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SERVICE DATE – DECEMBER 10, 2012

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 35247

GRENADA RAILWAY, LLC—ACQUISITION AND OPERATION EXEMPTION—
ILLINOIS CENTRAL RAILROAD COMPANY AND WATERLOO RAILWAY COMPANY

Decided: December 10, 2012

On May 13, 2009, Grenada Railway, LLC (GRYR), a noncarrier, filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire from the Illinois Central Railroad Company and operate a rail line approximately 175.4 miles long between milepost 403.0, at Southhaven, Miss., and milepost 703.8, near Canton, Miss., and to acquire from Waterloo Railway Company and to operate a connecting rail line approximately 11.42 miles long between milepost 603.0, at Bruce Junction, Miss., and milepost 614.42, at Water Valley Junction, Miss.¹ On May 29, 2009, a notice of exemption (May 2009 Notice) was served and published in the Federal Register (74 Fed. Reg. 25,799) in this proceeding for GRYR's acquisition and operation of the two lines.

On June 9, 2009, Mississippi State Representative Sidney Bondurant (Rep. Bondurant) filed a petition to revoke the May 2009 Notice, arguing that GRYR's notice of exemption contains inaccurate and misleading information. By decision served on December 3, 2009, the Board denied Rep. Bondurant's petition.²

On September 20, 2011, GRYR filed a petition for exemption in Docket No. AB 1087X to abandon the portion of its line of railroad between milepost 622.5 near Grenada, Miss., and milepost 703.8 near Canton, Miss., a distance of 81.3 miles. On November 10, 2011, GRYR filed a request to withdraw its petition and by decision served on November 10, 2011, the Board

¹ GRYR's Notice had described the second of these two lines as extending from milepost 603.0, at Water Valley Junction, to milepost 614.42, at Bruce Junction. In a letter received on June 3, 2009, the attorney for GRYR informed the Board that the milepost termini were inadvertently transposed in GRYR's Notice and that the milepost termini should have been identified as milepost 603.0, at Bruce Junction, and milepost 614.42, at Water Valley Junction. On June 8, 2009, the Board issued a Notice to the Parties with the correct milepost termini (published in the Federal Register on June 11, 2009, at 74 Fed. Reg. 27,860).

² See Grenada Ry.—Acquis. & Operation Exemption—Ill. Cent. R.R., FD 35247 (STB served Dec. 3, 2009).

granted its request.³ On July 13, 2012, GRYR sent a letter to the Grenada County Economic Development District, indicating its intent to file again for abandonment of essentially the same piece of trackage (between milepost 619 and milepost 703.8).⁴

On September 11, 2012, Robert J. Riley filed a petition to revoke the May 2009 Notice, arguing that GRYR abused the Board's processes to obtain an active rail line for the purposes of dismantling the infrastructure for profit. Riley's petition relies in significant part on developments subsequent to Rep. Bondurant's petition, including information provided in the abandonment proceeding in Docket No. AB 1087X, as well as the July 13, 2012 letter from GRYR indicating its intent to file again for abandonment authorization. GRYR filed a reply in opposition to the petition on September 24, 2012.⁵

Riley's petition to revoke raises issues that require further consideration by the Board. By this decision, the Board is instituting a proceeding under 49 U.S.C. § 10502(d). At this time, the Board is not setting a procedural schedule.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. § 10502(d), a proceeding is instituted.
2. Riley's September 28, 2012 filing, Brown's October 1, 2012 filing, and GRYR's October 11, 2012 filings are accepted.
3. This decision is effective on its date of service.

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

³ Grenada Ry.—Aban. Exemption—in Grenada, Montgomery, Carroll, Holmes, Yazoo & Madison Cntys., Miss., AB 1087X (STB served Nov. 10, 2011).

⁴ See Riley Pet., Ex. J.

⁵ Riley submitted a petition for leave to file a response on September 28, 2012, and GRYR submitted a reply on October 11, 2012. Also, on October 1, 2012, Don R. Brown submitted comments supporting Riley's petition, and GRYR submitted a reply on October 11, 2012. In the interest of compiling a more complete record, these filings will be accepted.