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SERVICE DATE – FEBRUARY 3, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34775]

Richard J. Corman and R.J. Corman Railroad Group, LLC—Continuance in Control  
Exemption—R.J. Corman Railroad Company/Tennessee Terminal, LLC

Richard J. Corman (Corman) and R.J. Corman Railroad Group, LLC (Group) (collectively applicants), have filed a verified notice of exemption to continue in control of R.J. Corman Railroad Company/Tennessee Terminal, LLC (RJCK), upon RJCK's becoming a Class III rail carrier.<sup>1</sup>

The transaction was scheduled to be consummated on January 15, 2006.

This transaction is related to the concurrently filed verified notice of exemption in STB Finance Docket No. 34772, R.J. Corman Railroad Company/Tennessee Terminal, LLC—Lease and Operation Exemption—BNSF Railway Company. In that proceeding, RJCK seeks to acquire by lease from BNSF Railway Company (BNSF) and operate approximately 46.7 miles of rail lines in Shelby County, TN, and DeSoto County, MS.

Group controls seven Class III rail carriers: R.J. Corman Railroad Company/Pennsylvania Lines Inc. (Pennsylvania Lines), R.J. Corman Railroad Company/Memphis Line (Memphis Line), R.J. Corman Railroad Company/Western Ohio Line (Western Ohio Line), R.J. Corman Railroad Company/Cleveland Line

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<sup>1</sup> Group, a noncarrier holding company, is owned by Corman and directly controls JCK.

(Cleveland Line), R.J. Corman Railroad Company/Bardstown Line (Bardstown Line), R.J. Corman Railroad Company/Allentown Lines, Inc. (Allentown Lines), and R.J. Corman Railroad Company/Central Kentucky Lines, LLC (Central Kentucky Lines). Corman also owns R.J. Corman Railroad Property, LLC (RJRP), a Class III non-operating rail carrier, and owns a controlling interest in the Clearfield & Mahoning Railway Company (CMRC), also a Class III rail carrier.

Applicants state that: (1) the rail lines operated by Pennsylvania Lines, Memphis Line, Western Ohio Line, Cleveland Line, Bardstown Line, Allentown Lines, Central Kentucky Lines, RJRP, and CMRC do not connect with the rail line being leased by RJCK; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail line being leased by RJCK with any railroad in the Corman corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2). The purpose of the transaction is to allow Corman and Group to continue in control of RJCK after RJCK becomes a Class III rail carrier.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under section 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34775, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Ronald A. Lane, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at [WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).

Decided: January 30, 2006.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary