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SERVICE DATE – FEBRUARY 25, 2016

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.

Docket No. FD 35247 (Sub-No. 1)<sup>1</sup>

GRENADA RAILWAY, LLC—RAIL LINE IN GRENADA, MONTGOMERY, CARROLL,  
HOLMES, YAZOO AND MADISON COUNTIES, MISS.

Digest:<sup>2</sup> In this decision, the Board grants a joint request from Grenada Railway, LLC, and the North Central Mississippi Regional Railroad Authority to dismiss two abandonment proceedings, dismisses a related embargo proceeding, and denies as moot all outstanding petitions or motions in the three proceedings.

Decided: February 23, 2016

On September 10, 2013, the Surface Transportation Board (Board) instituted a proceeding in Docket No. FD 35247 (Sub-No. 1) to examine the lawfulness of an embargo Grenada Railway, LLC (GRYR), imposed over a portion of its Grenada Branch Line. The Grenada Branch Line is a 175.4-mile railroad line between milepost 403.0, at Southaven, Miss., and milepost 703.8, near Canton, Miss.

On December 17, 2013, in Docket No. AB 1087 (Sub-No. 1X), GRYR filed 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 Grenada Branch Line between milepost 626.1 near Elliott,

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<sup>1</sup> These proceedings are not consolidated but are being addressed in the same decision for administrative convenience.

<sup>2</sup> The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

Miss., 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).

On January 2, 2014, in Docket No. AB 1087 (Sub-No. 2X), GRYR filed a verified notice of exemption under 49 C.F.R. pt. 1152 subpart F – Exempt Abandonments to abandon its Water Valley Branch 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. 3663).

The Board thereafter granted several requests from the Mississippi Transportation Commission (MTC) and the North Central Mississippi Regional Railroad Authority (NCMRRRA) to extend the filing deadline for protests and comments in the two abandonment proceedings to allow MTC to explore alternatives to abandonment and later to allow NCMRRRA to negotiate the purchase of the lines. On February 9, 2015, upon request of the parties, the Board placed the two abandonment proceedings in abeyance to allow GRYR and NCMRRRA time to finalize negotiations toward an agreement that would allow NCMRRRA to purchase the lines at issue from GRYR.

On June 23, 2015, Illinois Company Rail Road, LLC (ICRR), filed a verified notice of exemption in Docket No. FD 35940 for ICRR to lease and operate the Grenada Branch Line and the Water Valley Branch Line.<sup>3</sup> ICRR stated that NCMRRRA was in the process of acquiring GRYR, after which ICRR would operate those lines under a lease from NCMRRRA and GRYR. Notice of this exemption was served and published in the Federal Register on July 9, 2015 (80 Fed. Reg. 39,481). That notice stated that the transaction could be consummated on or after July 23, 2015, and that ICRR expected to consummate the transaction by August 7, 2015.

On September 21, 2015, NCMRRRA filed a status report confirming that NCMRRRA has acquired GRYR and the lines at issue in Docket Nos. AB 1087 (Sub-No. 1X) and (Sub-No. 2X) and has consummated the lease of those lines to ICRR pursuant to the exemption granted in Docket No. FD 35940. NCMRRRA, as GRYR's new owner, also confirms that GRYR requests that the abandonment proceedings in Docket Nos. AB 1087 (Sub-No. 1X) and (Sub-No. 2X) be terminated.

The Board will grant GRYR and NCMRRRA's request that the abandonment proceedings in Docket Nos. AB 1087 (Sub-No. 1X) and (Sub-No. 2X) be dismissed. In addition, because the sale of GRYR and the lines at issue to NCMRRRA and the lease of the lines to ICRR have resulted in the lines being placed back into service, we do not find it necessary to continue the adjudication of the lawfulness of GRYR's embargo over a portion of the Grenada Branch Line. Accordingly, we will also dismiss the proceeding in Docket No. FD 35247 (Sub-No. 1).

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<sup>3</sup> The Grenada Branch Line includes the line at issue in Docket No. AB 1087 (Sub-No. 1X); the Water Valley Branch Line is the line at issue in Docket No. AB 1087 (Sub-No. 2X).

Because these proceedings are being dismissed, all outstanding petitions or motions in these three dockets will be denied as moot.

It is ordered:

1. The proceedings in Docket Nos. AB 1087 (Sub-No. 1X), AB 1087 (Sub-No. 2X), and FD 35247 (Sub-No. 1) are dismissed.

2. All outstanding petitions or motions in Docket Nos. AB 1087 (Sub-No. 1X), AB 1087 (Sub-No. 2X) and FD 35247 (Sub-No. 1) are denied as moot.

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

By the Board, Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman.