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October 30, 2020

VIA E-FILE

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Re: **Docket No. AB-1296X**
R. J. Corman Railroad Property, LLC – Abandonment Exemption –
in Scott, Campbell, and Anderson Counties, Tennessee

Dear Ms. Brown:

R. J. Corman Railroad Property, LLC (“RJC Railroad Property”) responds to Arkansas-Oklahoma Railroad, Inc.’s (“AOK”) request for Board-sponsored mediation in the above referenced proceeding, as follows.

AOK provides no authority for its request,¹ no reason why it is necessary and does not identify the nature of the dispute to be decided. Even assuming the AOK’s request is consistent with applicable regulations, which it is not, Board resources are appropriately requested when two parties are engaged in a dispute that cannot be resolved after private efforts. Yet here, AOK has made no effort to reach out to RJC Railroad Property directly before seeking Board-sponsored mediation. Simply because two parties disagree regarding whether the Board properly rejected AOK’s OFA, does not mean that AOK cannot engage in direct negotiations with RJC Railroad Property to purchase the Line. To the contrary, the initial June 26, 2020 decision rejecting AOK’s OFA specifically made clear the parties were free to negotiate outside the OFA process.

As stated in previous Board filings, RJC Railroad Property has provided specific information regarding its valuation of the Line and in response, AOK has only offered an amount that is less than 50% of RJC Railroad Property’s valuation. Nor has AOK offered any factual

¹ 49 C.F.R. § 1109.1 specifically excludes Board-sponsored mediation for matters relating to an abandonment proceeding.

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support for it offer. Nonetheless, RJC Railroad Property remains open to whatever proposals AOK would like it to consider.

Given this, there is no factual or legal basis for Board-sponsored mediation. Moreover, it is quite clear that AOK's request for Board-sponsored mediation will only further delay these proceedings and negatively impact RJC Railroad Property's ability to have productive negotiations with the two non-profits who are pursuing a public trail use for the Line.

To the extent that the Board is inclined to grant AOK's request for Board-sponsored mediation, RJC Railroad Property asks that the mediation is expressly conditioned upon the following:

1. The mediation process does not stay the Petitions filed by AOK that are fully briefed and pending before the Board;
2. The mediation is limited to discussion and presentation of a *bona fide* offer to purchase the Oneida Line by AOK which must be not less than RJC Railroad Property's current highest third party offer for the materials that can be removed from the rail corridor upon abandonment;
3. NC Railroad, Inc., National Coal, LLC, and their respective successors and assigns, if any, must be parties to this proceeding and to the mediation such that any agreed resolution includes the resolution of any and all claims either of those parties may have against RJC Railroad Property by reason of its ownership of the subject Line and any disposition of the Line as a part of this proceeding; and
4. The mediation period shall occur within 30 days of the Board ordering mediation and be open for a 10-day period following the date of the mediation.

Please feel free to contact the undersigned, if there are any questions.

Sincerely,



Catherine S. Wright
*Attorney for R. J. Corman
Railroad Property, LLC*

cc: Parties of Record