

208693

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34386

R.J. CORMAN EQUIPMENT COMPANY, LLC
-- ACQUISITION EXEMPTION --
LINES OF CSX TRANSPORTATION, INC.

FEE RECEIVED

AUG 13 2003

**SURFACE
TRANSPORTATION BOARD**

VERIFIED NOTICE OF EXEMPTION
OF
R.J. CORMAN EQUIPMENT COMPANY, LLC
PURSUANT TO 49 C.F.R. § 1150.41

FILED

AUG 13 2003

**SURFACE
TRANSPORTATION BOARD**

ENTERED
Office of Proceedings

AUG 13 2003

Part of
Public Record

Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

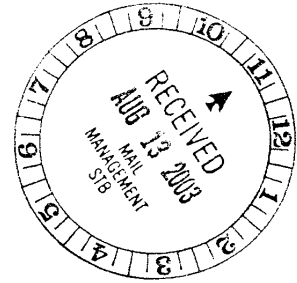
**ATTORNEYS FOR R.J. CORMAN
EQUIPMENT COMPANY, LLC**

Dated: August 12, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34386

R.J. CORMAN EQUIPMENT COMPANY, LLC
-- ACQUISITION EXEMPTION --
LINES OF CSX TRANSPORTATION, INC.



**VERIFIED NOTICE OF EXEMPTION
OF
R.J. CORMAN EQUIPMENT COMPANY, LLC
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., R.J. Corman Equipment Company, LLC ("RJCE"), a Class III rail carrier, hereby files this Verified Notice of Exemption to acquire a line of railroad of CSX Transportation, Inc. ("CSXT") extending from HK Tower in Anchorage, Kentucky (near Louisville) to Winchester, Kentucky and associated branch lines, a total distance of approximately 100.04 miles (the "Old Road").¹ Based on projected revenues for the Old Road, RJCE expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

This Notice is related to Finance Docket No. 34387, R.J. Corman Railroad Company/Central Kentucky Lines -- Lease Exemption -- Lines of R.J. Corman Equipment Company, LLC, in which R.J. Corman Railroad Company/Central Kentucky Lines is filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.41 to lease from RJCE and operate the Old Road.

¹ RJCE will lease the underlying real estate from CSXT.

In accordance with the requirements of 49 C.F.R. § 1150.43, RJCE submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

R.J. Corman Equipment Company, LLC
One Jay Station, P.O. Box 788
Nicholasville, KY 40356

Applicant's Representative: 49 C.F.R. § 1150.43(b)

RJCE's representative to whom correspondence regarding this transaction should be sent is as follows:

Ronald A. Lane
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

RJCE has reached a tentative agreement with CSXT providing for RJCE's acquisition of the Old Road, and anticipates a final agreement will be executed by September 30, 2003.

Operation of the Property: 49 C.F.R. § 1150.43(d)

R.J. Corman Railroad Company/Central Kentucky Lines ("RJCK"), an RJCE affiliate, will lease and operate the Old Road pursuant to a separate notice of exemption being filed concurrently herewith in Finance Docket No. 34387.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

RJCE is a Class III common carrier by rail which owns approximately 53 route miles of rail line in Kentucky and Ohio. See R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Line of Lexington & Ohio Railroad Co., Inc., Finance Docket No. 34325 (STB served April 14, 2003); R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Line of CSX Transportation, Inc., Finance Docket No. 34226 (STB served August 6, 2002); R.J. Corman Equipment Company, LLC -- Acquisition Exemption -- Line of CSX Transportation, Inc., Finance Docket No. 34165 (STB served February 15, 2002). RJCE is a member of the R.J. Corman family of railroads, which includes eight other Class III rail carriers in the eastern United States. See Richard J. Corman -- Continuance in Control Exemption -- R.J. Corman Equipment Company, LLC, Finance Docket No. 34167 (STB served February 15, 2002). The rail lines owned by RJCE are leased to and operated by other rail carrier affiliates in the Corman family.

Pursuant to an agreement to be entered into between RJCE and CSXT, RJCE will acquire CSXT's line of railroad, known as the "Old Road," extending between approximately milepost 12.49 at HK Tower in Anchorage, Kentucky (near Louisville) and approximately milepost 113.81 in Winchester, Kentucky, a distance of approximately 91.48 miles. There are milepost equations on the Old Road at Christianburg, Kentucky, where M.P. 39.52 = M.P. 49.46; at Lexington, Kentucky, where M.P. 93.43 = 96.89; and near Montrose, Kentucky, where M.P. 102.76 = M.P. 99.20. In addition, RJCE will acquire the following associated branch lines extending off of the Old Road main line:

- * The Bloomfield Branch, extending from a connection with the Old Road main line at milepost 30.64 to milepost 33.71, a distance of approximately 3.07 miles, in Shelbyville, Kentucky.

- * The Chilesburg Branch, extending from a connection with the Old Road main line at milepost 643.90 in Lexington, Kentucky (milepost 97.74 on the Old Road Main Line) to milepost 638.41 near Cadentown, Kentucky, a distance of approximately 5.49 miles.

The total distance of the Old Road main line and associated branch lines to be acquired by RJCE is approximately 100.04 miles. RJCE also will acquire certain industrial, spur and yard tracks in Lexington and Frankfort, Kentucky.

RJCE will purchase the track and materials on the Old Road from CSXT, and will lease the underlying real estate from CSXT for 15 years. Pursuant to exemption in Finance Docket No. 34387, RJCE will lease the Old Road to its corporate affiliate, RJCK, which will operate and provide all common carrier service on the line. CSXT will retain overhead trackage rights on the portion of the Old Road between Winchester and Lexington, Kentucky for the operation of unit coal trains.

The complete name and address of the carrier transferring the Old Road to RJCE is as follows:

CSX Transportation, Inc.
500 Water Street
Jacksonville, Florida 32202

RJCE intends to consummate its acquisition of the Old Road on September 30, 2003.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Old Road and the surrounding area is attached as Exhibit A to this notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this notice.

Advance Notice: 49 C.F.R. § 1150.42(e)

RJCE posted the 60-day notice of this transaction required by 49 C.F.R. § 1150.42(e) at the workplace of employees on the Old Road on July 11, 2003, and served a copy of the notice on the national offices of the labor unions with employees on the Old Road on July 30, 2003. A Certificate of Compliance with these requirements is attached as Exhibit B to this notice. A copy of the 60-day notice as filed with the Board on August 1, 2003 is attached as Exhibit C to this notice.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), RJCE's proposed acquisition of the Old Road is exempt from environmental reporting requirements. The proposed acquisition will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), RJCE's proposed acquisition of the Old Road also is exempt from historic preservation reporting requirements. RJCE's acquisition of the Old Road is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit D to this notice.

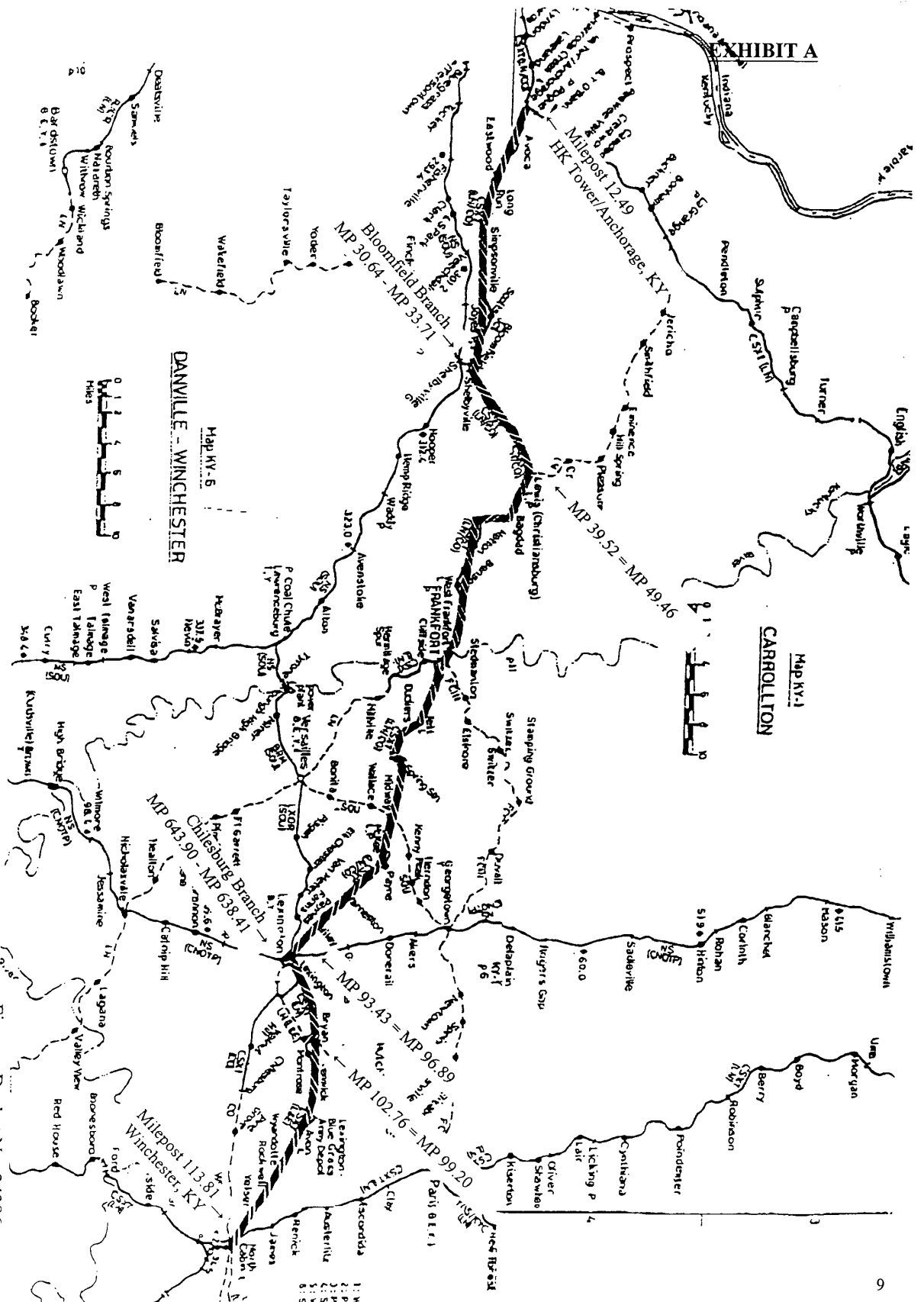
Respectfully submitted,

By: 

Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

**ATTORNEYS FOR R.J. CORMAN
EQUIPMENT COMPANY, LLC**

Dated: August 12, 2003



CSX Transportation

Old Road Subdivision

Finance Docket No. 34386
 R.J. Corman Equipment Co., LLC --
 Acquisition Exemption -- Line of
 CSX Transportation, Inc.

EXHIBIT B

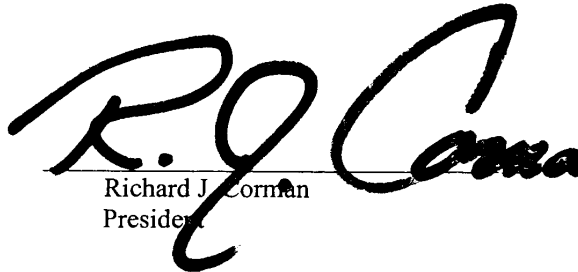
CERTIFICATION

Commonwealth of Kentucky)
) ss:
County of Jessamine)

Richard J. Corman, being duly sworn, hereby certifies that:

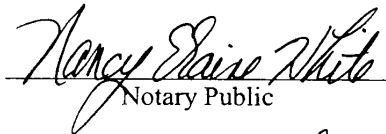
1. The projected annual rail revenue of R.J. Corman Equipment Company, LLC does not exceed that which would make it a Class II carrier under the provisions of 49 C.F.R. § 1201 (1-1).

2. R.J. Corman Equipment Company, LLC has posted and served notice of the transaction proposed herein to employees and unions on the affected lines in conformance with 49 C.F.R. § 1150.42(e).



Richard J. Corman
President

SUBSCRIBED AND SWORN TO
before me this 31st day
of July, 2003.



Notary Public

My Commission expires: August 4, 2003

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875

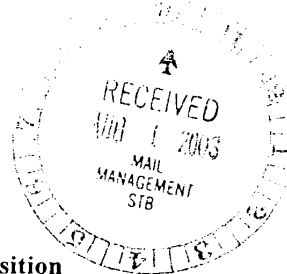
July 31, 2003

EXHIBIT C

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006



Re: **Finance Docket No. 34386**
R. J. Corman Equipment Company, LLC -- Acquisition
Exemption -- Lines of CSX Transportation, Inc.

Finance Docket No. 34387
R. J. Corman Railroad Company/Central Kentucky Lines --
Lease Exemption -- Lines of R.J. Corman Equipment Company, LLC

Dear Secretary Williams:

Pursuant to 49 C.F.R. § 1150.42(e), R.J. Corman Equipment Company, LLC ("RJCE") and R.J. Corman Railroad Company/Central Kentucky Lines ("RJCK") hereby certify that on July 11, 2003, the attached Notice was posted at the workplace of the employees on the rail lines that RJCE proposes to acquire and RJCK proposes to lease in the above-captioned proceedings, and that on July 30, 2003 a copy of the Notice was served on the national offices of the labor unions with employees on those rail lines.

Ten copies of this letter, with attachment, are enclosed for filing at the Board. One extra copy also is enclosed, and I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope. Thank you for your assistance on this matter.

Respectfully submitted,

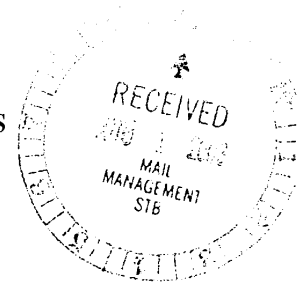
Thomas J. Litwiler
Attorney for R.J. Corman Equipment Company, LLC
and R.J. Corman Railroad Company/
Central Kentucky Lines

TJL:tl

Attachment

July 10, 2003

R.J. CORMAN RAILROAD/CENTRAL KENTUCKY LINES
One Jay Station, P. O. Box 788
Nicholasville, KY 40356



NOTICE TO CSXT EMPLOYEES

Pursuant to Surface Transportation Board regulations at 49 C.F.R. §§ 1150.42(e), R.J. Corman Railroad/ Central Kentucky Lines, LLC and R.J. Corman Equipment Company, LLC, (collectively, "R.J. Corman Railroad Company/Central Kentucky Lines") hereby provide notice to the employees of CSX Transportation Co. that R.J. Corman Railroad/Central Kentucky Lines intends to acquire and operate approximately 100 miles of CSXT's line of railroad from Winchester (North Cabin) to Louisville (HK Tower), Kentucky, commonly referred to as "the Old Road," effective September 30, 2003. Included in the acquisition will be the yard and structures at Lexington. CSXT will retain ownership of the underlying and appurtenant real estate and will lease that real estate to R.J. Corman Railroad/Central Kentucky Lines. CSXT will also retain overhead trackage rights to operate unit coal trains between Winchester and the Lexington Yard or the Norfolk Southern interchange at Lexington.

As a result of the Old Road acquisition, R.J. Corman Railroad/Central Kentucky Lines expects to hire approximately six (6) operating employees and approximately four (4) other employees to perform mechanical, signal, clerical and other functions. This estimate is preliminary and is subject to modification prior to commencing operations. Employees will be provided wages and benefits comparable to those at other R.J. Corman Railroad lines. R.J. Corman Railroad/Central Kentucky Lines will select employees on the basis of skills and aptitudes required for each position. The most qualified candidates will be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status or disability. Successful candidates must have a stable work record and demonstrate a commitment to safety and customer service. The ability to work in a team environment is critical. Successful applicants will be required to pass a pre-employment drug and alcohol screen and complete a medical questionnaire, and may be required to take a physical exam.

CSXT employees interested in seeking employment with R.J. Corman Railroad/Central Kentucky Lines should contact Mr. W.V. Phillips at (606) 885-9457 ext. 274.

EXHIBIT D
CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34386

R.J. CORMAN EQUIPMENT COMPANY, LLC
-- ACQUISITION EXEMPTION --
LINES OF CSX TRANSPORTATION, INC.

R.J. Corman Equipment Company, LLC ("RJCE"), a Class III rail carrier, has filed a Verified Notice of Exemption to acquire from CSX Transportation, Inc. ("CSXT") a line of railroad extending between approximately milepost 12.49 at HK Tower in Anchorage, Kentucky (near Louisville) and approximately milepost 113.81 in Winchester, Kentucky, a distance of approximately 91.48 miles (the "Old Road"), with milepost equations at Christianburg, Kentucky, while M.P. 39.52 = M.P. 49.46; at Lexington, Kentucky, where M.P. 93.43 = 96.89; and near Montrose, Kentucky, where M.P. 102.76 = M.P. 99.20. RJCE also will acquire from CSXT: 1) the Bloomfield Branch, extending from a connection with the Old Road main line at milepost 30.64 to milepost 33.71, a distance of approximately 3.07 miles, in Shelbyville, Kentucky; 2) the Chilesburg Branch, extending from a connection with the Old Road main line at milepost 643.90 in Lexington, Kentucky (milepost 97.74 on the Old Road Main Line) to milepost 638.41 near Cadentown, Kentucky, a distance of approximately 5.49 miles; and 3) additional industrial, spur and yard trackage in Lexington and Frankfort, Kentucky. The total distance of the rail lines to be acquired is approximately 100.04 route miles. CSXT will retain restricted overhead trackage rights on the portion of the Old Road between Winchester and Lexington, Kentucky.

The Notice of Exemption is related to Finance Docket No. 34387, R.J. Corman Railroad Company/Central Kentucky Lines -- Lease Exemption -- Lines of R.J. Corman Equipment Company, LLC, in which R.J. Corman Railroad Company/Central Kentucky Lines is filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.41 to lease from RJCE and operate the Old Road and associated lines.

RJCE expects to consummate its acquisition of the Old Road and associated lines on September 30, 2003.

Comments must be filed with the Board and served on:

Ronald A. Lane
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.41. If the 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 transaction.

Dated: August __, 2003

By the Board

Vernon A. Williams
Secretary

1

Commonwealth of Kentucky)
County of Jessamine) ss:

Richard J. Corman, being duly sworn, deposes and says that he is President of R.J. Corman Equipment Company, LLC, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.


Richard J. Corman

SUBSCRIBED AND SWORN TO
before me this 31st day
of July, 2003.

Nancy Elaine White
Notary Public

My Commission expires: August 4, 2003