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SERVICE DATE – DECEMBER 28, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34943]

Beaufort Railroad Company, Inc.—Modified Rail Certificate

On December 1, 2006, Beaufort Railroad Company, Inc. (BRC), a subsidiary of the South Carolina Division of Public Railways (SCDPR), filed a notice for a modified certificate of public convenience and necessity under 49 CFR 1150, Subpart C, Modified Certificate of Public Convenience and Necessity, to operate approximately 25.05 miles of rail line extending from milepost AMJ-443.26, in Yemassee, to milepost AMJ-468.31, in Port Royal, SC.

BRC states that the line was formerly owned by the Seaboard System Railroad, Inc., and was authorized for abandonment by the Interstate Commerce Commission in Seaboard System Railroad, Inc.—Abandonment—in Beaufort County, SC, Docket No. AB-55 (Sub-No. 110) (ICC served Aug. 23, 1984). Although authorized for abandonment, the line was subsequently acquired by the South Carolina State Ports Authority (SCSPA) and leased to the South Carolina Public Railways Commission (SCPRC), which is now under SCDPR.¹ Tangent Transportation Company, Inc., a

¹ According to BRC, SCDPR is a division of the South Carolina Department of Commerce, and SCSPA is also an instrumentality of the State of South Carolina.

wholly owned subsidiary of SCPRC, operated the line until 2003. Since then, SCSPA has maintained the right-of-way (ROW).

As operator of the line, BRC will provide freight services on an “as required basis,” pursuant to an operating agreement with SCSPA and SCDPR.² Under the agreement, BRC and SCSPA agree to a 1-year period for operation, commencing from October 12, 2006, and continuing from year to year thereafter, until terminated in accordance with the operating agreement and Board regulations. According to BRC, it does not expect to make any interchange or interline connections with any connecting railroads.

The rail segment qualifies for a modified certificate of public convenience and necessity. See Common Carrier Status of States, State Agencies and Instrumentalities and Political Subdivisions, Finance Docket No. 28990F (ICC served July 16, 1981).

BRC indicates that commencement of operations will be contingent upon shippers entering into binding written commitments for a sufficient volume of carloads per year (an amount judged adequate to cover all costs associated with maintenance, track materials, and operations of the line).

BRC states that SCSPA will maintain third party liability insurance coverage in an amount of not less than \$5,000,000 to cover any and all claims arising solely from the existence of hazards presented by the rail line or the property upon which the rail line is located. BRC also states that, prior to commencement of railroad operations, it will

² According to BRC, both SCSPA and SCDPR intend to maintain the ROW, with SCDPR providing service through BRC.

acquire and maintain third party liability insurance coverage in an amount of not less than \$5,000,000 to cover any and all claims arising solely from its acts, works, and operations with respect to the rail line and the property upon which the rail line is located.

This notice will be served on the Association of American Railroads (Car Service Division) as agent for all railroads subscribing to the car-service and car-hire agreement: Association of American Railroads, 50 F Street, N.W., Washington, DC 20001; and on the American Short Line and Regional Railroad Association: American Short Line and Regional Railroad Association, 50 F Street, N.W., Suite 7020, Washington, DC 20001.

Board decisions and notices are available on our website at
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Decided: December 20, 2006.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary