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SERVICE DATE – JULY 19, 2024

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 1340X]

CG Railway, LLC—Discontinuance of Service Exemption—in New Orleans, La.

On July 1, 2024, CG Railway, LLC (CGR), a Class III rail carrier, filed a petition under 49 U.S.C. 10502 for exemption from the prior approval requirements of 49 U.S.C. 10903 to discontinue service over approximately 3.4 miles of rail line in New Orleans, La., consisting of the North Yard of the Port of New Orleans (Port), including track numbers 1, 2, 3, 4, 5, 6, and 7, and the Elaine Street Lead between milepost G1.2 and milepost G2.4 (the Line). CGR states that the Line traverses U.S. Postal Service Zip Codes 70126 and/or 70127 and that, to the best of its knowledge, no stations exist on the Line.

CGR states that it leased the Line from the Port.¹ (Pet. 2.) According to CGR, rail service on the Line—which enabled interchange with CSX Transportation, Inc.—was commercially dependent on the use of the Mississippi River Gulf Outlet being navigable for deep draft vessels. (*Id.* at 1-2.) The petition states that damage caused by Hurricane Katrina to the Mississippi River Gulf Outlet rendered the Line unsuitable and uneconomic for CGR’s transportation purposes, and the Port and CGR terminated the lease by mutual agreement in August 2007. (*Id.* at 2.) CGR states that, since that date, it

¹ See CG Ry.—Lease & Operation Exemption—Port of New Orleans, La., FD 34710 (STB served July 1, 2005).

has not used the Line to provide common carrier service. (Id.) CGR explains that it is seeking discontinuance authority to clear the record and confirm that it does not have a residual common carrier obligation over the Line. (Id.)

CGR asserts that, because this proceeding would involve the discontinuance of common carrier service and not abandonment of the Line, the question of whether the Line contains any federally granted rights-of-way is inapplicable. (Id. at 1-2.) CGR states that any documentation related to federally granted rights-of-way pertaining to this petition in CGR's possession will be made promptly available to those requesting it. (Id. at 2.)

As a condition to this exemption, any employee adversely affected by the discontinuance of service shall be protected under Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by October 18, 2024.

Because this is a discontinuance proceeding and not an abandonment, interim trail use/rail banking and public use conditions are not appropriate. Because there will be environmental review during any subsequent abandonment, this discontinuance does not require an environmental review. See 49 CFR 1105.6(c)(5), 1105.8(b).

Any offer of financial assistance (OFA) for subsidy under 49 CFR 1152.27(b)(2) will be due no later than 120 days after the filing of the petition for exemption, or 10 days after service of a decision granting the petition for exemption, whichever occurs sooner.²

² The filing fee for OFAs can be found at 49 CFR 1002.2(f)(25).

Persons interested in submitting an OFA must first file a formal expression of intent to file an offer by July 29, 2024, indicating the intent to file an OFA for subsidy and demonstrating that they are preliminarily financially responsible. See 49 CFR 1152.27(c)(1)(i).

All filings in response to this notice must refer to Docket No. AB 1340X and must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on CGR's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave., N.W., Suite 1300 South, Washington, DC 20004. Replies to the petition are due on or before August 8, 2024.

Persons seeking further information concerning discontinuance procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or refer to the full abandonment and discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis at (202) 245-0294. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

Board decisions and notices are available at www.stb.gov.

Decided: July 16, 2024.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.