When Barber dam and sawmill were completed above Boise in 1906, S. G. Moon found his new plant could not be supplied by log drives, as originally contemplated. (Silt from earlier upstream mining threatened to fill his log pond if he resorted to log drives during high water—the only practical time for successful water transportation.) As an alternative, rail service offered a possibility for supplying his new mill. Years of delay followed. To supplement the Barber Lumber Company's holdings of 61,000 acres (which had been enlarged from an original 25,000 acre purchase in 1902) negotiations were commenced to acquire supplementary state forest lands. But current exposure of timber land frauds in Oregon and other parts of the country forced the State Land Board to insist upon an appraised sale price too high ($150,000 for 12,000 acres) for the company to manage. Then the national financial panic of 1907 ruined the company's hope to obtain capital resources sufficient to construct the newly incorporated Intermountain Railway, for which surveys had been completed from Barber to Centerville in the basin timber country. Worse yet, the company had to spend the next several years in litigation over title to much of the original 1902 timber acreage. In the summer of 1908 the Barber mill had to be shut down altogether, and construction of the Intermountain Railway had to be delayed for six years.

In order to operate economically, the Barber Lumber Company decided to merge with a larger Payette Lumber and Manufacturing Company that held timber lands on an adjacent watershed. With Barber title litigation finally resolved in 1912, and with a United States Reclamation Service Arrowrock construction rail line built up the river (close to a third the way to Centerville) prospects improved for resumption of operations at Barber. As a condition for consolidating the companies and building the railway, Barber interests had to acquire state timber on the 12,000 acres they had been unable to afford in 1906. Finally the State Land Board was persuaded to sell the timber (but not the land) for $100,000 after the company undertook surveys and cruising necessary for the transaction. When the formality of an auction was held to legalize the deal, another combine offered a bid $1,000 higher than the Barber proposal. This delayed matters further. Finally Idaho's supreme court upheld the Barber sale on the grounds that the company would build a rail line that would
enhance the value of other state lands. So the plan to construct the Intermountain Railway finally enabled the Barber interests to merge with the Payette enterprise which became the Boise Payette Lumber Company, which began operations March 9, 1914.

Preparations were made in April to build the line from Arrowrock junction to Centerville, and actual grading began in June. About 450 men were employed. Working from seven camps along the route, they built the line up a canyon with some narrow gorges that required fourteen bridges and a 200-foot tunnel on the Stierman-Centerville stretch north of the junction of Grimes and More's creeks. Construction was completed to Big Bend by December, 1914, with rail service beginning that far on May 1. At this point, the company had reached much of timber to be hauled, and four logging spurs were built before the railway was finished to New Centerville, two miles further up the canyon. Construction cost totaled $317,914.77, with an additional $70,000 applied to acquisition of the USRS Arrowrock line. Logs were hauled from Big Bend, June 23, 1915--May 1, 1917, and from new Centerville until November 24, 1926. After that, logs that came down the road to Stierman were handled until January 4, 1928. While logging accounted for 90% of operating revenue, sheep (which were waiting for the train right from the beginning) contributed 5 percent and mining, 2 percent. After 1926, the company balance sheet changed from an annual profit (of $25,558.37 as late as 1926) to an annual loss. Early in 1930, losses suddenly increased enormously, and arrangements were made to abandon the line above Stierman. With stage and truck lines cutting into rail traffic, continuation of the company no longer was justified. Passenger volume fell from 17,244 in 1916 to 396 for the entire year of 1929. Only sheep continued to patronize the line. Bridges had deteriorated, rails on curves had worn out, and after Barber mill shut down in 1934, Intermountain Railway service was suspended entirely. In 1936 the roadbed was replaced with a state highway, and only a few traces of the railway remain.