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SERVICE DATE – FEBRUARY 9, 2015

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 1087 (Sub-No. 1X)

GRENADA RAILWAY LLC—ABANDONMENT EXEMPTION—IN MONTGOMERY,
CARROLL, HOLMES, YAZOO, AND MADISON COUNTIES, MISS.

Docket No. AB 1087 (Sub-No. 2X)

GRENADA RAILWAY LLC—ABANDONMENT EXEMPTION—IN YALOBUSHA
COUNTY, MISS.

Decided: February 9, 2015

On December 17, 2013, Grenada Railway LLC (GRYR) filed with the Surface Transportation Board (Board) in Docket No. AB 1087 (Sub-No. 1X) a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to abandon the segment of its line of railroad between milepost 626.1 near Elliot and milepost 703.8 near Canton, a distance of 77.7 miles, in Montgomery, Carroll, Holmes, Yazoo, and Madison Counties, Miss. Notice of the petition was served and published in the Federal Register on January 6, 2014 (79 Fed. Reg. 702). In that notice, the Board instituted an exemption proceeding and notified the public that any replies to GRYR's petition for exemption would be due no later than January 27, 2014.¹

Shortly thereafter, on January 2, 2014, GRYR filed in Docket No. AB 1087 (Sub-No. 2X) a verified notice of exemption under 49 C.F.R. pt. 1152 subpart F—Exempt Abandonments to abandon its Water Valley Branch railroad line between milepost 604.0 at Water Valley Junction and milepost 614.42 at Bruce Junction, a distance of 10.42 miles in Yalobusha County, Miss. Notice of the proposed abandonment was served and published in the Federal Register on January 22, 2014 (79 Fed. Reg. 3,663). The Board's notice stated that the exemption would take effect on February 21, 2014, unless a formal expression of intent to file an offer of financial assistance (OFA) had been received or the exemption was stayed pending reconsideration.² On

¹ Requests for a public use condition under 49 C.F.R. § 1152.28 or for interim trail use/rail banking under 49 C.F.R. § 1152.29 were also due by January 27, 2014.

² The Board's notice also provided that petitions to stay that do not involve environmental issues, formal expressions of intent to file an OFA under 49 C.F.R. § 1152.27(c)(2), and interim trail use/rail banking requests under 49 C.F.R. § 1152.29 were due by February 3, 2014, and that petitions to reopen or requests for public use conditions under 49 C.F.R. § 1152.28 were due by February 11, 2014.

January 27, 2014, the Board's Office of Environmental Analysis (OEA) issued an environmental assessment (EA) regarding the proposed abandonment and set a deadline of February 10, 2014, for public comments on the EA.

On January 17 and January 31, 2014, the Mississippi Transportation Commission (MTC) filed letters in these two proceedings, each stating that MTC would like to explore all alternatives to the proposed abandonment and asking the Board to defer the due date for filing protests or comments until April 28, 2014.³ GRYR agreed to both requested postponements,⁴ and the Board granted both. On February 14, 2014, OEA issued an EA in Docket No. AB 1087 (Sub-No. 1X), which also adopted the same April 28, 2014 comment deadline.

On April 11, 2014, the North Central Mississippi Regional Railroad Authority (NCMRRA) filed letters in both dockets asking for an additional 60-day extension of the filing deadline for protests and comments, until June 27, 2014. MTC filed in support of the extension requests and GRYR stated that it did not object.⁵ In a single decision encompassing both dockets, the Board granted both extension requests and extended other procedural dates accordingly.⁶ At the request of NCMRRA, two additional extensions were granted to accommodate efforts toward negotiating a sale of the lines.⁷ The most recent extension set the comment deadline in both dockets at January 9, 2015.

On January 9, 2015, GRYR and NCMRRA jointly filed a letter with the Board stating that "while the negotiations remain to be completed, there has been substantial progress" towards a finalized purchase agreement between the parties.⁸ The letter also states that GRYR and NCMRRA "will promptly inform the STB" when a purchase transaction has been consummated.

The Board favors the private resolution of disputes whenever possible. Here, GRYR and NCMRRA continue to negotiate toward a final purchase agreement that will allow NCMRRA to purchase the lines at issue in these cases. Allowing GRYR and NCMRRA further time in which to negotiate an agreement appears to be in the best interest of preserving rail service on the affected lines. Accordingly, the Board will interpret the January 9, 2015 letter from GRYR and

³ MTC Letter 1, AB 1087 (Sub-No. 1X) (filed Jan. 17, 2014); MTC Letter 1, AB 1087 (Sub-No. 2X) (filed Jan. 31, 2014).

⁴ GRYR Letter 1, AB 1087 (Sub-No. 1X) (filed Jan. 22, 2014); GRYR Letter 1, AB 1087 (Sub-No. 2X) (filed Jan. 31, 2014).

⁵ MTC Letter 1 (filed Apr. 14, 2014); GRYR Letter 1 (filed Apr. 14, 2014).

⁶ Grenada Ry.—Aban. Exemption—in Montgomery, Carroll, Holmes, Yazoo, & Madison Cntys., Miss., AB 1087 (Sub-No. 1X) et al. (STB served Apr. 24, 2014).

⁷ Grenada Ry.—Aban. Exemption—in Montgomery, Carroll, Holmes, Yazoo, & Madison Cntys., Miss., AB 1087 (Sub-No. 1X) et al. (STB served July 22, 2014), and Grenada Ry.—Aban. Exemption—in Montgomery, Carroll, Holmes, Yazoo, & Madison Cntys., Miss., AB 1087 (Sub-No. 1X) et al. (STB served Nov. 3, 2014).

⁸ GRYR & NCMRRA Letter 1 (filed Jan. 9, 2015).

NCMRRA as a request that Docket Nos. AB 1087 (Sub-No. 1X) and AB 1087 (Sub-No. 2X) be placed into abeyance.

Given these circumstances, the Board will hold its consideration of Docket Nos. AB 1087 (Sub-No. 1X) and AB 1087 (Sub-No. 2X) in abeyance pending notice from GRYR either that (1) the parties have reached agreement for the sale of the lines and GRYR wishes to terminate the abandonment proceedings, or that (2) GRYR requests the Board remove these matters from abeyance, and the Board grants that request; or (3) the Board, on its own, removes these matters from abeyance. In addition, GRYR and NCMRRA shall file (jointly if possible) a status report every 60 days from the date of service of this order, until the parties reach a sale agreement or the cases are removed from abeyance.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Docket Nos. AB 1087 (Sub-No. 1X) and AB 1087 (Sub-No. 2X) are held in abeyance pending notice from GRYR either that the parties have reached agreement for the sale of the lines and GRYR wishes to terminate the abandonment proceedings or that GRYR requests the Board remove the proceedings from abeyance, or until the Board removes the proceedings from abeyance on its own motion.

2. GRYR and NCMRRA shall file (jointly if possible) a status report every 60 days from the date of service of this order, until the parties reach a sale agreement or the proceedings are removed from abeyance.

3. This decision is effective on its date of service.

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