

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34912]

Chattahoochee Bay Railroad, Inc.–Acquisition and Operation Exemption–Certain Assets of H&S Railroad Company, Inc., and Chattahoochee & Gulf Railroad Co., Inc.

Chattahoochee Bay Railroad, Inc. (CBRR),¹ a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire (by purchase) and operate certain rail assets of H&S Railroad Company, Inc. (H&S), and Chattahoochee & Gulf Railroad Co., Inc. (CHAT),² Class III rail carriers.³

Pursuant to an Asset Purchase Agreement entered into by and among CBRR, CHAT, and H&S, CBRR will acquire: (1) approximately 24.2 miles of rail line owned and operated by CHAT extending from approximately milepost 382.0, at or near Dothan, in Houston County, AL, through Henry County, AL, to approximately milepost 357.8, at

¹ CBRR is a wholly owned subsidiary of Genesee & Wyoming Inc. (GWI).

² H&S is owned and controlled by H. Peter and Linda C. Claussen (collectively, the Claussens). CHAT is owned and controlled by the Gulf & Ohio Railways Holding Co., Inc., which is owned by the Claussens.

³ This proceeding is related to STB Finance Docket No. 34913, Genesee & Wyoming Inc.–Continuance in Control Exemption–Chattahoochee Bay Railroad, Inc., wherein GWI, a noncarrier holding company, has simultaneously filed a petition for exemption to continue in control of CBRR upon CBRR's becoming a rail carrier.

or near Hilton, in Early County, GA (the CHAT Line);⁴ and (2) H&S's exclusive freight rail easement over an approximately 4-mile line of railroad between approximately milepost 382 at Dothan, and approximately milepost 386 at Taylor, in Houston County, AL (the H&S Line).⁵ CBRR states that the CHAT Line and the H&S Line physically connect at Dothan, and CBRR will operate them as one continuous rail line. The total distance of rail lines to be purchased and operated by CBRR is approximately 28 miles. In addition, CBRR will acquire CHAT's incidental overhead trackage rights over approximately 2.8 miles of Central of Georgia Railroad Company's line of railroad between approximately milepost 357.8 and approximately milepost 355 near Hilton, for the purpose of interchange with the Chattahoochee Industrial Railroad. CBRR also will acquire by assignment the interests of H&S and CHAT in an agreement that gives H&S trackage rights over the CHAT Line between approximately milepost 382 and approximately milepost 378.88 near Dothan, for the purpose of interchange with CHAT.⁶

⁴ CHAT acquired the rail line from Central of Georgia Railroad Company. See Chattahoochee & Gulf Railroad Co., Inc.—Acquisition and Operation Exemption—Line of Central of Georgia Railroad Company, STB Finance Docket No. 34298 (STB served Mar. 26, 2003).

⁵ H&S acquired the rail line from Hartford and Slocomb Railroad Company. See H&S Railroad Company, Inc.—Acquisition, Operation, and Trackage Rights Exemption—Lines of Hartford and Slocomb Railroad Company, Finance Docket No. 32089 (ICC served July 22, 1992).

⁶ CBRR states that its acquisition of these merging interests and operation of the H&S Line and the CHAT Line as one property will cause that trackage rights agreement to be extinguished.

CBRR certifies that its projected annual revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier and will not exceed \$5 million.

The transaction was expected to be consummated on or after August 25, 2006, the effective date of this notice of exemption (7 days after the exemption was filed).

If the verified notice 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34912, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Kevin M. Sheys, Kirkpatrick & Lockhart Nicholson Graham LLP, 1601 K Street, N.W., Washington, DC 20006.

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Decided: September 8, 2006.

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

Vernon A. Williams

Secretary