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SERVICE DATE – JULY 18, 2018

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36202]

Buckingham Branch Railroad Company—Change in Operators Exemption—Cassatt Management, LLC d/b/a Bay Coast Railroad

Buckingham Branch Railroad Company (BB), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to assume operations over the following rail lines: (1) a 2.6-mile rail line, owned by Canonie Atlantic Co. (CAC) on behalf of the Accomack-Northampton Transportation District Commission (ANTDC), extending between milepost 95.0 at Little Creek (Virginia Beach), Va., and milepost 97.6 at Camden Heights (Norfolk), Va. (the Little Creek Line); and (2) a 4.2-mile rail line owned by Norfolk Southern Railway Company (NSR), extending between milepost SN 6.7 at Diamond Springs (Virginia Beach), Va., and milepost SN 2.5 at Coleman Place (Norfolk), Va. (the North Beach and Diamond Springs Line)¹ (collectively, the Lines). According to BB, the Lines represent two branches forming a “Y” with an overlapping convergence into the stem at Camden Heights, with milepost SN 2.5 at Coleman Place located west of the convergence. BB states that it will also utilize an additional four miles of trackage rights to facilitate interchange with NSR at Portlock Yard.

¹ BB states that NSR formerly leased the North Beach and Diamond Springs Line to another carrier, Eastern Shore Railroad. According to BB, no discontinuance authority is required as this is a change in operators.

BB states that it will provide rail common carrier service to shippers on the Lines and that its operations will replace those of Cassatt Management, LLC d/b/a Bay Coast Railroad (BCR), the current operator.² BB further states that BCR seeks to imminently cease operations over the Lines and does not object to the proposed change in operators. According to BB, BCR's ability to continue operation of the Lines has recently become uncertain, and recent personnel departures at BCR have prompted BCR to press for terminating its Norfolk-area operations as soon as possible.³ BB states it is negotiating a lease and operation agreement with CAC for the Little Creek Line and a lease agreement with NSR to operate over the North Beach and Diamond Springs Line.

BB states that the proposed operation of the Lines does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier. BB also certifies that its projected annual revenues from freight operations will not result in the creation of a Class II or Class I rail carrier.

Under 49 C.F.R. § 1150.42(b), a change in operators requires that notice be given to shippers. BB states that it has provided notice of the proposed change in operator to the shippers on the Lines.

BB certifies that on June 13, 2018, it posted notice of the transaction at the workplace of BCR employees as required under 49 C.F.R. § 1150.42(e). BB states that

² See Cassatt Mgmt. LLC—Lease & Operation Exemption—Canonie Atlantic Co. ex rel. Accomack-Northampton Transp. Dist. Comm'n, FD 34818 (STB served Feb. 6, 2006).

³ BB states that the circumstances here are related to those underlying the transaction in Delmarva Central Railroad—Change in Operator Exemption—Cassatt Management, LLC D/B/A Bay Coast Railroad, FD 36196 (STB served Jun. 8, 2018).

BCR employees are not represented by any labor union. Concurrently with its notice of exemption, BB filed a petition for partial waiver of the 60-day advance labor notice requirement under 49 C.F.R. § 1150.42(e) to allow the transaction to be consummated on August 1, 2018. The petition for waiver will be addressed in a separate decision, which will establish the earliest date this transaction may be consummated.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to 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 effectiveness of the exemption. Petitions for stay must be filed no later than July 25, 2018.

An original and 10 copies of all pleadings, referring to Docket No. FD 36202, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on BB's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

According to BB, this action is excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b)(1).

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Decided: July 13, 2018.

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