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SERVICE DATE – NOVEMBER 30, 2022

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36646]

R. J. Corman Railroad Group, LLC and R. J. Corman Railroad Company, LLC—

Continuance in Control Exemption—Raleigh and Fayetteville Railroad, LLC

R. J. Corman Railroad Group, LLC (RJCG), and R. J. Corman Railroad Company, LLC (RJCRC), noncarrier holding companies (collectively, Applicants), filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of the Raleigh and Fayetteville Railroad, LLC (RFCC), upon RFCC's becoming a Class III rail carrier.

This notice of exemption is related to a concurrently filed notice of exemption in Raleigh & Fayetteville Railroad—Acquisition, Lease & Operation Exemption with Interchange Commitment—Norfolk Southern Railway, Docket No. FD 36645, in which RFCC seeks to acquire approximately 42.38 miles of rail line from Norfolk Southern Railway Company (NSR), lease approximately 19.88 miles of rail line from NSR, assume NSR's trackage rights over 0.59 miles of rail line owned by CSX Transportation, Inc., totaling approximately 62.85 miles, and to operate those lines, which form a contiguous rail line between Raleigh and Fayetteville in Wake, Harnett, and Cumberland Counties, N.C. (the Line).

The transaction may be consummated on or after December 14, 2022, the effective date of the exemption (30 days after the verified notice was filed).

According to the verified notice, Applicants control two non-operating Class III rail carriers, R. J. Corman Railroad Property, LLC, and R. J. Corman Railroad Company/Ashland, LLC, and 17 other operating Class III rail carriers, collectively operating in 13 states (collectively, RJC Railroads). For a complete list of these rail carriers and the states in which they operate, see the November 14, 2022 verified notice of exemption at pages 2-3 for a list of carriers and pages 5-6 for a list of states. The verified notice is available on the Board's website at www.stb.gov.

Applicants certify that: (1) RFCC and RJC Railroads would not connect with each other or any other railroad in the corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the carriers with each other or any railroad in the corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

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. 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 December 7, 2022 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36646, must be filed with the Surface Transportation Board either via e-filing on the Board's website 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 Applicants' representative, Catherine S. Wright, Jackson Kelly PLLC, 100 West Main Street, Suite 700, Lexington, KY 40588-2150.

According to Applicants, 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: November 23, 2022

By the Board, Mai T. Dinh, Director, Office of Proceedings.