

**SURFACE TRANSPORTATION BOARD DENIES OWENSVILLE TERMINAL CO.  
ABANDONMENT BETWEEN BROWNS, IL & POSEYVILLE, IN**

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i:z i:z Contact: Dennis Watson  
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i:z i:z i:z i:z (202) 565-1596  
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i:z i:z i:z i:z i:z TDD (202) 565-1695

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DENIES OWENSVILLE TERMINAL CO. ABANDONMENT  
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Surface Transportation Board (Board) Chairman Linda J. Morgan has announced that the Board has denied the Owensville Terminal Company's (OTC) petition for an exemption from the prior-approval requirements to permit OTC to abandon its 22.5-mile rail line between Browns, Illinois, and Poseyville, Indiana. Agricultural shippers have strongly opposed the proposed abandonment of this line, which had been operated by OTC's affiliate, Evansville Terminal Company, between May 1996 and February 1997, and which had been operated before that by Indiana Hi-Rail Corporation prior to that carrier's bankruptcy.

In reaching its decision, the Board noted that, under section 10903 of Title 49, United States Code (49 U.S.C. 10903), a rail line may not be abandoned without the Board's prior approval. But under section 10502, the Board must exempt a transaction from regulation when its finds that (1) continued

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regulation is unnecessary to carry out the rail transportation policy, and (2) either regulation is unnecessary to protect shippers from the abuse of market power or the proposed transaction is limited in scope. While OTC attempted to characterize the abandonment exemption as noncontroversial due to the recent absence of any traffic moving over the line, the Board agreed with the protesting shippers in finding that the line appeared to be a critical link for shippers in that area with both the Norfolk Southern Railway Company and CSX Transportation, Inc. The Board was unable to find on the present record that regulation was not required under the circumstances to carry out the rail transportation policy and found that the shippers' strong interest in preserving rail service over the line suggested that there might be sufficient demand to make the subject line a viable operation. The Board concluded that the shippers' concerns warranted a more thorough review and that, therefore, the petition for exemption should be denied.

The Board issued its decision in the case entitled Owensville Terminal Company, Inc.--Abandonment Exemption--in Edwards and White Counties, IL and in Gibson and Posey Counties, IN, STB Docket No. AB-477 (Sub-No. 1X), on August 1, 1997.

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