

Surface Transportation Board Announces Sale Agreement, Interim Trail Use of "CSX" Rail Line Slated for Abandonment in Tennessee

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Southeast Local Development Corporation (SLDC) and CSX Transportation, Inc. (CSX) have reached an agreement concerning a railroad line that CSX has been seeking to abandon. According to the agreement, SLDC will acquire CSX's 43.47-mile line of railroad between Etowah and Copperhill, in Polk and McMinn Counties, Tennessee, for recreational trail use and "rail banking." Under the "rail-to-trails" process established in Federal law, rail lines approved for abandonment may be converted into trails, subject to possible reactivation for future rail use (rail banking).

In this case, CSX had sought Board permission in 2001 to abandon the line known as the Etowah Old Line Subdivision. At CSX's request, however, the Board held the case in abeyance to give CSX additional time to address environmental issues and to explore the potential for a sale to preserve the line for continued rail service or for use of the right-of-way as a recreational trail. Following the Board's April 24, 2002, grant of authority for CSX to abandon the line, SLDC filed what is known as an "offer of financial assistance" (OFA), under which a private party may seek to purchase, for continued rail service, a line approved for abandonment.

The parties negotiated in good faith, but were unable to finalize an agreement about the terms and conditions for the purchase. To accommodate their efforts to find alternative uses for the line, the Board several times extended the deadline for filing requests to establish terms and conditions. Ultimately, on July 11, 2002, SLDC informed the Board that the parties have reached an agreement for SLDC to acquire the line outside the OFA process and to use it instead as a trail under the rails-to-trails process. Accordingly, the Board allowed SLDC to withdraw its OFA. SLDC stated that the agreement was facilitated by the Board's willingness to extend the deadline to permit the parties' negotiations to continue.

The Board issued its decision announcing the sale agreement and interim trail use on July 19, 2002, in the case entitled *CSX Transportation, Inc.--Abandonment Exemption--* in Polk and McMinn Counties, TN, STB Docket AB-55 (Sub-No. 588X). A printed copy of the decision is available for a fee by contacting **D~ 2 D~ Legal Copy Service, Suite 405, 1925 K Street, N.W., Washington, DC 20006, telephone (202) 293-7776**, or via da2dalegal@earthlink.net. The decision also is available for viewing and downloading via the Board's website at <http://www.stb.dot.gov>.

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