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SERVICE DATE – MARCH 27, 2026

OCC

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 1266 (Sub-No. 2X)]

Canonie Atlantic Co.—Abandonment Exemption—in the City of Virginia Beach and the City of Norfolk, Va.

[Docket No. AB 1349X]

Buckingham Branch Railroad Company—Discontinuance Exemption—in the City of Virginia Beach and the City of Norfolk, Va.

On March 9, 2026, Canonie Atlantic Co. (CAC), a Class III rail carrier, and Buckingham Branch Railroad Company (Buckingham Branch), a Class III rail carrier (collectively, Petitioners), jointly filed a petition under 49 U.S.C. 10502 for exemption from the prior approval requirements of 49 U.S.C. 10903 for CAC to abandon and for Buckingham Branch to discontinue service over approximately 2.3 miles of rail line in the City of Virginia Beach and the City of Norfolk, Va. (the Line). The Line extends between approximately milepost 95.0 at Little Creek, Va. (City of Virginia Beach), and milepost 97.6 at Camden Heights, Va. (City of Norfolk).¹ Two stations exist on the Line: Camden Heights at milepost SN 5.2 and Little Creek at milepost SN 7.2. The Line traverses U.S. Postal Service Zip Codes 23455 and 23502.

¹ Petitioners state that the milepost designations reflect the historical mileposts assigned to the Line, and that the length of the Line as currently measured is slightly shorter than the historical milepost designations would suggest. (Pet. 1 n.1.)

According to Petitioners, CAC has owned the Line since 1985,² but it has never operated the Line, although it acknowledges that it holds a residual common carrier obligation. (Pet. 2.) Petitioners state that CAC has leased the Line to various carriers to provide service, and Buckingham Branch has been the lessee-operator of the Line since 2018.³ (Pet. 2.) Petitioners further state that Buckingham Branch's lease of the Line includes various Section 10906-yard tracks and facilities (the Little Creek Yard) located at the northern end of the Line. (Id.) According to Petitioners, the Little Creek Yard provides Buckingham Branch with track and land that can be used for rail-to-truck transloading services and serves as the base of Buckingham Branch's local operations, serving as its only locomotive staging and servicing point in the Tidewater area and affording it with immediately adjacent office facilities to support administrative functions and local crew reporting. (Id.)

Petitioners state that the Line is stub-ended and handles no overhead traffic, and its local traffic derives from two shippers that have used the Line in the last two years: USRL Virginia Beach VA, LLC, and Greenbridge. (Id. at 2-3.) Petitioners represent that Buckingham Branch operates the Line as the higher-traffic volume part of its Norfolk Division, together with a 4.2-mile connecting line that Buckingham Branch leases from Norfolk Southern Railway Company.⁴ (Pet. 3.)

² See Canonie Atl. Co.—Exemption from 49 U.S.C. 10901, 11301, & 11343, FD 30709 (ICC served Sept. 11, 1985).

³ See Buckingham Branch R.R.—Change in Operators Exemption—Cassatt Mgmt., LLC, FD 36202 (STB served July 18, 2018).

⁴ Concurrent with the joint petition in this proceeding, Buckingham Branch filed a petition, in Docket No. AB 1349 (Sub-No. 1X), seeking an exemption to discontinue service over this connecting line.

According to Petitioners, in the spring of 2025, the U.S. Navy (Navy) approached CAC regarding its need and desire to acquire a portion of the Line and the Little Creek Yard, identified as Parcel 4B in the petition, for national security purposes and to extend the Navy's control of the waterfront. (*Id.* at 4.) According to Petitioners, Buckingham Branch determined that without Parcel 4B it would become operationally and economically impracticable to operate the remainder of the Line. (*Id.*) Petitioners state that CAC does not have the resources to operate the Line itself and does not believe it could find another carrier willing and able to operate the remainder of the Line. (*Id.*) As a result, Petitioners agreed to terminate the lease for the entirety of the Line and further agreed that Buckingham Branch would seek discontinuance authority and CAC would seek abandonment authority for the Line. (*Id.*)

According to Petitioners, based on information in their possession, the Line does not contain federally granted rights-of-way. (*Id.* at 5.) Petitioners state that any documentation in their possession related to the issue of federally granted rights-of-way will be made available to those requesting it. (*Id.*)

The interest of railroad employees will be protected by the conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

By issuing this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued no later than June 26, 2026.⁵

⁵ Petitioners state that the Navy has “has expressed urgency to acquire Parcel 4B,” and accordingly request that the Board consider the joint petition on an expedited basis. (Pet. 11.)

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 120 days after the filing of the petition for exemption, or 10 days after service of a decision granting the petition for exemption, whichever occurs sooner. Persons interested in submitting an OFA must first file a formal expression of intent to file an offer by April 6, 2026, indicating the type of financial assistance they wish to provide (i.e., subsidy or purchase) and demonstrating that they are preliminarily financially responsible. See 49 CFR 1152.27(c)(1)(i).

The Line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for interim trail use/railbanking under 49 CFR 1152.29 will be due no later than April 16, 2026.⁶

All pleadings, referring to Docket Nos. AB 1266 (Sub-No. 2X) and AB 1349X, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on CAC's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave. N.W., Suite 1300 South, Washington, DC 20004, and on Buckingham Branch's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 N. Wacker Drive, Suite 800, Chicago, IL 60606. Replies to the petition are due on or before April 16, 2026.

Persons seeking further information concerning abandonment and discontinuance procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or refer to the full abandonment and discontinuance

⁶ Filing fees for OFAs and trail use requests can be found at 49 CFR 1002.2(f)(25) and (27), respectively.

regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis (OEA) at (202) 245-0294. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

OEA will prepare an environmental assessment (EA) (or environmental impact statement (EIS), if necessary), which will be served upon all parties of record and upon any other agencies or persons who comment during its preparation. Other interested persons may contact OEA to obtain a copy of the EA (or EIS). EAs in abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA generally will be within 30 days of its service.

Board decisions and notices are available at www.stb.gov.

Decided: March 24, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.