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William A. Mullins
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ATTORNEYS and COUNSELLORS

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SURFACE
TRANSPORTATION BOARD

Direct Dial: (202) 663-7823

July 2, 2013

BY HAND DELIVERY

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: ***City of Pickens, South Carolina, and City of Easley, South Carolina –
Acquisition Exemption – Pickens Railway Company,
STB Finance Docket No. 35748***

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the Verified Notice of Exemption (the "Notice") of the City of Pickens, South Carolina, and the City of Easley, South Carolina, filed pursuant to 49 C.F.R. § 1150.31, *et seq.* Also included with this filing is a check for the requisite filing fee of \$1,800. However, pursuant to 49 C.F.R. § 1002(e)(1), the City of Pickens and the City of Easley request a waiver from the requisite filing fee as they both qualify as local governmental authorities. As such, the Cities request that the check be voided or returned.

An extra copy of the Notice and this letter also are enclosed. Please date-stamp those items to show receipt of this filing and return them to me in the provided envelope. If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

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SURFACE
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Respectfully submitted,



William A. Mullins
Attorney for the Cities of Pickens and
Easley, South Carolina

Enclosures

FILED

JUL 2 - 2013

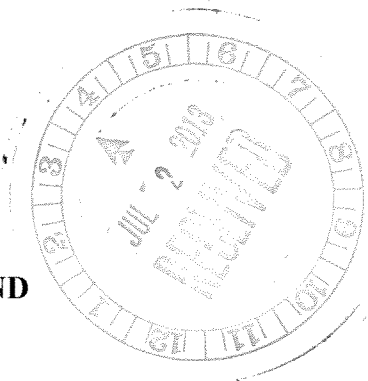
SURFACE
TRANSPORTATION BOARD

234500

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35748

CITY OF PICKENS, SOUTH CAROLINA, AND
CITY OF EASLEY, SOUTH CAROLINA
– ACQUISITION EXEMPTION –
PICKENS RAILWAY COMPANY



VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 C.F.R. § 1150.31, ET SEQ.

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William A. Mullins
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Attorney for the Cities of Pickens and
Easley, South Carolina

Dated: July 2, 2013

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35748

**CITY OF PICKENS, SOUTH CAROLINA, AND
CITY OF EASLEY, SOUTH CAROLINA
– ACQUISITION EXEMPTION –
PICKENS RAILWAY COMPANY**

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 C.F.R. § 1150.31, ET SEQ.

Pursuant to 49 C.F.R. § 1150.31, et seq., the City of Pickens, South Carolina (“Pickens”) and the City of Easley, South Carolina (“Easley”) – collectively, the “Cities” – non-carrier political subdivisions of the State of South Carolina, hereby file this Verified Notice of Exemption to acquire from Pickens Railway Company (“PICK”) approximately 8.5 miles of railroad right-of-way (the “Line”) located in Pickens County, South Carolina. The subject Line extends from milepost 0.0 at or near Pickens, South Carolina, to milepost 8.5 at or near Easley, South Carolina. The subject transaction entails the Cities’ acquisition of PICK’s right to reactivate common carrier service over the Line. PICK recently invoked the Board’s two-year-out-of-service class exemption to abandon the Line,¹ and the Cities have reached an agreement with PICK to rail bank the Line.²

¹ See Pickens Railway Company – Abandonment Exemption – in Pickens County, S.C., AB-1097X (STB served Sept. 27, 2012) (“PICK Abandonment Notice”) and (STB served Oct. 26, 2012) (“PICK-NITU”).

² Pursuant to the Board’s regulations at 49 C.F.R. § 1152.29(h), the Cities and PICK will notify the Board under separate cover that the parties have reached an agreement regarding rail banking the Line.

In accordance with the requirements of 49 C.F.R. § 1150.33, the Cities submit the following information:

Full name and address of applicants: 49 C.F.R. § 1150.33(a)

City of Pickens, South Carolina
P.O. Box 217
Pickens, SC 29671

City of Easley, South Carolina
P.O. Box 466
Easley, SC 29641

Applicant's Representatives: 49 C.F.R. § 1150.33(b)

William A. Mullins
Baker & Miller PLLC
2401 Pennsylvania Ave., NW, Ste. 300
Washington, DC 20037
(202) 663-7823
wmullins@bakerandmiller.com

Statement that an agreement has been reached or details about when an agreement will be reached: 49 C.F.R. § 1150.33 (c)

The Cities and PICK have reached an accord on the principle terms of the transaction, which terms are set forth in a recently-executed “Agreement/Contract for the Purchase and Sale of Assets” (along with schedules and appendices thereto).

Operator of the property: 49 C.F.R. § 1150.33(d)

The Line is not currently in service, and the Cities do not presently have any plans to restore the Line to active service. As indicated above, PICK obtained authority pursuant to the aforementioned PICK Abandonment Notice to abandon the Line, and while the abandonment has not been consummated, there have not been any common carrier operations over the Line for at least two years. The Cities have recently reached an agreement to rail bank the Line, with the Cities to assume responsibility for the Line as trail sponsors in accordance with the National

Trails System Act, 16 U.S.C. § 1247 (d). Pursuant to the Board's regulations at 49 C.F.R. § 1152.29(h), the Cities and PICK will notify the Board under separate cover that the parties have reached an agreement regarding rail banking the Line. The parties intend to consummate both the trail agreement and the subject transaction upon the effective date of this notice of exemption.

Summary of the proposed transaction: 49 C.F.R. § 1150.33(e)

In September of 2012, PICK filed a verified notice of exemption to abandon the entire 8.5-mile Line, and the Board subsequently issued the PICK Abandonment Notice on September 27, 2012. The Cities, in response to the PICK Abandonment Notice, duly filed a request for issuance of a Notice of Interim Trails Use ("NITU") as potential trail sponsors. On October 26, 2012, the Board issued the PICK-NITU, which, among other things, granted the Cities' interim trail use request. The parties subsequently requested an extension of the NITU negotiating period, which request was granted in a Director's Stamp Order served on May 17, 2013.

The Cities and PICK have recently reached an agreement under which PICK will convey to the Cities PICK's ownership interests in the rail line corridor (excluding the track and most of the track material, which PICK will retain the right to salvage), and the parties will simultaneously with this filing file a notice of the trails use agreement with the Board pursuant to the trails use notice requirements at 49 C.F.R. § 1152.29(h).

As part of the overall negotiations among the Cities and PICK, the parties ultimately have agreed that the Cities will assume not only trail sponsor status for the Line, but that they will also, pursuant to the subject Notice, acquire PICK's "residual common carrier status" (i.e. PICK's legal right to reactivate common carrier service) over the rail corridor that constitutes the Line. The end result of these transactions will be that the Cities will hold all of the non-track rail

assets that constitute the Line (PICK having retained salvage rights to the track and most track material).³ The parties intend that the Cities will acquire ownership and responsibility for the corridor as trail sponsor while also acquiring PICK's common carrier reactivation right.

In short, the Cities will acquire PICK's residual common carrier status (the right to reactivate common carrier service) over a roughly 8.5-mile rail line extending from milepost 0.0 at or near Pickens, South Carolina, to milepost 8.5 at or near Easley, South Carolina. The Line will be rail banked with the Cities serving as the trail sponsors for the subject rail banked corridor.

Address of transferring carrier: 49 C.F.R. § 1150.33(e)(1)

The name and address of the railroad transferring operating interests in the subject property:

Pickens Railway Company
198 North Main Street
Cornelia, GA 30531

Consummation schedule: 49 C.F.R. § 1150.33(e)(2)

The Cities anticipate that the subject rail line acquisition transaction will be consummated on or after August 1, 2013.

³ In many respects, the transaction is similar to those covered by County of Greenville – Acquisition Exemption – Greenville County Economic Development Corporation, STB Docket No. FD 35396 (STB served Aug. 11, 2010), and King County, WA – Acquisition Exemption – BNSF Railway Company, STB Docket No. FD 35148 (STB served Sept. 17, 2009). Both are instances where a state subdivision entered into arrangements to assume trail sponsor status over a line of railroad authorized for abandonment, and also sought and obtained authority to acquire the “residual common carrier rights and obligations” over the rail banked line.

Mileposts and route miles: 49 C.F.R. § 1150.33(e)(3) and (4)

The line consists of approximately 8.5 miles of railroad right-of-way extending from milepost 0.0 in or near Pickens, South Carolina, to milepost 8.5 in or near Easley, South Carolina. There are no branch lines.

Map: 49 C.F.R. § 1150.33(f)

A map showing the Line and surrounding area is attached as Exhibit A to this Notice.

Certificate of compliance: 49 C.F.R. § 1150.33(g)

Certification of compliance with the provisions of 49 CFR 1150.33(g) is attached as Exhibit B to this Notice.

Interchange commitments: 49 C.F.R. § 1150.33(h)

The Cities' proposed acquisition of the Line will not involve any provision or agreement between the Cities and the PICK that would limit future interchange with a third-party connecting carrier. Accordingly, the interchange commitment disclosure requirements of section 1150.33(h) are not applicable.

Advance notice (posting): 49 C.F.R. § 1150.32(e)

The proposed transaction will not result in the creation of a carrier with projected annual operating revenues exceeding \$5 million, and, accordingly, the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable to this transaction. See Exhibit B.

Environmental and Historic Prescription Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2)(i), the Cities' proposed acquisition of the Line (including, as is relevant here, the right to reactivate common carrier service) is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in freight carrier operations. i.e., changes that exceed the thresholds established in 49

C.F.R. § 1105.7(e)(4) or (5). Accordingly, this action will not significantly affect either the quality of the human environment or energy conservation.

Under 49 C.F.R. § 1105.8(b)(1), the Cities' proposed acquisition of the Line also is exempt from historic preservation reporting requirements. The Line has previously been authorized for abandonment, and the Board acted upon the abandonment notice subject to the standard environmental and historic review. PICK's salvage of the rail and related track material will take place in accordance with the conditions imposed in the PICK-NITU decision served on October 26, 2012.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,



William A. Mullins
Baker & Miller PLLC
2401 Pennsylvania Ave., N.W.
Suite 300
Washington, DC 20037
(202) 663-7820

Attorney for the Cities of Pickens and
Easley, South Carolina

Dated: July 2, 2013

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35748

**CITY OF PICKENS, SOUTH CAROLINA, AND
CITY OF EASLEY, SOUTH CAROLINA
– ACQUISITION EXEMPTION –
PICKENS RAILWAY COMPANY**

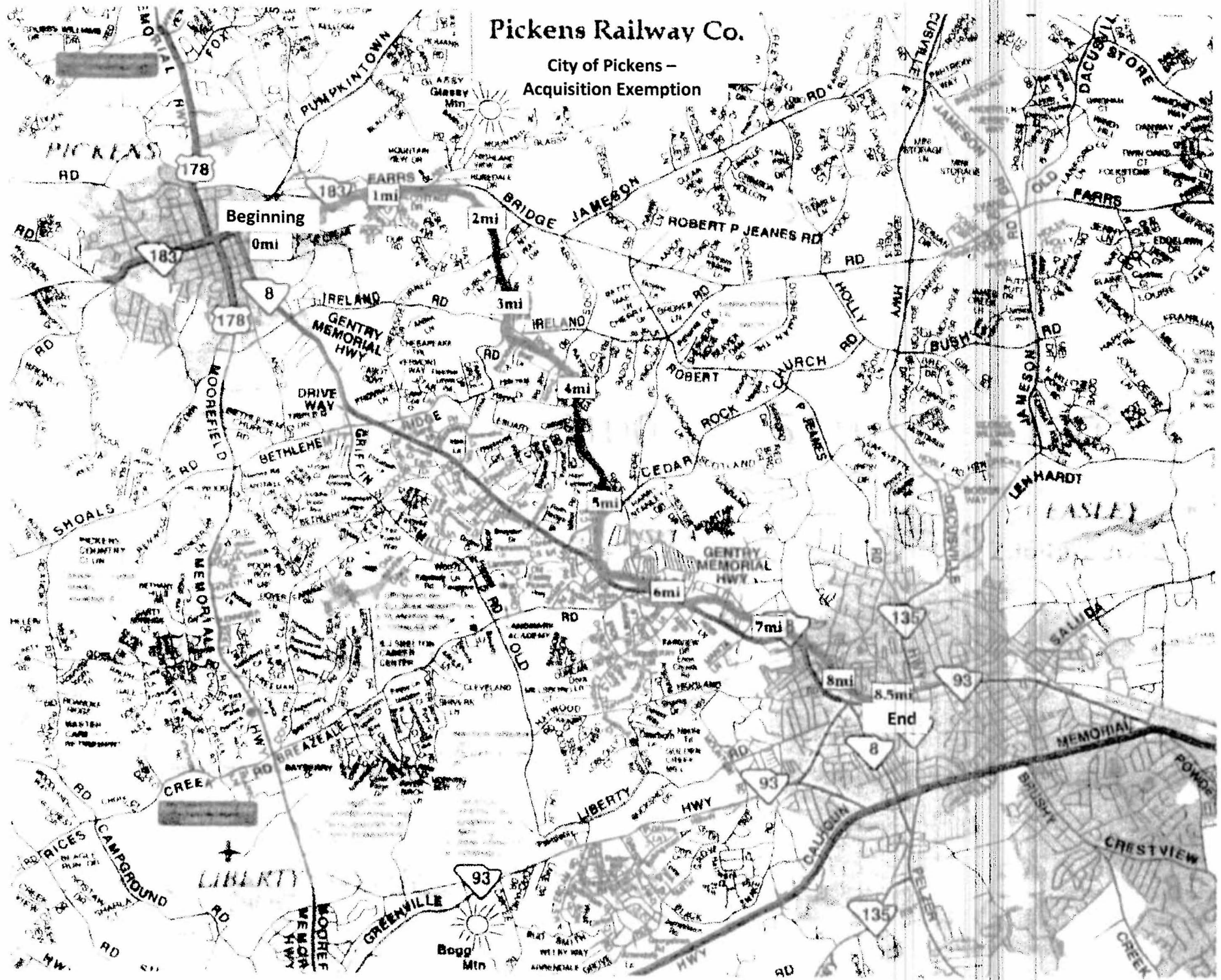
VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 C.F.R. § 1150.31, ET SEQ.

EXHIBIT A

MAP

Pickens Railway Co.

City of Pickens –
Acquisition Exemption



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35748

**CITY OF PICKENS, SOUTH CAROLINA, AND
CITY OF EASLEY, SOUTH CAROLINA
– ACQUISITION EXEMPTION –
PICKENS RAILWAY COMPANY**

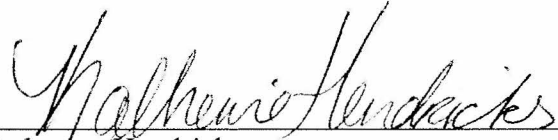
VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 C.F.R. § 1150.31, ET SEQ.

EXHIBIT B

49 C.F.R. § 1150.33(g) – CERTIFICATION

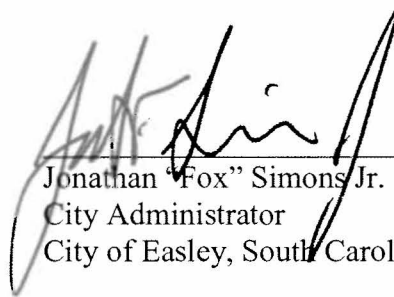
CERTIFICATION

We, Katherine Hendricks, as City Administrator of the City of Pickens, South Carolina, and Jonathan "Fox" Simons Jr., as City Administrator of the City of Easley, South Carolina, hereby certify that the Cities' projected annual rail revenues resulting from the consummation of the proposed transaction will not exceed \$5 million annually, and will not result in either the City of Pickens or the City of Easley (or both) becoming a Class I or Class II carrier under the provisions of 49 C.F.R. § 1201(1-1).



Katherine Hendricks
City Administrator
City of Pickens, South Carolina

June 24, 2013



Jonathan "Fox" Simons Jr.
City Administrator
City of Easley, South Carolina

June 24, 2013

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35748

**CITY OF PICKENS, SOUTH CAROLINA, AND
CITY OF EASLEY, SOUTH CAROLINA
– ACQUISITION EXEMPTION –
PICKENS RAILWAY COMPANY**

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 C.F.R. § 1150.31, ET SEQ.

EXHIBIT C

49 C.F.R. § 1150.34 – CAPTION SUMMARY

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35748]

City of Pickens, South Carolina, and City of Easley, South Carolina – Acquisition Exemption –
Pickens Railway Company

The City of Pickens, South Carolina (“Pickens”) and the City of Easley, South Carolina (“Easley”) – collectively, the “Cities” – both non-carrier political subdivisions of the State of South Carolina, have filed a Verified Notice of Exemption to acquire from Pickens Railway Company (“PICK”) approximately 8.5 miles of rail-banked railroad right-of-way (the “Line”) extending from milepost 0.0 at or near Pickens, South Carolina, to milepost 8.5 at or near Easley, South Carolina, including PICK’s right to reactivate common carrier service over the Line. At the time of the consummation of the subject transaction, the Cities will also assume responsibility for the Line as a rail banked corridor in accordance with the National Trails System Act, 16 U.S.C. § 1247 (d).⁴

The projected annual rail operating revenues relating to this transaction for Pickens and Easley will not exceed \$5 million, and, accordingly, the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable.

The Cities anticipate that the subject rail assets acquisition transaction will be consummated on or after August 1, 2013.

The notice is filed under 49 C.F.R. § 1150.31, et seq. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding to

⁴ See Pickens Railway Company – Abandonment Exemption – in Pickens County, S.C., AB-1097X.

revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. Stay petitions must be filed by July 25, 2013.

All pleadings or comments relating to this transaction must be filed with the Surface Transportation Board, Chief of the Section of Administration, Office of Proceedings, 395 E Street, SW, Washington, DC 20523-0001. In addition, a copy of each pleading must be served on the Cities' representative, William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20037.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35748

**CITY OF PICKENS, SOUTH CAROLINA, AND
CITY OF EASLEY, SOUTH CAROLINA
– ACQUISITION EXEMPTION –
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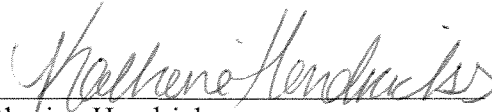
VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 C.F.R. § 1150.31, ET SEQ.

EXHIBIT D

VERIFICATIONS

VERIFICATION

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury under the laws of the United States that I am authorized to make this verification on behalf of the City of Pickens, South Carolina, and that the foregoing Notice of Exemption is true and correct to the best of my knowledge and belief.

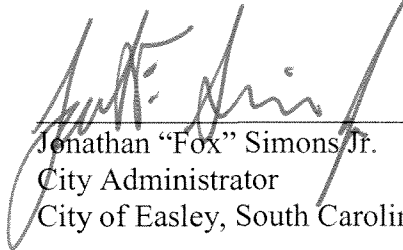
A handwritten signature in cursive script, reading "Katherine Hendricks", written in black ink.

Katherine Hendricks
City Administrator
City of Pickens, South Carolina

June 24, 2013

VERIFICATION

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury under the laws of the United States that I am authorized to make this verification on behalf of the City of Easley, South Carolina, and that the foregoing Notice of Exemption is true and correct to the best of my knowledge and belief.



Jonathan "Fox" Simons Jr.
City Administrator
City of Easley, South Carolina

June 24, 2013