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SERVICE DATE – DECEMBER 4, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35319]

Old Augusta Railroad, LLC—Lease and Operation Exemption—KM Railways, LLC

Old Augusta Railroad, LLC (OAR), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from KM Railways, LLC (KMR), and to operate 2.5 miles of KMR's line of railroad extending from New Augusta (Station No. FSAC 10) to Augusta (Station No. FSAC 20), in Perry County, MS (line).¹

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35321, KM Railways, LLC—Acquisition Exemption—Old Augusta Railroad, LLC, wherein KMR seeks to acquire the line from OAR, which currently owns and operates the line.² According to OAR, KMR has entered into a Lease Agreement with OAR under which the line will be leased back to, and operated by, OAR. OAR states that this transaction is an internal reorganization for corporate purposes and that there will be no planned change in the operations presently conducted by OAR.

The transaction is expected to be consummated on or after December 18, 2009, the effective date of the exemption (30 days after the exemption is filed).

¹ OAR states that there are no branch lines and no mileposts.

² See Old Augusta Railroad, LLC—Acquisition and Operation Exemption—Assts of Old Augusta Railroad Company, STB Finance Docket No. 34493 (STB served April 21, 2004).

OAR certifies that, as a result of this transaction, it will not become a Class II or Class I rail carrier. In addition, OAR provides that its projected annual revenues will not exceed \$5 million.³

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, §193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting, and shredding). The term “solid waste” is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

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 to stay must be filed by no later than December 11, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35319 must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy must be served on David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

³ By letter filed on November 23, 2009, OAR supplemented the notice of exemption advising the Board that the projected annual revenues of OAR will not exceed \$5 million.

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

Decided: November 30, 2009.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.