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SERVICE DATE – DECEMBER 11, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35327]

Blacklands Railroad, Inc.—Lease and Operation Exemption—Rusk County Rural Rail District

Blacklands Railroad, Inc. (BLR), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from Rusk County Rural Rail District (RCRRD), and to operate, a 15.69-mile line of railroad extending between milepost 0.59 near Overton, TX, and milepost 16.28 near Henderson, TX.<sup>1</sup>

The transaction is expected to be consummated on or shortly after December 28, 2009, when RCRRD acquires the line from UP.

BLR certifies that its projected annual revenues as a result of this transaction will not result in BLR becoming a Class II or Class I rail carrier. BLR further certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million. BLR states that its lease agreement with RCRRD will not contain a provision prohibiting BLR from interchanging traffic with a third party.

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<sup>1</sup> Union Pacific Railroad Company (UP) has obtained Board authority to abandon this line of railroad in Union Pacific Railroad Company—Abandonment—in Rusk County, TX, STB Docket No. AB-33 (Sub-No. 275) (STB served Sept. 11, 2009), but has not consummated the abandonment. In lieu of abandonment, UP has agreed to sell the right-of-way, track, and track structures to RCRRD for continued rail service. In turn, BLR will lease the line from RCRRD and operate it.

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35330, Rusk County Rural Rail District—Acquisition Exemption—Union Pacific Railroad Company. In that proceeding, RCRRD seeks to acquire from UP the 15.69 miles of rail line that BLR seeks to lease and operate in this proceeding.

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, §193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing, or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting, and shredding). The term “solid waste” is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

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 effectiveness of the exemption. Stay petitions must be filed no later than December 18, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35327, 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 Karl Morell, Of Counsel, Ball Janik LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005.

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Decided: December 7, 2009.

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