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SERVICE DATE – JUNE 6, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 534 (Sub-No. 4X)

LAKE STATE RAILWAY COMPANY—
ABANDONMENT EXEMPTION—IN SAGINAW COUNTY, MICH.

Decided: June 6, 2025

Lake State Railway Company (LSRC) filed a verified notice of exemption under 49 C.F.R. part 1152 subpart F—Exempt Abandonments to abandon approximately 6,805 feet of rail line extending from Sta. 9+00 approximately 270 feet northeast of the intersection of Carrollton Road and Ellsworth Road to the end of line at Sta. 77+05 approximately 1,000 feet southwest of the North Niagara Street at-grade railroad crossing of the Huron & Eastern Railway Company, in Saginaw County, Mich. (the Line). Notice of the exemption was served and published in the Federal Register on May 9, 2025 (90 Fed. Reg. 19,775). The exemption is scheduled to become effective on June 8, 2025.

The Board's Office of Environmental Analysis (OEA) served a Draft Environmental Assessment (Draft EA) on May 16, 2025, recommending that two conditions be imposed on any decision granting abandonment authority.

First, OEA stated that LSRC submitted a combined environmental and historic report and served the report on the Michigan State Historic Preservation Office (SHPO), pursuant to 49 C.F.R. § 1105.8(c). In an email dated January 6, 2025, the SHPO responded with a request for additional information from LSRC to complete its review. As a result, OEA stated that it was not able to consider the SHPO's opinion before determining if the Line may be potentially eligible for listing on the National Register of Historic Places (National Register). Accordingly, OEA recommended a condition be imposed on any decision granting abandonment authority requiring LSRC to retain its interest in and take no steps to alter the historic integrity of all historic properties, including sites, buildings, structures, and objects within the project right-of-way (the Area of Potential Effect) eligible for listing or listed in the National Register until completion of the Section 106 process of the National Historic Preservation Act (NHPA), 54 U.S.C. § 306108.

Second, OEA stated that the Michigan Department of Transportation (MDOT) Rail Office submitted a comment by email dated January 23, 2025, stating that, per Michigan State law, prior to a railroad's sale of any right-of-way approved for abandonment, the railroad must first offer the property to MDOT and then to the Michigan Department of Natural Resources (MDNR). The Draft EA indicated that MDNR had not responded to LSRC's request for comments. Accordingly, OEA recommended that any Board decision granting abandonment

authority include a condition requiring LSRC to consult with MDOT and MDNR regarding MDOT's concerns prior to commencement of any abandonment-related salvage activities.

Comments on the Draft EA were due by June 2, 2025. OEA issued its Final Environmental Assessment (Final EA) on June 5, 2025, indicating that no new comments were received. Accordingly, OEA recommends that the two conditions previously recommended in the Draft EA be imposed upon any decision granting abandonment authority. Based on OEA's analysis, the conditions recommended in the Final EA will be imposed.

This decision, and the proposed abandonment if implemented as conditioned, will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. This proceeding is reopened.
2. The notice served and published in the Federal Register on May 9, 2025, exempting the abandonment of the Line described above is subject to the following conditions:¹

(a) LSRC shall retain its interest in and take no steps to alter the historic integrity of all historic properties, including sites, buildings, structures, and objects within the Area of Potential Effect that are eligible for listing or listed in the National Register until the Section 106 process of NHPA has been completed. LSRC shall report back to OEA regarding any consultations with the SHPO, Tribal Historic Preservation Office (if on tribal lands), and any other Section 106 consulting parties, and the public. LSRC may not file its consummation notice or initiate any salvage activities related to abandonment (including removal of tracks and ties) until the Section 106 process has been completed and the Board has removed this condition.

(b) Prior to commencement of any abandonment-related salvage activities, LSRC shall consult with the MDOT Rail Office and MDNR regarding the concerns raised in MDOT's email dated January 23, 2025.

3. This decision and notice is effective on its service date.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

¹ If an interim trail use agreement under 16 U.S.C. § 1247(d) and 49 C.F.R. § 1152.29 is reached for the Line (or a portion thereof), compliance with these conditions is not required with respect to any portion of the Line covered by the interim trail use agreement for the duration of the agreement.