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SERVICE DATE - LATE RELEASE JUNE 4, 2004

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-55 (Sub-No. 640)

CSX TRANSPORTATION, INC. — ABANDONMENT —  
IN ATKINSON AND WARE COUNTIES, GA

IN THE MATTER OF AN OFFER OF FINANCIAL ASSISTANCE

Decided: June 4, 2004

By decision served on December 24, 2003, the Board, under 49 U.S.C. 10903, granted CSX Transportation, Inc. (CSXT), authority to abandon and discontinue service over a 23.25-mile portion of its Southern Region, Jacksonville Division line extending from milepost AP 594.69, near Waresboro, to milepost AP 617.94, near Pearson, in Atkinson and Ware Counties, GA (the line). The abandonment authorization was scheduled to become effective on January 23, 2004, unless an offer of financial assistance (OFA) was filed on or before January 5, 2004.

On January 2, 2004, St. Marys Railroad Company (St. Marys) timely filed an OFA under 49 U.S.C. 10904 and 49 CFR 1152.27 to purchase the line for its net liquidation value of \$261,203. By decision served on January 7, 2004, St. Marys was found to be financially responsible to acquire and operate the line and the effective date of the decision authorizing the abandonment was postponed to permit the OFA process to proceed.

In a motion filed on April 2, 2004, St. Marys requests permission to substitute its corporate affiliate, St. Marys Railway West, LLC (SMRW), as the purchaser of the line. Under 49 CFR 1152.27(i)(1), an offeror is permitted to substitute its corporate affiliate as the purchaser under an agreement, provided the Board has determined that either: (1) the original offeror has guaranteed the financial responsibility of its affiliate; or (2) the affiliate has demonstrated financial responsibility in its own right.

SMRW has submitted a letter, dated May 28, 2004, in which Ellie Morris, Mayor of the City of Pearson, GA (Pearson), indicates that Pearson will purchase a 40% interest in SMRW and will undertake to fund the purchase price of the line, as well as other expenses associated with that transaction. As a political subdivision of the State of Georgia, Pearson is presumed to be financially responsible. See 49 CFR 1152.27(c)(1)(ii)(B). By obtaining funding from a financially responsible entity, SMRW has shown itself to be financially responsible in its own right. Therefore, the substitution of SMRW for St. Marys will be permitted.

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

It is ordered:

1. St. Marys' motion is granted.
2. SMRW is substituted as the purchaser of the line effective on the service date of this decision.
3. This decision is effective on its service date.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams  
Secretary