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SERVICE DATE - AUGUST 30, 2019

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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36342]

Youngstown & Southeastern Railroad Co.—Acquisition and Operation Exemption—
Mule Sidetracks, LLC

Youngstown & Southeastern Railroad Co. (YSRR), a Class III carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from Mule Sidetracks, LLC (MSLLC), and to continue to operate approximately 35.7 miles of rail line between milepost 0.0 in Youngstown, Ohio, and milepost 35.7 in Darlington, Pa. (the Line), together with MSLLC's rights over three miles of contiguous track segments, including incidental trackage rights, running from east of milepost 0.0 and connecting the Line to interchange with Norfolk Southern Railway Company (NSR) and CSX Transportation, Inc. (CSXT).¹

¹ YSRR states that these rights are found in the following agreements, under which MSLLC has succeeded to the interests of the Line's previous owner, Columbiana County Port Authority (CCPA): (1) Overhead Trackage Rights Agreement dated May 7, 2001, between Ohio & Pennsylvania Railroad Company (OHPA) and Central Columbiana & Pennsylvania Railway, Inc. (CQPA), to which CCPA is successor; (2) Letter Agreement regarding yard operations dated November 30, 2011, among OHPA, CQPA, and CCPA; (3) Interchange Agreement dated July 23, 2002, as amended and in effect, among CSXT, OHPA, and CQPA, and Interline Service Agreement, effective date April 1, 2004, between CSXT and CQPA, to which CCPA is successor; (4) Land Lease dated August 8, 2003, between CSXT and CQPA, which was assumed by CCPA, effective January 3, 2006; (5) Interchange Agreement dated May 1, 2001, and Interline Service Agreement, effective date October 5, 2004, between CQPA and NSR, to
(continued . . .)

YSRR states that it has been operating the Line and connecting track since 2006, first pursuant to a lease with the previous owner, CCPA,² and subsequently pursuant to an operating agreement with MSLCC³ since MSLCC acquired the Line and rights in 2013.⁴ YSSR further states that it is entering into an asset purchase sale agreement with MSLLC in which YSRR will acquire the Line and all of MSLLC's related rights to the contiguous track segments, and, following closing, YSRR will be both the owner and operator of the Line and contiguous track segments.

which CCPA is successor; (6) easements granted by Allied Erecting & Dismantling Company, Inc. (Allied), to The Pittsburgh and Lake Erie Railroad Company (P&LE) by agreements dated June 3, 1992, and November 10, 1993, and easements retained by P&LE in deeds dated June 3, 1992, and November 10, 1993, from P&LE to Allied (collectively, the Allied Easements), which Allied Easements were conveyed by Youngstown and Southern Railway Company to Railroad Ventures, Inc. (RVI), by deed dated November 8, 1996, and by RVI to CCPA by deed dated January 23, 2001, and were included in the rights granted to CQPA by CCPA, including rights over the C.P. Graham Interlocking, and which collective rights were also conferred on CCPA by order of the Bankruptcy Court dated March 28, 2002, in In re: Pittsburgh & Lake Erie Properties, Inc., Case No. 96-406 (MFW), and to which CCPA is successor; and (7) Operating Rights Agreement between Matteson Equipment Company (Matteson) and CQPA, to which CCPA is successor, and Operating Rights Agreement between Eastern States Railroad, LLC, and Matteson dated July 14, 2006, to which CCPA is successor.

² See Youngstown & Se. Ry.—Lease & Operation Exemption—Lines of E. States R.R., FD 34992 (STB served Dec. 21, 2006). According to YSRR, Eastern States Railroad (ESR) was to have acquired the Line and related rights from CCPA, which had been leasing them to ESR with YSRR as its tenant. See E. States R.R.—Acquis. Exemption—Cent. Columbiana & Pa. Ry., FD 34934 (STB served Dec. 21, 2006). YSRR states, however, that ESR never consummated the acquisition and CCPA remained the owner and directly leased the Line and related rights to YSRR until the sale by CCPA to MSLLC.

³ See Youngstown & Se. Ry.—Operation Exemption—Mule Sidetracks, LLC, FD 35774 (STB served Oct. 29, 2013).

⁴ See Mule Sidetracks, L.L.C.—Acquis. Exemption—Columbiana Cty. Port Auth., FD 35773 (STB served Oct. 25, 2013).

YSRR certifies that, following this transaction, YSRR's annual revenues will be less than \$5 million annually, and it will remain a Class III carrier. YSRR also certifies that the proposed acquisition does not involve an interchange commitment.

This transaction may be consummated on or after September 14, 2019, the effective date of the exemption (30 days after the verified notice was filed).

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 for stay must be filed no later than September 6, 2019 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36342, must be filed with the Surface Transportation Board either via e-filing 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 YSRR's representatives, Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103, and Sloane S. Carlough, Clark Hill PLC, 1001 Pennsylvania Avenue, NW, Suite 1300 South, Washington, DC 20004.

According to YSRR, this action is excluded from environmental review under 49 C.F.R. § 1105.6(c), and from historic reporting under 49 C.F.R. § 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: August 27, 2019.

By the Board, Allison C. Davis, Director, Office of Proceedings.