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SERVICE DATE – APRIL 23, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35368]

CSX Transportation, Inc.—Trackage Rights Exemption—Carolina Coastal Railway, Inc.

Pursuant to a written supplemental trackage rights agreement (supplemental agreement) dated January 14, 2010, Carolina Coastal Railway, Inc. (CLNA), has agreed to amend an existing overhead trackage rights agreement with CSX Transportation, Inc. (CSXT),¹ to grant CSXT overhead trackage rights over Norfolk Southern Railway Company's (NSR) rail line:² (1) between CSXT's connection with CLNA in the southwest quadrant of the rail crossing between CSXT and CLNA (CSXT and CLNA Crossing) at milepost NSR 148.1 and milepost NSR 132.0 at NSR's Chocowinity yard

¹ A redacted version of the initial trackage rights agreement and the supplemental agreement between CLNA and CSXT was filed with the notice of exemption. The full version of the initial agreement, as required by 49 C.F.R. § 1180.6(a)(7)(ii), was concurrently filed under seal along with a motion for protective order. The motion is being addressed in a separate decision.

² CSXT currently has trackage rights over NSR's line between Greenville and Lee Creek, N.C. (CSXT trackage rights line). See Seaboard Coast Line R.R.—Trackage Rights—Over Norfolk S. Ry. between Greenville and Lee Creek in Pitt and Beaufort Counties, N.C., Docket No. FD 28252 (ICC served Feb. 28, 1977) (NSR's granting of trackage rights to Seaboard Coast Line Railroad Company) and CSX Corp.—Control—Chessie System, and Seaboard Coast Line Indus., 363 I.C.C. 521 (1980) (acquisition of control of Seaboard Coast Line Industries, Inc., by CSX Corporation). NSR leased to CLNA its rail line from Greenville to Chocowinity, N.C., which is a segment of the CSXT trackage rights line. See Carolina Coastal Ry.—Lease and Operation Exemption—Norfolk S. Ry., Docket No. FD 35034 (STB served June 6, 2007).

limit board, a distance of approximately 16.1 miles; and (2) 558 feet of a connecting track that is being built in the northeast quadrant of the CSXT and CLNA Crossing.

The transaction is scheduled to be consummated on May 7, 2010, the effective date of the exemption (30 days after the exemption was filed).

CSXT states that CLNA and CSXT entered into the original trackage rights agreement governing use of the line with the understanding of the North Carolina Department of Transportation, Rail Division's (NCDOT) plan to reconfigure the trackage in the vicinity of Greenville, including the area around the line. Because of NCDOT's track reconfiguration, CLNA and CSXT entered into a supplemental agreement for purposes of CSXT's continued entry onto and exit from the track. The supplemental trackage rights will allow CSXT's continued use of the track in accordance with NCDOT's track reconfiguration.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Railway—Trackage Rights—Burlington Northern, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Railway—Lease and Operate—California Western Railroad, 360 I.C.C. 653 (1980).

This notice is filed under 49 C.F.R. § 1180.2(d)(7). If the 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 by April 30, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35368, 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 Steven C. Armbrust, CSX Transportation, Inc., 500 Water Street J-150, Jacksonville, FL 32202, and Louis E. Gitomer, Law Offices of Louis E. Gitomer, LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

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Decided: April 19, 2010.

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