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SERVICE DATE – SEPTEMBER 14, 2011

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35546]

CSX Transportation, Inc.—Trackage Rights Exemption—Norfolk Southern Railway Company, Pennsylvania Northeastern Railroad, LLC, and Southeastern Pennsylvania Transportation Authority

Pursuant to a Supplemental Agreement dated August 9, 2011,<sup>1</sup> CSX Transportation, Inc. (CSXT) is obtaining, retaining and/or modifying trackage rights from three separate sources, totaling 41.28 miles in Pennsylvania, as follows: (A) Norfolk Southern Railway Company (NSR) has agreed to assign its local and overhead trackage rights to CSXT over the Stony Creek Branch between milepost QAC 5.0 at Belfrey and milepost QAC 9.9 at Elm, a distance of 4.9 miles; (B) CSXT has retained overhead trackage rights as a result of the transfer of certain rights to Pennsylvania Northeastern Railroad, LLC (PNR)<sup>2</sup> for the purpose of interchanging with PNR on the following lines: (1) a portion of the Bethlehem Branch between milepost QAJ 7.0 at Tabor and milepost

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<sup>1</sup> A copy of the Supplemental Agreement was submitted with the notice of exemption. The agreement modifies a series of agreements among and between CSX Corporation/CSX Transportation, Inc. (CSX, CSXT), Norfolk Southern Corporation/Norfolk Southern Railway Company (NSC, NSR), Consolidated Rail Corporation (Conrail) and Southeastern Pennsylvania Transportation Authority (SEPTA) initially stemming from CSX Corp. et al.—Control—Conrail, Inc. et al., 3 S.T.B. 196 (1998).

<sup>2</sup> See Pennsylvania Northeastern Railroad, LLC—Acq. & Op. Exemp.—CSX Transp., Inc., Docket No. FD 35535 (STB served July 22, 2011).

QAJ 24.4 at Lansdale (including Lansdale Yard between milepost QAJ 24.4 and milepost QAJ 24.8), (2) a portion of the Ninth Street Branch between milepost QAJ 6.7 at Newtown Jct. and milepost QAJ 7.0 at Tabor (formerly known as part of the Bethlehem Branch), (3) the New York Line between milepost QAA 10.8 at Jenkin (also known as Jenkintown) and milepost QAA 21.1 at Neshaminy (also known as Neshaminy Falls), and (4) the Stony Creek Branch between milepost QAC 0.0 at Lansdale and milepost QAC 3.0 near West Point, a total distance of 31.0 miles (31.4 miles including Lansdale Yard); and (C) CSXT's trackage rights over Southeastern Pennsylvania Transportation Authority (SEPTA) lines have been modified as follows: (1) overhead and local trackage rights on the Stony Creek Branch between milepost QAC 3.0 near West Point and milepost QAC 5.0 at Belfrey, (2) overhead trackage rights on the Blue Line Branch (Blue Line Connecting Track), between milepost 0.0 at Nice and milepost 0.7 at Wayne, (3) overhead trackage rights on a portion of the Ninth Street Branch between milepost QA 5.1 at Wayne and milepost QAJ 6.7 at Newton Jct., and (4) overhead trackage rights on a portion of the Norristown Branch between milepost 17.3 at Kalb and milepost 17.98 at Elm, a distance of 4.98 miles. SEPTA owns all of the real estate and track involved in these transactions.

The purpose of the trackage rights is for CSXT to acquire the Stony Creek Branch from NSR in order to interchange with PNR and provide overhead and local service over the line as needed. CSXT has retained the overhead trackage rights over PNR in order to interchange traffic with PNR at the most efficient locations. CSXT's trackage rights over SEPTA continue the local and overhead service provided by Consolidated Rail

Corporation (Conrail) since the real estate and track were transferred from Conrail to SEPTA, with Conrail retaining an operating easement and trackage rights.

The proposed transaction is scheduled to be consummated on or after September 28, 2011, the effective date of the exemption (30 days after the exemption was filed).

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk & Western Railway–Trackage Rights–Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified in Mendocino Coast Railway, Inc.–Lease & Operate–California Western Railroad, 360 I.C.C. 653 (1980).

This notice is filed under 49 C.F.R. § 1180.2(d)(7). If the 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. Stay petitions must be filed by September 21, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35546, 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 Louis E. Gitomer, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: September 9, 2011.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.