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SERVICE DATE – JULY 22, 2011

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35535]

Pennsylvania Northeastern Railroad, LLC—Acquisition and Operation Exemption—
CSX Transportation, Inc.

Pennsylvania Northeastern Railroad, LLC (PNR), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire from CSX Transportation, Inc. (CSXT), and to operate, a permanent freight easement over approximately 55.53-miles of rail line owned by Southeastern Pennsylvania Transportation Authority (SEPTA), known as the Lansdale Cluster. The Lansdale Cluster includes lines between: (1) milepost QAJ 6.70 at Newtown Junction, Pa., and milepost QAJ 30.50 at Telford, Pa., a distance of 23.80 miles (Bethlehem Branch); (2) milepost QAH 0.00 at Lansdale, Pa., and milepost QAH 10.13 at Doylestown, Pa., a distance of 10.13 miles (Doylestown Branch); (3) milepost QAU 0.00 at Glenside, Pa., and milepost QAU 8.40 at Ivyland, Pa., a distance of 8.40 miles (New Hope Branch); (4) milepost QAA 10.90 at Jenkintown, Pa., and milepost QAA 21.10 at Neshaminy, Pa., distance of 10.20 miles (New York Line);

and (5) milepost QAC 0.00 at Lansdale and milepost QAC 3.00, a distance of 3.0 miles (a portion of the Stony Creek Branch), together the Rail Lines.¹

PNR states that it is finalizing an agreement with CSXT to acquire a permanent freight easement to operate over the Rail Lines. According to PNR, freight operations over the Rail Lines have been implemented and conducted under a trackage rights agreement, originally between SEPTA and Consolidated Rail Corporation, and now among SEPTA, CSXT, and Norfolk Southern Railway Company. PNR states that the parties are amending the trackage rights agreement to, inter alia, assign CSXT's rights to operate the Rail Lines to PNR so that PNR can conduct freight operations.²

This transaction is related to a notice of exemption that will be filed in Docket No. FD 35534, Paul Nichini—Continuance in Control Exemption—Pennsylvania Northeastern Railroad and New Hope & Ivyland Railroad, wherein Paul Nichini will seek to continue in control of PNR upon its becoming a Class III rail carrier.³

¹ PNR states that it also acquiring the right to operate the Lansdale Yard, which is adjacent to the Rail Lines, but further states that, pursuant to 49 U.S.C. § 10906, the acquisition of yard track does not require authorization of the Board.

² It appears that PNR should file a separate notice of exemption under 49 C.F.R. § 1180.2(d)(7) from Board approval under 49 U.S.C. § 11323(a)(6) of these amended trackage rights, or PNR should provide a further explanation as to why a separate notice of exemption under § 1180.2(d)(7) is unnecessary.

³ A notice of exemption in Docket No. FD 35534 has not yet been filed. PNR may not consummate the transaction described in this notice until after the effective date of the continuance in control exemption to be filed in Docket No. FD 35534.

PNR certifies that its projected revenue as a result of the transaction will not exceed those that would qualify it as a Class III carrier, and further certifies that its projected revenues upon becoming a Class III carrier will not exceed \$5 million.

According to PNR, the transaction is expected to be consummated on or after August 13, 2011. The earliest the transaction may be consummated is after the August 7, 2011 effective date of the exemption (30 days after the exemption was filed).

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 July 29, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35535, 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 Eric M. Hocky, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

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Decided: July 20, 2011.

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