

SURFACE TRANSPORTATION BOARD DISMISSES "NORTH CAROLINA RAILROAD" TRACKAGE COMPENSATION PETITION FOLLOWING SETTLEMENT NEGOTIATED BY PARTIES

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that, following a negotiated settlement reached by the parties, the Board has issued a decision dismissing a longstanding North Carolina Railroad Company (NCR) petition asking the Board to set trackage-use compensation. In announcing the decision, Chairman Morgan noted that the settlement is another successful outcome resulting from the Board's policy of encouraging private-sector dispute resolution where appropriate.

Filed in September 1996, the NCR petition had sought the Board's prescription of interim and permanent compensation for the exclusive use of NCR's 317-mile rail line between Charlotte and Morehead City, North Carolina, by certain operating subsidiaries of the Norfolk Southern Corporation (NS). The Board began a proceeding and prescribed interim compensation. And, at the request of the State of North Carolina (the State), which was then the majority shareholder of NCR and an intervener in the proceeding, the Board held the proceeding in abeyance to allow the involved parties to negotiate a settlement, consistent with the Board's policy of encouraging privately negotiated solutions where appropriate, as here. The State subsequently acquired the interest of the minority shareholders, and NCR reached an agreement with NS which, among other things, granted NS trackage rights over the line and finalized both interim and permanent compensation.

The trackage rights were previously exempted in *Norfolk Southern Railway Company--Trackage Rights Exemption--Over North Carolina Railroad Company*, STB Finance Docket No. 33788, and *Atlantic and East Carolina Railway Company--Trackage Rights Exemption--Line of North Carolina Railroad Company Operated Under Trackage Rights by Norfolk Southern Railway Company*, STB Finance Docket No. 33789 (issued to the public and published in the *Federal Register* [at 64 FR 46969] on August 27, 1999). NCR subsequently filed a motion to dismiss its petition in the case entitled *North Carolina Railroad Company--Petition to Set Trackage Compensation and Other Terms and Conditions--Norfolk Southern Railway Company, Norfolk & Western Railway Company and Atlantic and East Carolina Railway Company*, STB Finance Docket No. 33134, which was granted by the Board in its decision issued today, October 15, 1999.

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