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SERVICE DATE – NOVEMBER 6, 2020

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36428]

R. J. Corman Railroad Company/Lehigh Line, LLC—Change in Operators, Lease and Operation Exemption with Interchange Commitment—Lehigh Railway, LLC and Norfolk Southern Railway Company

R. J. Corman Railroad Company/Lehigh Line, LLC (RJLR), a noncarrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.31 to change operators and assume the lease and operation of approximately 56.0 miles of rail line between milepost IS 269.5 at Athens, Pa., and milepost IS 213.5 at Mehoopany, Pa., and related industrial track, located in Bradford and Wyoming Counties, Pa. (the Line). The Line is currently operated by Lehigh Railway, LLC (LR), pursuant to a lease with Norfolk Southern Railway Company (NSR).

According to RJLR, this transaction is part of a larger transaction in which noncarrier holding company R. J. Corman Railroad Company, LLC (RJCR), through RJLR and two other newly formed noncarrier subsidiaries, has entered into an agreement to purchase the material assets of LR and two other carriers under the ownership and control of Stephen C. May and operate those respective rail lines. Accordingly, this transaction is related to a concurrently filed verified notice of exemption in R. J. Corman Railroad Company, LLC & R. J. Corman Railroad Group, LLC—Continuance in Control Exemption—R. J. Corman Railroad Company/Lehigh Line, LLC, R. J. Corman Railroad

Company/Owego & Harford Line, Inc., and R. J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC, Docket No. FD 36431,¹ in which RJCR and RJRG seek to continue in control of RJLR and the other two newly formed subsidiaries upon their becoming Class III rail carriers, while remaining in control of 15 other Class III rail carriers.

According to RJLR, it has reached an agreement in principle with NSR regarding a Lease Amendment No. 2 under which RJLR 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 Ry.—Lease & Operation Exemption—Norfolk S. Ry., FD 35192 (STB served Nov. 14, 2008); Lehigh Ry.—Lease Exemption Containing Interchange Commitment—Norfolk S. Ry., FD 36062 (STB served Sept. 30, 2016). According to RJLR, a final version Lease Amendment No. 2 is expected to be executed shortly.

RJLR certifies that the proposed Lease Amendment No. 2 between RJLR and NSR contains an interchange commitment that affects interchange with carriers other than NSR at the interchange points of Mehoopany and Towanda, Pa.² RJLR has provided additional information regarding the interchange commitment as required by 49 C.F.R. § 1150.33(h).

¹ In response to a decision served on September 17, 2020 requesting additional information about certain aspects of the larger transaction, RJCR requested that R. J. Corman Railroad Group, LLC (RJRG) be added as an applicant in Docket No. FD 36431.

² A copy of Lease Amendment No. 2 with the interchange commitment was submitted under seal with the verified notice. See 49 C.F.R. § 1150.33(h)(1).

RJLR certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III carrier but also states that its projected annual revenues will exceed \$5 million following the transaction. Pursuant to 49 C.F.R. § 1150.32(e), if a carrier's projected annual revenues will exceed \$5 million, it must, at least 60 days before the exemption becomes effective, post a notice of its intent to undertake the proposed transaction at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the Board that it has done so. RJLR states that it posted notice consistent with § 1150.32(e) at the workplace of employees as of August 19, 2020, that LR employees do not have a collective bargaining agreement and are not represented, and that NSR does not have any employees on the Line.³

RJLR states that it provided notice of the proposed transaction and interchange commitment shippers on the Line through service of a copy of the verified notice.

The earliest this transaction may be consummated is November 20, 2020, the effective date of the exemption.

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 for stay must be filed no later than November 13, 2020 (at least seven days before the exemption becomes effective).

³ RJLR initially requested a waiver of the provisions of § 1150.32(e) to allow the exemption to become effective after 30 days. That request is now moot.

All pleadings, referring to Docket No. FD 36428, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on RJLR's representative, David R. Irvin, Irvin Rigsby PLC, 110 North Main Street, Nicholasville, KY 40356.

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

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

Decided: November 2, 2020.

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