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SERVICE DATE - JUNE 16, 1998

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33599]

Consolidated Rail Corporation—Trackage Rights Exemption—Delaware and Hudson
Railway Company, Inc.

Delaware and Hudson Railway Company, Inc. (DHC) has agreed to grant overhead trackage rights to Consolidated Rail Corporation (Conrail) over certain railroad trackage, being a portion of the Taylor Secondary, Keyser Valley Industrial Track, and Wye Track, in Lackawanna County, PA, as follows: (1) the railroad tracks and appurtenant devices and facilities on the Taylor Secondary in Taylor Yard between Railroad Valuation Station Nos. 7762 + 04.5 and 7807 + 97, and on the Keyser Valley Industrial Track between Railroad Valuation Station Nos. 7767 + 46.2, 7786 + 32.2 and 7789 + 48, identified as a portion of Track No. 248 and Track Nos. 249, 696, 697, 698, and 699; and (2) the trackage rights also include any additional operating rights needed to make a continuous railroad route to connect the Taylor Secondary at Minooka Jct., which runs from Minooka Jct. to Pittston, with the Keyser Valley Industrial Track and existing trackage rights over DHC running between Taylor Yard and Bridge 60 in Scranton.¹

¹ On June 8, 1998, DHC filed a petition for exemption in STB Finance Docket No. 33595, Delaware and Hudson Railway Company, Inc.—Acquisition and Operation Exemption—Consolidated Rail Corporation, to acquire from Conrail the trackage over which DHC would then grant back to Conrail the trackage rights that are the subject of this notice. That petition will be addressed by the Board in a separate decision.

While the exemption in STB Finance Docket No. 33599 became effective on June 3, 1998 (7 days after the notice was filed with the Board), the trackage rights transaction will not be able to be consummated until DHC receives Board approval for the exemption sought in STB Finance Docket No. 33595 to acquire the lines over which DHC would grant trackage rights in this proceeding.²

The purpose of the trackage rights is to allow Conrail, or its successor, to continue to access its customers on the Keyser Valley Industrial Track, and its customers and connections reached via Bridge 60 in Scranton.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc. - Lease and Operate, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

² Conrail previously conveyed to the Reading, Blue Mountain & Northern Railroad (RBMN) all of its property and operating rights in the vicinity of Taylor Yard, including the Taylor Secondary, Keyser Valley Industrial Track, and the trackage rights to Bridge 60 in Scranton, and has leased to RBMN all of its rights to the tracks in Taylor Yard which DHC is acquiring in STB Finance Docket No. 33595. See Reading Blue Mountain & Northern Railroad Company--Acquisition and Operation Exemption--Consolidated Rail Corporation, STB Finance Docket No. 33004 (STB served Aug. 30, 1996). The parties intend that, once DHC receives Board approval of its exemption in STB Finance Docket No. 33595 and the trackage rights in this proceeding become effective, the lease of Conrail's rights in Taylor Yard will terminate, and these trackage rights will be assigned to RBMN.

STB Finance Docket No. 33599

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33599, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John J. Paylor, Esq., Consolidated Rail Corporation, 2001 Market Street, 16A, Philadelphia, PA 19101-1416.

Decided: June 10, 1998.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary