

41382

SERVICE DATE – FEBRUARY 4, 2011

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35461]

Carolina Coastal Railway, Inc.—Lease and Operation Exemption—Norfolk Southern Railway Company

Carolina Coastal Railway, Inc. (CLNA), a Class III carrier, has filed a verified notice of exemption¹ under 49 C.F.R. § 1150.41 to lease and operate, pursuant to an amendment to an existing lease agreement entered into on June 22, 2007, with Norfolk Southern Railway Company (NSR), a line of railroad known as the SB Line located between milepost 134.2 at Kings Creek, S.C., and milepost 141.35 at Blacksburg, S.C., located entirely in Cherokee County, S.C.² According to CLNA, the total length of the line is about 7.5 miles, including approximately 0.3 miles of connecting track between the SB Line and NSR's Blacksburg Yard. The lease and operation transaction also includes operating rights for interchange purposes in NSR's Blacksburg Yard.

As a result of this transaction, CLNA will continue providing common carrier rail freight service to International Minerals, Inc., the sole remaining customer located at Kings Creek.

¹ A milepost referenced in the notice of exemption was clarified by letter filed on January 27, 2011.

² CLNA states that it has executed an amendment to its existing lease with NSR, which expires on June 30, 2027, that covers the proposed lease and operation of the SB Line. The line is currently owned and operated by NSR.

According to CLNA, the amendment to the lease does not contain any language limiting CLNA's ability to interchange with other carriers. See 49 C.F.R. § 1150.43(h).

CLNA certifies that its projected annual revenues as a result of the transaction will not exceed \$5 million annually and will not result in it becoming a Class I or Class II rail carrier.

The earliest this transaction can be consummated is February 18, 2011, the effective date of the exemption (30 days after the exemption was filed). CLNA states that it plans to consummate the transaction on or about 30 days from the date of filing its notice of exemption.

If the verified 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 transaction. Petitions for stay must be filed no later than February 11, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35461, 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 John D. Heffner, John D. Heffner, PLLC, 1750 K Street, N.W., Suite 200, Washington, DC 20006.

Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Decided: January 28, 2011.

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