For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.21
Robert W. Errett,
Deputy Secretary.
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SURFACE TRANSPORTATION BOARD
[Docket No. AB 290 (Sub-No. 383X)]
Norfolk Southern Railway Company—Discontinuance of Service Exemption—In Shenandoah County, VA
Norfolk Southern Railway Company (NSR) has filed a verified notice of exemption under 49 CFR part 1152, subpart F—Exempt Abandonments and Discontinuance of Service to discontinue service over an approximately 16.9-mile rail line extending from milepost B 62.0 (at Strasburg, VA) to milepost B 78.9 (near Edinburg, VA) in Shenandoah County, VA (the Line). The Line traverses United States Postal Service Zip Codes 22657, 22660, 22644, 22664, and 22824.

NSR has certified that: (1) No local traffic has moved over the Line for at least two years; (2) because the Line is not a through route, no overhead traffic has operated, and, therefore, none needs to be rerouted over other lines; (3) no formal complaint filed by a user of rail service on the Line (or by a state or local government entity acting on behalf of such user) regarding cessation of service over the Line is pending either with the Surface Transportation Board (Board) or with any U.S. District Court or has been decided in favor of complainant within the two-year period; and (4) the requirements at 49 CFR 1105.12 (newspaper publication) and 49 CFR 1152.50(d)(1) (notice to governmental agencies) have been met.

As a condition to this exemption, any employee adversely affected by the discontinuance of service shall be adequately protected against the loss of employment and the loss of benefits currently enjoyed by those employees, and the basis for all dates in this notice.

Accordingly, the Board may not impose any labor protective conditions here, and the basis for all dates in this notice.

The transaction may be consummated on or after July 31, 2016, the effective date of the exemption, 30 days after the supplemental notice of exemption was filed.

Watco currently controls, indirectly, 33 Class III rail carriers and one Class II rail carrier, collectively operating in 23 states. For a complete list of these rail carriers, and the states in which they operate, see Watco’s notice of exemption filed on July 1, 2016. The notice is available on the Board’s Web site at WWW.STB.DOT.GOV.

Watco represents that: (1) The rail lines to be operated by KNWA do not connect with any other railroads operated by the carrier in the Watco’s corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines to be operated by KNWA with any other railroad in applicant’s corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 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. Section 11326(c), however, does not provide for labor protection for transactions under 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the notice contains false or misleading information, the exemption

1 The notice of exemption was initially filed on June 28, 2016. After representative consultation with the Board, the filing was resubmitted on July 1, 2016, and therefore is the official filing date and the basis for all dates in this notice.

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