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January 25, 2022

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Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: *R. J. Corman Railroad Company, LLC and R. J. Corman Group, LLC—Continuance in Control Exemption—Knoxville and Cumberland Railroad, LLC* (Docket No. FD 36578)

Dear Ms. Brown:

Attached for filing in Docket No. FD 36578 is a Verified Notice of Exemption Under 49 C.F.R. § 1180.2(d)(2).

Sincerely,

/s/ David A. Hirsh

David A. Hirsh

Counsel for R. J. Corman Railroad Company, LLC and R.J. Corman Railroad Group, LLC

Enclosure

FILED
January 25, 2022
SURFACE
TRANSPORTATION BOARD

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January 25, 2022
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. FD 36578

**R. J. CORMAN RAILROAD COMPANY, LLC AND R. J. CORMAN GROUP, LLC
– CONTINUANCE IN CONTROL EXEMPTION –
KNOXVILLE AND CUMBERLAND GAP RAILROAD, LLC**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)**

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LLC and R. J. Corman Railroad Group, LLC*

January 25, 2022

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SURFACE TRANSPORTATION BOARD**

Docket No. FD 36578

**R. J. CORMAN RAILROAD COMPANY, LLC AND R. J. CORMAN GROUP, LLC
– CONTINUANCE IN CONTROL EXEMPTION –
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**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)**

R. J. Corman Railroad Company, LLC (“RJCRC”) and R. J. Corman Railroad Group, LLC (“RJCG”),¹ non-carrier holding companies which currently control 18 Class III STB-regulated rail carriers (collectively, the “RJC Railroads”), hereby file this verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) in order to obtain authority to continue in control of Knoxville and Cumberland Gap Railroad, LLC (“KXCG”) after KXCG becomes a rail carrier through its acquisition and operation of the lines that are the subject of Docket No. FD 36577 (*Knoxville and Cumberland Gap Railroad, LLC – Acquisition and Operation Exemption With Interchange Commitment – Rail Lines of Norfolk Southern Railway Company in Anderson, Campbell, Claiborne, Grainger, Knox, and Union Counties, Tennessee, Bell, and Whitley Counties, Kentucky, and Lee County, Virginia*).

Applicants currently own and control the following 16 operating rail carriers: R. J. Corman Railroad Company/Allentown Lines, Inc. (“RJC�”), R. J. Corman Railroad Company/Bardstown Line (“RJCR”), R. J. Corman Railroad Company/Carolina Lines, LLC

¹ RJCRC is a wholly owned subsidiary of RJCG. RJCRC and RJCG are referred to together as “Applicants.”

(“RJCS”), R. J. Corman Railroad Company/Central Kentucky Lines, LLC (“RJCC”), R. J. Corman Railroad Company/Childersburg Line, LLC (“RJAL”), R. J. Corman Railroad Company/Cleveland Line (“RJCL”), R. J. Corman Railroad Company/Nashville & Eastern Railroad Line (“NERR”), R. J. Corman Railroad Company/Nashville & Western Railroad Line (“NWR”), R. J. Corman Railroad Company/Lehigh Line, LLC (“LRWY”), R. J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC (“LS”), R. J. Corman Railroad Company/Memphis Line (“RJCM”), R. J. Corman Railroad Company/Owego & Harford Line, Inc. (“OHRY”), R. J. Corman Railroad Company/Pennsylvania Lines, Inc. (“RJCP”), R. J. Corman Railroad Company/Tennessee Terminal, LLC (“RJCK”), R. J. Corman Railroad Company/Texas Lines, LLC (“RJCD”), and R. J. Corman Railroad Company/Western Ohio Line (“RJCW”).

In addition, Applicants control R. J. Corman Railroad Property, LLC (“RJCRP”), a rail carrier which owns RJCR’s Oneida line and RJCC’s Lexington Yard, but does not operate any rail property,² and R. J. Corman Railroad Company/Ashland, LLC (“RJCA”), which owns no rail property but operates as a switching carrier on property of other entities in Ashland, Kentucky.

This proceeding is related to Docket No. FD 36577, in which KXCG seeks authorization to acquire and operate a total of approximately 154.0 miles of rail lines in Tennessee, Kentucky, and Virginia,³ and thus become a rail common carrier.

² Authorization for abandonment of RJCRP’s Oneida Line, and for discontinuance of RJCR’s operations on that line, are pending in *R. J. Corman Railroad Property, LLC—Abandonment Exemption—In Scott, Campbell, and Anderson Counties, Tenn.* (Docket No. AB 1296X) and *R. J. Corman Railroad Company/Bardstown Line—Discontinuance Exemption—In Scott, Campbell, and Anderson Counties, Tenn.* (Docket No. AB 875 (Sub-No. 1X), respectively.

³ This total includes approximately 112.0 miles of rail line being acquired from Norfolk Southern Railway Company (“NSR”), 13.0 miles of lines currently being leased by NSR from CSX Transportation, Inc. (“CSXT”), under a lease which NSR is assigning to KXCG, 6.3 miles of CSXT line currently operated by NSR under a trackage rights agreement which NSR is

KXCG will not connect with any other railroad in Applicants' corporate family. The continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family. The transaction does not involve a Class I carrier. Therefore, under 49 C.F.R. § 1180.2(d)(2), the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323.

In support of this notice of exemption and as provided by 49 C.F.R. § 1180.4(g), Applicants submit the following:

Description of Transaction and Parties (49 C.F.R. § 1180.6(a)(1)(i)):

Description of the Proposed Transaction.

In this proceeding, Applicants propose to continue in control of KXCG upon KXCG's becoming a Class III rail carrier by acquisition and operation of the NSR rail lines that are the subject of Docket No. FD 36577, while remaining in control of the RJC Railroads.

Names, Business Address, and Telephone Number of Applicants:

R. J. Corman Railroad Company, LLC
R. J. Corman Railroad Group, LLC
101 R. J. Corman Drive
PO Box 788
Nicholasville, Kentucky 40356
859-881-2570

assigning to KXCG, 22.7 miles of NSR line over which NSR is granting KXCG trackage rights. In addition, NSR is granting KXCR rights to operate over approximately 3.8 miles of NSR track in order to effect interchange with NSR, but those operating rights do not require regulatory approval. *Ind. R.R.—Exemption—Acquisition & Operation*, Finance Docket No. 30789 1987 WL 98241, at *2 (ICC Apr. 7, 1987), *aff'd Black v. ICC*, 837 F.2d 1175 (D.C. Cir. 1988); *Norfolk S. Ry.—Petition for Declaratory Order—Interchange with Reading Blue Mountain & N. Ry.*, STB Docket No. 42078, slip op. at 4 n.5 (STB served Apr. 29, 2003).

Legal Name, Business Address, and Telephone Number of KXCG:

Knoxville and Cumberland Gap Railroad, LLC
101 R. J. Corman Drive
PO Box 788
Nicholasville, Kentucky 40356
859-881-2570

Names of counsel to whom questions can be addressed:

David A. Hirsh
Dentons US LLP
1900 K Street, N.W.
Washington, DC 20036
david.hirsh@dentons.com
202-496-7500

Schedule for Consummation (49 C.F.R. § 1180.6(a)(1)(ii)):

The parties propose to consummate the proposed transaction on February 25, 2022, provided that all necessary conditions set forth in the Transaction Agreement for the transaction that is the subject of Docket No. FD 37577 (including authorization of the transaction by the Board) have been satisfied.

Purpose of Transaction (49 C.F.R. § 1180.6(a)(1)(iii)):

The purpose of the transaction is to allow Applicants to continue in control of KXCG upon its becoming a rail carrier, and thereby to provide efficient short-line rail service to customers located on the lines that KXCG proposes to acquire and operate.

List of States in which Parties' Property is Located (49 C.F.R. § 1180.6(a)(5)):

Applicants presently control the following rail carriers, which have rail property interests in the states specified.⁴

⁴ RJCA performs switching service in Kentucky, but has no lines of its own in that state or elsewhere. RJCR operates lines of RJCRP in Kentucky and Tennessee, but does not hold any rail property of its own.

<u>Carriers</u>	<u>State</u>
RJCN	Pennsylvania
RJCS	North Carolina and South Carolina
RJCC	Kentucky
RJAL	Alabama
RJCL	Ohio
NERR	Tennessee
NWR	Tennessee
LRWY	Pennsylvania
LS	Pennsylvania
RJCM	Tennessee and Kentucky
OHRY	New York
RJCP	Pennsylvania and West Virginia
RJCK	Tennessee and Mississippi
RJCD	Texas
RJCW	Ohio and Indiana
RJCRP	Kentucky and Tennessee (non-operating)

KXCG presently owns no property, but upon consummation of the transaction that is the subject of Docket No. FD 36577, it will own property in Tennessee and Kentucky, and will also operate leased property in Virginia and via trackage rights in Tennessee and Kentucky.

Maps Exhibit (49 C.F.R. § 1180.6(a)(6)):

Maps showing the locations of the rail lines of KXCG and the RJC Railroads are attached as Exhibit 1.

Agreements (49 C.F.R. § 1180.6(a)(7)(ii)):

Applicants have not entered into and do not plan to enter into any agreement providing for continuance in control of KXCG.

Level of Labor Protection (49 C.F.R. § 1180.4(g)(1)(i)):

This proposed transaction involves only Class III carriers. Accordingly, no labor protective conditions apply to this transaction. 49 U.S.C. § 11326(c).

Interchange Commitment (49 C.F.R. § 1180.4(g)(4)):

Applicant certifies that this continuance in control transaction does not contain any provision or agreement that would limit future interchange with a third-party connecting carrier. The acquisition that is the subject of Docket No. FD 36577 includes an interchange commitment in the form of a fee related to interchanges by KXCG with rail carriers other than NSR at interchange points on the lines to be operated by KXCG. KXCG's verified notice of exemption meets the interchange commitment disclosure requirements of 49 C.F.R. § 1150.33(h).

Environmental and Historic Report (49 C.F.R. Part 1105):

As 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) and (5)), 49 C.F.R. § 1105.6(c)(1) provides that the proposed transaction is categorically exempted from environmental reporting requirements.

As provided in 49 C.F.R. § 1105.8(b)(3), the proposed transaction also is excepted from historic preservation reporting requirements, as the control transaction will not substantially change the level of maintenance of any railroad property.

Respectfully submitted,

/s/ David A. Hirsh
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1900 K Street, N.W.
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*Counsel for R. J. Corman Railroad Company,
LLC and R. J. Corman Railroad Group, LLC*

January 25, 2022

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

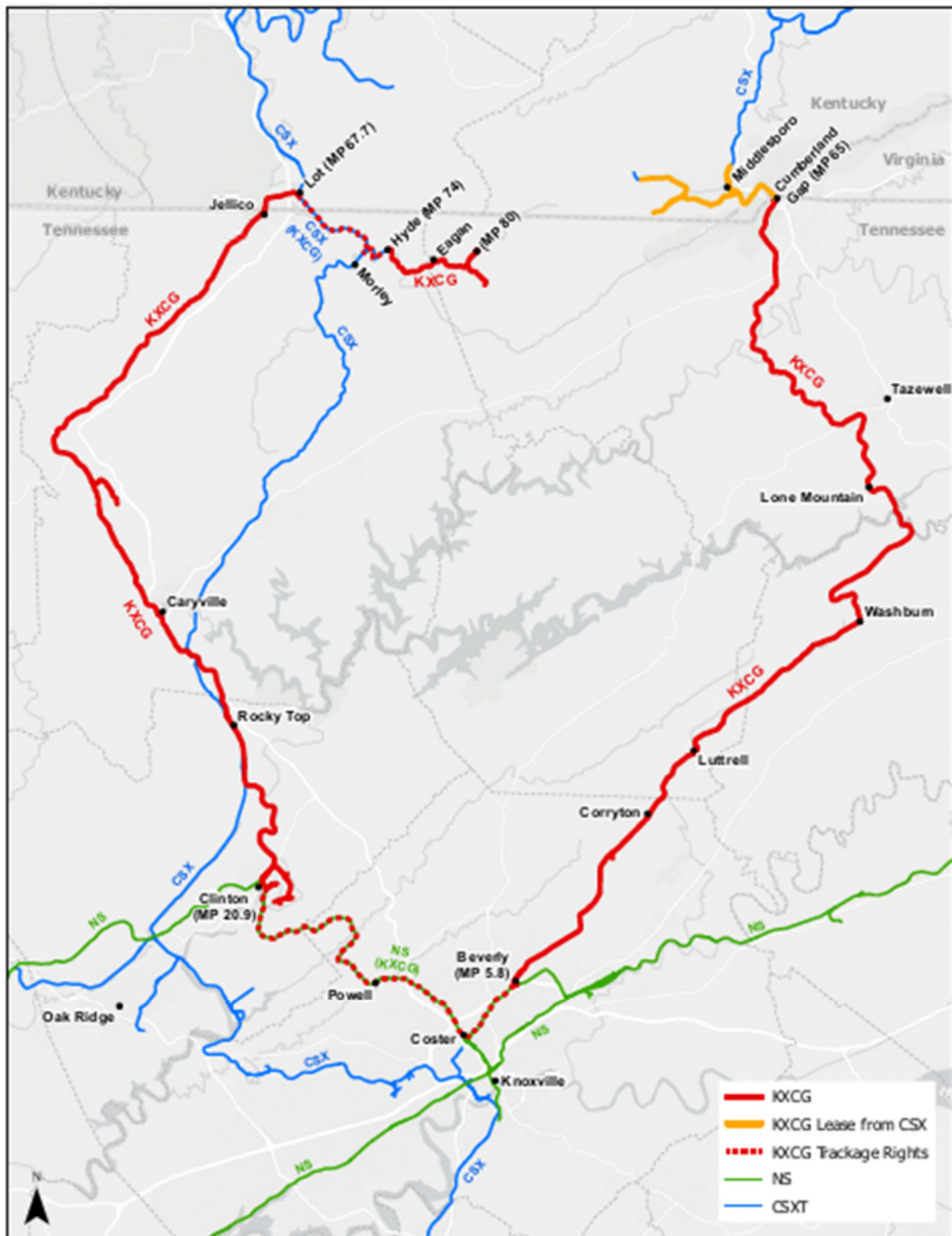
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**EXHIBIT 1
(Maps)**

Knoxville and Cumberland Gap Railroad, LLC (KXCG)

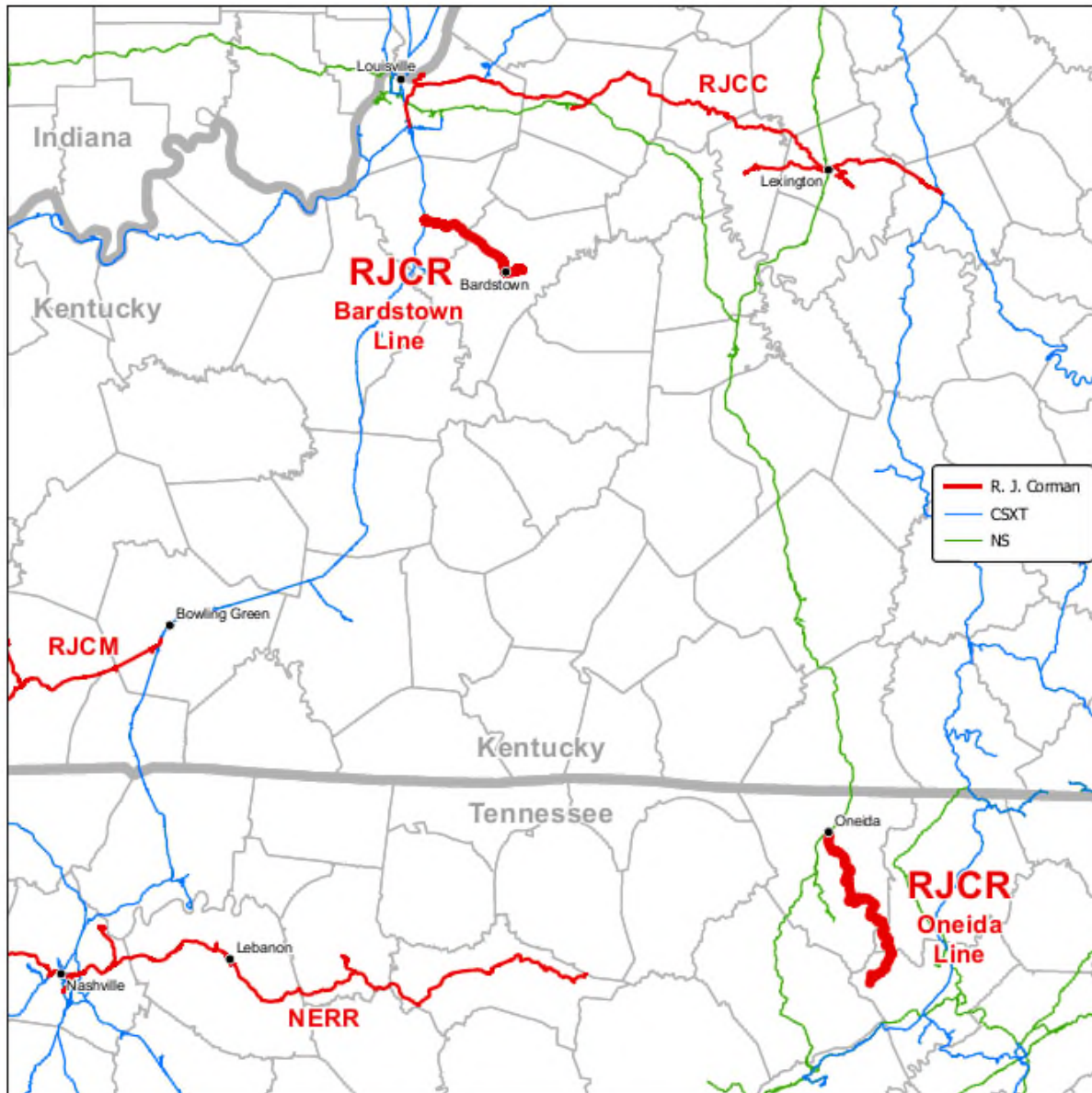


R. J. Corman Railroad Company/Allentown Lines, Inc. (RJCN)

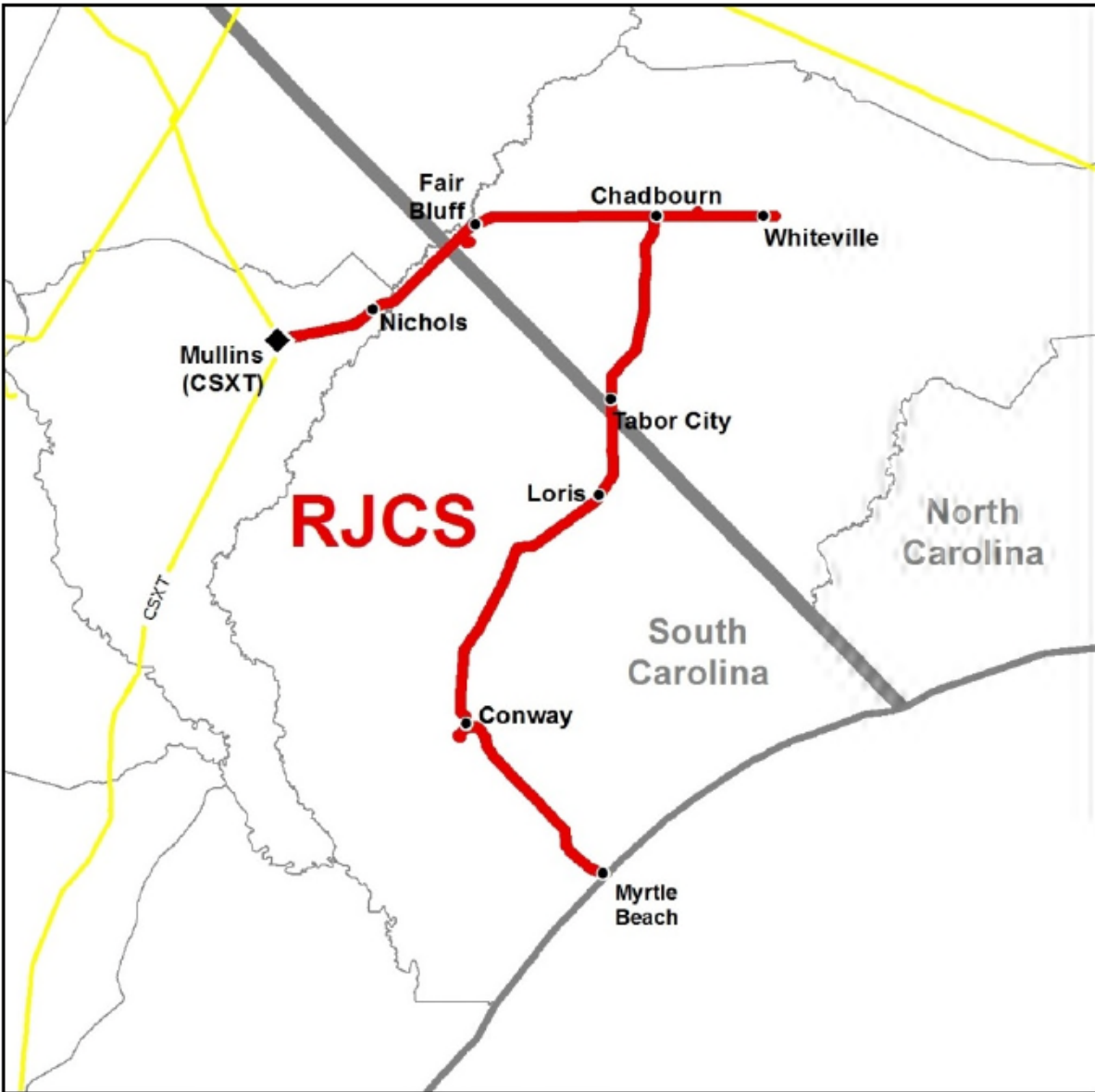


**R. J. Corman Railroad Company/Bardstown Line (RJCR)
R. J. Corman Railroad Company/Central Kentucky Lines, LLC (RJCC)**

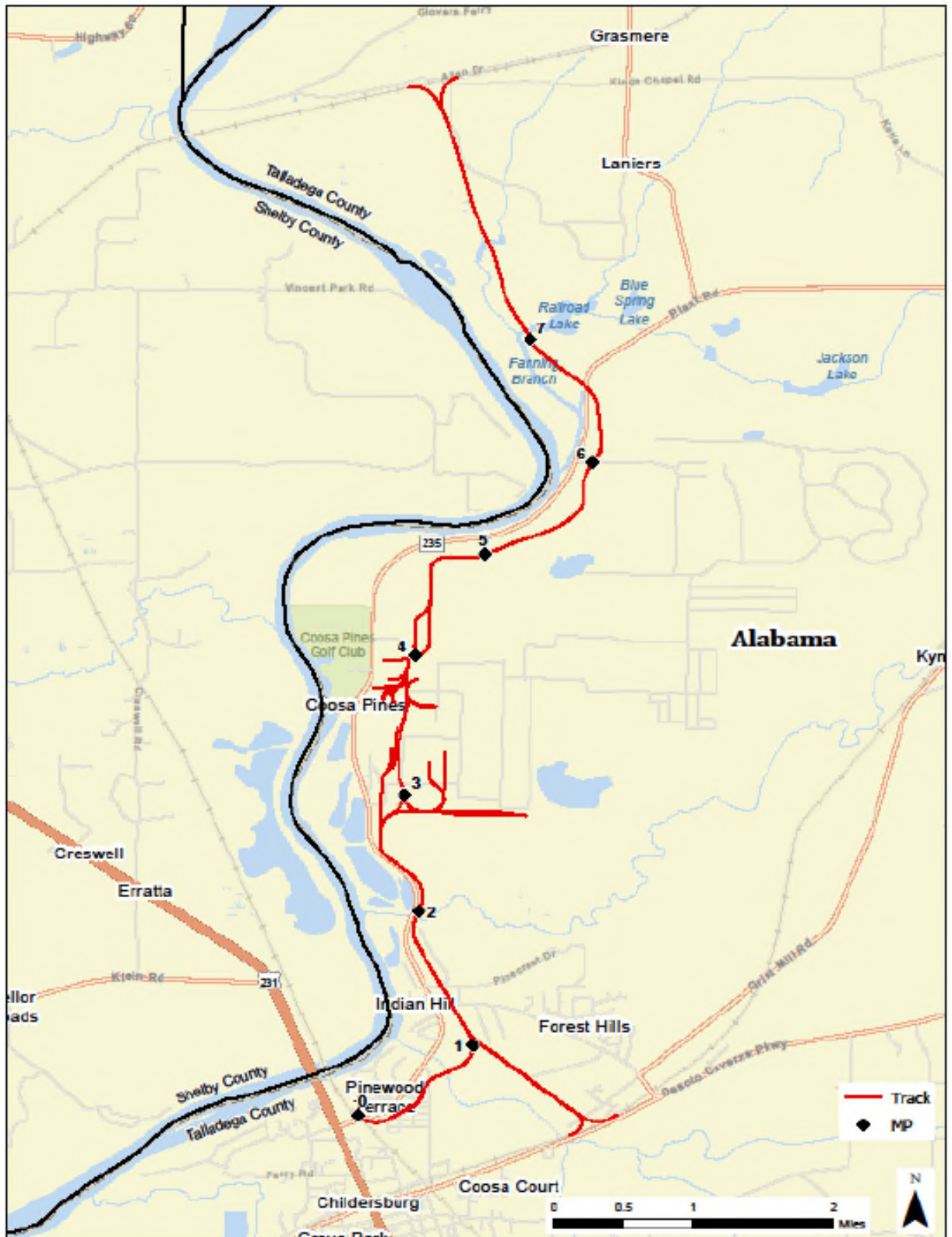
**(Oneida Line owned by R. J. Corman Railroad Property, LLC (“RJCRP”)but operated by
RJCR; Lexington Yard owned by RJCRP but operated by RJCC)**



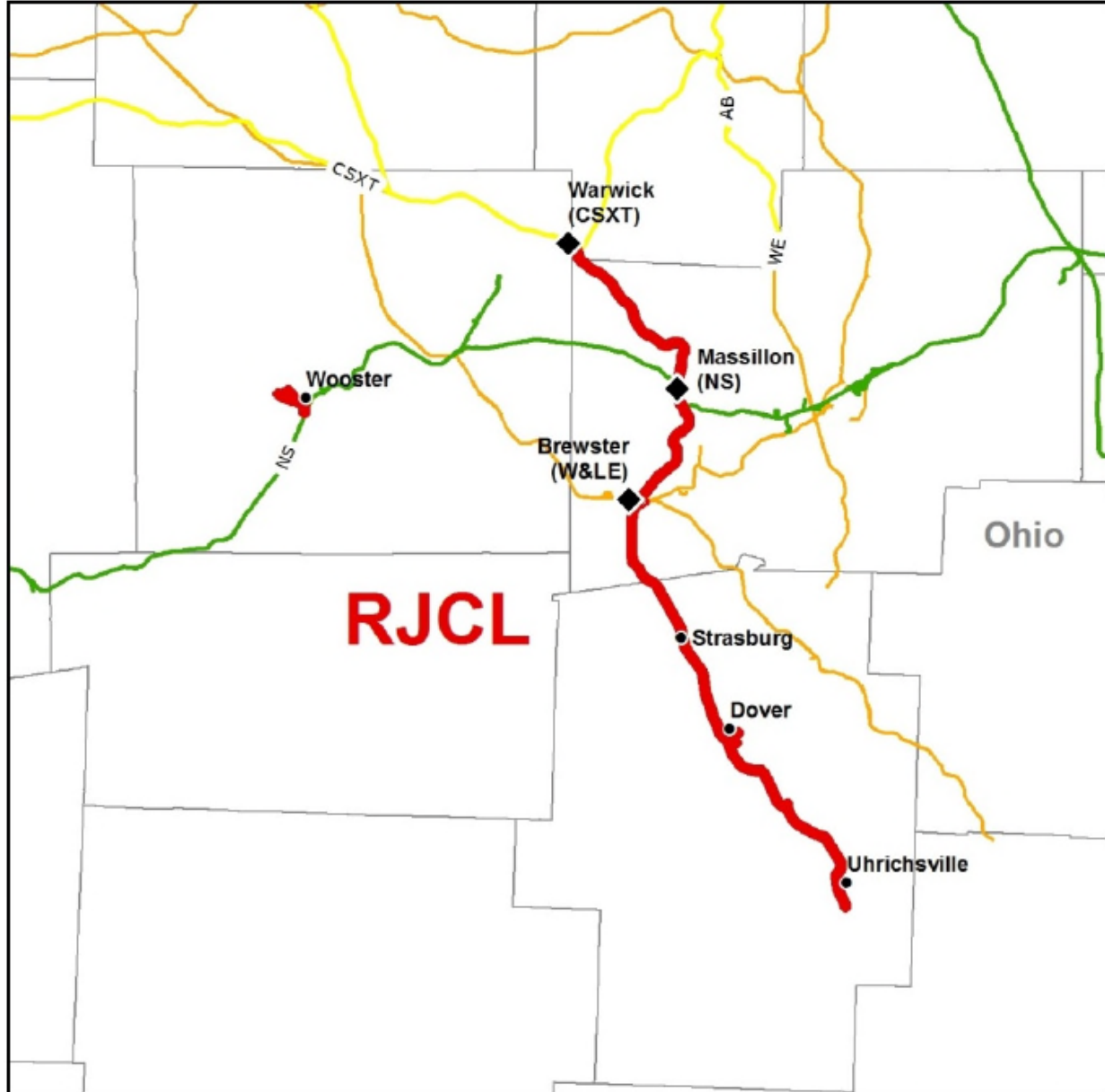
R. J. Corman Railroad Company/Carolina Lines, LLC (RJCS)



R. J. Corman Railroad Company/Childersburg Line, LLC (RJAL)



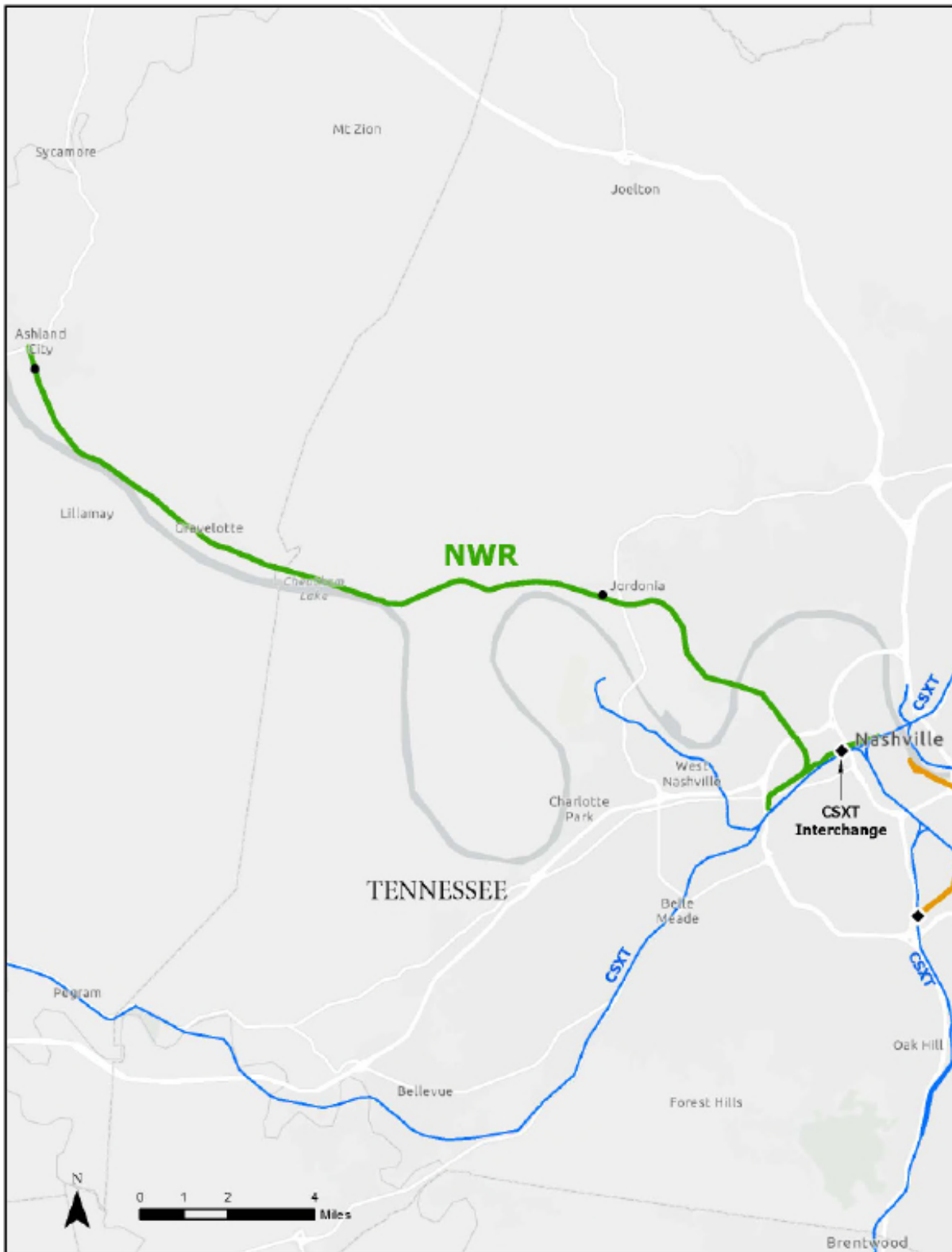
R. J. Corman Railroad Company/Cleveland Line (RJCL)



R. J. Corman Railroad Company/Nashville & Eastern Railroad Line (NERR)



R. J. Corman Railroad Company/Nashville & Western Railroad Line. (NWR)



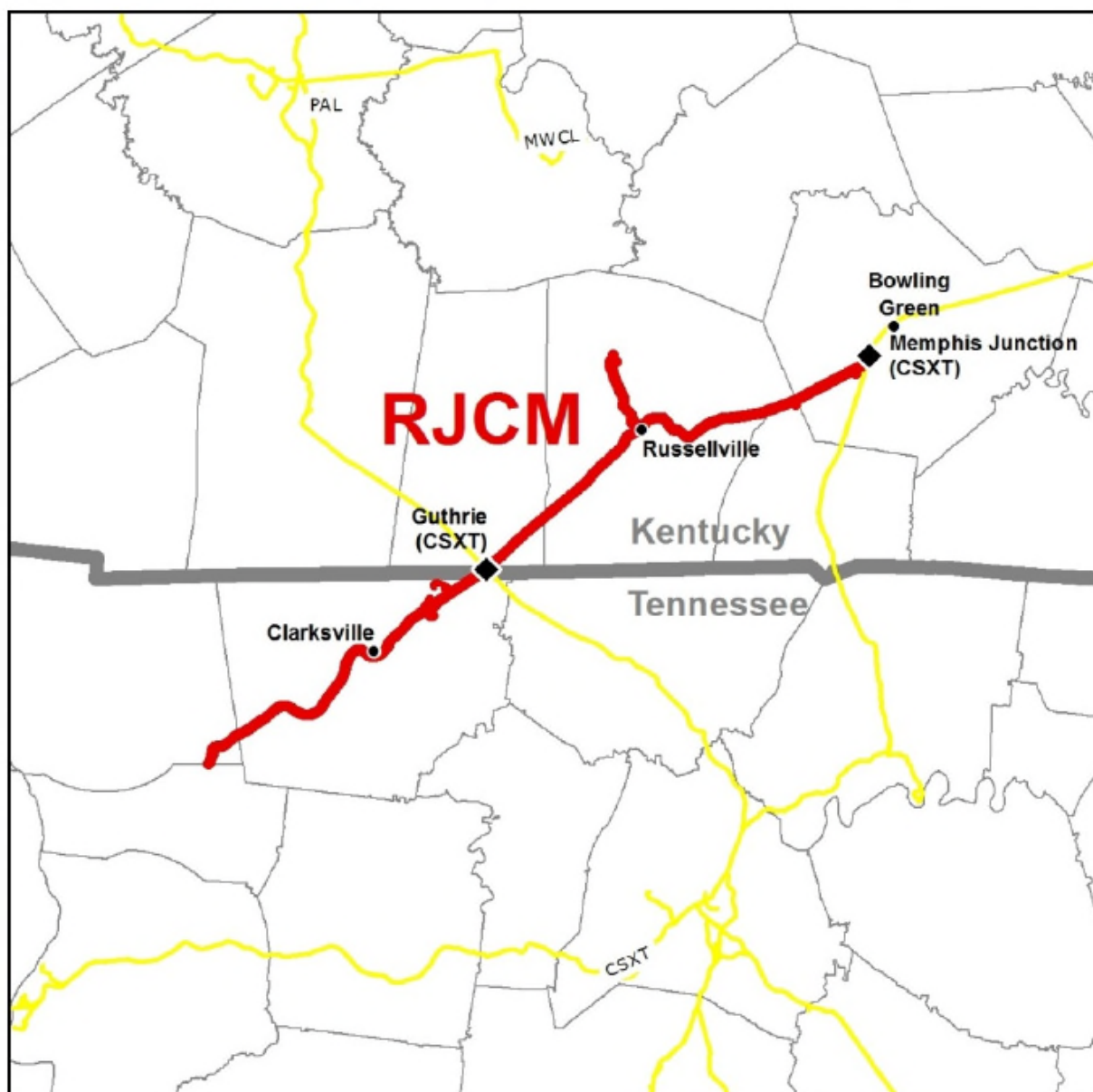
R. J. Corman Railroad Company/Lehigh Line, LLC (LRWY)



R. J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC (LS)



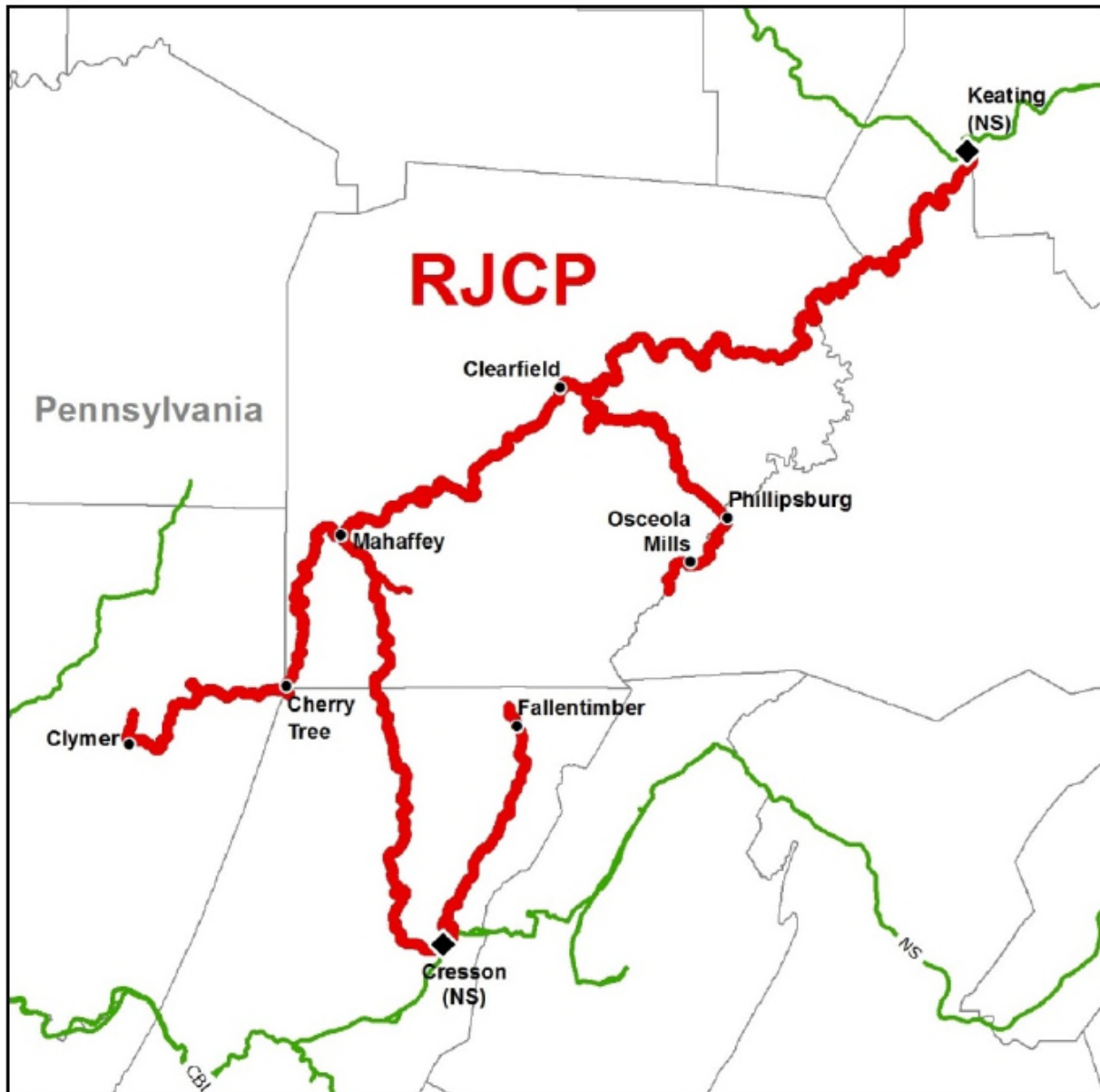
R. J. Corman Railroad Company/Memphis Line (RJCM)



R. J. Corman Railroad Company/Owego & Harford Line, Inc. (OHRY)

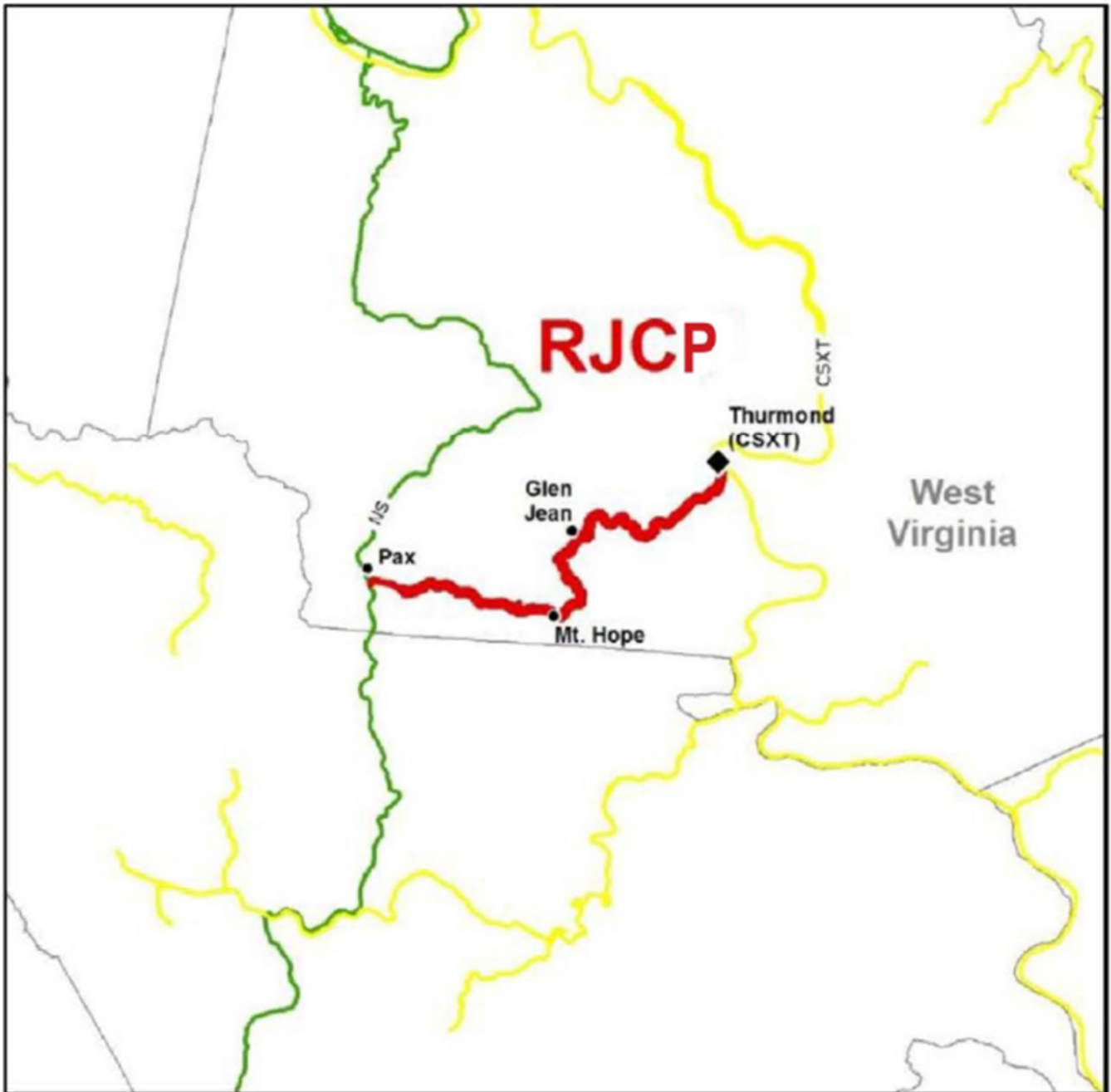


R. J. Corman Railroad Company/Pennsylvania Lines, Inc. (RJCP)

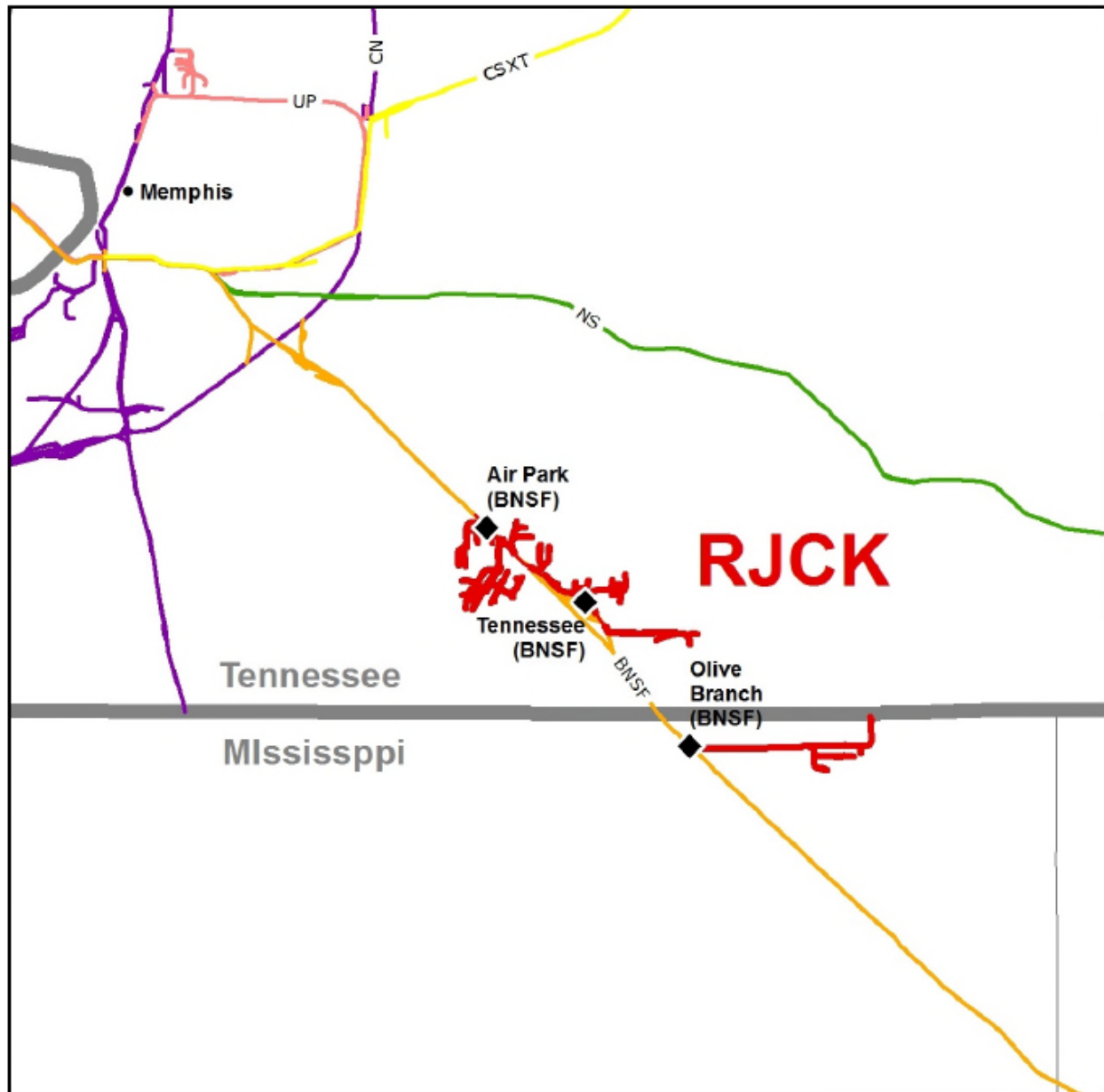


R. J. Corman Railroad/Pennsylvania Lines, LLC (RJCP)

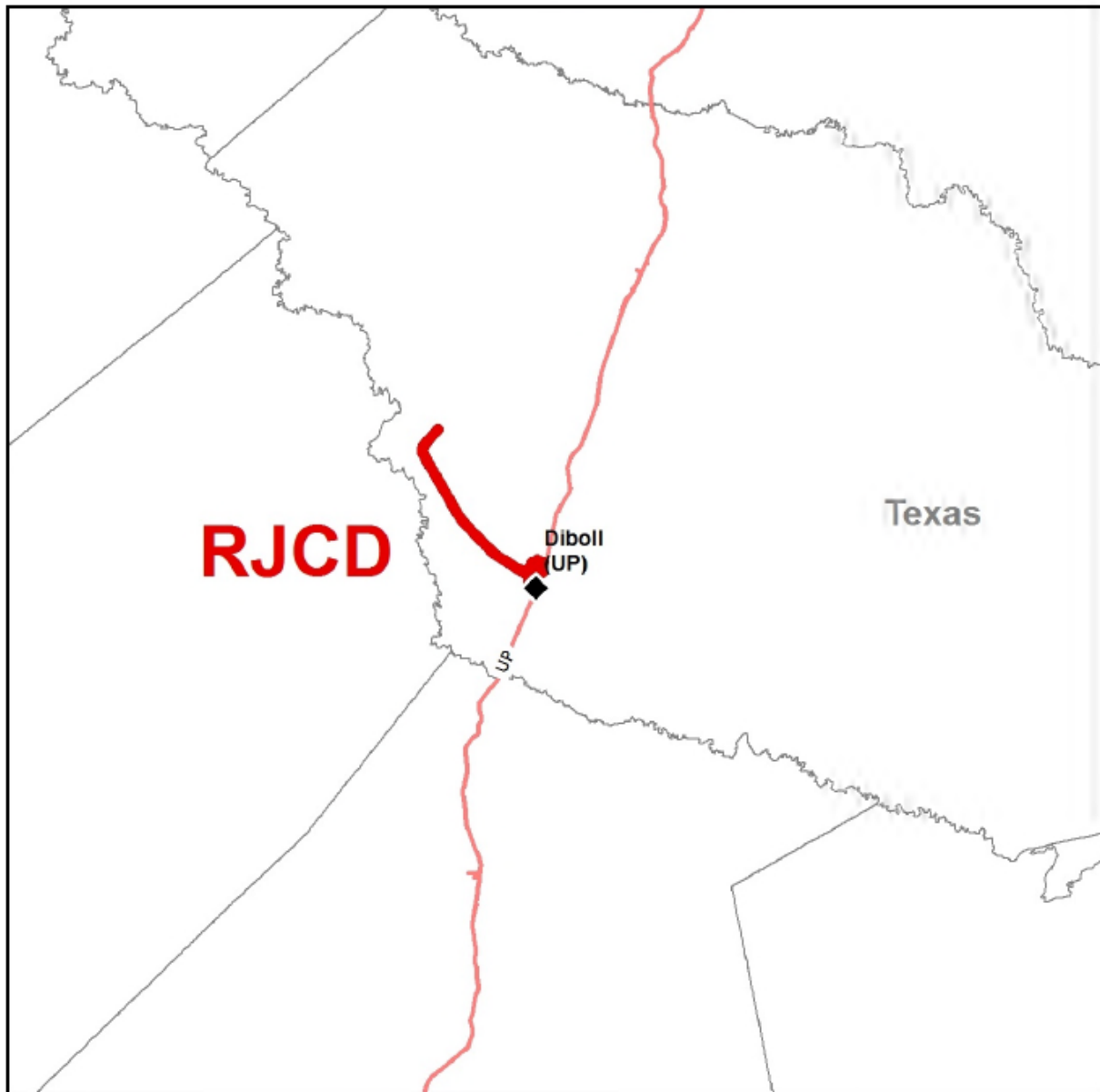
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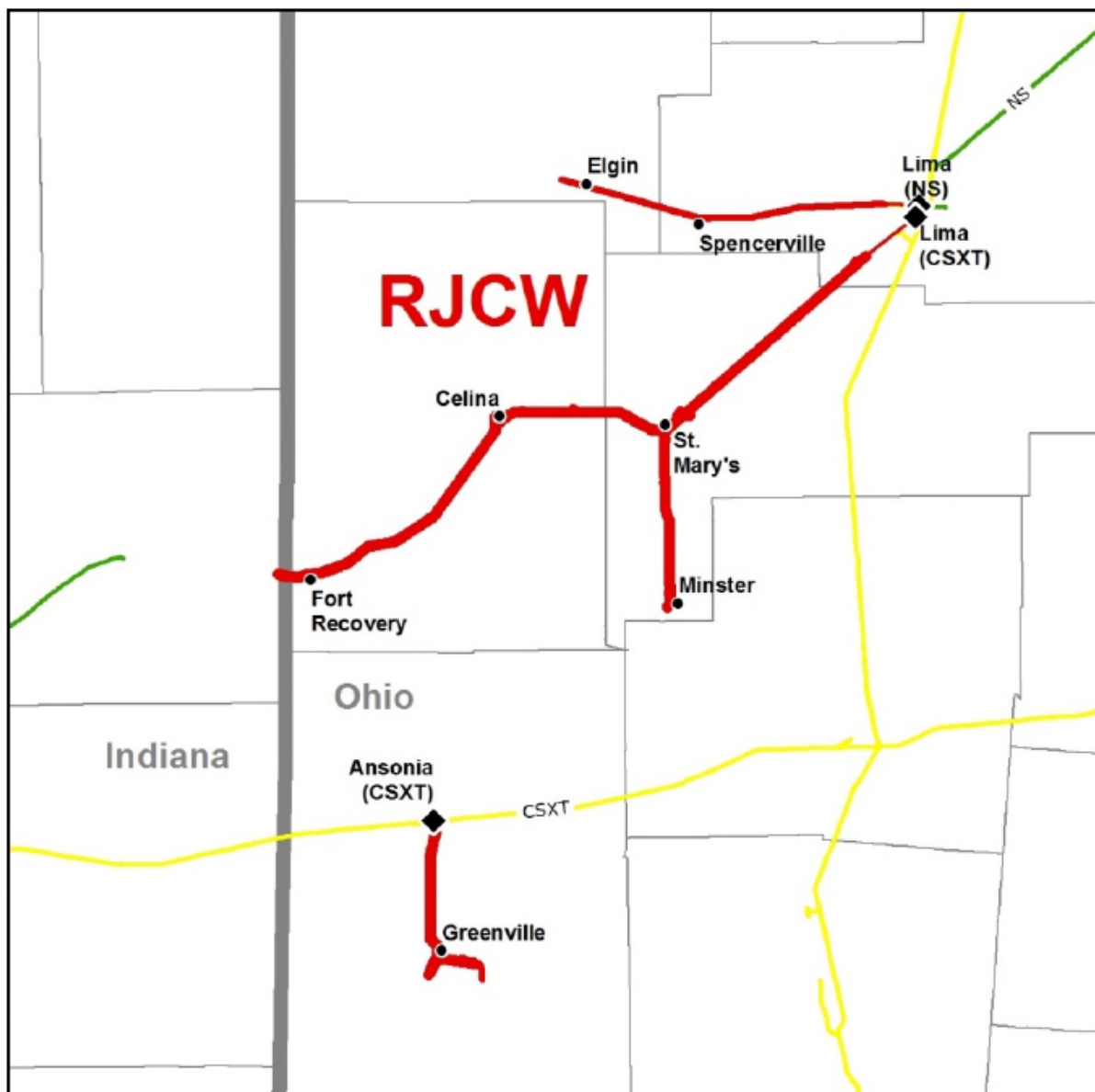
R. J. Corman Railroad Company/Tennessee Terminal, LLC (RJCK)



R. J. Corman Railroad Company/Texas Lines, LLC (RJCD)



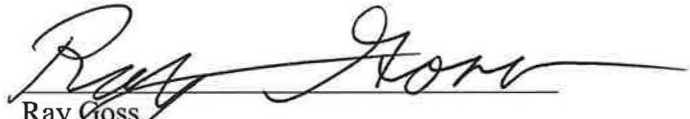
R. J. Corman Railroad Company/Western Ohio Line (RJCW)



VERIFICATION

Pursuant to 28 U.S.C. § 1746 and 49 C.F.R § 1104.5(b), I declare under penalty of perjury under the laws of the United States that the foregoing Verified Notice of Exemption, including all exhibits thereto, 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 January 24th, 2022.


Ray Goss
President, R. J. Corman Railroad Company, LLC