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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36645]

Raleigh and Fayetteville Railroad, LLC—Acquisition, Lease and Operation Exemption
with Interchange Commitment—Norfolk Southern Railway Company

Raleigh and Fayetteville Railroad, LLC (RFCC), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to: (1) acquire approximately 42.38 miles of rail line from Norfolk Southern Railway Company (NSR), (2) lease approximately 19.88 miles of rail line from NSR, and (3) assume NSR's trackage rights over 0.59 miles of a rail line owned by CSX Transportation, Inc. (CSXT), totaling approximately 62.85 miles, and to operate over those lines, which form a contiguous line between Raleigh and Fayetteville in Wake, Harnett, and Cumberland Counties, N.C. (the Line).

According to the verified notice, RFCC and R. J. Corman Railroad Group, LLC (RJCG),¹ entered into an agreement with NSR, under which RFCC will acquire and operate approximately 42.38 miles of rail line, from the convergence of the NS-Line and VF-Line at approximately milepost VF 0.13 at Fuquay-Varina to milepost VF 42.29 at Fayetteville, and, also in Fayetteville, from milepost VF 42.88 to milepost VF 43.1. As part of that agreement, RFCC will also assume NSR's trackage rights over, and operate

¹ According to the verified notice, RFCC is wholly owned by noncarrier holding company R. J. Corman Railroad Company, LLC (RJCRC), and RJCRC is wholly owned by noncarrier RJCG.

over, the CSXT line in Fayetteville between milepost VF 42.29 to milepost VF 42.88. RFCC and RJCG will also obtain operating rights over NSR's rail line at milepost NS 233.25 to milepost NS 231.0 solely for the purpose of interchanging traffic with NSR at NSR's Glenwood Yard at Raleigh. RFCC has also entered into a lease agreement with NSR, pursuant to which RFCC will lease and operate approximately 19.75 miles of rail line from the southern boundary of the North Carolina Railroad right of way at milepost NS 233.25 at Raleigh to milepost NS 253.0 at Fuquay-Varina, and 0.13 miles of rail line from the junction of NSR's NS-Line in Fuquay-Varina at milepost VF 0.0 to the beginning of RFCC's line at milepost VF 0.13.

This transaction is related to a verified notice of exemption filed concurrently in R. J. Corman Railroad—Continuance in Control Exemption—Raleigh & Fayetteville Railroad, Docket No. FD 36646, in which RJCG and RJCRC (collectively, Applicants) filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of RFCC upon RFCC's becoming a Class III rail carrier.

RFCC 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. RFCC also certifies that the agreements with NSR contain a provision that would limit future interchange with third-party connecting carriers at Raleigh and Fayetteville. RJCC has provided additional information regarding the interchange commitment, as required by 49 C.F.R. § 1150.43(h).²

² RFCC filed a copy of the agreements under seal with the verified notice. See 49 C.F.R. § 1150.43(h)(1).

The transaction may be consummated on or after December 14, 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 December 7, 2022 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36645, 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 RFCC's representative, Catherine S. Wright, Jackson Kelly PLLC, 100 West Main Street, Suite 700, Lexington, KY 40588-2150.

According to RFCC, 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: November 23, 2022.

By the Board, Mai T. Dinh, Director, Office of Proceedings.