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INTERSTATE COMMERCE COMMISSION

Finance Docket No. 14342

DENVER & RIO GRANDE WESTERN RAILROAD COMPANY
TRUSTEES ABANDONMENT

Submitted October 22, 1943. Decided November 4, 1943.

Certificate issued permitting abandonment by Wilson McCarthy and Henry Swan, trustees of the Denver & Rio Grande Western Railroad Company, of a portion of a branch line of railroad, and abandonment of operation by them of another line of railroad, in Juab County, Utah.

T. R. Woodrow for applicants.

REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS PORTER, MAHAFFIE, AND MILLER

BY DIVISION 4:

Wilson McCarthy and Henry Swan, trustees in reorganization proceedings of The Denver and Rio Grande Western Railroad Company, debtor, on September 11, 1943, applied for permission (1) to abandon that portion of the Tintic branch line of railroad, hereinafter called the branch, extending from Eureka to the end of the track at Silver City, approximately 3.49 miles, and (2) to abandon operation of the line of railroad known as the Mammoth Mill Spur, hereinafter referred to as the spur, from a connection with the branch near Mammoth Junction to the end of the track, approximately 0.85 mile, all in Juab County, Utah. No representations have been made by State authorities, and no objection to granting the application has been presented. All points hereinafter mentioned are in Utah.

The branch was constructed by a previous owner during the silver boom of 1891-92 for the purpose of serving silver mines in the tributary territory. It was acquired by a predecessor of the debtor company in 1908. The branch is laid with 85-pound rail, surfaced on native soil, and is in a fair state of maintenance. Approximately 90 percent of the ties are treated, and about 60 percent are salvageable for reuse. The branch connects for the interchange of traffic with the Union Pacific Railroad at Silver City. The net salvage value of the recoverable material in the branch is estimated at $16,200.

The spur was built in 1894 by the Oregon Short Line and Utah Northern Railway, predecessor in interest of the Union Pacific Railroad. In 1893 the Rio Grande Western Railway, a predecessor in interest of the debtor company, became a joint owner of the spur and acquired the right to operate its own trains thereon. The spur is laid with 60-pound rail on natural earth with some gravel ballast, and is in fair physical condition. It connects with the Union Pacific Railroad at Mammoth

Junction, and that company will continue to furnish service over the spur.

The applicants or the debtor company have not operated over the spur during the past 10 years. The freight service on the branch is provided, ordinarily, by 1 extra freight train operated from Provo to Silver City on Mondays, Wednesdays, and Fridays, and in the opposite direction on alternate week days. The only station on the branch is at Silver City, population 500. It is a nonagency station. Silver City is also served by the Union Pacific Railroad. A paved Federal highway parallels the branch for its entire length. A common carrier by motor vehicle provides mail and passenger bus service over this highway.

The tributary territory is devoted primarily to the mining of ore for the production of metal. The properties are nearly worked out and, with continued service by the Union Pacific Railroad and motor carriers in the area, are not dependent upon the applicants for transportation.

The revenue freight, all of which moved between points on the branch and points beyond, during the years 1941-42, and the first 6 months of 1943, amounted to 66, 7, and 3 carloads containing 3,583, 348, and 167 tons. All the traffic in 1941, and 5 of the carloads handled in 1942 consisted of ores and concentrates. The remaining traffic was made up of mine products.

The financial results of operating the branch for the years 1941-42, and the first 6 months of 1943, in order, are shown by the applicants as follows: Total system operating revenues $2,239, $643, and $697, of which $560, $161, and $174 were assigned on a mileage prorate basis with a minimum of 25 percent to the branch; operating expenses on the branch $1,938, $1,937, and $1,076; railway tax accruals $1,700, $1,813, and $758; cost of handling branch-line traffic on other parts of the applicants' system, based on 50 percent of the revenues derived beyond the branch, $839, $241, and $261; and system losses $2,238, $3,348, and $1,398.

The volume of traffic on the branch is insufficient to pay the cost of operation and does not warrant its continued use. Negotiations are now in progress to sell the applicants' undivided one-half interest in the spur to the Union Pacific Railroad to insure continued operation thereover by that carrier. Under the circumstances, the continued operation of the lines proposed to be abandoned would impose and undue and unnecessary burden upon the applicants and upon interstate commerce.

We find that the present and future public convenience and necessity permit abandonment by Wilson McCarthy and Henry Swan, trustees in reorganization proceedings of The Denver and Rio Grande Western Railroad Company, of a portion of the branch line of railroad, and abandonment of operation by them of another line of railroad, in Juab County, Utah, described herein. An appropriate certificate will be issued, effective from and after 15 days from its date, in which suitable provision will be made for the cancelation of tariffs.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

At a Session of the INTERSTATE COMMERCE COMMISSION, Division 4, held at its office in Washington, D. C., on the 4th day of November, A. D. 1943.

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Investigation of the matters and things involved in this proceeding having been made, and said division having, on the date hereof, made and filed a report containing its findings of fact and conclusions thereon, which report is hereby referred to and made a part thereof:

It is hereby certified, That the present and future public convenience and necessity permit abandonment by Wilson McCarthy and Henry Swan, trustees in reorganization proceedings of The Denver and Rio Grande Western Railroad Company of the portion of a branch line of railroad and abandonment of operation by them of another line of railroad in Juab County, Utah, described in the report aforesaid.

It is ordered, That this certificate shall take effect and be in force from and after 15 days from its date. Tariffs applicable to the lines in question may be canceled upon notice to this Commission and to the general public by not less than 5 days' filing and posting in the manner prescribed in section 6 of the Interstate Commerce Act.

It is further ordered, That, when filing schedules canceling such tariffs, the said trustees shall in such schedules refer to this certificate by title, date, and docket number.

And it is further ordered, That the said trustees shall report to this Commission as required by valuation order No. 24, effective May 15, 1928.

By the Commission, division 4.

W. P. BARTEL
Secretary.

(SEAL)