

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

**PREPARED BY
THE COLORADO DEPARTMENT OF TRANSPORTATION**



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Part I: Background

(A) 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 the 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.

Currently 14 privately owned freight railroads operate in Colorado. These railroads own more than 2,800 miles of track in the state and currently operate on 2,684 miles of those tracks. This represents about 1.9 percent of the nation's 140,000 miles of network track. The extent of this network is also reflected in the fact that 48 of Colorado's 64 counties are directly served by the freight rail network. There are two Class I railroads in Colorado, BNSF Railway and UP. Combined they operate over 80 percent of the freight track miles and carry the majority of rail freight in the state.

In addition, there are 12 short line railroads in Colorado comprising 20 percent of freight track miles in the state. They primarily provide localized service with connections to the Class I railroads. They principally serve the agricultural industry as well as the oil & gas industry and are very valuable assets to both local and statewide economies.

The passenger rail system in Colorado is presently very limited. Outside of the Regional Transportation District's (RTD) light rail and commuter rail lines in the Denver metro area, Amtrak provides passenger rail service with two routes that pass through the state. The Amtrak routes use existing freight tracks and rely on freight railroad infrastructure to be maintained and/or upgraded for efficient service. These two 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. Much of this service operates over Union Pacific track.
- 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.

Because ridership has declined due to the COVID-19 pandemic, Amtrak announced that it will be decreasing service beginning in October on most of its long-distance routes from daily to three days per week, including both the California Zephyr and the Southwest Chief. Colorado previously had two additional Amtrak routes that were discontinued in 1997 due to reductions in federal funds. These two trains were the Pioneer, operating between Denver and Seattle and the Desert Wind, operating between Denver and Los Angeles by way of Salt Lake City and Las Vegas.

Colorado has eight tourist railroads, which showcase Colorado's history and offer trips through Colorado's scenic outdoors. These scenic & tourist lines are located in Cripple Creek/Victor, Durango/Silverton, Georgetown, Leadville, Manitou Springs/Colorado Springs, Cañon City, and two near Alamosa. Most of the tourist railroads were temporarily closed due to the COVID-19 pandemic, but

bicyclists as a rail-to-trail corridor and was identified as one of 16 priority trails by Governor Hickenlooper in 2016. The Department of Natural Resources has also been working to make use of the line's right-of-way by "railbanking" which would allow interim use of the property for biking while preserving the right-of-way for future resumed rail use. Any arrangements by UP to resume freight service on the line would preclude other uses such as railbanking. Although no freight has been shipped across the full Tennessee Pass line since 1996, recent conversations with the UP indicate that they do not intend to abandon this line in the near future. UP also indicated that they have received several purchase offers for the line, but that no decisions have been made at this time. One group is currently in negotiations with UP about potential use for the corridor involving transport of freight over the pass.

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 (NFRFATS, March 2000). This line does not appear to be at risk of abandonment at this time. However, it should be noted this branch line was not included in the Preferred Alternative of the North I-25 Environmental Impact Statement (December 2011). The North I-25 EIS does, ~~not~~ recommend a new commuter rail line connecting the ~~Zdenek~~ 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.

San Luis & Rio Grande Railroad (Iowa Pacific)

The San Luis & Rio Grande Railroad (SLRG) runs west from a connection with the Union Pacific Railroad at Walsenburg, Colorado, over the Sangre de Cristo Mountains at La Veta Pass and into the San Luis Valley. At Alamosa, the railroad splits with a branch extending south to Antonito, Colorado, just north of the New Mexico border, and northwest to South Fork. SLRG owns approximately 150 route miles of track, 126 miles of which are currently operated. Scenic passenger service was also offered on the line by the Rio Grande Scenic Railroad (RGSR) from 2006 to 2019, but the service was ended indefinitely when the SLRG went into receivership.

In September 2019, SLRG was placed in receivership, an alternative to bankruptcy during which SLRG continued operating. Leading up to receivership, SLRG had struggled with rising maintenance needs and logistics difficulties with access to the national rail network. In late 2019 the receivership was ended and SLRG was placed into bankruptcy. The bankruptcy trustee is planning an auction in late 2020, with a new owner expected to continue operations.

Southwest Chief

Amtrak's long distance route, the Southwest Chief, is included in this 2020 SB37 report because there are multiple projects in various stages to replace and update track infrastructure to secure the safe operation of this route for the future. There are still 29 miles of track on the Raton Pass Line (which Amtrak uses for this route) in need of replacement in order to complete the needed infrastructure updates to sustain future service.

The following projects are underway or have been funded to rehabilitate BNSF track used by the Southwest Chief in Colorado. These projects use a combination of funding from FRA, state DOTs, and other partners.

- 2017 TIGER IX FRA grant for the Amtrak Southwest Chief Stabilization Project in Kansas, Colorado, and New Mexico, with Colfax County, New Mexico, as the lead. The \$25.2 million project is being funded by \$16 million in TIGER IX funding with match funding of \$9.2 million from the states of New Mexico, Colorado and Kansas; local communities and organizations along the route; and financial support from BNSF and Amtrak. The grant agreement with FRA was executed in August 2020 and the project was kicked off in September.
- 2018 CRISI FRA grant to install Positive Train Control (PTC) on tracks from Dodge City, Kansas, to Las Animas, Colorado. This \$11.45 million project includes \$9.15 million from FRA and \$2.3 million from the states of Kansas and Colorado, Amtrak, and the Southwest Chief & Front Range Passenger Rail Commission. This project was also kicked off in September 2020.
- In September 2020 FRA announced that the New Mexico DOT was awarded CRISI funding to update the rail infrastructure between Trinidad, Colorado, and Lamy, New Mexico, which will partially complete critical replacement of track to secure safe operation of the route over Raton Pass.

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.

The Department is recommending the following actions:

Abandonment/Acquisition Recommendations

As CDOT Region 1 and HPTE works to procure the Burnham Yard in central Denver, CDOT will continue to monitor its status and any projects CDOT begins in the property, including the potential shifting of freight railroad operations to the east, which would allow for eventual widening of Central I-25, as recommended by CDOT Region 1 analyses. Because the site may also provide an opportunity for future Front Range Passenger Rail operations, it is being considered in service development planning.

In addition, the Department of Transportation is recommending continued monitoring of activities on the Tennessee Pass and the Fort Collins Branch lines. While there is no indication that the UP will abandon these lines in the near future, the Tennessee Pass line has not been used for freight movements in over 15 years and interest has been expressed for other uses, such as passenger train service and a bicycle trail. Currently UP is in negotiations with an interested party with the possibility of a lease agreement or sale to resume freight carriage on the Tennessee Pass line. CDOT will closely monitor the progress of these negotiations. *If either of these lines is abandoned the State should consider purchasing them to preserve them for freight and/or passenger service in the future.*

The San Luis & Rio Grande Railroad is considered to be at high risk of abandonment or sale at the current time. The Department of Transportation will continue to monitor this railroad as it continues to move through the bankruptcy process and potentially is bought by another operator. *Should a sale of the Railroad take place, the State should reach out to the new owner and explore ways to support them to improve the state of good repair and ensure future success on the line.*

Maintenance Recommendations

The Southwest Chief and Front Range Passenger Rail Commission should continue to pursue additional funding (e.g., TIGER/CRISI grants) to finance necessary repairs on the Raton Pass Line. It is estimated that the line will require further investment of tens of millions of dollars on as much as 30 miles of track within the next 5 years in order to maintain adequate track quality, sufficient speeds, and continued operational passenger service reliability. The Commission and neighboring states have made great strides in pursuing and securing funding toward this project, but full funding for the project is far from complete. It is critical that the Commission continue negotiations with Amtrak as it evaluates its long-distance routes.

