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SERVICE DATE - OCTOBER 8, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34551]

Standard Terminal Railroad of New Jersey, Inc.—Acquisition Exemption—Rail Line of
Joseph C. Horner

Standard Terminal Railroad of New Jersey, Inc. (STRR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire approximately 1.25 miles of rail line located in the Township of Bridgewater and the Borough of Manville, Somerset County, NJ, that is part of a rail line known as the Reading Company New York Branch (also known as the Raritan Valley Connecting Track), and identified as Line Code 0326, between milepost 57.25 at Manville Yard and milepost 58.50 at a junction with New Jersey's commuter line.¹ STRR will provide common carrier rail service through a subcontractor who will conduct the day-to-day operations on the line.

STRR states that it has purchased the right to operate over this line of railroad, which is owned by Joseph C. Horner, pursuant to a perpetual, irrevocable, exclusive and assignable easement. STRR also states that it has acquired title to a railroad bridge spanning the Raritan River that connects the properties on which the easement lies.

¹ The Board previously granted an exemption to Morristown & Erie Railway, Inc. (M&E) to operate the rail property that is the subject of this notice of exemption. See Morristown & Erie Railway, Inc.—Operation Exemption—Somerset Terminal Railroad Corporation, STB Finance Docket No. 34267 (STB served Dec. 20, 2002).

STRR indicates that, although Mr. Horner and STRR effectuated the transfer of property by Quitclaim Deeds on July 26 and 27, 2002, the ownership of the property is a matter pending in the United States Bankruptcy Court. In the Matter of Bridgewater Resources, Inc., No. 00-60057 (WHG) (D.N.J.).

Publication of this notice and effectiveness of the exemption does not constitute any finding by the Board concerning the ownership of the property involved. The exemption merely permits STRR and Mr. Horner to consummate the described transaction if and when they, in fact, have the legal capacity to do so.²

It should be noted that there may be two operators on the line if STRR begins operations. The Board has sanctioned dual operations on rail lines previously, and requires coordinated dispatching and operating protocols to assure safe operations. The Federal Railroad Administration also has regulations governing rail safety in the instance of such operations. These regulations have assured safe operations in the past and may be relied upon to do so in the future, on this line and elsewhere. To assure coordination of

² By letter filed on September 16, 2004, Bridgewater Resources, Inc. (Bridgewater), which owns and operates a solid waste transfer facility near Bridgewater, NJ, states that neither STRR nor M&E have operating rights over the property in question. Bridgewater states that it owns the exclusive easement over the property, as well as the track and track structure. According to Bridgewater, Norfolk Southern Railway Company has used the track, with Bridgewater's permission, to provide direct rail service to Bridgewater's facility. Bridgewater does not seek to stay the exemption but urges the Board in publishing its notice to stress that publication of this notice does not constitute any finding by the Board concerning the ownership of the property involved and does not provide any basis for STRR to claim that the Board has permitted STRR to conduct or subcontract operations in the absence of a decision by the court that STRR has the legal right to conduct such operations. STRR replied on September 17, 2004.

dispatching, STRR must certify to the Board that coordination protocols for dual operations are in place and have been fully communicated to the other operator before its operations can commence on the line under this authority.

STRR certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier.

STRR states that it intends to consummate the transaction by the later of 7 days after the exemption was filed or upon affirmation of its ownership rights by the bankruptcy court.

If the 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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34551, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Jeffrey O. Moreno, Esq., Thompson Hine LLP, 1920 N Street, N.W., Suite 800, Washington, DC 20036-1600.

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

Decided: September 30, 2004.

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

Vernon A. Williams

Secretary