

51713
EB

SERVICE DATE – MAY 25, 2023

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36700

GRENADA RAILROAD, LLC—ACQUISITION AND OPERATION EXEMPTION—NORTH
CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY AND GRENADA
RAILWAY, LLC

Digest:¹ The Board grants a request for partial waiver of a 60-day advance notice requirement and allows Grenada Railroad, LLC to enter into an asset purchase agreement and operate approximately 228 miles of rail line in Mississippi from the North Central Mississippi Regional Railroad Authority and Grenada Railway, LLC, on or after May 28, 2023.

Decided: May 25, 2023

On April 28, 2023, Grenada Railroad, LLC (GRR), a Class III rail carrier, filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.41 to acquire and operate approximately 228 miles of rail line in Mississippi (the Lines) from the North Central Mississippi Regional Railroad Authority (NCMRRRA) and Grenada Railway, LLC (GRY).²

GRR states that its current rail revenues exceed \$5 million and will likely do so following the consummation of the transaction that is the subject of the verified notice. (Pet. for Waiver 3.) Therefore, unless waived, 49 C.F.R. § 1150.42(e) would require GRR, at least 60 days before the exemption becomes effective, to post a notice of its intent to undertake the proposed transaction setting forth certain information at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the Board that it has done so. Although GRR posted notice of the proposed transaction at the workplace of GRR's existing employees on the Lines and certified that it has

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol'y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

² The Lines consist of three segments: (1) approximately 175.4 miles of main line between milepost 403.0 at Southaven, Miss. (GRY MP 491.09), and milepost 703.8 near Canton, Miss. (GRY MP 616.49), along with certain side and yard tracks (the Grenada Line); (2) approximately 11.42 miles of branch line between a point of connection with the Grenada Line at milepost 603.0 and milepost 614.42 at Bruce Junction, Miss. (the Water Valley Branch); and (3) approximately 21.70 miles of branch line between a point of connection with the Grenada Line at milepost H-0.20 at Aberdeen Junction, Miss., and milepost H-21.90 near Kosciusko, Miss. (the Aberdeen Branch). (Verified Notice 1-2.)

done so on April 28, 2023, GRR petitioned for partial waiver of these notice requirements so that the transaction can proceed after 30 days' notice to GRR's employees.

GRR has operated the Grenada Line and the Water Valley Branch since 2015. (Verified Notice 2); see Ill. Co. Rail Road—Lease & Operation Exemption—N. Cent. Miss. Reg'l R.R. Auth., FD 35940 (STB served July 9, 2015). The parties entered into an Asset Purchase Agreement on April 27, 2023, whereby GRR would continue to operate the Grenada Line and the Water Valley Branch and would become the authorized operator on the Aberdeen Branch. (Verified Notice 3.) In furtherance of its waiver request, GRR claims that there would be no operational changes on the Lines and that none of its employees would be affected. (Pet. for Waiver 1.) It adds that neither NCMRRA nor GRY has any rail carrier employees and that the Aberdeen Branch has been out of service since prior to NCMRRA's acquisition of that line. (Id. at 4.) No opposition to the waiver request has been filed.

Notice of GRR's acquisition and operation exemption was served and published in the Federal Register on May 12, 2023 (88 Fed. Reg. 30,829). The published notice announced that the Board would address the requested waiver in a separate decision.

DISCUSSION AND CONCLUSION

The purpose of the notice requirements at 49 C.F.R. § 1150.42(e) is to ensure that rail labor unions and employees who would be affected by the transfer of a line are given sufficient notice of the transaction before consummation. The Board takes the notice requirements seriously, but it does not appear that the purpose behind the requirements would be thwarted if the waiver is granted here.

The record indicates that no employees would be adversely affected by a waiver of the 60-day notice requirements. Operations on and along the Grenada Line and the Water Valley Branch will continue to be performed as they have been by existing GRR employees. (Pet. for Waiver 4.) There are also no NCMRRA or GRR employees currently involved in operating NCMRRA's Aberdeen Branch, which has been out of service for many years. (Id.)

Because no employees would be adversely affected by the requested partial waiver of the 60-day notice period, the Board will grant the waiver. Accordingly, the acquisition and operation exemption, unless stayed, will become effective on May 28, 2023, the effective date under the Board's rules absent the notice requirement. See, e.g., N.C. & Va. R.R., Chesapeake & Albemarle R.R. Div.—Lease Amendment & Operation Exemption Including Interchange Commitment—Norfolk S. Ry., FD 36252, slip op. at 2 n.3, 3 (STB served Dec. 14, 2018).

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. GRR's request for partial waiver is granted.

2. GRR's exemption will become effective on May 28, 2023, unless stayed.
3. This decision is effective on its service date.

By the Board, Board Members Fuchs, Hedlund, Oberman, Primus, and Schultz.