

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36413]

MB Rail IB, LLC—Acquisition and Continuance in Control Exemption—Chesapeake & Indiana Railroad, Vermilion Valley Railroad, Camp Chase Rail, LLC, and Youngstown & Southeastern Railroad, LLC

MB Rail IB, LLC (MB Rail), a noncarrier holding company, has filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to control four Class III railroads: Chesapeake & Indiana Railroad (CIR), Vermilion Valley Railroad (VVR), Camp Chase Rail, LLC (Camp Chase Rail), and Youngstown & Southeastern Railroad, LLC (YSR) (collectively, the Controlled Railroads).¹

The verified notice states that MB Rail has established Camp Chase Rail and YSR as new noncarriers for the purpose of acquiring and operating the railroad assets currently owned by Camp Chase Railway Company, LLC (CCRY), and Youngstown & Southeastern Railroad Company (Y&S), respectively. The verified notice further states that Indiana Boxcar Corporation (IBC) currently owns and controls CIR, VVR, CCRY, and Y&S. According to MB Rail, it has entered into an agreement with IBC under which MB Rail will acquire from IBC all of the equity in CIR and VVR, and MB Rail's two newly formed non-carrier subsidiaries, Camp Chase Rail and YSR, will purchase and

¹ On June 15, 2020, MB Rail also filed a motion for a protective order under 49 C.F.R. § 1104.14(b), which was granted on June 16, 2020.

operate the rail lines and other assets of CCRY and Y&S, respectively.² Thus, MB Rail seeks to acquire control of CIR and VVR, and to continue in control of Camp Chase Rail and YSR when they become rail carriers upon acquiring the rail lines of CCRY and Y&S. MB Rail states that the proposed transaction will not impose any new interchange commitments.

This notice of exemption is related to two concurrently filed verified notices of exemption under which MB Rail's new subsidiaries, Camp Chase Rail and YSR, seek authority to purchase and operate the rail lines owned and operated by CCRY and Y&S, respectively. See Camp Chase Rail—Acquis. & Operation Exemption—Camp Chase Ry., Docket No. FD 36414, and Youngstown & Se. R.R., LLC—Acquis. & Operation Exemption—Youngstown & Se. R.R. Co., Docket No. FD 36415.

The verified notice states that: (1) the lines of the Controlled Railroads do not connect with each other; (2) the proposed transaction is not part of a series of anticipated transactions that would connect the Controlled Railroads; and (3) the proposed transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

The earliest this transaction may be consummated is July 15, 2020, the effective date of the exemption (30 days after the verified notice was filed).

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.

² According to the verified notice, CIR's line is located in Indiana; VVR's line is located in Illinois and Indiana; Camp Chase Rail will operate over a line located in Ohio; and YSR will operate over a line located in Ohio and Pennsylvania.

However, 49 U.S.C. § 11326(c) does not provide for labor protection for transactions under 49 U.S.C. §§ 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than July 8, 2020 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36413, must be filed with the Surface Transportation Board either via e-filing 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 MB Rail's representative, Charles H. Montange, Law Offices of Charles H. Montange, 426 NW 162nd Street, Seattle, WA 98177.

According to the verified notice, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b).

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

Decided: June 25, 2020.

By the Board, Allison C. Davis, Director, Office of Proceedings.