

STB Docket No. AB-565 (Sub-No. 11X)

NEW YORK CENTRAL LINES, LLC—ABANDONMENT EXEMPTION—  
IN LAKE COUNTY, OH

STB Docket No. AB-55 (Sub-No. 617X)

CSX TRANSPORTATION, INC.—DISCONTINUANCE OF SERVICE  
EXEMPTION— IN LAKE COUNTY, OH

This case involves a petition filed jointly by two rail carriers, New York Central Lines, LLC and CSX Transportation, Inc., seeking exemptions for New York Central to abandon, and for CSX to discontinue service over, a 2 1/2-mile rail line in Lake County, OH. The only protest to the petition was filed by Carmeuse North America, which recently bought a lime plant located on the line. Requests for public use and interim trail use conditions were filed by Lake Metroparks, a political subdivision of the State of Ohio.

There are two businesses located on the line which have used rail service. These firms, Morton Salt and Allegheny Niagara, have used rail service sparingly in the past few years. Carmeuse, the sole protestant, has never used rail service.

Morton Salt has shipped a total of 11 cars on the line in the last 3 years, with most of its traffic moving by truck rather than rail.

Allegheny has used rail service quite a bit more than Morton Salt, shipping 88 cars of lime by-products during the year 2000, 71 cars during the year 2001 but, as of October 15, no

cars in the year 2002. Allegheny does not have its own facility on the line, so its production of lime by-products is entirely dependent upon the operation of a lime plant located on the line. This plant, which primarily produced lime to supply various steel operations, was shut down in December 2001.

The protestant, Carmeuse North America, recently acquired the lime plant from International Steel Group. Although Carmeuse has reopened the facility, it has not used rail service, and rail service apparently was not used by the facility's previous owner, either.

CSX states that the traffic on the line does not cover the cost of its rail operations, and that it is incurring an annual loss from operations of \$16,642. The railroad states that its total annual losses, which are its operating losses plus its opportunity costs, will be around \$23,000. These forecasted losses assume that there will be no traffic from either Carmeuse or Allegheny.

In its protest, Carmeuse states that it does not want the line abandoned, and has advised petitioners that it is considering shipping coal to the facility by rail car, as well as shipping lime from the facility.

That, in essence, is the record. In our view, the petitioners have established that they are incurring losses on the line, and will continue to incur losses until they are permitted to abandon it. The line is carrying virtually no traffic right now, and the sparse traffic levels in recent years

do not suggest that there will be any significant traffic increases in the future. Carmeuse's assertion that it might use the line in the future is speculative, and is not supported by any evidence. Finally, if this line is abandoned, all three businesses located on it will have other forms of service.

In light of all these factors, we believe that the petitioners have satisfied the statutory criteria for the grant of an exemption to abandon the line. Requiring CSX to file a formal application to abandon the line is not necessary to carry out the rail transportation policy, and the abandonment would not be an abuse of market power. Accordingly, the draft decision before you grants the petition, subject to environmental, trail use and public use conditions, and the standard employee protective conditions.

If you have any questions, we will be glad to respond to them now.