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SERVICE DATE – FEBRUARY 29, 2012

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35596]

JP Rail, Inc. d/b/a Southern Railroad Company of New Jersey—Operation
Exemption—Rail Line in Salem County, N.J.

JP Rail, Inc. d/b/a Southern Railroad Company of New Jersey (JP Rail), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to operate approximately 18.6 miles of rail line known as the Salem Branch Line (the Line), which is owned by Salem County, N.J. (Salem), as follows: (1) between the connection with Consolidated Rail Corporation at approximately milepost 11.0 in Swedesboro, N.J., and approximately milepost 28.4 at Salem, and (2) the Glass House Spur, between mileposts 0.0 and 1.2 in Salem.¹

¹ JP Rail acquired authority to operate the Line in 1995. See JP Rail, Inc. d/b/a Southern R.R. Co. of N. J.—Notice of Exemption—Operation of Salem Branch Rail Line in Salem County, N.J., FD 32700 (ICC served Oct. 10, 1995). JP Rail states that in July 2003 it entered into a 10-year contract with Salem for the continued operation of the Line, and that it assigned its rights and obligations under that contract to Class III rail carrier U S Rail Corporation (U S Rail) with Salem’s consent in October 2009. See U S Rail Corp. of N.J. —Lease Exemption—County of Salem, N.J., FD 35310 (STB served Nov. 27, 2009) and U S Rail Corp.—Operation Exemption—U.S. Rail Corp. of N.J., FD 35317 (STB served Nov. 27, 2009). According to JP Rail, Salem terminated its contractual relationship with U S Rail on January 10, 2012, and reassigned the contract to JP Rail on February 1, 2012.

In the verified notice, JP Rail requests that rail service be permitted to resume as soon as possible because there are shippers on the Line that require rail service. On February 21, 2012, JP Rail filed a petition for waiver of the 30-day period before an

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JP Rail certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

The earliest this transaction may be consummated is March 14, 2012, the effective date of the exemption (30 days after the exemption was filed).

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 no later than March 7, 2012 (at least 7 days before the exemption becomes effective).

(. . . continued)

exemption can become effective, 49 C.F.R. § 1150.42(b), and requested that the notice of exemption be permitted to become effective within 10 days of its February 13, 2012 filing date.

While JP Rail may have assigned its rights and obligations under the 2003 contract to U S Rail, the record does not show that JP Rail has ever sought Board authority to discontinue operations over the Line. Similarly, U S Rail has not sought Board authority to discontinue operations over the Line. Thus, with two rail carriers currently authorized to provide rail service on the Line, there is no need to rule on JP Rail's waiver petition. This notice of exemption is being issued and published to clarify the status of the parties with respect to the Line and to remove any doubt about JP Rail's authority to operate the Line in the future.

An original and 10 copies of all pleadings, referring to Docket No. FD 35596, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John K. Fiorilla, 8000 Midlantic Drive, Suite 300S, Mount Laurel, NJ 08054.

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Decided: February 24, 2012.

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