



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36712]

Carolina Coastal Railway, Inc.—Acquisition Exemption—Line of Clinton Industrial Switching District, Inc., d/b/a Clinton Terminal Railroad Company

Carolina Coastal Railway, Inc. (CLNA), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire approximately 3.53 miles of rail line between milepost 199.0 in Moltonville, N.C., and the end of the track at milepost 202.53 in Clinton, N.C. (the Line), from Clinton Industrial Switching District, Inc., d/b/a Clinton Terminal Railroad Company (CTR), also a Class III rail carrier.

The verified notice states that CLNA will acquire the Line from CTR pursuant to an Asset Purchase Agreement entered into on June 28, 2023.¹ CLNA intends to operate the Line as a CLNA division, under a separate trade name and reporting marks.

CLNA represents that: (1) the Line does not connect with the existing rail lines of CLNA or the lines of any rail carrier in the CLNA corporate family; (2) the transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) the transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323 pursuant to 49 CFR 1180.2(d)(2). Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers.

¹ A redacted version of the agreement was filed with the verified notice of exemption. An unredacted version was filed concurrently under seal, along with a motion for protective order pursuant to 49 CFR 1104.14(b). That motion will be addressed in a separate decision.

Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

The transaction may be consummated on or after July 30, 2023, the effective date of the exemption (30 days after the verified notice was filed).

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 21, 2023 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36712, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on CLNA's representative, Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to CLNA, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: July 11, 2023.

By the Board, Mai T. Dinh, Director, Office of Proceedings.

Eden Besera,

Clearance Clerk.