

Surface Transportation Board Clarifies Ownership of Rail Line Between Youngstown, OH, and Darlington, PA; Orders Transfer of Escrow Account Funds to Pay for Repairs

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has issued a decision clarifying the ownership of a rail line in Mahoning and Columbiana Counties, Ohio, and Beaver County, Pennsylvania, and ordering the transfer of funds from a previously established escrow account, held by an independent escrow agent, directly to Columbiana County Port Authority (CCPA).

In previous decisions, the Board, pursuant to its "offer of financial assistance" procedures, ordered Railroad Ventures, Inc. (RVI) to sell to CCPA, rather than abandon, its 35.7-mile rail line between Youngstown, OH, and Darlington, PA. The purchase price established by the Board was paid in January 2001, with a portion of the proceeds of the sale placed in escrow, as ordered by the Board, to fund line repairs. In today's decision, the Board found that RVI has not in fact turned over to CCPA all of the property interests that RVI had been directed to transfer, and the Board ordered RVI to comply fully with its earlier order.

The Board had earlier ordered that RVI establish an escrow account from the proceeds of the sale to pay for repairs of the rail line at road crossings and the restoration of signaling equipment, which were in disrepair as a result of RVI's failure to keep the line of railroad operational. Today's decision ordering the transfer of the escrow funds to CCPA was required because of the parties' continuing disagreements over any disbursement of funds, which prevented any funds from being used for repairs already completed and which caused the independent escrow agent to resign. The Board ordered the former escrow agent immediately to transfer to CCPA all funds in the escrow account and declared that the agent shall be held harmless for doing so. Under the Board's decision, CCPA is required to establish a separate account for the escrow funds, to document how the funds are spent, and to return to RVI any funds remaining in the escrow account after the 270th day from the effective date of the Board's decision.

This is the Board's eighth decision following its 1999 decision granting RVI permission to abandon the line and permitting CCPA to seek to acquire it under the financial assistance procedures.

The Board issued its decision today in the case entitled *Railroad Ventures, Inc.--Abandonment Exemption--Between Youngstown, OH, and Darlington, PA, in Mahoning and Columbiana Counties, OH, and Beaver, PA*, STB Docket No. AB-556 (Sub-No. 2X). A printed copy of that decision is available for a fee by contacting **D-2-D- Legal, Room 405, 1925 K Street, N.W., Washington, DC 20006, telephone (202) 293-7776**, or via Da_To_Da@Hotmail.com. The decision also is available for viewing and downloading via the Board's Website at <http://www.stb.dot.gov>.

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