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SERVICE DATE – LATE RELEASE DECEMBER 28, 2010

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 35410

ADRIAN & BLISSFIELD RAIL ROAD COMPANY—CONTINUANCE  
IN CONTROL EXEMPTION—JACKSON & LANSING RAILROAD COMPANY

Docket No. FD 35411

JACKSON & LANSING RAILROAD COMPANY—LEASE AND OPERATION  
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

Docket No. FD 35418

JACKSON & LANSING RAILROAD COMPANY—TRACKAGE RIGHTS  
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

Decided: December 28, 2010

By this decision, the Board institutes a proceeding to consider a petition to revoke the notices of exemption in these related proceedings.

The Board served and published notices of exemptions in each of these proceedings on October 6, 2010 (75 Fed. Reg. 61,817-18, 61,835-36). In Docket No. FD 35410, the notice permits Adrian & Blissfield Rail Road Company (ADBF), a Class III rail carrier, to continue in control of Jackson & Lansing Railroad Company (JAIL), upon JAIL's becoming a Class III carrier. In Docket No. FD 35411, the notice authorizes JAIL, a noncarrier, to lease and operate approximately 44.5 miles of rail lines (the lines) of Norfolk Southern Railway Company (NSR) in Michigan.<sup>1</sup> In conjunction with that lease, NSR also granted to JAIL limited, incidental trackage rights over 2.6 miles of NSR's Michigan Main Line for the sole purpose of interchanging with NSR at NSR's Jackson Yard.<sup>2</sup> In Docket No. FD 35418, the notice

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<sup>1</sup> The 44.5 miles are comprised of: (1) the Lansing Secondary, located between the connection with NSR's Michigan Main Line at milepost LZ 0.0 in Jackson and milepost LZ 36.9 in Lansing (36.9 miles in length); (2) the Lansing Manufacturers Railroad, located between milepost XF 0.0 and milepost XF 5.1 in Lansing (5.1 miles in length); (3) the Lansing Industrial Track segment located between milepost XM 57.1 and milepost XM 58.9 in Lansing (1.8 miles in length); and (4) the Lansing Industrial Track segment between milepost UA 60.7 and milepost UA 61.4 in Lansing (approximately 0.7 miles in length).

<sup>2</sup> The incidental trackage rights are between milepost NS 72.73 and milepost NS 75.67 (equal to milepost LZ 0.0) in Jackson.

authorizes NSR to grant to JAIL nonexclusive overhead and local trackage rights over approximately 1.06 miles of NSR's Lansing Secondary line in Michigan.<sup>3</sup>

By petition filed on October 20, 2010, Brotherhood of Locomotive Engineers and Trainmen and United Transportation Union (collectively, the Unions) jointly ask the Board to revoke the exemptions in these related cases, arguing that the exemptions will diminish the safety of rail operations, will harm the interests of railroad employees, and will have an anticompetitive effect.

The Board seeks additional information on the effect of these notices of exemption, particularly on competition and shippers. Commenters may submit evidence and comment concerning the potential anticompetitive effect of the lease credit provision, disclosed pursuant to the Board's interchange commitment rules at 49 CFR § 1150.33(h). See Notice of Exemption filed in FD 35411 at 7-8. Commenters may discuss the provision's impact on price and service. Commenters may also address safety and employee-interest issues. Any commenter may submit a response to the opening evidence/comments of any other party.

In order to ensure that all affected shippers are given an opportunity to participate in this proceeding, JAIL is directed to provide a copy of this decision to all of the shippers on the lines for whom JAIL has provided rail service since commencing operations.

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

It is ordered:

1. Under 49 U.S.C. § 10502(d), a proceeding is instituted on the petition to revoke the notices of exemption in these cases.
2. Any interested party may submit comments and evidence by February 10, 2011.
3. Any party may submit a response to the opening submissions by February 25, 2011.
4. JAIL shall, by January 11, 2011, serve a copy of this decision by U.S. mail or by email on all of the shippers on the lines for whom JAIL has provided rail service since commencing operations and certify to the Board that they have made the required service.

By the Board, Julia M. Farr, Acting Director, Office of Proceedings.

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<sup>3</sup> The overhead and local trackage rights are between milepost LZ 36.8 in Lansing and milepost LZ 37.86 in North Lansing.