

SURFACE TRANSPORTATION BOARD

311106

DOCKET NO. FD 36909

ENTERED
Office of Chief Counsel
April 9, 2026
Part of
Public Record

**TRANSLOADX RAILROAD COMPANY, INC. – ACQUISITION AND OPERATION
EXEMPTION — CSX TRANSPORTATION, INC.**

**PETITION OF CUMBERLAND & KNOX RAILROAD TO REJECT NOTICE OF
EXEMPTION OR, IN THE ALTERNATIVE, FOR STAY OF EFFECTIVENESS**

Daniel R. Elliott
GKG Law, P.C.
1055 Thomas Jefferson St., NW
Suite 620
Washington, DC 20007
(703) 863-9670
delliott@gkglaw.com

Attorney for Cumberland & Knox Railroad

Dated: April 9, 2026

SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36909

TRANSLOADX RAILROAD COMPANY, INC. – ACQUISITION AND OPERATION EXEMPTION — CSX TRANSPORTATION, INC.

PETITION OF CUMBERLAND & KNOX RAILROAD TO REJECT NOTICE OF EXEMPTION OR, IN THE ALTERNATIVE, FOR STAY OF EFFECTIVENESS

Cumberland & Knox Railroad¹ (“C&K”) respectfully petitions the Surface Transportation Board (the “Board”) to reject the Verified Notice of Exemption (the “Notice”) filed in this proceeding on March 17, 2026, by TransloadX Railroad Company, Inc., (“TransloadX”), a non-carrier, pursuant to 49 U.S.C. §10901, §10502, and 49 C.F.R. Part 1150, Subpart D (§§1150.31 – 1150.36) to permit TransloadX to lease and operate as a Class III rail carrier two branch lines of railroad of CSX Transportation, Inc. (“CSX”)² described below located in Maine (the “Lines”). In the alternative, C&K asks the Board to stay the effectiveness of the Notice.

1. TransloadX Verified Notice of Exemption.

As noted, TransloadX submitted its Notice pursuant to 49 C.F.R. §§ 1150.31-1150.36 on March 17, 2026, to permit it to lease and operate as a Class III rail carrier the Lines owned by CSX. TransloadX does not currently own or control any United States rail carrier.

¹ The C&K was founded in 2025 and delivers customer-focused rail service in Maine. As the only common carrier owned and operated by Mainers, it is deeply committed to supporting Maine’s economy, its people, and the industries our rail network serves. As such, it has a strong interest in this proceeding and the rail operations involved to protect the existing rail infrastructure in Maine. *See Cumberland & Knox Railroad, LLC — Modified Rail Certificate*, FD 36839 (June 27, 2025).

² CSX is a Class I rail carrier subject to the jurisdiction of the Board.

The Notice provided that TransloadX and CSX have executed an Amended and Restated Letter of Intent and are in the process of finalizing the written terms by which CSX will lease the Lines to TransloadX for the purpose of continuing to provide freight rail service over them. The lease is expected to be finalized before the effective date of this Notice. If this Exemption becomes effective, TransloadX will become the Class III short line railroad operator of the Lines and assume all of CSX's common carrier obligations to service the customers located along the Lines and to develop new rail-served business.

The mileage and mileposts of the CSX tracks comprising the Lines are as follows: (a) approximately 18.3 miles of CSX track known as the Augusta Branch running from Waterville, Maine (Milepost ("MP") WVT 0.7) to Augusta, Maine (MP WVT 19.0), in Kennebec County, Maine; and (b) approximately 18.8 miles of CSX track known as the Bucksport Branch running from Bangor, Maine (MP WVB 0.2) to Bucksport, Maine (MP WVB 19.0) in Penobscot & Hancock Counties, Maine. The total route miles TransloadX is acquiring by lease is approximately 37.1 miles.

2. These Lines Are Part of the Pan Am Transaction That CSX Promised to Upgrade and Improve.

The Lines were owned by Pan Am System, Inc. ("Pan Am") before CSX's acquisition of Pan Am, approved by the STB in *CSX Transp., Inc.—Control—Pan Am Sys., Inc.*, FD 36472 (served Apr. 14, 2022). In that proceeding, CSXT said it plans to increase capital investment across Pan Am to raise track standards, which will include catch-up investments in rail, tie, bridge and yard improvements. Additionally, CSXT stated it intends to implement standard CSXT asset replacement cycles. In particular, CSXT said it plans to restore the PAR System mainline track conditions from FRA Class 1 to FRA Class 2 track standards. CSXT also provided it expects this work to start soon after Board approval (pending weather and resource deployment) and to

complete this work within approximately five years. CSX stated it also plans to perform catch up tie replacement and surfacing work on Pan Am mainlines consistent with CSXT's system cycles, which typically replaces 900-1100 ties per mile. CSXT plans to systematically upgrade the remaining PAR System freight mainline jointed rail based on rail testing data, tonnage, and CSXT's standards. CSXT noted it expects that implementation of this deferred maintenance and delayed capital improvements will lead to increased reliability and fluidity, resulting in service improvements and operating economies across Pan Am. *Revised Application, Market Analysis, FD 36472, at 32-33 (filed April 26, 2021).*

The STB approved the transaction based in part on these representations. The Board found that the transaction would produce "important public benefits", infrastructure improvements, and enhanced rail service in New England. It stated CSX would make significant investments in the Pan Am system that would upgrade and modernize the network over a multi-year period. CSX consistently framed this as capital investment to improve efficiency, safety, and reliability and integration into its national network to provide better service and growth opportunities. "[T]he Merger Transaction is likely to result in important public benefits in the New England region." *CSX, FD 36472*, slip op. at 21. In approving the transaction, the Board expressly relied on CSX's representations that it would make substantial capital investments and upgrade infrastructure across northern New England. At the final hearing, CSX representatives stated that the company plans to spend \$100 million to upgrade the PAR lines. (Hr'g Tr. 100:14-18, Jan. 13, 2022.) To monitor these representations, the Board imposed a 5-year oversight period which is still active. *Id. at 49.*

However, this transaction here between TransloadX and CSX appears to run afoul of the CSX representations and the Board's basis for finding the acquisition of Pan Am to be in the public

interest. First, it is unclear who will be responsible for maintaining and upgrading the Lines. Second, it does not appear that CSX has ever upgraded the Lines. In general, the Notice does not mention the CSX acquisition, so proper examination of this transaction is extremely limited.

THE NOTICE SHOULD BE REJECTED BEFORE IT BECOMES EFFECTIVE.

The Notice clearly raises unaddressed issues or questions that require considerable scrutiny and must be rejected as it is not appropriate for the class exemption process. Also, the Notice is clearly defective as its caption provides that the transaction is an acquisition while it is actually a lease, thereby providing inadequate notice in the Federal Register issued on April 2, 2026.

a) The class exemption process is not appropriate for this transaction.

The Board has explained that these streamlined class exemption procedures are reserved for transactions involving routine, uncomplicated, and non-controversial matters. *Saratoga & N. Creek Ry.—Operation Exemption—Tahawus Line*, FD 35559, slip op. at 5 (STB served May 14, 2012). A notice that raises unresolved issues or questions that require considerable scrutiny may be rejected. *Saratoga & N. Creek Ry.*, FD 35559, slip op. at 5; *FPN-USA, Inc.—Operation Exemption-Tijuana-Tecate Shortline*, FD 35155 (STB served Aug. 8, 2008) (STB rejected notice because agency jurisdictional question was at issue); *Pro-Go Corp.—Operation Exemption-In Suffolk County, NY*, FD 35120 (STB served Mar. 13, 2008) (notice rejected by STB that left numerous questions unresolved). Also, the Board's class exemption procedures are not intended for use in matters that attract substantial controversy and local interest. *Ne. Interchange Ry.—Lease & Operation Exemption—Line in Croton-on-Hudson, N.Y.*, FD 34734, slip op. at 4 (STB served Nov. 18, 2005) (STB rejected notice involving local opposition and litigation and questions about operational changes after transaction); *ABC & D Recycling, Inc.—Lease and Operation*

Exemption—A Line of Railroad in Ware, Mass., FD 35397 (STB served Jan. 20, 2011) (STB rejected notice based on complex questions raised in proceeding).

The transaction at hand involves possibly complicated issues involving a “significant” merger and its oversight. In similar situations, the Board has rejected notices for this reason. *See Burlington N. & Santa Fe Ry.*, FD 34645; *Revolution Rail Holding Company, LLC – Acquis. Exemption – Saratoga & N. Creek Ry.*, FD 36535 (STB served Sep. 10, 2021) (notice rejected involving bankruptcy case and adverse abandonment proceeding regarding railroad to be acquired).

As the Board has explained with respect to the class exemption process, “[t]here are some types of situations in which approval would be so routine that we have a “class exemption” allowing parties to obtain Board authorization.” *Riverview Trenton R.R. Company – Acquis. and Operation Exemption – Crown Enterprises, Inc., et al.*, STB FD 33980, slip op. at 7 (STB served Feb. 15, 2002). The transaction at issue in this case differs substantially from the type of transaction that the STB has viewed as falling within the scope of the class exemption process. Therefore, based on this well-established precedent regarding the class exemption process, it is evident that the Notice filed herein should be rejected.

b) The Notice is misleading because it fails to mention the CSX merger transaction, thereby warranting its rejection.

As the Board stated in its notice for this proceeding, “[i]f the verified notice contains false or misleading information, the exemption is void ab initio.” *See* 49 C.F.R. § 1180.4(g)(ii). The Board has stated that notices of exemption may be false or misleading by assertion or omission, and that, to be found void ab initio, the false or misleading information must be material. *See Ohio River Partners LLC-Acquis. & Operation Exemption--Hannibal Dev., LLC*, FD 35984, slip op. at

3 (STB served Apr. 1, 2016) Here, TransloadX has failed to disclose the CSX merger discussed herein. Obviously, this merger is relevant here.

In similar circumstances involving notices of exemptions where a party failed to provide information that could impact the transaction, the Board has revoked exemptions or rejected notices as “misleading” for this failure to disclose material information. *Eastside Community Rail, LLC—Acquisition and Operation Exemption—GNP Rly Inc.*; *Ballard Terminal Railroad Company, LLC—Lease Exemption—Eastside Community Rail, LLC*, FD 35730 et al. (STB served on Dec. 22, 2020) (“First, while the regulations do not specifically require that an applicant disclose disputes relating to the line, see generally § 1150.33, § 1150.43, the regulations do require applicants to provide a brief summary of the proposed transaction, including the entity transferring the property and a description of the property. As part of that summary, ECR provided information about the ownership of the property and, in doing so, had an obligation to present that ownership information in a way that was not misleading.”); *U S Rail Corp.--Lease & Operation Exemption--Shannon G., LLC*, FD 35042, slip op. at 3-4 (STB served on Oct. 8, 2008) (“We find that U S Rail’s failure to disclose the condemnation action in its notice of exemption renders the notice’s assertions regarding SG’s ownership of the property materially misleading by omission, rendering the notice void ab initio.”); *Jefferson Terminal Railroad Company—Acquisition and Operation Exemption—Crown Enterprises, Inc.*, FD 33950 (STB served on Mar. 19, 2001) (“These are substantial factual and legal issues, and under the particular circumstances presented here, we will revoke the exemption, so that any further proceedings (should Jefferson choose to pursue its proposal) would be handled under a more searching process—either through a petition for an individual exemption under 49 CFR 1121, or a full application under 49 CFR 1150—designed to elicit a more complete record. Additionally, we are troubled by Jefferson’s failure to disclose that

the property was about to be condemned” in a court action.) Therefore, the exemption notice here should be rejected for failure to disclose the CSX merger and possible impact here.

c) TransloadX Provided Inadequate Notice in the Federal Register by Mischaracterizing the Transaction in its Caption.

As noted, on March 17, 2026, TransloadX filed a Verified Notice of Exemption in the above-captioned proceeding seeking authority for a lease and operations transaction pursuant to 49 CFR § 1150.31. The Notice, however, materially mischaracterizes the nature of the transaction. Specifically, the transaction described constitutes a lease and operation, not the acquisition/exemption provided in the caption by Applicant. This error is material. It goes to the core legal nature of the transaction and renders the Notice defective for purposes of providing adequate public notice.

The Board’s exemption procedures rely on accurate characterization of the transaction to ensure that interested parties receive proper notice and an opportunity to respond. *See 49 CFR Part 1150*. Here, the Notice misstates the type of transaction in the caption which was reflected in the Federal Register notice as well. By misstating the transaction, the Notice fails to provide the public with adequate and accurate notice, frustrating the purpose of the exemption process. *See 49 U.S.C. § 10502*.

The Board has authority to reject, dismiss, or require correction of defective notices, including requiring a corrected refiling. Where a notice is materially inaccurate, the Board should treat such filings as ineffective for notice purposes, requiring republication and a new effective date. In circumstances such as this—where the wrong transaction type has been provided—mere correction is insufficient because the original notice is void for notice purposes. Accordingly, the

Board should either reject or dismiss the Verified Notice; or require Applicant to withdraw the Notice and refile with a new notice period.

Based on these three foregoing arguments, this Notice should be rejected before it becomes effective.

**IN THE ALTERNATIVE, THE BOARD SHOULD STAY THIS
PROCEEDING UNTIL THE AFOREMENTIONED DEFECTS ARE REMEDIED.**

The Board has provided that:

In deciding petitions for stay, the Board follows the traditional stay criteria by requiring a party seeking a stay to establish that (1) there is a strong likelihood that it will prevail on the merits of any challenge to the action sought to be stayed, (2) it will suffer irreparable harm in the absence of a stay, (3) other interested parties will not be substantially harmed; and (4) the public interest supports the granting of the stay. *Hilton v Braunskill*, 481 U.S. 770, 776 (1987); *Washington Metro Area Transit Comm 'n v. Holiday Tours, Inc.*, 559 F.2d 841, 843 (D.C. Cir. 1977); *Virginia Petroleum Jobbers Ass'n v. Fed. Power Comm'n*, 259 F.2d 921, 925 (D.C. Cir. 1958).

Grand Elk Railroad, LLC - Lease and Operation Exemption-Norfolk Southern Railway Company, STB Finance Docket No 35187 (STB served Dec. 22, 2008). C&K will demonstrate that the stay criteria have been met in this situation or at the very least, a stay procedurally makes sense here.

1. There Is a Strong Likelihood that C&K Will Prevail on the Merits.

As discussed herein, C&K has provided three extremely strong arguments why the Notice should be rejected.

2. The Public Will Suffer Irreparable Harm in the Absence of a Stay.

Without a stay, the public, shippers, and local governments will not have adequate notice of the transaction. Moreover, they possibly may not be aware that the Lines were part of the FD 36472 acquisition oversight requirement and the protections and statements by CSX that were relied on as a result. A stay would stop this confusion and allow the Board and the public to

properly examine this transaction to ensure all parties are properly protected by the Board's decision.

3. Other Interested Parties Will Not Be Substantially Harmed.

TransloadX will not be harmed by a stay. It will simply have to await the outcome of a more thorough examination of this transaction as it should have been required to do in the first place. As a result, a corresponding stay in this proceeding would not harm it and would only result in a proper and full review here of this transaction.

4. The Public Interest Supports the Granting of a Stay.

The public interest clearly supports the granting of a stay. CSX will continue to operate under present ownership, thereby allowing shippers to maintain adequate rail service. Also, a stay will ensure that the Board can properly examine this complicated transaction and provide proper notice to the public. Shippers and local governments could be unaware about the type of transaction and the relationship to the FD 36472 acquisition. Finally, the public interest favors fairness which a stay would provide in this situation involving this dispute over the rightful purchaser.

Therefore, C&K has satisfied the four prongs necessary for a stay which should be granted unless the Board simply rejects the Notice. Moreover, a stay logically makes sense here.

CONCLUSION

Based on the foregoing, the Board should reject the Notice as improper for the class exemption process, misleading, and/or deficient. Alternatively, the Board should grant the stay because C&K has demonstrated it meets all four prongs of the stay criteria and a stay makes sense in light of the aforementioned discussion.

Respectfully submitted,

/s/ Daniel R. Elliott
Daniel R. Elliott
GKG Law, P.C.
1055 Thomas Jefferson St., NW
Suite 500
Washington, DC 20007
(202) 342-5248
delliott@gkglaw.com

Attorney for Cumberland & Knox Railroad

Dated: April 9, 2026

Certificate of Service

I certify that I have, this 9th day of April 2026, served by email copies of the foregoing document on all parties of record in this proceeding.

/s/ Daniel R Elliott

Daniel R. Elliott
Attorney for C&K

4917-4050-3967, v. 1