

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 35134

SQUAW CREEK SOUTHERN RAILROAD, INC.—LEASE AND OPERATION  
EXEMPTION—CENTRAL OF GEORGIA RAILROAD COMPANY

Decided: May 12, 2008

On April 30, 2008, Squaw Creek Southern Railroad, Inc. (SCS), a Class III rail carrier, filed a verified notice of exemption under 49 CFR 1150.41 to lease from Central of Georgia Railroad Company (CGA)<sup>1</sup> approximately 21.75 miles of rail line currently owned and operated by CGA and located between milepost F-53.75 at Machen, Jasper County, GA, and milepost F-75.5 at Madison, Morgan County, GA, and to operate over it. In its notice, SCS discloses certain terms of its 20-year lease agreement with CGA (Lease), stating that it does not believe that the Lease violates the spirit or the letter of the proposed rules in Review of Rail Access and Competition Issues—Renewed Petition of the Western Coal Traffic League, STB Ex Parte No. 575 and STB Ex Parte No. 575 (Sub-No. 1) (STB served Oct. 30, 2007).

SCS did not file a copy of the Lease but, according to SCS, the Lease specifically provides that there is no restriction on SCS's ability to interchange traffic with a connecting carrier other than CGA or NSR and expressly permits SCS to publish local and switching rates without any interchange restrictions between SCS and any other railroad. SCS explains, however, that it sought and received provisions in the agreement that would provide for rental credits and handling fees from CGA and NSR for cars interchanged with CGA.

To assist the Board in assessing SCS's assertions and understanding the terms of the Lease, SCS will be directed to file with the Board, under seal, a full, unredacted copy of the Lease by May 16, 2008. The Lease will be kept confidential without the need for filing an accompanying motion for a protective order under 49 CFR 1104.14(b). A final signed agreement should be filed. However, if the parties have not signed a final agreement, then a draft agreement should be filed containing the significant terms of the Lease, including the rental payments and related credits and fees.

The Board will proceed with issuance of a notice of SCS's filing and permit the exemption to become effective on May 30, 2008, unless a stay is issued by the Board in response to a petition for stay or on the Board's own motion.

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<sup>1</sup> CGA is a wholly owned subsidiary of Norfolk Southern Railway Company (NSR).

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

It is ordered:

1. SCS is directed to file the Lease, as described above, by May 16, 2008.
2. This decision is effective on its service date.

By the Board, Anne K. Quinlan, Acting Secretary.

Anne K. Quinlan  
Acting Secretary