

SURFACE TRANSPORTATION BOARD

**R.J. CORMAN RAILROAD PROPERTY, LLC – ABANDONMENT EXEMPTION – IN
SCOTT, CAMPBELL, AND ANDERSON COUNTIES, TENNESSEE**

300609

DOCKET NO. AB1296X

ENTERED
Office of Proceedings
May 8, 2020
Part of
Public Record

RESPONSE AND NOTICE OF SUPPORT OF OFA PROCESS

National Coal, LLC (formerly National Coal Corporation”) (“NC”), by counsel, in response to the May 6, 2020 response filed by R.J. Corman Railroad Property, LLC (“Corman”), states as follows:

1. Corman’s Response references a 2012 agreement between Corman and James C. Justice, Inc., Ranger Energy Investments, LLC, and Premium Coal Company, Inc. resolving certain disputes between Corman and NC.
2. That agreement has nothing to do with the rights asserted by NC in these proceedings, namely, the rights of first refusal incorporated into the deeds which transferred these properties to Corman.
3. No provision of the 2012 agreement waives or releases Corman from its responsibilities to honor its rights of first refusal to NC.
4. Whether or not NC “initiated negotiations” to purchase the line in 2013, it retains the right to purchase the line should NC receive and intend to accept a bona fide offer of purchase. Corman does not dispute that it received and accepted such an offer in 2019, and did not notify NC of the offer, in violation of its obligations to NC.
5. Corman argues that “if National Coal seeks to purchase the Oneida Line so that it may continue rail operations, it should utilize the existing Board offer of financial assistance (OFA) process in a timely manner.” This is disingenuous. Corman knows that it is impossible

for NC to timely make such an offer at this point. Moreover, Corman's contractual obligations to NC fall outside of the STB process and do not require NC to engage in the same. NC would be willing to participate in negotiations to waive its rights under the deeds as part of the OFA process as part of a transfer to Arkansas-Oklahoma Railroad Company if the line is protected. However, Corman has represented to the Board that it desires that the OFA process be cut short.¹

6. Ultimately, NC's rights of first refusal were intended to protect the continued existence of the line. NC intends to support a reasonable resolution which will protect the line for future use.

The above considered, NC requests that the Board grant Arkansas-Oklahoma Railroad Company's Request for Extension of Time so that the OFA process can move forward. Alternatively, NC requests that Corman's Notice of Exemption be dismissed in order to preserve NC's contractual rights of first refusal.

Respectfully Submitted:

/s/ Christopher J. Schroeck
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¹ See Filing ID 300551.

Certificate of Service

I hereby certify that on May 8, 2020, a copy of the foregoing was served upon the following:

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