

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36492]

York Railway Company, Maryland and Pennsylvania Railroad, LLC, and Yorkrail, LLC—
Corporate Family Transaction Exemption

York Railway Company (YRC), Maryland and Pennsylvania Railroad, LLC (M&P), and Yorkrail, LLC (Yorkrail) (collectively, Applicants), have jointly filed a verified notice of exemption for a corporate family transaction under 49 C.F.R. § 1180.2(d)(3).

According to the verified notice, YRC, a Delaware corporation and Class III carrier, wholly owns both M&P and Yorkrail, each of which is a Delaware limited liability company and non-operating Class III carrier that owns common carrier rail lines in Pennsylvania operated by YRC.¹ Under the proposed transaction, M&P and Yorkrail will be merged with and into YRC with YRC being the surviving corporate entity, owning and operating the covered rail lines.² Applicants state that the purpose of the transaction is to restructure their corporate family to simplify and streamline the ownership and operation of the M&P and Yorkrail rail assets. According to Applicants, the only change as a result of the proposed

¹ The verified notice states that Genesee & Wyoming, Inc., gained control of all three companies in 2002. See Genesee & Wyo. Inc.—Control Exemption—ETR Acquis. Corp., FD 34148 (STB served Feb. 28, 2002).

² As a result of this transaction, YRC also will acquire Yorkrail's rights to reactivate service established in Yorkrail, LLC—Abandonment Exemption—in York County, Penn., AB 1308X (STB served Nov. 20, 2020).

transaction is that YRC will have direct, instead of indirect, ownership of the rail assets currently belonging to M&P and Yorkrail.

The verified notice states that the proposed transaction does not impose or involve an interchange commitment by or affecting Applicants.³

Unless stayed, the exemption will be effective on April 18, 2021 (30 days after the verified notice was filed). Applicants state that they intend to consummate the proposed transaction on or after April 30, 2021.

The verified notice states that the proposed transaction is within Applicants' corporate family and will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(3).

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. 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. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III rail carriers.

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

³ Applicants filed an unexecuted draft copy of the agreement with their verified notice.

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 April 9, 2021 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36492, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, one copy of each pleading must be served on Applicants' representative, Eric M. Hocky, Clark Hill PLC, Two Commerce Square, 2001 Market St., Suite 2620, Philadelphia, PA 19103.

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

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

Decided: March 29, 2021.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.