

FOR RELEASE
07/16/1997 (Wednesday)
No. 97-55

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**SURFACE TRANSPORTATION BOARD GRANTS EXEMPTION FOR “SOUTHERN
ELECTRIC RAILROAD’S” CONSTRUCTION, OPERATION OF NEW RAIL LINE IN
ALABAMA**

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**SURFACE TRANSPORTATION BOARD
GRANTS EXEMPTION FOR
"SOUTHERN ELECTRIC RAILROAD'S" CONSTRUCTION, OPERATION
OF NEW RAIL LINE IN ALABAMA**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that it has granted the Southern Electric Railroad Company's (SERC) request for an exemption to construct and operate a 4.5-mile railroad line from the Norfolk Southern Railroad Company's main line near West Jefferson, Jefferson County, Alabama, to the James H. Miller, Jr. Steam Electric Generating Plant located near the Locust Fork of the Black Warrior River, approximately 20 miles northwest of Birmingham, AL. The exemption was granted subject to the Board's review of anticipated environmental effects of the line's construction and operation. Under Section 10901 of Title 49, United States Code (49 U.S.C. 10901), the construction and operation of a rail line requires prior Board approval. However, under 49 U.S.C. 10502, the Board must exempt a line's construction and operation from

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regulation if it finds that continued regulation is unnecessary to carry out the nation's rail transportation policy, and either that the proposed activity is of limited scope, or that regulation is unneeded to protect shippers from the abuse of market power. In this case, the Board found that the proposal meets the statutory criteria for granting an exemption. In particular, the Board noted the pro-competitive effect of the proposed line by providing Plant Miller with an additional rail transportation option for the delivery of Powder River Basin coal. In conditioning the exemption subject to Board review of anticipated environmental effects, the Board said that the grant of SERC's exemption request at this time will not diminish the Board's ability to decide environmental matters when it issues a final decision.

The Board granted the exemption in its decision in the case entitled *Southern Electric Railroad Company--Construction and Operation Exemption--West Jefferson, AL*, STB Finance Docket No. 33387, issued to the public on July 16, 1997.

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