

**SURFACE TRANSPORTATION BOARD DENIES GAULEY RIVER RAILROAD & CSX TRANSPORTATION, INC.
ABANDONMENT & DISCONTINUANCE EXEMPTION REQUESTS FOR RAIL LINES IN WEST VIRGINIA**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has denied an exemption request by the Gauley River Railroad Company (Gauley River) to abandon a 10-mile rail line between Cowen and Allingdale, WV, and an 8.3-mile rail line between Muddlety Falls and Muddlety, WV. The Board also denied an exemption request under which Gauley River and CSX Transportation, Inc. would discontinue service over a 12.4-mile rail line between Allingdale and Muddlety Falls. Numerous shippers and local communities opposed the abandonment exemption.

Railroads typically are granted abandonment or discontinuance authority when they show that continued operations over a line are a burden on interstate commerce. One of the factors in making that showing involves the line's profitability. A carrier may obtain authority to discontinue service or to abandon a line either by filing a formal application or by requesting an exemption from the application requirements. Although the regulations do not preclude exemption requests in contested cases, the exemption process was established primarily for use in connection with uncontested or less controversial abandonment proposals. Thus, in a contested case, the Board will grant an abandonment exemption request only if the railroad has made a clear showing that abandonment is warranted.

In this case, upon review of the filings made under the exemption process, the Board was unable to conclude that either the request for abandonment or for discontinuance authority had been justified. The Board found that Gauley River received regular monthly payments from a business located on the line, and that the railroad had failed to demonstrate that the costs attributable to the lines exceeded the revenues resulting from these payments. Thus, consistent with Board decisions in prior cases where carriers have not justified their requests for abandonment exemptions, the agency denied each petition. The Board stated that either railroad could file a new exemption petition or a formal application if it had evidence to justify the abandonment or discontinuance.

The Board issued a single decision in *Gauley River Railroad, LLC--Abandonment and Discontinuance of Service--in Webster and Nicholas Counties, WV*, STB Docket No. AB-559 (Sub-No. 1X), and *CSX Transportation, Inc.--Discontinuance of Service--Webster and Nicholas Counties, WV*, STB Docket No. AB-55 (Sub-No. 572X), on June 16, 1999. The text of the Board's decision is available on its website at www.stb.dot.gov.

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