

**SURFACE TRANSPORTATION BOARD DENIES SAN JOAQUIN RAILROAD CO.
ABANDONMENT IN KINGS & FRESNO COUNTIES, CA FOR LACK OF EVIDENCE**

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DENIES SAN JOAQUIN RAILROAD CO. ABANDONMENT
IN KINGS & FRESNO COUNTIES, CA
FOR LACK OF EVIDENCE**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has denied the San Joaquin Valley Railroad Company's (SJVR) petition for an exemption from its prior-approval requirements to permit SJVR to abandon an 18.1-mile segment of its "Coalinga Branch" (otherwise known as the Hanford Subdivision) railroad line between a point west of Rossi and Huron in Kings and Fresno Counties, California. In reaching its decision, the Board explained that the exemption process is designed to minimize regulatory burdens, but that a railroad seeking to use the exemption process for an abandonment must provide sufficient information for the Board to reach an informed decision within the overall 120-day time period for the Board's handling of abandonment cases. Under Section 10903 of Title 49, United States Code (49 U.S.C. 10903), a rail line may not be abandoned without the Board's prior approval. Under Section 10502, however, the Board must exempt a transaction or service from regulation when it finds that (1) continued regulation is unnecessary to carry out the rail transportation policy, and (2) either regulation is unnecessary to protect shippers from the abuse of market power or a proposed transaction is limited in scope. The Board found that the evidence relating to revenues, costs and rehabilitation in the public record

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was insufficient to support an abandonment exemption regarding the Coalinga Branch, which was opposed by several shipper and local parties. The Board recognized that shippers are interested in having the line restored, appear willing to aid in financing the rehabilitation, and have asserted that their collective traffic would exceed the 1,200-carload service minimum set by SJVR.

The Board issued its decision in the case entitled San Joaquin Valley Railroad Company--
Abandonment Exemption--in Kings and Fresno Counties, CA, STB Docket No. AB-398 (Sub-No. 4X), on May 23, 1997.

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