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SERVICE DATE – SEPTEMBER 3, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35402]

Piedmont & Northern Railway, Inc.—Operation Exemption—North Carolina Department of Transportation

Piedmont & Northern Railway, Inc. (P&N), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to operate over approximately 13.04 miles of rail line (the Line) owned by the North Carolina Department of Transportation (NCDOT), a noncarrier,¹ between Mt. Holly (milepost SFC 11.39) and Gastonia (milepost SFC 23.0), including the Belmont spur between Mt. Holly (milepost SFC 13.6/SFF 0.13) and Belmont (milepost SFF 1.56), in Gaston County, N.C.² Operations will be pursuant to a License and Operating Agreement (Agreement) dated July 23, 2010, which has an initial 5-year term and may be renewed 3 times for additional 5-year terms.³

¹ The Line was acquired from CSX Transportation, Inc. (CSXT), in 1991, after CSXT consummated the Line's abandonment.

² P&N states that it intends to interchange traffic with CSXT and Norfolk Southern Railway Company.

³ P&N is reminded that once it obtains Board authorization to provide common carrier rail service over the Line, the common carrier obligation continues, notwithstanding any term of the parties' agreement, unless and until the Board grants discontinuance authority. 49 U.S.C. § 10903; Chic. & N. W. Transp. Co. v. Kalo Brick & Tile Co., 450 U.S. 311, 320 (1981); Pittsburg & Shawmut R.R.—Aban. Exemption—

(continued . . .)

This transaction is related to the verified notice of exemption filed in FD 35403, Patriot Rail, LLC—Continuance in Control Exemption—Piedmont & Northern Railway, in which Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp., jointly filed a verified notice of exemption to continue in control of P&N, upon P&N's becoming a Class III rail carrier.

The transaction is scheduled to be consummated on or after September 18, 2010 (30 days after the supplements to the notice of exemption were filed). The notice was filed on August 12, 2010, but the Agreement and supplements were filed on August 19, 2010. Therefore, August 19, 2010, will be considered the official filing date and the basis for all due dates.

P&N certifies that its projected annual revenues as a result of this transaction would not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

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. Petitions for stay must be filed no later than September 10, 2010 (at least 7 days before the exemption becomes effective).

(. . . continued)
in Armstrong & Jefferson Counties, Pa., AB 976X, slip op. at 1 (STB served Sept. 15, 2005).

An original and 10 copies of all pleadings, referring to FD 35402, 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 Louis E. Gitomer, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

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

Decided: August 30, 2010.

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