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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36330]

R. J. Corman Railroad Company/Childersburg Line, LLC—Change in Operators, Lease and Operation Exemption with Interchange Commitment—City of Childersburg Local Redevelopment Authority, Norfolk Southern Railway Company, Central of Georgia Railroad Company, and CSX Transportation, Inc.

R. J. Corman Railroad Company/Childersburg Line, LLC (RJAL), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to permit RJAL to: (1) change operators and assume the lease and operation of approximately 10.30 miles of rail line and related industrial track located at the former Alabama Army Ammunition Plant (the CLRA Line), which has been jointly operated by Central of Georgia Railroad Company (CoG), Norfolk Southern Railway Company (NSR), and CSX Transportation, Inc. (CSXT), pursuant to a lease from the City of Childersburg Local Redevelopment Authority (CLRA), a municipal agency of the City of Childersburg, Ala.;<sup>1</sup> (2) lease and operate 0.73 miles of track from CSXT (the CSXT Line) that connects to the north end of the CLRA Line; and (3) lease and operate 2.29 miles of track (the NSR Line) owned by

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<sup>1</sup> According to the verified notice, CLRA acquired ownership of the CLRA Line from the United States Government in 2003. See City of Childersburg Local Redevelopment Auth.—Acquis. Exemption—Rail Line of the U.S. Gov't, FD 34324 (STB served Apr. 21, 2003). The verified notice states that RJAL will assume the lease and operation of the entire CLRA Line, but clarifies that while the 2003 notice referenced approximately 12.68 miles of rail line, current measurements reveal approximately 10.3 miles of trackage.

NSR and CoG, a wholly owned subsidiary of NSR, that connects to the south end of the CLRA Line.

The CLRA Line, the NSR Line, and the CSXT Line (collectively, the Line) all are located in Talladega County, Ala. The CLRA Line runs from the south side of the Reservation of the Alabama Ordnance Works Track, which adjoins the NSR Alabama Ordnance Works Spur at approximately milepost 1.38 (7,221.2 feet) northeast of the CoG P-Line at milepost P 400.985, continuing north approximately 5.96 miles to the northern point adjoining CSXT track at approximately milepost 7.34 (8,716 feet south of CSXT milepost AN 926). The CSXT Line runs between milepost ANJA 925.03 and milepost ANJS 925.76. The NSR Line consists of the Alabama Ordnance Works Spur Track, from the end of the insulated joint, south of the derail located approximately at milepost 0.06 (309 feet) from the point of switch off of the CoG P-Line (near milepost P 400.985) to the adjoining CLRA track located at approximately milepost 1.38 (6,912 feet) northeast, and the Coosa River Newsprint Spur Track from the ends of the insulated joints located on the wye tracks approximately 207 feet and 260 feet from the points of switch located off of NSR's Southern Railway Line (near milepost 102.187 N and milepost 101.863 N, respectively) for a distance of approximately 5,423 feet and 5,370 feet, respectively, where it joins the Alabama Ordnance Works Spur Track at milepost 1.07.

The transaction is related to a concurrently filed verified notice of exemption in R. J. Corman Railroad Group, LLC—Continuance in Control Exemption—R. J. Corman Railroad Company/Childersburg Line, LLC, Docket No. FD 36331, in which R. J.

Corman Railroad Group, LLC, and R. J. Corman Railroad Company, LLC, seek to continue in control of RJAL upon RJAL's becoming a Class III rail carrier.

RJAL states that it has reached an agreement in principle with CLRA, NSR, CoG, and CSXT under which it will assume the underlying lease agreement and will lease and operate the CLRA Line. RJAL represents that it has also reached an agreement in principle with NSR and CoG to lease and operate the NSR Line, and has reached an agreement in principle with CSXT to lease and operate the CSXT Line. RJAL states that, upon the effective date of this notice, RJAL will replace CoG, NSR, and CSXT as the CLRA Line's operator, and that, upon RJAL's assumption of operations, NSR, CoG, and CSXT will have no further common carrier obligation on the CLRA Line. RJAL further states that its lease of the CSXT Line and the NSR Line is necessary for RJAL to assume operations of the CLRA Line and connect to CSXT and NSR's respective rail networks.

RJAL certifies that, as a result of this transaction, its projected revenues will not result in RJAL's becoming a Class I or Class II rail carrier and will not exceed \$5 million. RJAL states that the agreement between RJAL, NSR, CoG, CSXT, and CLRA and the underlying lease with CLRA do not contain any provision or agreement that would limit future interchange with a third-party connecting carrier. RJAL states that its lease with CSXT also does not contain any provision or agreement that would limit future interchange with a third-party connecting carrier. However, according to RJAL, the lease agreement between RJAL and NSR/CoG does contain an interchange

commitment, in the form of lease credits.<sup>2</sup> Accordingly, RJAL has provided additional information regarding the interchange commitment, as required by 49 C.F.R.

§ 1150.33(h).

Under 49 C.F.R. § 1150.32(b), a change in operator requires that notice be given to shippers. RJAL certifies that it has provided notice of the proposed transaction to all known shippers on the Line.

The earliest this transaction may be consummated is September 6, 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 August 30, 2019 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36330, 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 RJAL's representative, David R. Irvin, Irvin Rigsby PLC, 110 N. Main St., Nicholasville, KY 40356.

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<sup>2</sup> A copy of the agreement between RJAL and NSR/CoG with the interchange commitment was submitted under seal with the verified notice. See 49 C.F.R. § 1150.33(h)(1)(ii).

According to RJAL, 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](http://www.stb.gov).

Decided: August 20, 2019.

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