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SERVICE DATE – MAY 3, 2018

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 1264X]

Kasgro Rail Corp.—Discontinuance of Service Exemption—in Lawrence County, Pa.

On April 13, 2018, Kasgro Rail Corp. (Kasgro) filed with the Board a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to discontinue its lease operations over approximately four miles of rail line owned by EASX Corporation (EASX) in Lawrence County, Pa. (the Line).

The Line consists of three segments. The New Castle Branch begins at New Castle Monumented Base Line (MBL), at Survey Station 10+00, opposite the former Pittsburgh and Lake Erie Railroad's (P&LE) Main Line MBL Survey Station 2580+10, and extends in a generally northeasterly direction to the former P&LE Valuation Station 146+10. The Big Run Branch begins at P&LE New Castle Branch Baseline of Survey, at Survey Station 84+44, and extends in a generally southwesterly direction to a connection with CSX Transportation, Inc. (CSXT). The Sample Spur begins at Valuation Station 2+00 off of CSXT's main line between Cumberland, Md., and Willard, Ohio, and continues in a generally northward direction to Valuation Station 40+75.7, where it connects with New Castle Industrial Railroad (NCIR), formerly known as ISS Rail, Inc. (ISS). The Line is located entirely within the New Castle station. The Line traverses United States Postal Service Zip Codes 16101 and 16102.

Kasgro states that, based on inquiry of EASX and information in Kasgro's possession, the Line does not contain any federally granted rights-of-way. Kasgro states that any documentation in its possession will be made available to those requesting it.

Kasgro states that it acquired authority to lease the Line in June 2000.¹ During that time, ISS and ISS's successor, NCIR, operated over the Line, as required by the lease. On April 3, 2018, Kasgro gave EASX written notice of its intent to exit the lease 30 days after the STB authorizes Kasgro to discontinue service. Kasgro states that following Kasgro's proposed discontinuance, NCIR will continue to operate the Line for EASX.

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 August 1, 2018.

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

¹ See Kasgro Rail Corp.—Lease & Operation Exemption—EASX Corp. & Rail Servs. Corp., FD 33882 (STB served June 22, 2000).

Any offer of financial assistance (OFA) under 49 C.F.R. § 1152.27(b)(2) to subsidize continued rail service will be due no later than August 13, 2018, or 10 days after service of a decision granting the petition for exemption, whichever occurs sooner.² Each OFA must be accompanied by a \$1,800 filing fee. See 49 C.F.R. § 1002.2(f)(25).

All filings in response to this notice must refer to Docket No. AB 1264 and must be sent to: (1) Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001; and (2) Jeffrey O. Moreno, Thompson Hine LLP, 1919 M Street, N.W., Suite 700, Washington, DC 20036. Replies to this petition are due on or before May 23, 2018.

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 C.F.R. pt. 1152. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: April 30, 2018.

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

² The Board modified its OFA procedures effective July 29, 2017. Among other things, the OFA process now requires potential offerors, in their formal expression of intent, to make a preliminary financial responsibility showing based on a calculation using information contained in the carrier's filing and publicly-available information. See Offers of Financial Assistance, EP 729 (STB served June 29, 2017); 82 Fed. Reg. 30,997 (July 5, 2017).