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SERVICE DATE – DECEMBER 21, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34934]

Eastern States Railroad, LLC—Acquisition Exemption—Central Columbiana & Pennsylvania Railway, Inc. and Columbiana County Port Authority

Eastern States Railroad, LLC (ESR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire the lease and operating rights to approximately 35.7 miles of rail line owned by the Columbiana County Port Authority (CCPA). The line extends between milepost 0.0 in Youngstown, OH, and milepost 35.7 in Darlington, PA. Currently, the Ohio & Pennsylvania Railroad Company (O&P) operates over this line pursuant to an interim operating agreement with the trustee of the line's former operator, the Central Columbiana & Pennsylvania Railway, Inc. (CCPR), which filed for bankruptcy in the U.S. Bankruptcy Court for the Eastern District of Arkansas.¹ O&P received interim operating authority from the Board in The Ohio and Pennsylvania Railroad—Acquisition and Operation Exemption—Rail Lines of Columbiana County Port Authority in Mahoning and Columbiana Counties, OH, and Beaver County, PA, STB Finance Docket No. 34632 (STB served Dec. 21, 2004).

According to ESR, O&P's interim operating agreement will terminate, pursuant to an order of the bankruptcy court, upon the effective date of this notice. According to ESR,

¹ U.S. Bankruptcy Court for the Eastern District of Arkansas, Case No. 04-BK-16887T.

the bankruptcy court has authorized CCPR, through CCPR's trustee, to assign its lease and operating rights to ESR.

ESR also seeks to receive permanent assignment of CCPA's and CCPR's operating rights to approximately 3 miles of track running east of milepost 0.0. ESR claims that this acquisition will, in combination with other rights that ESR has obtained, facilitate interchange with Norfolk Southern Railway Company and CSX Transportation, Inc.

According to ESR, it has entered into an interim operating agreement with the trustee of CCPR for interim assignment of operating rights on all the lines described herein, pending the closing of its acquisition of the lease and operating rights, so that ESR may commence operations.

ESR certifies that its projected annual revenues as a result of the transaction will not exceed \$5 million. The transaction was scheduled to be consummated on November 29, 2006, the effective date of the exemption (7 days after the exemption was filed).

This transaction is related to two concurrently filed verified notices of exemption: STB Finance Docket No. 34962, Youngstown & Southeastern Railway Company—Lease and Operation Exemption—Lines of Eastern States Railroad, LLC, wherein Youngstown & Southeastern Railway Company (Y&S) seeks to sublease and/or operate the 38.7 miles of line being acquired by ESR in this docket; and STB Finance Docket No. 34961, Indiana Boxcar Corporation—Continuance in Control Exemption—Youngstown &

Southeastern Railway Company, wherein Indiana Boxcar Corporation seeks an exemption for continuance in control once Y&S is granted common carrier authority.

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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34934, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Myles L. Tobin, Fletcher & Sippel, LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

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

Decided: December 14, 2006.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary