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Clark Hill Strasburger
1025 Connecticut Avenue, N.W.
Suite 717
Washington, D.C. 20036-4104
T 202 742 8600
F 202 742 8699

clarkhill.com

John D. Heffner
T (202) 742-8607
F (202) 742-8697
Email: John.Heffner@clarkhillstrasburger.com

April 25, 2018

Ms. Cynthia T. Brown
Chief of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001



RE: FD 36184, Hainesport Transportation Group, LLC- Corporate Family Transaction Exemption

FD 36185, Hainesport Industrial Railroad, LLC-Lease and Operation Exemption

Dear Ms. Brown:

On behalf of Hainesport Transportation Group, LLC (“HTG”), and Hainesport Industrial Railroad, LLC (“Hainesport Industrial”), I am filing an original and 10 copies of the following four documents:

1. In FD 36184, on behalf of HTG a notice of exemption under 49 CFR 1180.2(d)(3) for a corporate family transaction covering the insertion of a noncarrier holding company between the individual owners of two short line railroads and their individual owners;
2. In FD 36184, on behalf of HTG a Motion to Dismiss this exemption notice as not required on the grounds the transaction does not require agency approval;
3. In FD 36185, on behalf of Hainesport Industrial, a notice of exemption under 49 CFR 1150.41 covering its lease and operation of a rail line owned by Hainesport Secondary Railroad, LLC;

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4. In FD 36185, on behalf of Hainesport Industrial, a letter requesting a waiver of the Board's regulation at 49 CFR 1150.42(e) requiring a 60 day notice to affected employees.

I am including a computer disk containing these four documents as well as check payable to the Board for \$3,400 covering the requisite filing fees.

Sincerely yours,

CLARK HILL STRASBURGER



John D. Heffner
Attorney

JDH:jh

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36184

ORIGINAL



**HAINESPORT TRANSPORTATION GROUP, LLC
- CORPORATE FAMILY TRANSACTION EXEMPTION -**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d) (3)**

Submitted By:

John D. Heffner
ClarkHillStrasburger
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Counsel for Applicants

Dated: April 25, 2018

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36184



**HAINESPORT TRANSPORTATION GROUP, LLC
- CORPORATE FAMILY TRANSACTION EXEMPTION -
VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d) (3)**

Come now Hainesport Transportation Group, LLC, a noncarrier (“HTG”), and its two owners, Darryl Caplan and Ronald Bridges (collectively “the Applicants”), and state as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules, 49 C.F.R. §1180, Applicants hereby give notice of a transaction which qualifies for exemption under §1180.2(d) (3) of those rules.
2. As relevant here, HTG is a newly formed limited liability company and noncarrier short line railroad holding company.
3. Mssrs. Caplan and Bridges are two individuals who collectively own 100% of HTG and currently control two short line railroads, Hainesport Industrial

Railroad, LLC, and Hainesport Secondary Railroad, LLC. (respectively “Hainesport Industrial” and “Hainesport Secondary”).

4. In FD 35760, the Board granted these two carriers a corporate family transaction exemption whereby Hainesport Industrial transferred to Hainesport Secondary a portion of its line of railroad in anticipation of an acquisition of the transferred line by another party. However, that transaction has never occurred.¹

5. Mssrs. Caplan and Bridges have now established HTG for the purpose of controlling these two carriers with the result that HTG will be inserted in the ownership chain between the two individual owners and the two carriers.

6. Applicants believe that the proposed change in the ownership structure does not require Board approval as per an Interstate Commerce Commission decision under almost identical circumstances, *RailAmerica, Inc.—Corporate Family Transaction Exemption—Et Al*, FD 32068 (ICC served June 18, 1992). Accordingly, Applicants are submitting a motion to dismiss accompanied by a copy of that decision.

7. However, in the event that the Board believes that this transaction is subject to its jurisdiction Applicants request that it accept this notice and grant this exemption. In *Susquehanna Valley Railroad Corporation –Acquisition of Control*, FD 34806, STB served Jan 27., 2006, the Board authorized by exemption a

¹ *Hainesport Industrial Railroad, LLC—Corporate Family Transaction Exemption* (corrected decision served Nov. 5, 2013).

transaction whereby an individual, Richard Robey, who as an individual owned seven noncontiguous short line railroads, inserted a noncarrier holding company in the ownership chain between himself and the railroad entities.

8. Under §1180.2(d) (3) of the Board's consolidation rules, certain transactions are automatically exempt from the prior approval requirements for common control. Specifically, §1180.2(d) (3) exempts corporate family transactions where the transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the corporate family.

9. The subject transaction fits the statutory test. There will be no changes in service levels, operations, or the competitive balance after consummation. What exists today will continue to exist tomorrow. To facilitate operations, Hainesport Secondary as landlord had entered into a property lease with Hainesport Industrial as tenant.² Under that arrangement Hainesport Secondary will provide common carrier operations over the leased property connecting with the Conrail Shared Assets Organization and in turn CSX Transportation or Norfolk Southern Railway, as the case may be.

² Applicants had entered into and consummated a lease transaction back in 2016 without realizing that Board authority would be required. Accordingly, they are concurrently filing a notice of exemption for lease and operation by Hainesport Industrial of Hainesport Secondary's rail property consisting of a yard, grounds, a building thereon, and two railroad sidings. Applicants have sought Board approval for that lease and operation transaction in FD 36185 filed concurrently.

10. In order to claim the §1180.2(d) (3) exemption, §1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in §§1180.6(a) (1) (i) – (iii), 1180.6(a) (5) – (6), and 1180.6(a) (7) (ii) of those rules. That information is provided as follows:

Summary of Proposed Transaction: 49 CFR §1180.6(a) (1) (i)

As described above, Mssrs. Caplan and Bridges have established HTG as a new railroad holding company which will acquire their ownership interests in Hainesport Industrial and Hainesport Secondary and they in turn will own interests in HTG in the same proportion that they owned in these two carriers.

Applicants' name, address, and telephone number:

Hainesport Transportation Group, LLC
4002 Sylon Blvd.
Hainesport, NJ 08036

Legal counsel to whom questions should be addressed:

John D. Heffner
ClarkHillStrasburger
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Schedule for consummation: 49 CFR §1180.6(a) (1) (ii)

The parties intend to consummate the proposed transaction at least 30 days from the date of this notice, on or about May 25, 2018.

Purpose to be accomplished by the transaction: 49 CFR §1180.6(a) (1) (iii)

The purpose of this transaction is to allow Applicants to improve operating economies, and consolidate upper management functions.

State(s) in which the property of each carrier is situated: 49 CFR §1180.6(a) (5)

New Jersey

Map: 49 CFR §1180.6(a) (6)

Attached hereto as Exhibit A.

Copy of Agreement: 49 CFR §1180.6(a) (7) (ii)

N.A. There is no agreement covering the instant transaction.

Environmental and historical considerations:

This corporate family transaction exemption proceeding is exempt from environmental review under 49 CFR §1105.6(e) (2) (i) because the proposed action will not cause any operating changes that exceed the thresholds established in 49 CFR §1105.7(e) (4) or (5). In addition, this proceeding is exempt from historic review under 49 CFR §1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are at least 50 years old. Accordingly, no historic report is required.

Labor Protection to be Imposed:

No labor protection applies on transactions involving only class III railroads.

See, 49 U.S.C. §11326(c).

Respectfully submitted,



John D. Heffner

ClarkHillStrasburger

1025 Connecticut Ave., N.W.

Suite 717

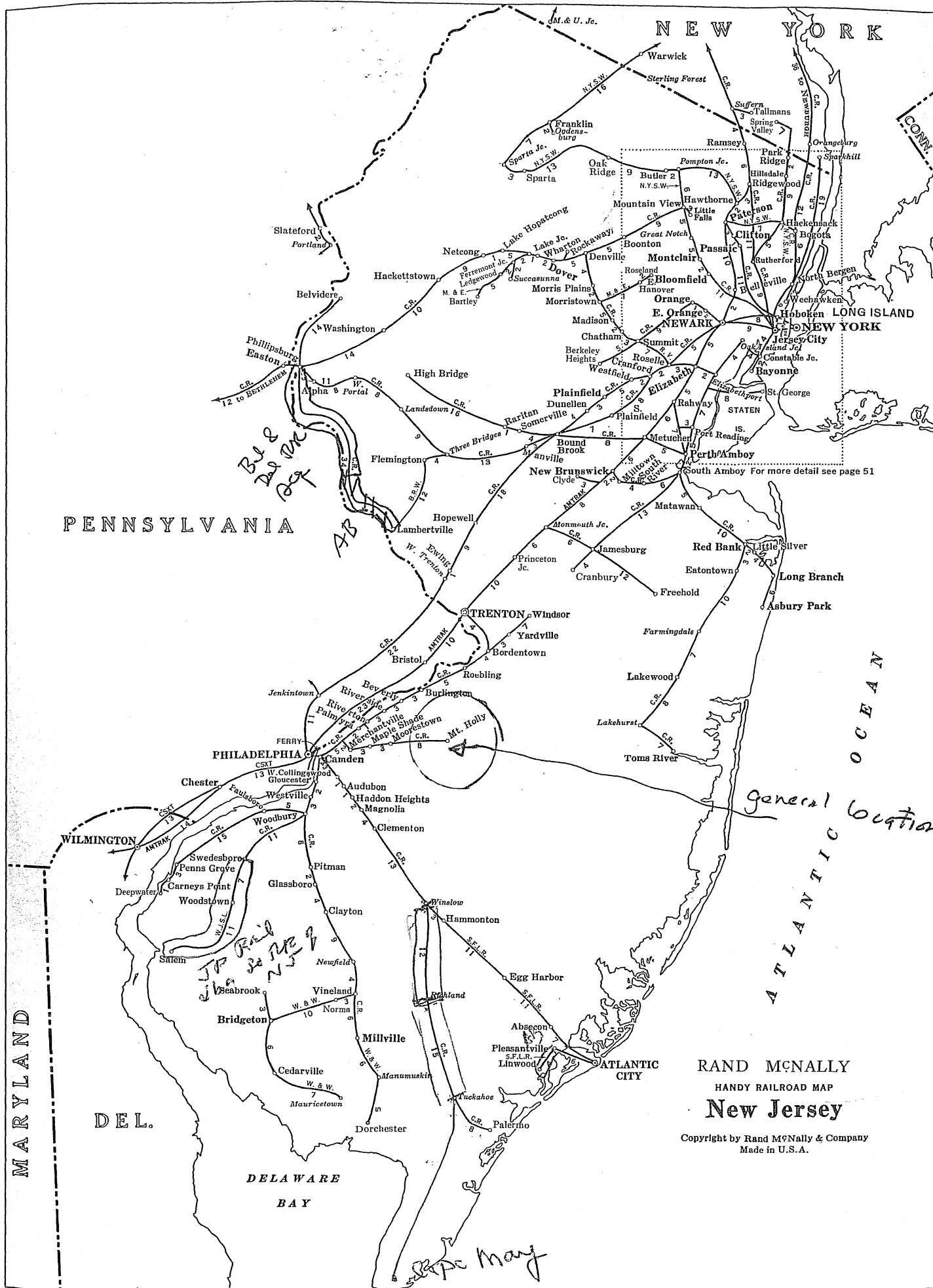
Washington, D.C. 20036

(202) 742-8607

Counsel for Applicants

Dated: April 25, 2018

EXHIBIT A



RAND McNALLY
HANDY RAILROAD MAP
New Jersey

Copyright by Rand McNally & Company
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VERIFICATION

STATE OF NEW JERSEY)

)

CITY OF HAINESPORT)

Darryl S. Caplan, being duly sworn according to law, hereby deposes and states that he holds the position of Member with applicant/petitioner, is authorized to make this Verification, had read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of his knowledge, information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the County of BURLINGTON in the State of NJ, this 19th day of April, 2018.


Notary Public

KIM A. LEHUQUET DILKS
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JAN. ~~22, 2010~~

28, 2020

My Commission expires: Jan. 28, 2020