

242079

BAKER & MILLER PLLC

ATTORNEYS and COUNSELLORS

2401 PENNSYLVANIA AVENUE, NW

SUITE 300

WASHINGTON, DC 20037

TELEPHONE: (202) 663-7820

FACSIMILE: (202) 663-7849

ENTERED
Office of Proceedings
November 17, 2016
Part of
Public Record

William A. Mullins

E-Mail: wmullins@bakerandmiller.com

(202) 663-7823 (Direct Dial)

November 17, 2016

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, S.W., Room 1034
Washington, DC 20006

Re: Carload Express, Inc. – Continuance in Control Exemption – Delmarva Central Railroad Company, FD 36072

Dear Ms. Brown:

Enclosed for filing are an original and ten copies of a Verified Notice of Exemption under 49 C.F.R. §1180.2(d)(2) pursuant to which Carload Express, Inc. seeks to continue in control of Delmarva Central Railroad Company ("DCR") upon DCR becoming a Class III carrier in Delmarva Central Railroad Company – Lease and Operation Exemption with Interchange Commitment – Norfolk Southern Railway Company, FD 36071, which is being filed concurrently.

Please acknowledge receipt and filing of the Notice by date-stamping the enclosed eleventh copy and returning it to the courier to return to me.

Finally, pursuant to 49 C.F.R. § 1002.2(f)(38)(iv), I have enclosed is a filing fee check in the amount of \$1,800.00. If there are any questions about this matter, please contact me directly or Crystal M. Zorbaugh, who can be reached at (202) 663-7831 or by e-mail at czorbaugh@bakerandmiller.com.

Sincerely,

William A. Mullins

William A. Mullins

Attorney for Carload Express, Inc.

cc: John Ashbridge
Richard Wilson
Laura Hoag

FEE RECEIVED
November 17, 2016
SURFACE
TRANSPORTATION BOARD

FILED
November 17, 2016
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

FD 36072

**CARLOAD EXPRESS, INC. – CONTINUANCE IN CONTROL
EXEMPTION – DELMARVA CENTRAL RAILROAD COMPANY**

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

**Richard R. Wilson, Esq.
RICHARD R. WILSON, P.C.
518 N. Center Street, Ste. 1
Ebensburg, PA 15931
Tel: (814) 419-8152**

**William A. Mullins
Crystal M. Zorbaugh
BAKER & MILLER PLLC
2401 Pennsylvania Ave., NW
Suite 300
Washington, DC 20037
Tel: (202) 663-7820
Fax: (202) 663-7849**

**Dated: November 17, 2016
Filing Contains Color Maps

Attorneys for Carload Express, Inc.

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

FD 36072

**CARLOAD EXPRESS, INC. – CONTINUANCE IN CONTROL
EXEMPTION – DELMARVA CENTRAL RAILROAD COMPANY**

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

Pursuant to the class exemption at 49 C.F.R. §1180.2(d)(2), Carload Express, Inc. (“CEI”) hereby provides this verified notice of exemption from 49 U.S.C. §11323 for its continuance in control of Delmarva Central Railroad Company (“DCR”) upon DCR becoming a Class III rail carrier.

This proceeding is related to Delmarva Central Railroad Company – Lease and Operation Exemption with Interchange Commitment – Norfolk Southern Railway Company FD 36071, in which DCR has filed for authority under 49 C.F.R. §1150.31 to lease and operate an approximately 161.59 mile rail line currently owned and operated by Norfolk Southern Railway Company (“NSR”) extending between Porter, DE and Pocomoke, MD and between Harrington, DE and Frankford, DE, including the following industrial tracks: Oxford Industrial Track, Cambridge Industrial Track, Willards Industrial Track, Mardella Industrial Track, Mill Street Industrial Track, and Chrisfield Industrial Track.

In support of this Notice of Exemption and in compliance with 49 C.F.R. §1180.4(g), the CEI and DCR state the following:

INFORMATION REQUIRED BY 49 C.F.R. §1180.6

(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:

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

Description of the Proposed Transaction

In this proceeding, CEI seeks to continue in control of DCR upon DCR becoming a Class III rail carrier.¹ DCR has filed for authority under 49 C.F.R. §1150.31 to lease and operate an approximately 161.59 mile rail line currently owned and operated by Norfolk Southern Railway Company (“NSR”) extending between Porter, DE and Pocomoke, MD and between Harrington, DE and Frankford, DE, including the following industrial tracks: Oxford Industrial Track, Cambridge Industrial Track, Willards Industrial Track, Mardella Industrial Track, Mill Street Industrial Track, and Chrisfield Industrial Track (referred to herein, as the “Line”).

Description of the Parties

Applicant, Carload Express, Inc. is a Class III non-operating rail holding company with subsidiary companies operating rail lines in Pennsylvania and Ohio.

Names, Addresses, and Phone Numbers of Involved Parties.

Applicant’s Legal Name and Address:

Carload Express, Inc.
519 Cedar Way, Bldg. 1, Ste. 100
Oakmont, PA 15139

DCR’s Legal Name and Address:

Delmarva Central Railroad Company
519 Cedar Way, Bldg. 1, Ste. 100
Oakmont, PA 15139

¹ Delmarva Central Railroad Company – Lease and Operation Exemption with Interchange Commitment – Norfolk Southern Railway Company, FD 36071 (filed concurrently on November 17, 2016).

CEI controls the following rail carriers who operate in the states specified:

<u>Carriers:</u>	<u>State</u>
Allegheny Valley Railroad Company	Pennsylvania
Southwest Pennsylvania Railroad Company	Pennsylvania
Ohio Terminal Railway Company	Ohio

CEI hereby certifies that (1) the rail lines to be operated by DCR do not connect with any other railroads in the CEI corporate family; (2) the proposed continuance in control is not part of a series of anticipated transactions that would connect the carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, pursuant to 49 C.F.R. §1180.2(d)(2), the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. §11323.

CEI's counsel to whom questions should be directed:

William A. Mullins
Crystal Zorbaugh
Baker & Miller PLLC
2401 Pennsylvania Avenue, NW, Ste. 300
Washington, DC 20037
Tel: (202) 668-7820
Fax: (202) 663-7849

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

CEI and DCR intend to consummate this transaction on or after the effective date set by the Board for DCR's acquisition of the Line.

49 C.F.R. §1180.6(a)(1)(ii) – Purpose to be accomplished by transaction:

CEI seeks to continue in control of DCR upon DCR becoming a rail carrier to promote operating efficiency and maximize reliability of rail service provided by DCR.

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

Applicant CEI controls rail properties in Ohio and Pennsylvania. CEI seeks to continue in control of DCR's properties, which are located in Delaware and Maryland, upon DCR becoming a rail carrier.

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

Attached to this Notice as Exhibit 1 are two maps:

- (1) The first map shows the rail lines operated by CEI subsidiary corporations and the railroads relative location to the Line.
- (2) The second map shows the Line to be operated by DCR

49 C.F.R. §1180.6(a)(7)(ii) -- Agreement.

CEI will not enter into any agreement, or sign any written instrument, to continue in control of DCR.

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

Because the proposed transaction involves only Class III carriers, employee protective conditions may not be imposed as a condition of this exemption. See 49 U.S.C. § 11326(c).

49 C.F.R. §1105.6 through 1105.8--Environmental Report.

The proceeding is exempt from environmental review under 49 CFR §1105.6(c)(2)(i) because the proposed action will not cause any significant changes in carrier operations.

In addition, this proceeding is exempt from historic review under 49 CFR §1105.8.(b)(2) because the transaction involves the sale, lease, or transfer of property between corporate affiliates with no significant changes in operations.

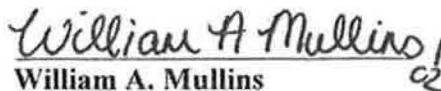
Caption Summary

Attached to this Notice as Exhibit 2 is the required caption summary.

**Richard R. Wilson, Esq.
RICHARD R. WILSON, ESQ.
518 N. Center Street, Ste. 1
Ebensburg, PA 15931
Tel: (814) 419-8152**

November 17, 2016

Respectfully submitted,

William A Mullins 

**William A. Mullins
Crystal M. Zorbaugh
BAKER & MILLER PLLC
2401 Pennsylvania Ave., NW
Suite 300
Washington, DC 20037
Tel: (202) 663-7820
Fax: (202) 663-7849**

Attorneys for Carload Express, Inc.

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

FD 36072

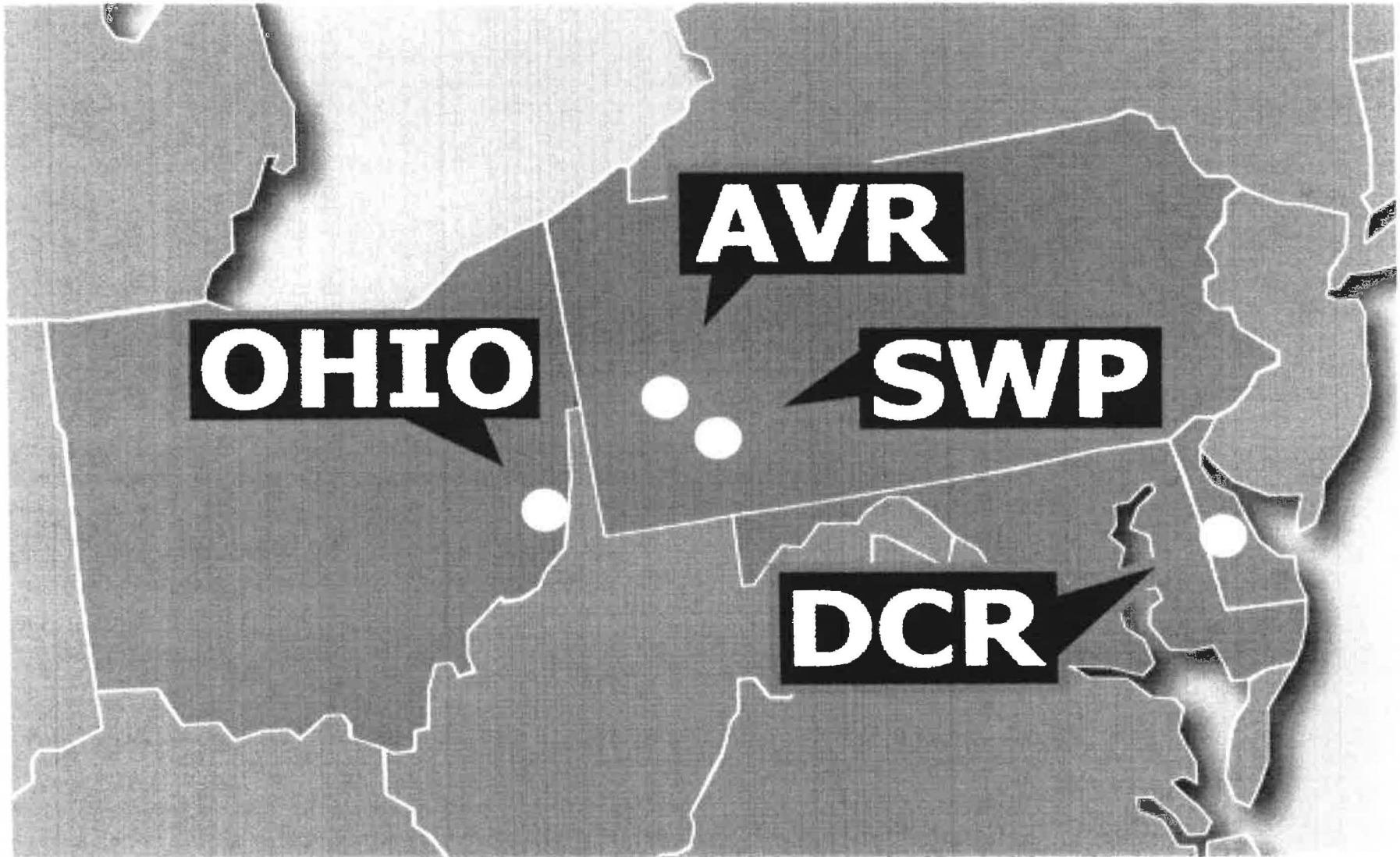
**CARLOAD EXPRESS, INC. – CONTINUANCE IN CONTROL
EXEMPTION – DELMARVA CENTRAL RAILROAD COMPANY**

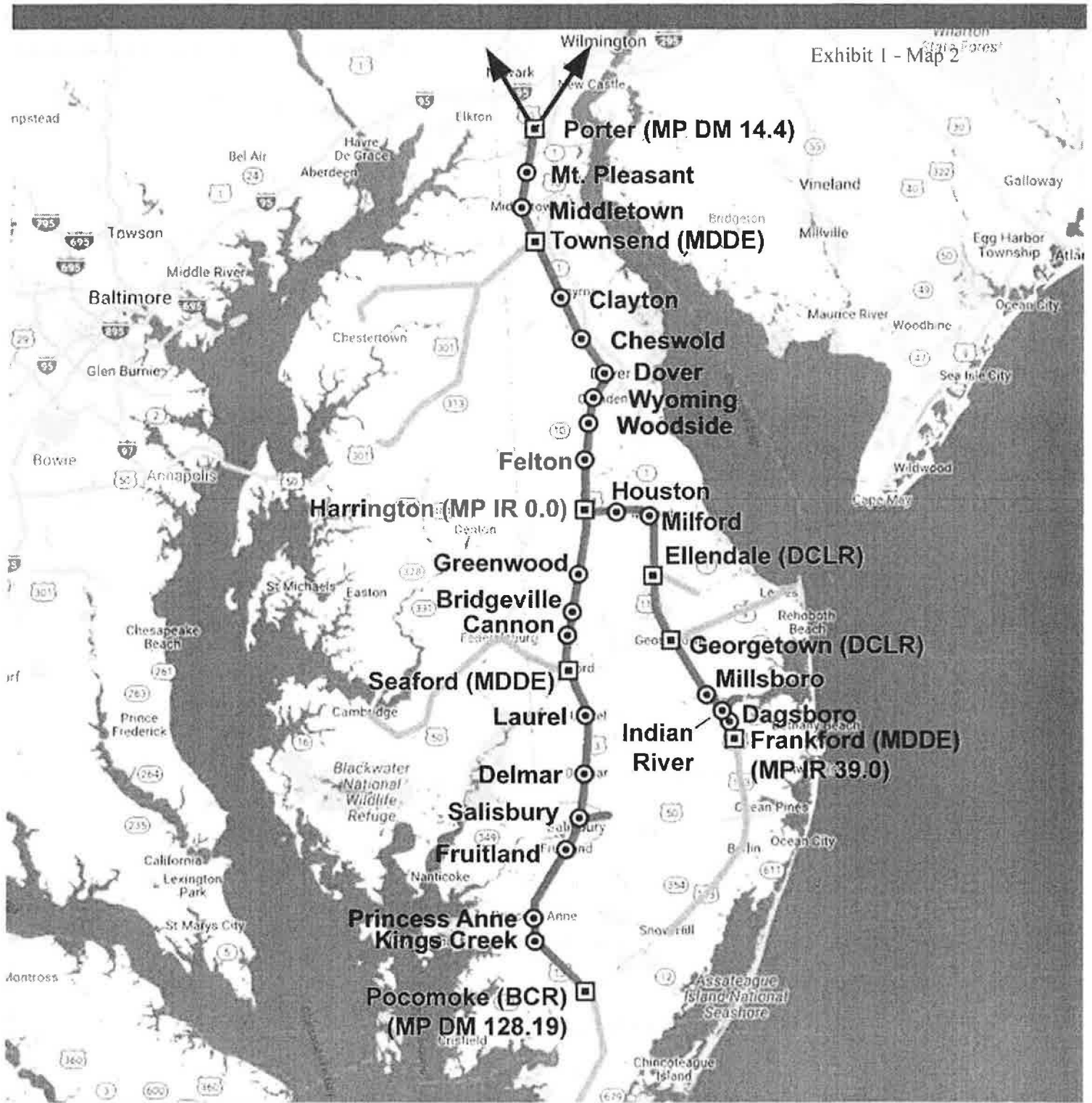
**VERIFIED NOTICE OF EXEMPTION UNDER
49 C.F.R. §1180.2(d)(2)**

EXHIBIT 1

MAPS

Map 1 - Carload Express Inc.'s ("CE") railroads currently include the Allegheny Valley Railroad Company ("AVR"), Southwest Pennsylvania Railroad Company ("SWP"), and Ohio Terminal Railway Company ("Ohio). Upon consummation of the transaction, CE will continue in control of the Delmarva Central Railroad Company ("DCR").





CARLOAD EXPRESS

Delmarva Central Railroad (DCR)

- | | | | |
|---|---------------------------|---|----------------------|
|  | Delmarva Central Railroad |  | Rail Station |
|  | Connecting Shortlines |  | Interchange Location |
|  | Norfolk Southern | | |

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

FD 36072

**CARLOAD EXPRESS, INC. – CONTINUANCE IN CONTROL
EXEMPTION – DELMARVA CENTRAL RAILROAD COMPANY**

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

EXHIBIT 2

CAPTION SUMMARY

CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

(Finance Docket No. 36072)

**CARLOAD EXPRESS, INC. – CONTINUANCE IN CONTROL EXEMPTION-
DELMARVA CENTRAL RAILROAD COMPANY**

Carload Express, Inc. (“CEI”) has filed a Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Delmarva Central Railroad Company (“DCR”) upon DCR becoming a rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in Delmarva Central Railroad Company – Lease and Operation Exemption with Interchange Commitment – Norfolk Southern Railway Company FD 36071, in which DCR has filed for authority under 49 C.F.R. §1150.31 to lease and operate an approximately 161.59 mile rail line currently owned and operated by Norfolk Southern Railway Company (“NSR”) extending between Porter, DE and Pocomoke, MD and between Harrington, DE and Frankford, DE, including the following industrial tracks: Oxford Industrial Track, Cambridge Industrial Track, Willards Industrial Track, Mardella Industrial Track, Mill Street Industrial Track, and Chrisfield Industrial Track (the “Line”)

CEI and DCR intend to consummate this transaction on or after the effective date set by the Board for DCR’s acquisition of the Line.

CEI controls three Class III rail carriers: Allegheny Valley Railroad Company, Southwest Pennsylvania Railroad Company and Ohio Terminal Railway Company. The three Class III rail carriers operate rail lines in Pennsylvania and Ohio.

CEI certifies that (1) the rail lines to be operated by DCR do not connect with any other railroads in the CEI corporate family; (2) the proposed continuance in control is not part of a series of anticipated transactions that would connect the carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

If the Notice of Exemption contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. §10502(d) can be filed at any time. The filing of a Petition to Revoke will not automatically stay the proposed transaction.

Any petitions to revoke must be filed with the Board and served on CEI's representative:

William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Ave., NW, Suite 300,
Washington, DC 20037, (202) 663-7820.

Decided: _____

By the Board

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

FD 36072

**CARLOAD EXPRESS, INC. – CONTINUANCE IN CONTROL
EXEMPTION – DELMARVA CENTRAL RAILROAD COMPANY**

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

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

Executed this 17 day of November 2016


James Streett, President
Carload Express, Inc.

SUBSCRIBED and SWORN to before me this 17th day of November, 2016.

Amy A. Smith
Notary Public

My Commission Expires: 04/15/2019

