

STB FINANCE DOCKET NO. 34495

BUCKINGHAM BRANCH RAILROAD COMPANY — LEASE —
CSX TRANSPORTATION, INC.

Decision No. 6

Decided November 5, 2004

The Board approves, subject to labor protection conditions: (1) the lease, by Buckingham Branch Railroad Company, of a rail line owned by CSX Transportation, Inc.; and (2) the sublease, by Buckingham Branch Railroad Company, of a rail line owned by Norfolk Southern Railway Company.

ACRONYMS USED

Amtrak	National Railroad Passenger Corporation
BBRR	Buckingham Branch Railroad Company
BMWE	Brotherhood of Maintenance of Way Employees
BRS	Brotherhood of Railroad Signalmen
CSXT	CSX Transportation, Inc.
C&O	Chesapeake and Ohio Railway Company
FRA	Federal Railroad Administration
ICC	Interstate Commerce Commission
MOW	maintenance-of-way
MP	milepost
NSR	Norfolk Southern Railway Company
RTP	Rail Transportation Policy
SEA	Section of Environmental Analysis
STB	Surface Transportation Board
TCS	Train Control System

BY THE BOARD:

INTRODUCTION

By application filed May 26, 2004, Buckingham Branch Railroad Company (BBRR, a Class III railroad¹) and CSX Transportation, Inc. (CSXT, a Class I railroad) seek Board approval and authorization under 49 U.S.C. 11323 for: (1) the lease by BBRR of a 190.6-mile CSXT line that runs between Clifton Forge, VA, and AM Junction, VA (near Richmond) (the C&O Line); and (2) the sublease by BBRR of a 9.1-mile Norfolk Southern Railway Company (NSR) line that runs between Gordonsville, VA (a point on the C&O Line), and Orange, VA (the Orange Line). The proposed transaction has been classified as a minor transaction. *See* 49 CFR 1180.2(c) (classification of transactions pursuant to 49 U.S.C. 11325).

Comments were filed separately by NSR, the National Railroad Passenger Corporation (Amtrak), the Brotherhood of Maintenance of Way Employees (BMWE), and the Commonwealth of Virginia (the Commonwealth). (Others who have expressed views through correspondence are listed in the Appendix to this decision.) Applicants submitted two pleadings (BBRR-8 and BBRR-9) in rebuttal. On October 13, 2004, the Board heard oral argument in this proceeding.

THE APPLICATION

Two CSXT rail lines cross Virginia in a generally east-west direction between Clifton Forge, in the west, and Richmond, in the east. The more northerly of the two lines (the C&O Line) runs via Staunton, Waynesboro, and Charlottesville. The more southerly (the James River Line) runs via Lynchburg. The application seeks Board approval for BBRR to lease the C&O Line and to sublease the Orange Line, which branches off from the C&O Line at Gordonsville, VA.

BBRR owns and operates a 17-mile line of railroad that runs between Dillwyn, VA, and Brems, VA, connecting with the James River Line at Brems. BBRR, which was founded in 1989, has increased freight traffic on its Dillwyn-Brems Line from about 800 carloads per year in 1989 to 2,400 carloads per year during BBRR's best year. BBRR now provides regular scheduled freight service 3 days per week and additional service as requested and needed by its customers. BBRR has upgraded track and bridges on its Dillwyn-Brems Line to Federal Railroad Administration (FRA) class 1 track standards² in preparation for a shipper that is expected to locate on the

¹ The Board's regulations divide railroads into three classes based on annual carrier operating revenues. Class I railroads are those with annual carrier operating revenues of \$250 million or more (in 1991 dollars); Class II railroads are those with annual carrier operating revenues of more than \$20 million but less than \$250 million (in 1991 dollars); and Class III railroads are those with annual carrier operating revenues of \$20 million or less (in 1991 dollars). *See* 49 CFR part 1201, General Instruction 1-1(a).

² There are six classes of track typically applicable to rail transportation of freight under the (continued...)