

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. AB 1349 (Sub. No. 1X)

**BUCKINGHAM BRANCH RAILROAD COMPANY
– DISCONTINUANCE EXEMPTION –
IN THE CITY OF VIRGINIA BEACH AND
THE CITY OF NORFOLK, VIRGINIA**

**VERIFIED DISCONTINUANCE PETITION FOR EXEMPTION
PURSUANT TO 49 U.S.C. § 10502 AND
49 C.F.R. PARTS 1121 AND 1152, SUBPART G**

(color copies included)

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**SURFACE
TRANSPORTATION BOARD**

Robert A. Wimbish
Fletcher & Sippel LLC
29 N. Wacker Drive, Suite 800
Chicago, Illinois 60606
(312) 252-1500
rwimbish@fletcher-sippel.com

**ATTORNEY FOR BUCKINGHAM
BRANCH RAILROAD COMPANY**

Dated: March 9, 2026

**FEE RECEIVED
March 9, 2026
SURFACE
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49 C.F.R. PARTS 1121 AND 1152, SUBPART G**

Pursuant to 49 U.S.C. §10502 and 49 C.F.R. parts 1121 and 1152, subpart G, Buckingham Branch Railroad Company (“Buckingham Branch”), a Class III carrier, submits this petition seeking an exemption from the provisions of 49 U.S.C. §10903 for Buckingham Branch to discontinue service over approximately 4.2-miles of rail line in the City of Virginia Beach and the City of Norfolk, VA (the “Line”) that Buckingham Branch currently leases from Norfolk Southern Railway Company (“NSR”). The Subject Line extends between milepost SN 6.7 at Diamond Springs (Virginia Beach), VA to milepost SN 2.5 at Coleman Place (Norfolk), VA. A map of the Line is attached as Exhibit A.

In support of its exemption request, Buckingham Branch offers the following:

Background of Proposed Discontinuance

The Line consists of approximately 4.2-miles of railroad track in the Cities of Virginia Beach and Norfolk. It is owned by NSR, and Buckingham Branch

has operated it under lease since 2018.¹ Two stations exist on the Line – Coleman Place (milepost SN2.4) and Diamond Springs (milepost SN5.2). The Line traverses through United States Postal Service ZIP Codes 23455 and 23502.

Buckingham Branch is the lessee, and not the owner, of the Line, but based on information in its possession, does not believe that the Line contains federally granted rights-of-way. Any documentation in Buckingham Branch’s possession related to federally granted rights-of-way will be made available to those requesting it.

The Line is stub ended but handles overhead traffic originating or terminating on another, connecting line segment (extending between Camden Heights and Little Creek, VA – the “CAC Line”) that is owned by Canolie Atlantic Co. (“CAC”), leased by Buckingham Branch, and is itself the subject of concurrently-pending abandonment and discontinuance proceedings. See fn.2, *infra*. Its local traffic derives from a single shipper, Gordon Paper. Gordon Paper has received an average of just over ■ cars per year over the last three years (with only ■ cars received in 2025). Buckingham Branch has been operating the Line for approximately eight years and is not aware of any other potential rail customer opportunities.

Buckingham Branch operates the Line as part of its “Norfolk Division” together with the 2.3-mile connecting CAC Line that Buckingham Branch leases from

¹ *Buckingham Branch Railroad Company. – Change in Operators Exemption – Cassatt Management, LLC D/B/A Bay Coast Railroad*, FD 36202 (STB served July 31, 2018).

CAC. *See* fn 1, *supra*. The vast majority of the Norfolk Division traffic derives from CAC Line shippers. *See* Exhibit B (Buckingham Branch Norfolk Division Traffic Data and Financial Information). Additionally, the Little Creek Yard at the end of the CAC Line provides Buckingham Branch and the Norfolk Division with its only location for locomotive staging and servicing in the Tidewater area and providing Buckingham Branch with immediately adjacent office facilities to base its local operations including support administrative functions and crew reporting.

In the spring of 2025, the U.S. Navy (the “Navy”) approached CAC regarding the Navy’s desire and need to acquire a portion of the CAC Line (referred to as “Parcel 4B”) and the related Little Creek Yard property for national security purposes and to extend the Navy’s control of the waterfront. The Navy requires that the portion of the CAC Line and related yard property be abandoned to facilitate removal of the railroad facilities located on Parcel 4B and thereafter to re-deploy the land underlying those facilities for national defense purposes. Accordingly, CAC approached Buckingham Branch regarding the potential termination of its lease with respect to Parcel 4B.

As set forth in more detail below, Buckingham Branch determined that with the loss of the Parcel 4B line of railroad, the loss of traffic that would result from relinquishing the Little Creek yard facilities, and the loss of the Little Creek Yard locomotive staging and personnel reporting facilities, it would become operationally and economically impracticable to operate the remainder of the CAC Line or the Line that is the subject of this proceeding. Accordingly, CAC and Buckingham Branch

agreed to terminate the lease for the entire CAC Line, and that Buckingham Branch would seek discontinuance authority, and CAC would seek abandonment authority, with respect to the CAC Line. *See* the Joint CAC-Buckingham Branch Petition filed on March 7, 2026 in Docket No. AB 1266 (Sub-No. 2X) and Docket No. AB 1349X (“Joint Petition”).² Once the abandonment and discontinuance authority sought in the Joint Petition is authorized, the segment of the CAC Line and affiliated Section 10906-yard track located on Parcel 4B will be sold to the United States of America for the benefit of the Navy.

With the loss of the traffic from the CAC Line and the loss of the Little Creek Yard facilities, Buckingham Branch has determined that continued operation of the Line will not be operationally or economically feasible. Buckingham Branch has notified NSR, as the owner of the Line, and Gordon Paper of its intent to seek the discontinuance sought hereunder. Buckingham Branch understands that NSR does not intend at this time to seek either to obtain discontinuance of service or abandonment authorization for the Line, and that approval of the subject Petition would shift the common carrier obligations on the Line back to its owner, NSR.³

² *Canonie Atlantic Co. – Abandonment Exemption – In the City of Virginia Beach and the City of Norfolk, Virginia*, STB Docket No. AB 1266 (Sub-No. 2X) and *Buckingham Branch Railroad Company – Discontinuance Exemption – In the City of Virginia Beach and the City of Norfolk, Virginia*, STB Docket No. AB 1349X.

³ Specifically, Buckingham Branch has earlier on advised NSR representatives of its plans to seek Board authorization to discontinue its common carrier operations over the Line. While NSR has responded unfavorably to the news, NSR has at no time communicated any future plans for service over the Line in Buckingham Branch’s absence. Accordingly, Buckingham Branch has assumed here that NSR will assume common carrier operations in place of Buckingham Branch, as would occur

The Board Should Grant the Requested Discontinuance Relief

Buckingham Branch's discontinuance of the Line would require authorization pursuant to 49 U.S.C. §10903 unless the exemption requested herein is granted. The Board is directed by 49 U.S.C. §10502 to grant an exemption if it finds that (1) regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. §10101, and (2) either the transaction is limited in scope or regulation is not needed to protect shippers from the abuse of market power.

The proposed discontinuance is not eligible for the two-year-out-of-service class exemption because Buckingham Branch is currently providing local service over the Line. However, a grant of this petition is warranted because once the CAC Line is abandoned and discontinued, and the sale of Parcel 4B of the CAC Line is made to the Navy, Buckingham Branch will no longer have an operating base at which to store and service its locomotives or an office facility out of which railroad personnel could report, rendering continued Buckingham Branch operations on the Line, with its anticipated residual carload volumes operationally and economically infeasible. Moreover, the sole shipper on the Line will be protected by the restoration of NSR common carrier service, since NSR owns the Line and holds an underlying common carrier obligation.

Under 49 U.S.C. §10502 and 49 C.F.R. §1152.60, there is no requirement for a carrier to submit all of the detailed financial data that would be required if

in the ordinary course where the incumbent operator has elected to terminate service for financial reasons pursuant to appropriate Board processes.

abandonment authority were being sought under 49 U.S.C. §10903 and the regulations relating thereto. Requirements to the contrary would run counter to the principal goals of an exemption proceeding and the RTP. Indeed, the Board has noted “[a]lthough 49 U.S.C. § 10502 and 49 C.F.R. § 1152.60 include few specific requirements regarding the financial and other information to be submitted with a petition for exemption, the information provided must be sufficient to allow the Board to reach an informed decision that the §10502 exemption requirements have been met.”⁴ It is, however, abundantly clear from the conservative cost data that Buckingham Branch is providing in Exhibit B and is discussed more fully below that the projected costs of maintaining and operating the Line to support Gordon Paper, even if that were operationally possible, would exceed the revenues that likely would be earned from operating the Line.

Class III carriers such as Buckingham Branch are not required to keep financials as Class I carriers must do under 49 C.F.R. Part 1201.⁵ Buckingham Branch does not keep separate financial statements for the Norfolk Division, but it has extracted from its records the 2025 revenues and expenses related to the Norfolk Division as set forth in Exhibit B. The Norfolk Division includes the Line that is the focus of this proceeding and the CAC Line that is the subject of the Docket No. AB

⁴ *Midcoast Railservice, Inc. – Discontinuance of Service Exemption – In Cumberland, Knox, Lincoln, Sagadahoc Counties, ME*, STB Docket No. AB 1341X (served December 2, 2024), slip op at 3, n. 5 (citing *San Joaquin Valley R.R.—Aban. Exemption—in Kings & Fresno Cntys., Cal.*, AB 398 (Sub-No. 4X), slip op. at 2 (STB served Mar. 5, 1999); *Union Pac. R.R.—Aban. Exemption—in Pottawattamie Cnty., Iowa*, AB 33 (Sub-No. 274X) *et al.*, slip op. at 3 (STB served Dec. 12, 2008).

⁵ 49 C.F.R. Part 1201, Subpart A, 1-1(c).

1266 (Sub-No. 2X) and Docket No. AB 1349X proceedings. As demonstrated in Exhibit B, the shipper on the Subject Line generated [REDACTED] carloads and revenue of under \$[REDACTED] in 2025, this is clearly insufficient to continue service on the Line once the revenues from the CAC Line are lost.

As it is, Buckingham Branch incurred losses of over \$[REDACTED] on its Norfolk Division in 2025, and without the revenue from USRL and Greenbridge which would go away with the sale of the Little Creek Yard to the Navy and the abandonment/discontinuance of the CAC Line, the loss would have been over \$[REDACTED]. *See* Exhibit B. Even without the revenues from just USRL (following sale of Parcel 4B to the Navy), Buckingham Branch would also have suffered losses in 2023 and 2024. *See* Exhibit B. As such even the combined revenues generated by the remaining two shippers (including, as relevant here, Gordon Paper) would be insufficient for Buckingham Branch to sustain continued operations on either the Line or the CAC Line individually, or the Norfolk Division as a whole.⁶

The economic infeasibility of continued operations would be further compounded by the substantial capital expenses that would be required to replace the Little Creek Yard facilities including Buckingham Branch's locomotive staging area, servicing track, and crew reporting facility. Buckingham Branch does not believe there is any available, suitably zoned real estate contiguous to the Line that could be acquired for such purposes. However, even if such land could physically be

⁶ For the purposes of this analysis, Applicants have taken a conservative approach of assuming that shippers will continue to receive the same amount of freight at the same freight rate and that expenses will remain constant.

found and acquired, the capital required to replicate the Little Creek locomotive and personnel facilities—including land acquisition, construction of new switching leads and staging track, environmental containment for locomotive fueling, security fencing, and the development of replacement office and crew facilities—would easily run into the hundreds of thousands, if not millions, of dollars. Forcing Buckingham Branch to attempt this insurmountable capital project to serve a single remaining customer that generated only \$[REDACTED] of revenue in 2025 is economically unjustifiable and would impose an undue burden on the carrier.

This proposed discontinuance of a 4.2-mile line with one active shipper with no prospects for additional carloadings or additional shippers does not require detailed scrutiny to carry out the rail policies of 49 U.S.C. §10101 and is in keeping with the Board's overall policy of removing unnecessary regulatory barriers from carriers. It is especially true in this situation that detailed scrutiny is not required given that Gordon Paper, the lone affected shipper on the Line, will enjoy direct access to NSR common carrier service post-discontinuance.

Approval of the requested exemption under 49 U.S.C. §10502 would enable Buckingham Branch to discontinue service over the Line without the extensive costs and delays that would otherwise occur if an application were required to be filed under Section 10903. Further, given the financial and operational reasons why Buckingham Branch should be permitted to discontinue service over the Line, granting the requested exemption is in keeping with the following rail policies described in 49 U.S.C. §10101:

* * *

- (2) to minimize the need for Federal regulatory control over the rail transportation system and to require fair and expeditious regulatory decisions when regulation is required;
- (3) to promote a safe and efficient rail transportation system by allowing rail carriers to earn adequate revenues...

* * *

- (4) to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers with other modes, to meet the needs of the public and the national defense;
- (5) to foster sound economic conditions in transportation...

* * *

- (7) to reduce regulatory barriers to entry into and exit from the industry...

* * *

- (9) to encourage honest and efficient management of railroads;

* * *

- (15) to provide for the expeditious handling and resolution of all proceedings.

Moreover, granting the present Petition would not be inconsistent with any of the 15 items which have been made a part of rail transportation policy by 49 U.S.C. §10101.

The scope of the exemption requested is limited to a 4.2-mile line with a single shipper that generates less than [REDACTED] carloads per week and which will have alternative common carrier service available. Since the proposed transaction is of limited scope, it is not necessary for the Board to consider whether shippers need to be protected from abuse of market power. However, even if the Board were to consider

the market power, since the one remaining shipper will have a common carrier service alternative, regulation is not needed to protect it from abuse of market power.

Expedited Consideration Requested

Because the Line and the CAC Line comprise Buckingham Branch's Norfolk Division, Buckingham Branch will consummate service discontinuance over both line segments simultaneously. In the companion Joint Petition filed by CAC and Buckingham Branch in Docket No. AB 1266 (Sub-No. 2X) and Docket No. AB 1349X, CAC and Buckingham Branch indicated their desire to consummate the abandonment and discontinuance of the CAC Line at the earliest possible date permitted by the Board. As noted in the joint proceeding, the Navy has expressed urgency to acquire Parcel 4B, and CAC and Buckingham Branch accordingly requested that the Board consider the Joint Petition on an expedited basis. Buckingham Branch, however, will not consummate its discontinuance over either line segment until both exemptions are effective. Accordingly, Buckingham Branch requests prompt Board consideration of this Petition.

Employee Protection

Buckingham Branch will offer all of its employees working on the Line positions elsewhere on the Buckingham Branch system. Nevertheless, Buckingham Branch recognizes that its discontinuance of common carrier service over the Line will be made subject to the standard employee protective conditions as set forth in *Oregon Short Line Railroad Co.- Abandonment – Goshen*, 360 I.C.C. 91 (1979).

Environmental and Historic Reports

No diversions from rail to truck are anticipated to result from the proposed discontinuance as Buckingham Branch anticipates that the shipper on the Line will continue to receive common carrier service from NSR as the owner of the Line. Furthermore, Buckingham Branch does not anticipate that its proposed discontinuance would trigger salvage of the Line, since it has no authority to remove the trackage that NSR owns and would operate in place of Buckingham Branch post-discontinuance. As such, an EHR is not required for Buckingham Branch's proposed discontinuance under 49 C.F.R. §1105.6(c) and 1105.8(b).

Notice

Pursuant to the provisions of 49 C.F.R. §1152.60(c), Buckingham Branch has attached as Exhibit C, a draft Federal Register notice of its Petition to be published by the Board within 20 days of the Petition's filing with the Board.

As shown in the certificate of service attached hereto, copies of the Petition have been served on Gordon Paper, the only active shipper on the Line over the past 12 months, on the governmental agencies that are required to be served under 49 C.F.R. §1152.60(d), and on NSR as the Line's owner.

Buckingham Branch certifies that a notice as required by 49 C.F.R. §1105.12 was submitted for publication to the Virginian-Pilot on March 9, 2026. A copy of the form of notice is attached as Exhibit D.

Conclusion

For the foregoing reasons, Buckingham Branch respectfully requests that the Board grant the foregoing discontinuance of service petition for exemption.

/s/ *R. A. Wimbish*

Robert A. Wimbish
Fletcher & Sippel LLC
29 N. Wacker Drive, Suite 800
Chicago, Illinois 60606
(312) 252-1504
rwimbish@fletcher-sippel.com

**ATTORNEY FOR BUCKINGHAM
BRANCH RAILROAD COMPANY**

Dated: March 9, 2026

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of March 2026, I served a copy of the foregoing Petition for Exemption on the following by email or first-class mail, postage prepaid:

Gordon Paper 5317 Ward Ave. Virginia Beach, VA 23455	United States Department of the Army Military Surface Deployment and Distribution Command Transportation Engineering Agency ATTN: SDTE-SA (Railroads for National Defense) 1 Soldier Way, Building 1900W Scott AFB, IL 62225
Virginia Department of Rail and Public Transportation 600 East Main Street, Suite 2102 Richmond, VA 23219 drptpr@drpt.virginia.gov	Office of Chief of Forest Service U.S. Department of Agriculture 1400 Independence Ave., SW Room 5105-A Washington, DC 20250
National Park Service RTCA Program 1849 C Street, NW Washington, DC 20240	Norfolk Southern Railway Company Attn: Hanna Chouest 650 West Peachtree Street NW Atlanta, GA 30308 Hanna.Chouest@nscorp.com

/s/ *R. A. Wimbish*

Robert A. Wimbish
Fletcher & Sippel LLC
29 N. Wacker Drive, Suite 800
Chicago, Illinois 60606
(312) 252-1504
rwimbish@fletcher-sippel.com

EXHIBIT A

MAP

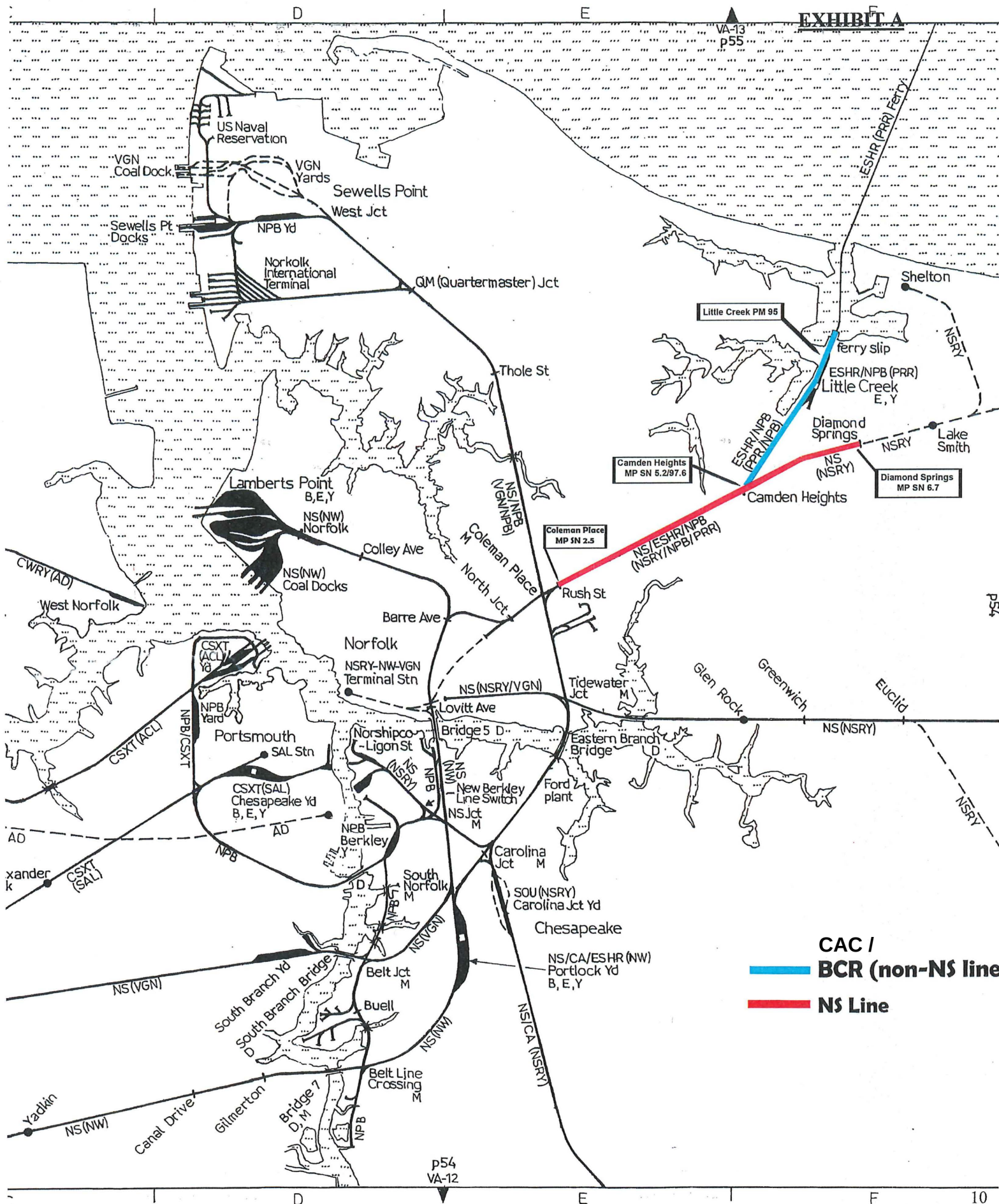


EXHIBIT B

**BUCKINGHAM BRANCH NORFOLK DIVISION
TRAFFIC DATA AND FINANCIAL INFORMATION**

REDACTED

EXHIBIT C

DRAFT FEDERAL REGISTER NOTICE

STB Docket No. AB 1349 (Sub-No. 1X)
Notice of Petition for Exemption to Abandon and Discontinue Rail Service

On March 9, 2026, Buckingham Branch Railroad Company (Buckingham Branch) filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for Buckingham Branch to discontinue approximately 4.2 miles of rail line extending between milepost SN 6.7 at Diamond Springs (Virginia Beach), VA to milepost SN 2.5 at Coleman Place (Norfolk), VA. The line traverses United States Postal Service ZIP Codes 23455 and 23502. Two stations exist on the Subject Line - at Coleman Place (milepost SN 2.4) and Diamond Springs (milepost SN 5.2).

Buckingham Branch believes that the line does not contain federally granted rights-of-way. Any documentation in the possession of Buckingham Branch related to the issue of federally granted rights-of-way will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions outlined in *Oregon Short Line Railroad Co.- Abandonment -- Goshen*, 360 I.C.C. 91 (1979).

Any offer of financial assistance for subsidy will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested persons should be aware that following discontinuance of rail service, it is expected that common carrier service will continue on the line and therefore the line will not be suitable for other public use, including interim trail use.

Persons seeking further information concerning discontinuance procedures may contact the Surface Transportation Board or refer to the full discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Office of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Office of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

EXHIBIT D

NEWSPAPER NOTICE

Notice of Intent to Discontinue Rail Service

Buckingham Branch Railroad Company (“Buckingham Branch”) gives notice that on March 9, 2026, it filed with the Surface Transportation Board, Washington, DC, a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903, *et seq.*, permitting Buckingham Branch to discontinue service on approximately 4.2 miles of railroad (the “Line”) between milepost SN 6.7 at Diamond Springs (Virginia Beach), VA and milepost SN 2.5 at Coleman Place (Norfolk), VA. The Line traverses through United States Postal Service ZIP Codes 23455 and 23502. The Buckingham Branch proceeding will be docketed as No. AB 1349 (Sub-No.1X).

Because the proposed action entails the discontinuance of service over the Line, rather than abandonment, no environmental or historic documentation is required under 49 CFR 1105.6 and 1105.8. Appropriate offers of financial assistance to subsidize rail service can be filed with the STB. Trail use / rail banking and public use condition requests are not appropriate in discontinuance proceedings

An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of Chief Counsel, Washington, DC [*See* 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicants' representative [*See* 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238. Copies of any comments or requests for conditions should be served on Buckingham Branch's representative: Robert A. Wimbish, Fletcher & Sippel LLC, 29 N. Wacker Drive, Suite 800, Chicago, IL60606-3208; rwimbish@fletcher-sippel.com.

VERIFICATION

I, Steve Powell, verify under penalty of perjury that I am authorized to make this verification on behalf of Buckingham Branch Railroad Company, and that the information included in the foregoing Petition for Exemption, including the traffic data and financial information included in Exhibit B, is true and correct to the best of my knowledge and belief.

A handwritten signature in dark ink, appearing to read "Steve C. Powell", is written over a horizontal line.

Steve Powell
President

Dated: March 9, 2026