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August 19, 2020
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August 19, 2020

VIA ELECTRONIC FILING
49 C.F.R. §1150.32(e) WAIVER REQUESTED

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S. W.
Washington, D.C. 20024

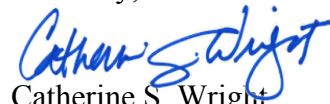
**RE: Finance Docket No. 36428; R. J. Corman Railroad Company/Lehigh Line, LLC –
Change Operators, Lease and Operation Exemption with Interchange Commitment
– Lehigh Railway, LLC and Norfolk Southern Railway Company**

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding is the Verified Notice of Exemption on behalf of R. J. Corman Railroad Company/Lehigh Line, LLC pursuant to 49 C.F.R. § 1150.31, *et seq.* dated August 19, 2020. Included within this Notice of Exemption is a request for waiver of the notice requirements of 49 CFR § 1150.32(e). The sum of \$2,100.00, representing the appropriate fee for this filing, has been tendered electronically via Pay.gov. The Pay.gov Tracking ID is 26PNTONE.

If you have any questions, please feel free to contact me.

Sincerely,


Catherine S. Wright
Attorney for R. J. Corman Railroad
Company/Lehigh Line, LLC

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36428

**R. J. CORMAN RAILROAD COMPANY/LEHIGH LINE, LLC –
CHANGE OPERATORS, LEASE AND OPERATION EXEMPTION WITH
INTERCHANGE COMMITMENT –
LEHIGH RAILWAY, LLC AND NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31 *et seq.***

Submitted by:
David R. Irvin
Catherine S. Wright
IRVIN RIGSBY PLC
110 N. Main St.
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*Counsel for R. J. Corman Railroad
Company/Lehigh Line, LLC*

Contains Color Images

Dated: August 19, 2020

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36428

**R. J. CORMAN RAILROAD COMPANY/LEHIGH LINE, LLC –
CHANGE OPERATORS, LEASE AND OPERATION EXEMPTION WITH
INTERCHANGE COMMITMENT –
LEHIGH RAILWAY, LLC AND NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31 *et seq.***

Pursuant to 49 C.F.R. §§ 1150.31 *et seq.*, R. J. Corman Railroad Company/Lehigh Line, LLC (“LRWY”)¹, a non-carrier, hereby files this Verified Notice of Exemption to permit LRWY to change operators and assume the lease and operation of approximately 56.0 miles of rail line and related industrial track located in Bradford and Wyoming counties, Pennsylvania (the “Line”) which is currently operated by Lehigh Railway, LLC (“LR”) pursuant to a lease from Norfolk Southern Railway Company (“NSR”). The Line extends between milepost IS 269.5 at Athens, PA and milepost IS 213.5 at Mehoopany, PA.

Upon effective date of this Notice, LRWY will become a carrier and replace LR as operator of the Line.

¹ R. J. Corman Railroad Company, LLC, a non-carrier holding company, who owns 100% of LRWY, is filing a related proceeding to continue in control of LRWY upon it becoming a carrier while remaining in control of other existing R. J. Corman Railroad Company, LLC owned and controlled Class III STB regulated carriers. *See R. J. Corman Railroad Company, LLC – Continuance in Control – R. J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC, R. J. Corman Railroad Company/Lehigh Line, LLC and R. J. Corman Railroad Company/Owego & Harford Line, LLC*, Finance Docket No. 36431 (filed concurrently).

In accordance with the requirements of 49 C.F.R. § 1150.32-1150.34, LRWY submits the following information:

Name and Address of Applicant: 49 C.F.R. §1150.33(a)

The full name and address of the Class III rail carrier applicant herein is as follows:

R. J. Corman Railroad Company/Lehigh Line, LLC
101 R. J. Corman Drive
PO Box 788
Nicholasville, Kentucky 40356

Applicant's Representative: 49 C.F.R. §1150.33(b)

David R. Irvin
Catherine S. Wright
IRVIN RIGSBY PLC
110 N. Main St.
Nicholasville, Kentucky 40356
dirvin@irvinrigsby.com
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(859) 724-4104

Statement Concerning Agreement: 49 C.F.R. §1150.33(c)

LRWY has reached an agreement in principle with NSR regarding a Lease Amendment No. 2 under which LRWY will assume LR and NSR's underlying October 28, 2008 Lease Agreement, as amended by the July 11, 2016 Lease Amendment No. 1, and operate the Line. *See Lehigh Railway, LLC – Lease and Operation Exemption – Norfolk Railway Company*, Finance Docket No. 35192 (STB served Nov. 14, 2008); *Lehigh Railway, LLC – Lease Exemption – Norfolk Railway Company*, Finance Docket No. 36062 (STB served Oct. 14, 2016). The Lease Amendment No. 2 includes an extension of the term of the lease to December 31, 2028 and makes other changes. A final version Lease Amendment No. 2 is expected to be executed shortly.

Operator of the Property: 49 C.F.R. §1150.33(d)

LRWY will replace LR as the operator of the Line. Upon LRWY's assumption of operations, LR will have no further common carrier obligations on the Line. Additionally, LRWY will lease and operate the Line.

Summary of the Transaction: 49 C.F.R. §1150.43(e)

LRWY, a non-carrier, seeks to enter into a Lease Amendment No. 2 with NSR under which LRWY will assume the underlying lease obligations between NSR and LR and operate the Line (approximately 56 miles of rail line and related industrial track located in Bradford and Wyoming counties, PA) as well as obtain operating rights to certain designated track north of milepost IS 269.5 extending into Sayre, PA, solely for interchange with NSR.

This transaction is part of a larger transaction in which R. J. Corman Railroad Company, LLC, through three newly formed non-carrier wholly owned subsidiaries – R. J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC, R. J. Corman Railroad Company/Lehigh Line, LLC, R. J. Corman Railroad Company/Owego & Harford Line, LLC – has entered into an agreement to purchase the material assets of Lehigh Railway, LLC, Luzerne and Susquehanna Railway Company and Owego & Harford Railway, Inc., each of which is under the ownership and control of Steven C. May, and operate the respective rail lines. *Steven C. May – Continuation in Control Exemption – Luzerne and Susquehanna Railway Co.*, Finance Docket No. 32564 (ICC served Sept. 24, 1994); *Steven C. May – Continuation in Control Exemption – Lehigh Railway, LLC*, Finance Docket No. 35193 (STB served Nov. 14, 2008); *Steven C. May – Continuation in Control Exemption – Owego & Harford Railway, Inc.*, Finance Docket No. 32062 (ICC served May 15, 1992).

- (1) Name and Address of railroads transferring the subject property:

Lehigh Railway, LLC
25 Delphine Street
Owego, NY 13827

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

- (2) Proposed time schedule for consummation:

The transaction is expected to be consummated on or after the effective date of this Notice, which will be 30 days after filing of this Notice.

- (3) Mileposts of the subject property:

The Line extends between milepost IS 269.5 at Athens, PA and milepost IS 213.5 at Mehoopany, PA. In addition to the end point to end point description above, the Line also includes any sidings, sidetracks, yards, or facilities presently owned by NSR that are accessed via the Line.

- (4) Route Miles being leased and/or acquired:

The Line consists of approximately 56 miles.

Map: 49 C.F.R. §1150.43(f)

A Map showing the Line is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. §1150.33(g)

A Certificate of Compliance consistent with the provisions of 49 C.F.R. § 1150.33(g) stating that LRWY's projected annual revenues resulting from the transaction will not result in the creation of a Class I or II rail carrier is attached as Exhibit B to this Notice.

Interchange Commitments: 49 C.F.R. § 1150.33(h)(1)

LRWY certifies that the proposed Lease Amendment No. 2 between LRWY and NSR contains an interchange commitment that affects interchange with carriers other than NSR at the interchange points described below. Accordingly, pursuant to 49 C.F.R. § 1150.43(h), LRWY provides the following information with respect to the Lease Amendment No. 2 between LRWY and NSR:

i. Existence of agreement and identification of affected interchange point.

Per the Lease Amendment No. 2 between LRWY and NSR, the affected interchange points are Mehoopany and Towanda, PA.

ii. Confidential complete version of document.

A confidential version of the Lease Amendment No. 2 between LRWY and NSR is being filed with the Board under separate cover pursuant to 49 C.F.R. § 1104.14(a).

iii. List of shippers that have used the line over the past two years.

The following shippers or consignees (“Shippers”) are currently using the Line to ship or receive freight by rail or have done so since August 2018.

Proctor & Gamble Co.
Global Tungsten & Powders Corp.
JELD-WEN
Towanda Monroeton Shippers Lifeline (a/k/a Reading Blue Mountain
Northern)
Texas Specialty Sands, LLC
Tran-Z, LLC
Shale Rail
Susquehanna Gas Field Services, LLC
NexTier Completion Solutions Inc.

- iv. Aggregate number of carloads the Shippers originated or terminated over the NSR Line.

The aggregate number of carloads the Shippers named above originated or terminated within the last two years is being filed under separate cover pursuant to 49 C.F.R. § 1104.14(a).

- v. Certification that shippers have been provided notice of proposed transaction and interchange commitment.

LRWY hereby certifies that it has provided notice of the proposed transaction and interchange commitment to the shippers identified in subparagraph (iii) above through service of a copy of this Verified Notice of Exemption.

- vi. List of third-party railroads that could physically interchange with the Line.

The Reading and Blue Mountain and Northern Railroad Company at Mehoopany, PA/Towanda, PA is the only third-party railroad that can physically interchange with the Line.

- vii. Estimated difference between sale or lease price with and without interchange commitment.

An estimate of the difference between the sale or lease price with and without the interchange commitment is being filed under separate cover pursuant to 49 C.F.R. § 1104.14(a).

- viii. Identification of interchange commitment in case caption.

The case caption of this Verified Notice of Exemption identifies that existence of an interchange commitment.

Advance Notice: 49 C.F.R. § 1150.32(e)

The projected annual revenue of LRWY will likely exceed \$5 million. However, since LRWY is acquiring the material assets of LR, assuming LR's lease obligations in order continue existing operations on the Line, and does not anticipate any significant impact on the existing work force of ten (10) employees, LRWY is requesting a waiver of the labor notice requirements under 49 C.F.R. §1150.32(e), or in the alternative for partial wavier. *See* request for wavier set forth below.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Pursuant to 49 C.F.R. § 1105.6(c)(1), the proposed transaction is excepted from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e. changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

The proposed transaction also is excepted from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b)(1). The proposed transaction is for the purpose of continued rail operations. Additional Board approval would be required to discontinue rail service or to abandon service. Moreover, there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in an appropriate form is attached as Exhibit C to this Notice.

Request for Wavier of Notice Requirements of 49 C.F.R. §1150.32(e)

As stated above, LRWY's expected total revenues created by this transaction will exceed \$5,000,000. As such, 49 C.F.R. §1150.32(e) would require LRWY to give 60-days' notice to

employees working on the Line (and the national offices of their collective bargaining representatives).

The purpose of 49 C.F.R. §1150.32(e) is to ensure that rail labor unions and employees who would be affected by the transfer of the line are given sufficient notice of the transaction before consummation. *PSAP Operating Company, Inc. – Acquisition and Operation Exemption – Parksierra Corp.*, Finance Docket No. 34200, slip op. at 2 (STB served May 14, 2002). *See also Acquisition of Leased Lines under 49 USC 10901 and 10902 – Advance Notice of Proposed Transactions*. However, it is well-established that the Board will consider waivers of the employee notice requirement, particularly where there is no adverse impact on employees. *Id.* at 601 (“exceptional situations may occur necessitating acquirer requests for waiver of the 60-day notice provision...”).

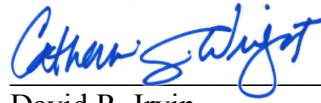
In this case, LRWY is acquiring the material assets of LR and assuming LR’s lease obligations to NSR in order to continue operations on the Line. LR has been operating the Line since 2008 and currently employs ten (10) employees who do not have a collective bargaining agreement and are not represented. NSR does not employ any employees on the Line. Upon consummation of the acquisition of LR’s assets, LRWY intends to offer the existing employees the opportunity to accept new employment with LRWY to ensure a smooth transition and continuation of operations on the Line. No operational changes will occur, and although the employees will have a new employer after the completion of the transaction, it will be a formulaic change. LRWY is aware of the current terms of conditions of employment of the LR employees and does not anticipate substantial changes to the terms and conditions of employment for the employees working on the Line as they will have the opportunity to continue full-time work at the

same location, performing the same or similar job duties and earning similar compensation. LRWY provides a comprehensive benefit package and intends to offer former LR employees credit for their years of service with LR. Employees are not required to decide if they want to work for a new entity performing different tasks at different rates of pay in different locations or remain with the old entity, LR, as the old entity will cease to operate. In addition, as of the date of the filing of this Notice of Exemption, LRWY posted notice consistent with 49 C.F.R. § 1150.32(e) at the employees' place of work. *See Exhibit D.*

Accordingly, under the circumstances of this transaction, compliance with the 60-day notice requirements will not further the purposes of the rule and should be waived. Granting the waiver is consistent with other circumstances in which the Board has granted waivers from the labor notice requirements. *PSAP Operating Company, Inc. – Acquisition and Operation Exemption – Parksierra Corp.*, Finance Docket No. 34200, slip op. at 2 (STB served May 14, 2002); *Patapsco & Black Rivers Railroad Company LLC – Acquisition and Operation Exemption – Patapsco & Black Rivers Railroad Company*, Finance Docket No. 34159 (STB served Dec. 27, 2001).

LRWY asks that the waiver of the labor notice requirements be granted expeditiously so that this Notice of Exemption can become effective as scheduled 30 days after it is filed. In the alternative, LRWY asks for a partial waiver of the labor notice requirements as LRWY complied with the posting requirement as of the filing of this Notice of Exemption.

Respectfully submitted this 19th day of August 2020.



David R. Irvin
Catherine S. Wright
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110 N. Main St.
Nicholasville, Kentucky 40356
dirvin@irvinrigsby.com
cwright@irvinrigsby.com
(859) 724-4104
*Counsel for R. J. Corman Railroad
Company/Lehigh Line, LLC*

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36428

**R. J. CORMAN RAILROAD COMPANY/LEHIGH LINE, LLC –
CHANGE OPERATORS, LEASE AND OPERATION EXEMPTION WITH
INTERCHANGE COMMITMENT –
LEHIGH RAILWAY, LLC AND NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31 *et seq.***

EXHIBIT A

CONTAINS COLOR IMAGES

MAP



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36428

**R. J. CORMAN RAILROAD COMPANY/LEHIGH LINE, LLC –
CHANGE OPERATORS, LEASE AND OPERATION EXEMPTION WITH
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**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31 *et seq.***

EXHIBIT B

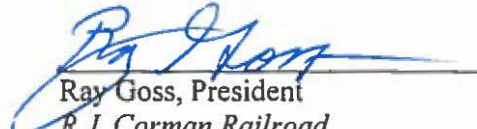
**R.J. CORMAN RAILROAD COMPANY/LEHIGH LINE LLC
CERTIFICATION OF REVENUES 49 C.F.R. § 1150.33(g)**

CERTIFICATION AND VERIFICATION

I, Ray Goss, President of R. J. Corman Railroad Company/Lehigh Line, LLC ("LRWY"), hereby certify that LRWY's projected annual revenues will not as a consequence of the proposed transaction result in LRWY becoming a Class I or Class II rail carrier so as to require processing of the foregoing notice of exemption under 49 C.F.R. § 1150.35.

Furthermore, pursuant to 28 U.S.C. 1746, I declare under penalty of perjury under the laws of the United States that the foregoing Notice of Exemption is true and correct to the best of my knowledge and belief. Further, I certify that I am qualified and authorized to file this pleading.

Executed on August 19, 2020.


Ray Goss, President
R.J. Corman Railroad
Company/Lehigh Line LLC

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36428

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**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31 *et seq.***

**EXHIBIT C
CAPTION SUMMARY**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FD 36428

**R. J. CORMAN RAILROAD COMPANY/LEHIGH LINE, LLC –
CHANGE OPERATORS, LEASE AND OPERATION EXEMPTION WITH
INTERCHANGE COMMITMENT –
LEHIGH RAILWAY, LLC AND NORFOLK SOUTHERN RAILWAY COMPANY**

R. J. Corman Railroad Company/Lehigh Line (“LRWY”),¹ a non-carrier, hereby files this Verified Notice of Exemption to permit LRWY to assume the lease and operation of approximately 56.0 miles of rail line and related industrial track located in Bradford and Wyoming counties, Pennsylvania (the “Line”) which has been operated by Lehigh Railway, LLC (“LR”) pursuant to a lease from Norfolk Southern Railway Company (“NSR”). The Line extends between milepost IS 269.5 at Athens, PA and milepost IS 213.5 at Mehoopany, PA, a distance of approximately 56 miles.

Upon effective date of his Notice, LRWY will become a carrier and replace LR as the Line’s operator.

LRWY expects to consummate the proposed transaction on or shortly after the effective date of this Notice of Exemption.

Comments must be filed with the Board and served on Catherine S. Wright, Irvin Rigsby PLC, 110 North Main Street, Nicholasville, Kentucky 40356, (859) 724-4104.

This Notice is filed under 49 C.F.R. § 1150.31. If this 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 transaction.

Dated: _____, 2020
By the Board

¹ R. J. Corman Railroad Company, LLC, a non-carrier holding company, who owns 100% of LRWY, is filing a related proceeding to continue in control of LRWY upon it becoming a carrier while remaining in control of other existing R. J. Corman Railroad Company, LLC owned and controlled Class III STB regulated carriers. *See R. J. Corman Railroad Company, LLC – Continuance in Control – R. J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC, R. J. Corman Railroad Company/Lehigh Line, and LLC R. J. Corman Railroad Company/Owego & Harford Line, LLC*, Finance Docket No. 36431 (filed concurrently).

BEFORE THE
SURFACE TRANSPORTATION BOARD

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**VERIFIED NOTICE OF EXEMPTION
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EXHIBIT D

49 C.F.R. § 1150.32(e) NOTICE

NOTICE OF INTENT TO CHANGE OPERATORS, ASSUME LEASE AND OPERATIONS

(posted August 19, 2020)

On August 19, 2020, pursuant to 49 C.F.R. § 1150.31 *et seq.*, R. J. Corman Railroad Company/Lehigh Line, LLC (“LRWY”) filed a Verified Notice of Exemption to permit LRWY to change operators and assume the lease and operation of approximately 56.0 miles of rail line and related industrial track located in Bradford and Wyoming counties, Pennsylvania (the “Line”) from Lehigh Railway Company. The Line extends between milepost IS 269.5 at Athens, PA and milepost IS 213.5 at Mehoopany, PA.

Upon regulatory approval, LRWY does not intend to significantly alter current operations on the Line. Current Lehigh Railway Company employees working on the Line will be provided the opportunity to continue working on the Line for a new employer, LRWY, on the terms and conditions offered by LRWY prior to LRWY commencing rail service on the Line. Additional information regarding the application and on-boarding process with LRWY will be provided in the near future.

At this time, LRWY anticipates that it will hire ten full-time positions, including Conductor/Engineer, Conductor and Engineer positions. Minimum skills include compliance with regulatory prerequisites, including hearing and vision requirements and valid certification.

LRWY offers comprehensive benefit packages to its full-time employees, including medical, dental, vision, and holidays, as well as competitive wages commiserate with an applicant’s skill set. In addition, LRWY will honor an employee’s years of service with their prior employer, Lehigh Railway Company.

The most qualified candidates will be selected from the pool of applicants. LRWY is an equal opportunity employer. All employment with LRWY is conditioned on the successful completion of a background check, drug screen, post-employment physical, and any other prerequisites for the specific position being hired, including any required certifications. All employment with LRWY is at-will.

If you have questions regarding this notice, you may contact Scott Heasley at 859-881-2477.