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SERVICE DATE – OCTOBER 6, 2010

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35410]

Adrian & Blissfield Rail Road Company—Continuance in Control Exemption—Jackson & Lansing Railroad Company

Adrian & Blissfield Rail Road Company (ADBF), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Jackson & Lansing Railroad Company (JAIL), upon JAIL's becoming a Class III rail carrier.<sup>1</sup>

This transaction is related to 2 other transactions for which notices of exemption have been simultaneously filed: Docket No. FD 35411, Jackson & Lansing Railroad Company—Lease and Operation Exemption—Norfolk Southern Railway Company, in which JAIL seeks an exemption under 49 C.F.R. § 1150.31 to lease from Norfolk Southern Railway Company (NSR), and to operate, approximately 44.5 miles of rail lines,<sup>2</sup> known as the Lansing Secondary, the Lansing Manufacturers Railroad, and segments of the Lansing Industrial Track; and Docket No. FD 35418, Jackson & Lansing

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<sup>1</sup> JAIL is a noncarrier entity, wholly owned and controlled by ADBF. In addition, ADBF currently controls through stock ownership 3 Class III carriers: the Charlotte Southern Railroad Company; the Detroit Connecting Railroad Company; and the Lapeer Industrial Railroad Company, all within the State of Michigan.

<sup>2</sup> In addition, JAIL will acquire from NSR incidental trackage rights over 2.96 miles of track on NSR's Michigan Main Line in Jackson, Mich., for the sole purpose of interchanging with NSR.

Railroad Company—Trackage Rights Exemption—Norfolk Southern Railway Company, in which JAIL seeks to acquire, pursuant to an agreement with NSR, non-exclusive local and overhead trackage rights over approximately 1.06 miles of the line owned by NSR and currently leased to CSX Transportation, Inc., on the Lansing Secondary, between milepost LZ 36.8<sup>3</sup> in Lansing, Mich., and milepost 37.86 in North Lansing, Mich., for the sole purpose of interchanging with NSR.

This transaction may not be consummated until October 20, 2010, the effective date of the exemption (30 days after exemption was filed).

ADBF states that: (1) the rail lines to be operated by JAIL do not connect with the lines of ADBF or any other single railroad controlled by ADBF's corporate family; (2) the transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) the transaction does not involve a Class I rail carrier.

Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

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<sup>3</sup> JAIL states that, despite the apparent overlap, the boundary of the assigned trackage rights is distinct from the boundary of the Lansing Secondary. The apparent overlap is the result of an historical rounding error in NSR's engineering maps.

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 October 13, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35410, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, 1 copy of each pleading must be served on John D. Heffner, PLLC, and James H. M. Savage, Of Counsel, 1750 K Street, N.W., Washington, DC 20006.

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“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: October 1, 2010.

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