

SURFACE TRANSPORTATION BOARD

DECISION AND NOTICE OF INTERIM TRAIL USE OR ABANDONMENT

Docket No. AB 1266X

CANONIE ATLANTIC CO.—ABANDONMENT EXEMPTION—HALLWOOD TO CAPE CHARLES, VA.

Decided: September 29, 2026

On July 15, 2019, Cassatt Management, LLC d/b/a Bay Coast Railroad (BCR), the Eastern Shore Railroad, Inc. (ESRR), and Canonie Atlantic Co. (CAC) filed a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 for BCR and ESRR to discontinue their lease operations over, and for CAC to abandon, approximately 49.1 miles of rail line in Accomack and Northampton Counties, Va. (the Line). The Line is located between milepost 45.7 at Taylor Street in Hallwood, Va., and the end of the Line at milepost 94.8 at Cape Charles, Va., together with the car float operation from Cape Charles to Little Creek, Va. Notice of the petition was served and published in the Federal Register on August 2, 2019 (84 Fed. Reg. 37,943). By decision served November 1, 2019, the Board granted the petition, subject to environmental, historic preservation, and employee protection conditions. The exemption became effective on December 1, 2019.

By decision and notice of interim trail use or abandonment (NITU) served on January 8, 2020, this proceeding was reopened and a 180-day period was authorized for the Dahlgren Railroad Heritage Trail Association (DRHTA) to negotiate an interim trail use/rail banking agreement with CAC for the Line, pursuant to the National Trails System Act (Trails Act), 16 U.S.C. § 1247(d). By decisions served on July 1, 2020, and June 14, 2021, the negotiating period was extended until July 6, 2022.

By decision served July 5, 2022, the proceeding was reopened, the NITU was vacated, and a replacement NITU was issued in order to allow the Eastern Shore Rail Trail Foundation (ESRTF) to substitute as trail sponsor. The replacement NITU authorized a 1-year period, until July 1, 2023, for ESRTF to negotiate with CAC for an interim trail use/rail banking agreement for the Line. On May 22, 2023, ESRTF and CAC jointly notified the Board that they had reached an agreement to establish interim trail use for the Line.

On July 16, 2026, ESRTF filed a letter indicating that it intended to terminate trail use over the 0.52-mile portion of the Line between the end of the Line at milepost 94.8 and milepost 94.28. ESRTF requests that the Board partially vacate the NITU issued on July 5, 2022, and issue a replacement NITU.

ESRTF has complied with the requirements of 49 C.F.R. § 1152.29(d)(2). Accordingly, ESRTF's request to vacate the NITU with respect to the 0.52-mile portion will be granted and a replacement NITU will be issued for the remainder of the Line, from milepost 45.7 to milepost 94.28.¹

On September 14, 2026, CAC filed a letter in which it advised the Board that it was consummating its abandonment of the 0.52-mile portion of the Line in accordance with the requirements of 49 C.F.R. § 1152.29(e)(2). CAC stated that it had done so to prevent its abandonment authority from potentially lapsing.

If a rail carrier intends to consummate abandonment authority it has received, it must file a consummation notice with the Board within one year of the service date of the decision authorizing the abandonment unless there is a legal or regulatory barrier to consummation at the end of that one-year period. 49 C.F.R. § 1152.29(e)(2). If, however, a legal or regulatory barrier to consummation exists at the end of the one-year period, the notice of consummation must be filed not later than 60 days after satisfaction, expiration, or removal of the barrier. Id. The NITU, until removed, is a barrier to consummating abandonment of the 0.52-mile portion. See, e.g., CSX Transp., Inc.—Aban. Exemption—in Trumbull Cnty., Ohio, AB 55 (Sub-No. 779X), slip op. at 4 (STB served July 6, 2018). CAC's consummation notice pre-dates this decision's removal of the barrier to consummation and therefore will be rejected. See Mid-Mich. R.R.—Aban. Exemption—in Kent & Ionia Cntys., Mich., AB 364 (Sub-No. 4X) (STB served June 16, 2000) (rejecting a notice of consummation filed while a regulatory barrier to consummation remained in place). Under 49 C.F.R. § 1152.29(e)(2), CAC has 60 days from the effective date of this decision to consummate its abandonment of the 0.52-mile portion of the Line and submit the required notice.

It is ordered:

1. This proceeding is reopened.
2. The NITU served on July 5, 2022, is vacated with respect to the 0.52-mile portion described above.
3. A replacement NITU applicable to the remainder of the Line is issued.
4. The notice of consummation filed on September 14, 2026, is rejected.
5. This decision is effective on its service date.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

¹ The environmental conditions related to salvage of the Line remain in effect. See Canonic Atlantic—Aban. Exemption—Hallwood to Cape Charles, Va., AB 1266X (STB served Nov. 1, 2019).