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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36596]

Delaware and Raritan River Railroad, LLC—Lease and Operation Exemption—
Consolidated Rail Corporation and New Jersey Transit Corporation

Delaware and Raritan River Railroad, LLC (DRRR), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to operate over certain rail lines (the Lines) owned by New Jersey Transit Corporation (NJT) and Consolidated Rail Corporation (Conrail), totaling 49.9 route miles, all located in New Jersey.

According to DRRR, it has entered into two agreements: (1) a three-party agreement (Agreement) with NJT and Conrail, under which DRRR will provide common carrier service on certain NJT-owned lines, and (2) a lease agreement with Conrail, pursuant to which DRRR will lease and operate certain Conrail-owned line segments.¹

The NJT-owned Lines are: (1) two portions of the Freehold Secondary, between Freehold, N.J. (approximately milepost 17.1+/-), and Howell, N.J. (approximately milepost 20.3+/-), and between a point west of Yellowbrook Road near Farmingdale, N.J. (approximately milepost 22.3+/-) and Farmingdale, N.J. (approximately milepost 24.6+/-), a total distance of approximately 5.5 route miles; and (2) a portion of the Southern Branch between Red Bank, N.J. (approximately milepost 38.1+/-) and South

¹ DRRR filed a copy of the Agreement in conjunction with a motion for protective order pursuant to 49 C.F.R. § 1104.14. The motion for protective order will be addressed in a separate decision.

Lakewood, N.J. (approximately milepost 63.0+/-) (the Southern Secondary), a total distance of approximately 24.9 route miles.

The Conrail-owned Lines are: (1) the portion of the Freehold Secondary from and including the switch for the east and west legs of the Jamesburg wye and the grade crossing of Gatzmer Avenue in Jamesburg, N.J. (approximately milepost 5.6+/-), southeast to the end of Conrail's ownership at the west side of Broad Street (approximately milepost 17.1+/-), in Freehold, a total distance of approximately 11.5 route miles; (2) the portion of the Southern Secondary, from the beginning of Conrail's ownership at South Lakewood (approximately milepost 63.0+/-) to the end of Conrail's ownership at Lakehurst, N.J. (approximately milepost 66.0+/-), a total distance of approximately 3.0 route miles; and (3) the Toms River Industrial Track, from the connection with the Southern Secondary at or near Lakehurst (approximately milepost 65.9+/- on the Southern Secondary) to the end of Conrail's ownership of regulated main line track near Toms River, N.J. (approximately milepost 5.0+/-), a total distance of approximately 5.0 route miles.

This transaction is related to a verified notice of exemption filed concurrently in Kean Burenga—Continuance in Control Exemption—Delaware & Raritan River Railroad, Docket No. FD 36597, in which Kean Burenga and Chesapeake and Delaware, LLC, seek to continue in control of DRRR upon DRRR's becoming a Class III rail carrier. This transaction is also related to a verified notice for a modified certificate of public convenience and necessity in Delaware & Raritan River Railroad—Modified Rail Certificate, Docket No. FD 36598, in which DRRR seeks authority to operate an

additional NJT-owned line segment which will connect the two NJT-owned line segments that are the subject of this verified notice.

DRRR certifies that its projected annual revenues from this transaction will not result in its becoming a Class I or Class II rail carrier and will not exceed \$5 million. DRRR also certifies that the proposed transaction does not include an interchange commitment.

The transaction may be consummated on or after June 19, 2022, 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 June 10, 2022 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36596, must be filed with the Surface Transportation Board either via e-filing on the Board's website 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 DRRR's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

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

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

Decided: May 31, 2022.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.