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SERVICE DATE – SEPTEMBER 17, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35294]

Squaw Creek Southern Railroad, Inc.–Lease and Operation Exemption–Central of Georgia Railroad Company

Squaw Creek Southern Railroad, Inc. (SQS), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease and to operate, pursuant to an amendment dated August 31, 2009, to a lease agreement (Agreement) entered into on April 21, 2008, with Central of Georgia Railroad Company (CGA), a wholly-owned subsidiary of Norfolk Southern Railway Company (NSR), approximately 12.5 miles of CGA's rail line between milepost E-53-3 at Machen, Jasper County, GA, and milepost E-65.8 at Newborn, Newton County, GA.

SQS states that the line connects with CGA and CSX Transportation, Inc. SQS believes its Agreement does not include an interchange commitment that violates 49 CFR 1150.43(h) (requiring submission of complete version of agreement that may limit future interchange with a third-party connecting carrier). Nevertheless, SQS has concurrently filed with its notice a complete version of the Agreement, marked "highly confidential" and submitted under seal pursuant to 49 CFR 1104.14(a). SQS also states that under the Agreement, it will receive per car handling charges from NSR for each car originating or terminating on SQS and interchanged with CGA. According to SQS, the Agreement also

provides for an annual amount of minimal rental which SQS may pay in full or against which it can receive an offset from cars interchanged to CGA. However, the Agreement provides that there is no restriction on SQS's ability to interchange traffic with any other connecting carrier and that SQS is permitted local and switch rates without interchange restrictions.

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

SQS states that it expects to consummate the transaction on or after September 30, 2009. The earliest this transaction may be consummated is October 1, 2009, the effective date of the exemption (30 days after the exemption was filed).

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting and shredding). The term "solid waste" is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

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 effectiveness of the exemption. Petitions for stay must be filed no later than September 24, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35294, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Andrew P. Goldstein, McCarthy, Sweeney & Harkaway, P.C., 2175 K Street, N.W., Suite 600, Washington, DC 20037.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: September 14, 2009.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Anne K. Quinlan

Acting Secretary