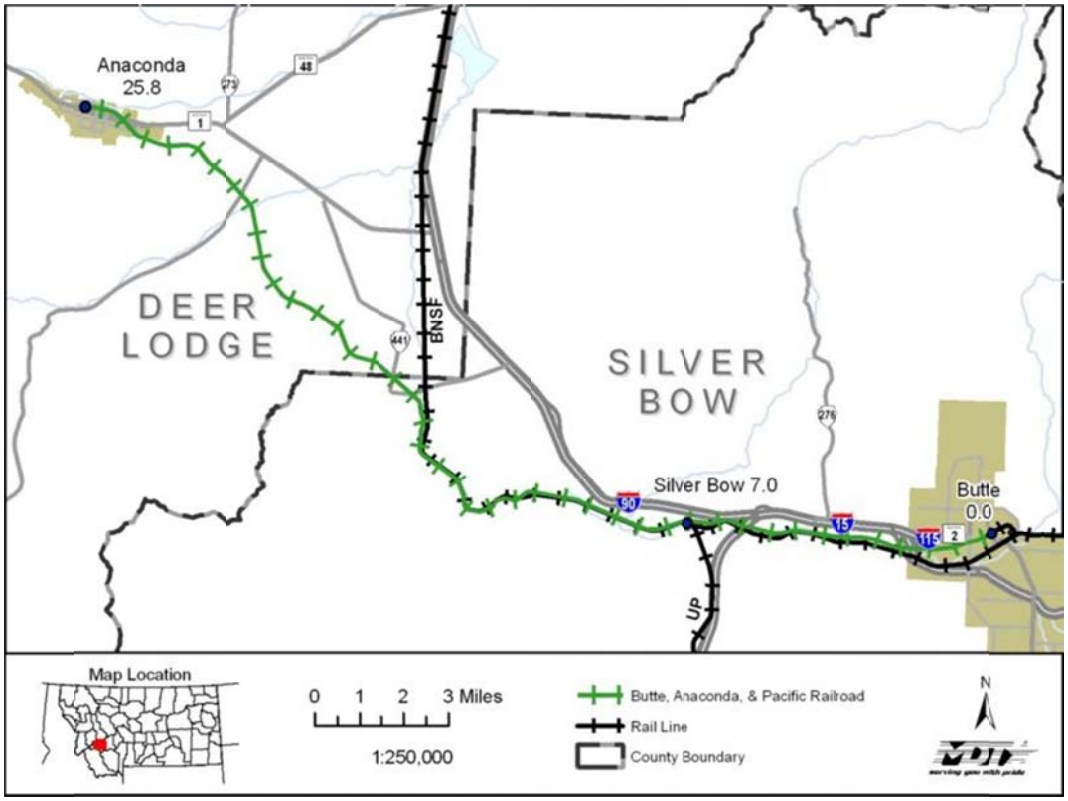
Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

Butte, Anaconda, and Pacific Railway (BA&P)

Butte, Anaconda & Pacific Railway, formerly referred to as the Rarus Railway, connects Butte (MP 0.0) and Anaconda (MP 25.8), intersecting the UP Line at Silver Bow. The short-line railroad currently is owned by Patriot Rail Corp., a short-line and regional freight railroad holding company based in Boca Raton, Florida. The company owns and operates 212 total rail miles nationwide.[41]

As of 2007, BA&P operated 25.3 miles of road, 8.6 miles of other main track, 30.1 miles of passing crossovers and turnouts, and 0.5 miles of yard switching tracks for a total of 64.6 total rail miles in the State. The system is shown in Figure 3.44. The line interchanges with BNSF and UP at Silver Bow (MP 7.0). Maximum track speed is 30 mph. BA&P is unsignaled and utilizes track warrant control.

Figure 3.44 Butte, Anaconda, and Pacific Rail System



Source: Montana Department of Transportation.

[41] Patriot Rail Corp., http://www.patriotrail.com/.

A summary of 2005-2007 operating statistics are shown in Table 3.10. Copper concentrate and mine tailings are the principal commodities hauled.

Table 3.10 Butte, Anaconda, and Pacific Railway Operating Statistics *2005-2007*

	Carloads			Tons		
Commodity	2005	2006	2007	2005	2006	2007
Originating						
Copper Concentrate	1,611	1,639	1,514	146,207	149,229	138,179
Molybdenum Concentrate	60	6	0	4,187	405	0
Steel Scrap	0	10	7	0	828	665
Transformer	0	1	0	0	100	0
Terminating						
Grinding Media	84	93	95	8,009	8,990	11,458
Chemicals	68	62	41	6,054	5,431	3,718
Transformer	0	1	0	0	160	0
Switch Only						
Beer	93	68	31	N/A	N/A	N/A
Local						
Mine Tailings	12,638	9,575	8,750	909,936	689,400	630,000
Total	14,554	11,455	10,438	1,074,393	854,543	784,020

Source: 2005-2007 Annual Reports to the Montana Public Service Commission.

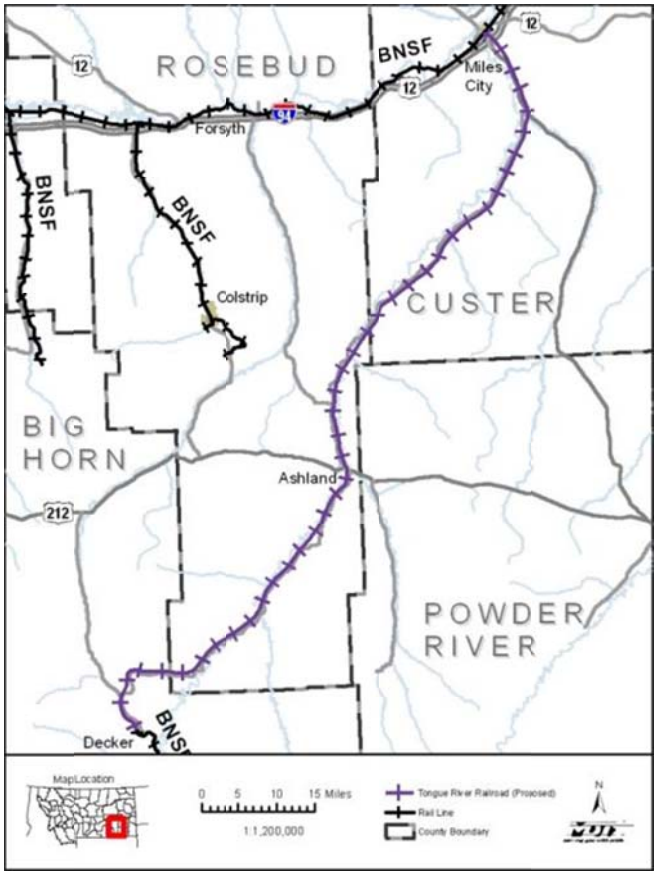
Tongue River Railroad

Portions of the Tongue River Railroad have been proposed for construction since 1983, and have been subjects of various proceedings at the U.S. Surface Transportation Board (STB) and its predecessor, the Interstate Commerce Commission.

The first segment was 89 miles from Miles City to Ashland, intended to serve proposed coal mines near Ashland, connecting to the BNSF Forsyth Subdivision in Miles City. This first segment was approved in 1985. In 1991, Tongue River Railroad sought STB approval for construction and operation of an extension of the rail line from Ashland 41 miles south to Decker, and permission was granted in 1996. In 1997, the Tongue River Railroad sought another alignment at the far south end as an alternative to the alignment approved in 1996. The environmental review for this request was suspended in 2000 at the request of the railroad, but begun again in 2003 and was granted in 2007. While legal challenges remain, the process of coal resource development, a necessary precedent to financing the railroad, has begun.

In May 2008, the Montana Board of Land Commissioners authorized the initiation of appraisal and leasing review for Otter Creek coal tracts owned by the State. No definitive timeframe has been set for construction and operation of the railroad. The proposed Tongue River line is shown in Figure 3.45.

Figure 3.45 Tongue River Railroad (Proposed)

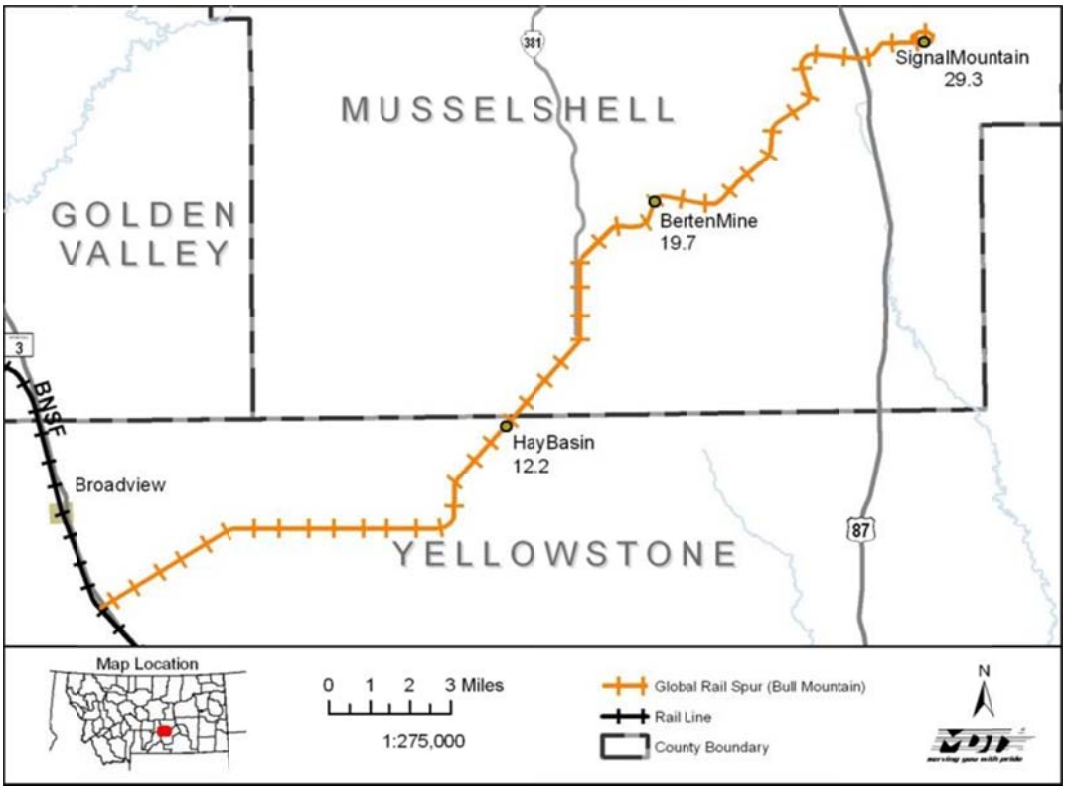


Source: Montana Department of Transportation.

Global Rail (Formerly Referred to as Bull Mountain Rail)

Global Rail Group, a division of Signal Peak Energy (formerly Bull Mountain Rail) finished construction in 2009 of a 36 miles single-track rail spur, which includes a 6-mile loop at its eastern terminus to accommodate two 150-car unit trains. Global Rail Group plans to operate the railroad itself rather than using a short-line operator. The line connects to the BNSF Laurel Subdivision Mainline at about Broadview (MP 38.5). Other towns/points of reference along the line include Hay Basin (MP 12.2), Berten Mine (MP 19.7), and Signal Mountain (MP 29.3). The track will serve the operations at the Signal Peak Coal Mine. The line's initial haulage capacity is 10 million gross tons annually, and will increase to 15 million tons as necessary. The Global Rail Spur is shown in Figure 3.46.

Figure 3.46 Global Rail Spur



3.3 RAIL LINES AT RISK FOR ABANDONMENT

Railroad abandonment effectively eliminates a line segment from a rail network. Changing economic conditions, such as the relocation of a major shipper or a reduction in commodity value or variety, may entice a rail carrier to pursue abandonment if revenues do not support a line segment's operating and maintenance costs. For example, carriers may choose to abandon a line segment if cargo density (measured as carloads per mile on a given track segment) falls below a minimum threshold for specified period of time.

All abandonments must be approved by the Surface Transportation Board (STB), the economic regulatory agency affiliated with the U.S. DOT responsible for resolving railroad rate and service issues and rail restructuring transactions (mergers, line sales, line construction, and line abandonments). Federally regulated abandonment procedures require that carriers wishing to abandon a rail line segment submit a notice of intent to the STB who, in turn, determines whether the line segment serves a present or future public need.[42] Over the past

[42] 49 CFR Part 1152, Abandonment and Discontinuance of Rail Lines and Rail Transportation under 49 U.S.C. 10903, pages 200-253.

several years, the Congress and the STB have streamlined abandonment procedures, shortening the time that stakeholders have to react to an abandonment request. For example, a revision to the Federal abandonment requirements in 1997 allows a rail line that has not carried any traffic during the last two years to receive an exemption which shortens the abandonment proceedings from a minimum period of 110 days to 60 days.[43] Given the short timeframe during which an agency can protest abandonment, it is important for states to monitor rail activity, identify at-risk rail lines, anticipate potential abandonments, and develop appropriate action plans to protect public interest.

Previous updates of the Montana State Rail Plan (1993 and 2000) and the Montana Branch Line Study (2004) identified several at-risk rail lines across the State, in keeping with the Department's obligation under Section 60-11-111(3) MCA to "identify railroad rights-of-way in this State that may be abandoned and research the feasibility of acquisition by the State of Montana of those rights-of-way that may be abandoned." This section summarizes the findings from the previous studies and updates the current status of rail abandonment activity in Montana.

At-Risk and Out-of-Service Lines in Montana

The 2000 Montana State Rail Plan Update identified four out-of-service (i.e., not formally abandoned but not currently in use) rail lines in Montana:

- BNSF – Spire Rock-Butte (21.0 miles);
- MRL – Drummond-Philipsburg (26.0 miles);
- MRL – Twin Bridges-Alder (19.5 miles); and
- MRL – Sappington-Whitehall (19.1 miles).

In 2004, R.L. Banks and Associates completed a two-phase Branch Line Study that assessed current rail abandonment issues in Montana. Phase I of the study focused on two specific at-risk lines for which BNSF Railway had announced plans to petition the STB for authority to abandon: the Plentywood-Scobey line (43.63 route miles) and the Glendive-Circle line (43.41 route miles). Both lines mainly served outbound wheat shipments, but were in a general state of disrepair with train speeds limited to 10 miles per hour and lightweight track that could not accommodate the 286,000-pound rail cars that are the current industry standard. This made it increasingly difficult to interline with the mainline tracks that connected the wheat producers with their markets.[44]

---

[43] 49 CFR Part 1152, Subpart F Abandonment Exempt Abandonments and Discontinuances of Service and Trackage Rights, pages 250-252.

[44] Montana Department of Transportation, Montana Department of Agriculture, and Montana Department of Commerce, *Montana Branch Line Study Phase I: Plentywood-Scobey and Glendive-Circle*, R.L. Banks and Associates, June 23, 2004.

The study evaluated the impacts those abandonments would have on the shippers, communities, and highways that would be affected and developed options for state and local governments to preserve rail service on the two lines. The study concluded that if the State wished to retain service on the lines, it would have to secure BNSF's cooperation and offer financial assistance to offset operation and maintenance costs. The study also suggested that Montana consider assisting small railroads in the State that offer a public benefit, following similar programs in other states.

Phase II of the Branch Line Study identified several more at-risk lines. Although these lines were not yet the subject of formal abandonment procedures, they were identified as having low-traffic density as measured by carloads per mile, which is one way to measure the viability of a rail line. Beginning with 23 at-risk lines (plus one other that includes the Plentywood-Scobey line), the study identified the top 10 lines most at risk for abandonment:

1. BNSF – Great Falls-Helena (95.4 route miles);
2. BNSF – Moore-Lewiston (18.1 route miles);
3. MRL – Missoula-Darby (65.4 route miles);
4. BNSF – Valier Branch (17.3 route miles);
5. CMR – Moccasin Junction-Geraldine (84.2 route miles);
6. BNSF – Havre-Big Sandy (31.2 route miles);
7. BNSF – Eastham Junction-Choteau (7.9 route miles);
8. DMVW – Westby-Whitetail (57.0 route miles);
9. BNSF – Bainville-Plentywood (54.4 route miles); and
10. BNSF – Great Falls-Fort Benton (44.8 route miles).

The Phase II report stated that in order to preserve service on these lines, the State should consider providing incentives for shippers to use the lines, direct subsidies, and reduction or elimination of state property taxes on the rail right-of-way.

2010 Montana State Rail Plan Update Information

Information on some of the at-risk lines mentioned in the 2004 Branch Line Studies:

- BNSF/Glendive-Circle Line – The abandonment of this line, first mentioned in the 2004 Phase I report, remains on hold.
- BNSF/Moore-Lewistown Line – This line was abandoned by decision of the Surface Transportation Board on December 14, 2005, effective January 13, 2006. The STB decided on January 11, 2006 to reopen the proceeding, and since the line from milepost 13.88 to 28.35 has been rail banked by agreement between BNSF and the City of Lewistown in December 2006. The line from

milepost 9.5 to 13.68 has been modified to be discontinued, not abandoned.[45] The Lewistown trail also has been awarded the 2008 Trail of the Year award by the Montana Fish, Wildlife, and Parks.[46]

- BNSF/Great Falls – The abandonment on this 1.67-mile segment is in process,[47] subject to regulatory review by state environmental and historical agencies.
- MRL/Drummond-Philipsburg Line – This segment connecting to the MRL Subdivision 3 (Helena to Missoula) remains out of service with no plans for reopening, but not abandoned.
- MRL/Twin Bridges-Alder – This segment on the Whitehall MRL Subdivision 7 is described in the MRL section above, and is out of service and primarily used for storage. It has not been abandoned.
- MRL/Whitehall-Spire Rock – This segment of the Logan MRL Subdivision 5 is not used for revenue service, but had been used in the past 10 years for ballast shipments (nonrevenue) for use by BNSF and MRL. It has not been abandoned.
- Yellowstone Valley Railroad – In 2005, subsequent to the completion of the branch line studies in 2004 which listed this line as prime candidate for abandonment, the Yellowstone Valley Railroad (owned by Watco Companies) acquired the line from Plentywood to Scobey that had been a candidate for abandonment for six years. There have been no changes in its status as an operating railroad in the past three years. The OOS portion from Plentywood to Redstone is primarily used for car storage, as is Fairview station on OOS Wye.

Alternatives to Abandonment

MDT, by conducting the 2004 Branch Line Studies, is meeting its responsibilities under state law to research lines that might possibly be abandoned. However, the 2004 Branch Line studies raised some issues that could be the subject of future research by MDT or discussion by the Montana Legislature:

- Role of the State in Line Acquisition – Section 60-11-111 MCA seems to envision a limited role for MDT in the line acquisition process. MDT is authorized to acquire rail lines to be abandoned, subject to future steps to hold the lines in trust for future transportation purposes by another state agency or transfer the line to another local authority. This legislation, nor the legislation creating the Montana Rail Freight Loan (MRFL) program (described in

[45] All decisions are part of the STB Docket AB-6 (Sub-No. 434X).

[46] News release at http://www.fwp.mt.gov/news/article_6854.aspx.

[47] Abandonment filed in STB Docket AB-6 (Sub-No. 445X), dated October 6, 2006.

Section 6.0 of this report), does not anticipate public funding to offset likely annual operating subsidies that these saved-from-abandonment lines may need if operated by a local authority and short-line operator (such subsidies were described in the 2004 Phase II report). If the lines turned over to other operators are to remain in operation, they may require public assistance. The State could consider the circumstances, if any, under which the State might provide operating assistance to keep rail lines from being abandoned.

- Support for Low Traffic Lines Still in Service – Current state law provides authority for taking action in the face of abandonment, and provides a loan program for railroad development (the MRFL program). Financial assistance that depends on repayment may be unrealistic for low-volume lines having difficulty providing sufficient operating revenues. Perhaps the Rail Service Competition Council could consider the costs and benefits of possible public funding assistance that could target low-volume lines. This financial assistance could take various forms:
  - Funds to railroads for grade crossing maintenance, including roadbed maintenance;
  - Funds to railroads to help them make property tax payments to local governments, or payments directly to the local governments;
  - Funding incentives directly to shippers for tons diverted from truck to rail on low-volume lines; and
  - State property or income tax incentives for new rail shippers on low-volume lines and/or incentives to retain existing rail shippers.

These different kinds of financial assistance would not necessarily place the State in a role as a railroad owner or operator, but could be considered as means of retaining the State's existing rail system and encouraging its use by rail shippers. Consideration of the kinds of financial assistance that would best support the rail system may be an effective precursor to any possible legislative consideration of any new public funding for rail line acquisition, operating support of transferred at-risk lines, and support for low-volume lines.