

FLETCHER & SIPPET LLC

ATTORNEYS AT LAW

29 North Wacker Drive
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Chicago, Illinois 60606-2832

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(312) 252-1508
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Phone: (312) 252-1500
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May 29, 2018

245818

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

ENTERED
Office of Proceedings
May 29, 2018
Part of
Public Record

Re: **Docket No. FD 36196**
Delmarva Central Railroad Company -- Change in
Operators Exemption -- Cassatt Management, LLC
d/b/a Bay Coast Railroad

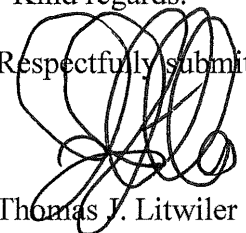
Dear Ms. Brown:

Attached for filing in the above-captioned proceeding are the **Verified Notice of Exemption of Delmarva Central Railroad Company Pursuant to 49 C.F.R. § 1150.41(c)** and the **Emergency Petition of Delmarva Central Railroad Company for Waiver and for Immediate Effective Date**, both dated May 29, 2018. A check in the amount of \$2,000.00, representing the appropriate fee for the Verified Notice, was delivered to your office on Friday by overnight courier.

Please note that expedited consideration of the Emergency Petition is requested.

If you have any questions regarding these filings, please feel free to contact me.
Thank you for your assistance on this matter. Kind regards,

Respectfully submitted,


Thomas J. Litwiler
Attorney for Delmarva Central
Railroad Company

FEE RECEIVED
May 29, 2018
SURFACE
TRANSPORTATION BOARD

FILED
May 29, 2018
SURFACE
TRANSPORTATION BOARD

TJL/tl

Attachments

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36196

DELMARVA CENTRAL RAILROAD COMPANY
-- CHANGE IN OPERATORS EXEMPTION --
CASSATT MANAGEMENT, LLC d/b/a BAY COAST RAILROAD

**VERIFIED NOTICE OF EXEMPTION
OF
DELMARVA CENTRAL RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.41(c)**

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEY FOR DELMARVA CENTRAL
RAILROAD COMPANY**

Dated: May 29, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36196

DELMARVA CENTRAL RAILROAD COMPANY
-- CHANGE IN OPERATORS EXEMPTION --
CASSATT MANAGEMENT, LLC d/b/a BAY COAST RAILROAD

**VERIFIED NOTICE OF EXEMPTION
OF
DELMARVA CENTRAL RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.41(c)**

Pursuant to 49 C.F.R. § 1150.41, et seq., Delmarva Central Railroad Company ("DCR"), a Class III rail carrier, hereby files this Verified Notice of Exemption to assume operation of an approximately 14.8-mile rail line owned by Canonie Atlantic Co. ("CAC") on behalf of the Accomack-Northampton Transportation District Commission ("ANTDC") and extending from Pocomoke City, Maryland to Hallwood, Virginia (the "Line"). The Line has previously been operated by Cassatt Management, LLC d/b/a Bay Coast Railroad ("BCR"). Based on projected revenues for the Line, DCR expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

Concurrently herewith, DCR is filing an emergency petition to waive the 30-day effectiveness period specified by 49 C.F.R. § 1150.42(b) and the 60-day notice period specified by 49 C.F.R. § 1150.42(e) to permit DCR's exemption in this docket to become effective no later than June 1, 2018. BCR ceased operations on the Line on May 18, 2018, and there is an urgent need to restore service to the active shippers on the Line immediately. DCR has worked with CAC/ANTDC to address these exigent circumstances as quickly as possible, and consulted with Board staff as to the most effective regulatory process for service restoration. Consistent with

the intention of 49 C.F.R. § 1150.42(e), DCR has provided extensive notice to the four employees of BCR, retirements amongst whom were largely the precipitating factor in the current service crisis. BCR does not object to and has cooperated in the proposed change in operators. Waiver is appropriate and necessary in the circumstances, and the Board should move expeditiously to allow DCR's exemption to become effective immediately.

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

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

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

Delmarva Central Railroad Company
101 Delaware Avenue
Harrington, DE 19952-1213
(412) 426-2800

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

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

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1508

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

DCR and CAC are finalizing and executing a Lease and Operation Agreement providing for DCR's lease and operation of, and provision of rail common carrier service on, the Line.

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

DCR will operate and provide rail common carrier service to shippers on the Line pursuant to the transaction proposed herein. DCR's operations will replace those of BCR, the prior operator, which will have no further common carrier obligation with respect to the Line. BCR does not object to DCR's assumption of operations over the Line. The proposed transaction does not include any rail lines owned by CAC or previously operated by BCR other than the Line.

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

DCR is a Class III rail carrier which commenced operations in December, 2016 on 162 miles of rail line leased from Norfolk Southern Railway Company on the Delmarva Peninsula in Delaware and Maryland. *Delmarva Central Railroad Company -- Lease and Operation Exemption with Interchange Commitment -- Norfolk Southern Railway Company*, Docket No. FD 36071 (STB served December 2, 2016). DCR is a wholly-owned subsidiary of Carload Express, Inc., which also controls three other Class III rail carriers operating in Pennsylvania and Ohio. *See Carload Express, Inc. -- Continuance in Control Exemption -- Delmarva Central Railroad Company*, Docket No. FD 36072 (STB served December 2, 2016).

DCR's current rail lines connect at Pocomoke City, Maryland with a rail line owned by CAC and previously operated by BCR extending south to Cape Charles, Virginia and, via a former connecting car float operation, into the Norfolk area. *See Canonie Atlantic Co. and Canonie, Inc. -- Exemption From 49 U.S.C. 10901, 11301 and 11343*, Docket No. FD 30709 (ICC served September 11, 1985); *Cassatt Management, LLC d/b/a Bay Coast Railroad -- Lease and Operation Exemption -- Canonie Atlantic Co. on behalf of Accomack-Northampton*

Transportation District Commission, Docket No. FD 34814 (STB served February 6, 2006).

CAC is a subsidiary of ANTDC, a political subdivision of the Commonwealth of Virginia.

Recently, the viability of continued BCR operation of the CAC-owned lines had become uncertain, and imminent personnel departures at BCR caused BCR to terminate its operations on the Delmarva Peninsula on May 18, 2018. DCR has worked with CAC and ANTDC to develop expeditious arrangements for DCR to replace BCR as the operator of the portion of CAC's rail line between Pocomoke City and Hallwood, Virginia. Pursuant to the Lease and Operating Agreement being executed by the parties, DCR will lease and assume operation of the Line extending from the connection with DCR's line at approximately milepost 30.9 five hundred feet south of Second Street in Pocomoke City, Maryland to approximately milepost 45.7 at the south side of Taylor Street in Hallwood, Virginia, a distance of approximately 14.8 miles.¹

The complete name and address of the prior operator of the Line to be replaced by DCR pursuant to this change in operators class exemption notice is as follows:

Cassatt Management, LLC d/b/a Bay Coast Railroad
202 Mason Avenue
Cape Charles, VA 23310

BCR has ceased operation of the Line, does not object to the proposed change in operators, and has cooperated in providing certain information needed for this Notice.

The complete name and address of the owner of the Line is as follows:

Canonie Atlantic Co.
c/o Accomack-Northampton Transportation District Commission
P.O. Box 1027
Eastville, VA 23347

¹ DCR understands that CAC and BCR plan to file a petition for exemption for the discontinuance of rail operations south of Hallwood to Cape Charles, Virginia, and by car float to Norfolk, Virginia. CAC and BCR are working with another short-line carrier and Norfolk Southern Railway Company for continuation of BCR's service in the Norfolk area.

Pursuant to its an emergency petition to waive the 30-day effectiveness period specified by 49 C.F.R. § 1150.42(b) filed concurrently herewith, DCR seeks to consummate its proposed lease and operation of the Line on June 1, 2018.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Line 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.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

DCR's proposed lease and operation of the Line does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Shipper Notice: 49 C.F.R. § 1150.42(b)

DCR has provided notice of the proposed change in operators to the shippers on the Line. A list of the shippers served and a copy of the notice letter sent to those shippers are attached hereto as Exhibit C.

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

On May 17, 2018, DCR posted the advance notice of this transaction required by 49 C.F.R. § 1150.42(e) at the workplace of then-current BCR employees on the Line and certified that action to the Board. BCR employees are not represented by any labor union. A copy of the advance notice and certification as filed with the Board is attached as Exhibit D to

this Notice. As indicated in the certification, DCR also has provided the advance notice directly to each of BCR's four (4) employees by first-class mail, postage prepaid at the home address of each such employee. Employee contact information was furnished by BCR from BCR's internal records.

Pursuant to the emergency petition filed by DCR concurrently with this Notice, DCR has sought waiver of the full 60-day notice period specified in 49 C.F.R. § 1150.42(e) to allow DCR's exemption in this docket to become effective immediately and, in turn, allow the prompt restoration of rail service to shippers on the Line.

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

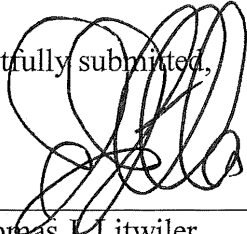
Under 49 C.F.R. § 1105.6(c)(2), DCR's proposed lease and operation of the Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or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

Under 49 C.F.R. § 1105.8(b)(1), DCR's assumption of operations on the Line also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to discontinue 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 E to this Notice.

Respectfully submitted,

By: 

Thomas J. Litwiler

Fletcher & Sippel LLC

29 North Wacker Drive

Suite 920

Chicago, Illinois 60606-2832

(312) 252-1500

**ATTORNEY FOR DELMARVA CENTRAL
RAILROAD COMPANY**

Dated: May 29, 2018



Delmarva Central Railroad



CERTIFICATION

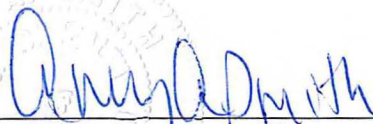
Commonwealth of Pennsylvania)
) ss:
County of Allegheny)

Mark Rosner, being duly sworn, hereby certifies that the projected annual rail revenues of Delmarva Central Railroad Company as a result of the transaction proposed herein will not result in the creation of a Class II or a Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).



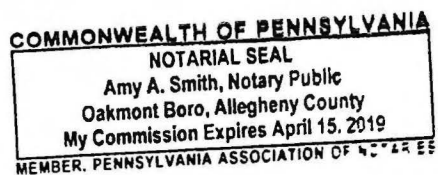
Mark Rosner
President

SUBSCRIBED AND SWORN TO
before me this 24th day
of May, 2018.



Notary Public

My Commission expires:



SHIPPERS ON THE LINE

KMX Chemical
P.O. Box 280
New Church, VA 23451
Attn: Carol Walston, President

Coastline Chemical, Inc.
P.O. Box 30
New Church, VA 23415
Attn: John Sharpley

Sharp Energy, Inc.
22945 East Piney Grove Road
Georgetown, DE 19947
Attn: Marcy Robbins, Energy Distribution Manager

PEP-UP
Pocomoke Branch
1211 Ocean Highway
Pocomoke, MD 21851
Attn: Ashlie Marshall

COPY

FLETCHER & SIPPEL LLC

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29 North Wacker Drive
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Chicago, Illinois 60606-2832

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Fax: (312) 252-2400
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THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

May 29, 2018

Ms. Carol Walston
President
KMX Chemical
P.O. Box 280
New Church, VA 23451

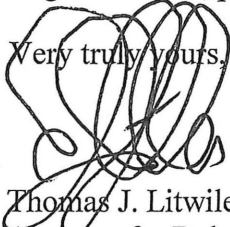
Re: **STB Docket No. FD 36196**
Delmarva Central Railroad Company -- Change in
Operators Exemption -- Cassatt Management, LLC
d/b/a Bay Coast Railroad

Dear Ms. Walston:

Delmarva Central Railroad Company ("DCR") has today filed a notice of exemption at the Surface Transportation Board ("STB") for a "change in operators" on the rail line extending from approximately five hundred feet south of Second Street (milepost 45.7) in Pocomoke City, Maryland to the south side of Taylor Street (milepost 45.7) in Hallwood, Virginia, a distance of approximately 14.8 miles ("the Line"). Effective June 1, 2018 or as soon thereafter as possible, DCR will assume operation of the Line from Bay Coast Railroad and will be responsible for providing rail service to your facility.

DCR's operation over the Line is pursuant to a lease and operating agreement with the Line's owner, Canonie Atlantic Co. (a subsidiary of the Accomack-Northampton Transportation District Commission). We are providing you with this notice pursuant to the requirements of the STB, and you are not required to respond or to participate in the STB proceeding. If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,


Thomas J. Litwiler
Attorney for Delmarva Central
Railroad Company

TJL/tl

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

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

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

May 17, 2018

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: **Docket No. FD 36196**
Delmarva Central Railroad Company -- Change in Operator
Exemption -- Cassatt Management, LLC d/b/a Bay Coast Railroad

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Delmarva Central Railroad Company ("DCR") hereby certifies that on May 17, 2018 the attached Notice was posted at the following workplace of employees of Cassatt Management, LLC d/b/a Bay Coast Railroad ("BCR"):

BCR General Office
202 Mason Avenue
Cape Charles, VA 23310

BCR employees are not represented by any labor union.

On May 17, 2018, DCR also provided the attached Notice individually to each of BCR's four (4) current employees by first-class mail, postage prepaid at the home address of each such employee. Employee contact information (not listed here for privacy reasons) was furnished by BCR from BCR's internal records. The four employees of BCR occupy the positions of General Manager, Assistant General Manager/Agent, Trainmaster/Locomotive Engineer and Conductor.

Due to exigent circumstances, and to allow the continuation of rail service to affected shippers, DCR intends to seek waiver of the 60-day notice period specified in 49 C.F.R. § 1150.42(e) to allow the notice of exemption that will be filed in this proceeding to become effective immediately. DCR has endeavored to disseminate the information contemplated by the Board's regulations to BCR employees as directly, transparently and quickly as possible so that, notwithstanding any waiver, the spirit of the notice requirement is satisfied.

FLETCHER & SIPPEL LLC

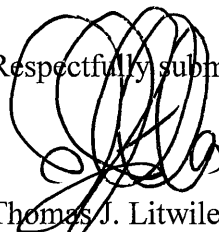
Ms. Cynthia T. Brown

May 17, 2018

Page 2

If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'TJL', is written over the text 'Respectfully submitted,'.

Thomas J. Litwiler
Attorney for Delmarva Central
Railroad Company

TJL:tl

Attachment

DELMARVA CENTRAL RAILROAD COMPANY
101 Delaware Avenue
Harrington, DE 19952-1213

NOTICE

Pursuant to regulations of the Surface Transportation Board ("STB") at 49 C.F.R. § 1150.42(e), Delmarva Central Railroad Company ("DCR"), a Class III rail carrier, hereby gives notice to employees of Cassatt Management, LLC d/b/a Bay Coast Railroad ("BCR") that as soon as May 29, 2018, DCR intends to lease and thereafter operate a line of railroad owned by Canonie Atlantic Co. ("CAC") on behalf of the Accomack-Northampton Transportation District Commission and currently leased to BCR extending from the connection with DCR's line (leased from Norfolk Southern Railway Company) at approximately milepost 30.9 five hundred feet south of Second Street in Pocomoke City, Maryland to approximately milepost 45.7 at the south side of Taylor Street in Hallwood, Virginia, a distance of approximately 14.8 miles (the "Line"). DCR's operations will replace those currently conducted on the Line by BCR.

A notice of exemption to authorize the proposed change in operators transaction will be filed with the STB on or shortly after May 21, 2018 in Docket No. FD 36196. DCR anticipates that it will concurrently seek waiver of the normal 30-day effectiveness period for such a notice of exemption, as well as the normal 60-day period for this advance notice, so as to allow the transaction to be consummated immediately.

DCR does not expect to hire any additional employees as a result of the change in operators. Employees desiring further information regarding the transaction may contact Amy Smith, Vice President - Finance and Administration, at (412) 426-6600.

5/17/18

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

DOCKET NO. FD 36196

**DELMARVA CENTRAL RAILROAD COMPANY
-- CHANGE IN OPERATORS EXEMPTION --
CASSATT MANAGEMENT, LLC d/b/a BAY COAST RAILROAD**

Delmarva Central Railroad Company ("DCR"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease and assume operation of a rail line (the "Line") owned by Canonie Atlantic Co. ("CAC") on behalf of the Accomack-Northampton Transportation District Commission ("ANTDC") and extending from the connection with DCR's line (leased from Norfolk Southern Railway Company) at approximately milepost 30.9 five hundred feet south of Second Street in Pocomoke City, Maryland to approximately milepost 45.7 at the south side of Taylor Street in Hallwood, Virginia, a distance of approximately 14.8 miles. DCR's operation of the Line will replace the operation previously conducted on the Line by Cassatt Management, LLC d/b/a Bay Coast Railroad ("BCR"), which will have no further common carrier obligation with respect to the Line. BCR ceased operation on the Line on May 18, 2018.

By decision served May __, 2018, the Board granted DCR's emergency petition to waive the 30-day effectiveness period specified by 49 C.F.R. § 1150.42(b) and the 60-day notice period specified by 49 C.F.R. § 1150.42(e) as necessary to permit the exemption to become effective immediately. DCR expected to consummate the change in operators transaction and commence operation of the Line on June 1, 2018.

Comments must be filed with the Board and served on:

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1508

This Notice is filed under 49 C.F.R. § 1150.41(c). 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: June ____ 2018

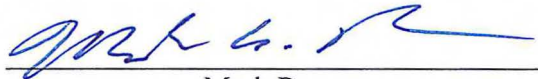
By the Board

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings

VERIFICATION

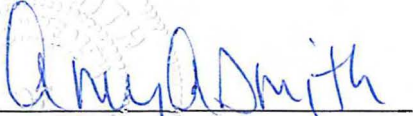
Commonwealth of Pennsylvania)
) ss:
County of Allegheny)

Mark Rosner, being duly sworn, deposes and says that he is President of Delmarva Central Railroad Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Mark Rosner

SUBSCRIBED AND SWORN TO
before me this 24th day
of May, 2018.



Notary Public

My Commission expires:

