

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35985

239747
ENTERED
Office of Proceedings
December 18, 2015
Part of
Public Record

**FORTRESS INVESTMENT GROUP LLC
—CONTINUANCE IN CONTROL EXEMPTION—
FLORIDA EAST COAST RAILWAY, L.L.C.,
CENTRAL MAINE & QUEBEC RAILWAY US INC. AND
OHIO RIVER PARTNERS LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

**Terence M. Hynes
Hanna M. Chouest
Sidley Austin LLP
1501 K Street, N.W.
Washington, D.C. 20005
(202) 736-8000**

*Attorneys for Fortress Investment Group LLC, Florida East Coast Railway, L.L.C.,
Central Maine & Quebec Railway US Inc., and Ohio River Partners LLC*

Dated December 18, 2015

FILED
December 18, 2015
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
December 18, 2015
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35985

**FORTRESS INVESTMENT GROUP LLC
—CONTINUANCE IN CONTROL EXEMPTION—
FLORIDA EAST COAST RAILWAY, L.L.C.,
CENTRAL MAINE & QUEBEC RAILWAY US INC. AND
OHIO RIVER PARTNERS LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Fortress Investment Group LLC (“Fortress”) files this Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(2) for the benefit of Fortress Transportation and Infrastructure Investors LLC (“FTAI”), which is managed by an affiliate of Fortress, to continue in control of Ohio River Partners LLC (“ORP”), a non-carrier, upon ORP becoming a Class III rail carrier. In support of this Verified Notice of Exemption, Fortress submits the following information as required by 49 C.F.R. § 1180.4(g).

SPECIFIC INFORMATION REQUIRED BY THE REGULATIONS

49 C.F.R. § 1180.4(g) specifies certain information that must be included in every Verified Notice of Exemption filed pursuant to 49 C.F.R. § 1180.2(d)(2). The required information is provided below, preceded by the subsection of the Board’s regulations to which it is responsive.

1180.6(a)(1)(i) *A description of the proposed transaction, including . . . a brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.*

ORP, a non-carrier, has concurrently filed in STB Finance Docket No. 35984, *Ohio River Partners LLC – Exemption for Acquisition and Operation of A Rail Line –Hannibal Development, LLC in Monroe County, Ohio*, a Verified Notice of Exemption under 49 C.F.R. § 1150.31 to acquire and operate a line of railroad, known as the Omal Secondary Track, that extends between Milepost 60.5 at or near Powhatan Point, Ohio and Milepost 72.7 at or near Hannibal, Ohio, a distance of 12.2 miles in Monroe County, Ohio (the “Line”). Upon consummation of the transaction that is the subject of the Verified Notice of Exemption in Finance Docket No. 35984, ORP will become a Class III rail carrier subject to the Board’s jurisdiction.

ORP, a Delaware limited liability company, is controlled by Ohio River Partners Shareholder LLC, a Delaware limited liability company (“ORPS”).¹ ORPS is indirectly owned and controlled by FTAI, which is managed by an affiliate of Fortress. Two other rail carriers subject to the Board’s jurisdiction are currently controlled by companies managed by affiliates of Fortress. Florida East Coast Railway, L.L.C. (“FECR”) is currently owned by FECR Rail Holding LLC, which is, in turn, owned by investment funds managed by an affiliate of Fortress. FECR, a Class II carrier, operates approximately 350 miles of rail lines in the State of Florida extending between Jacksonville and the Miami metropolitan area. Central Maine & Quebec Railway US Inc. (“CMQR”) is a subsidiary of Rail Acquisition Holdings LLC, a Delaware

¹ Upon consummation of the proposed transaction, ORPS will own a 75% interest in ORP. The remaining 25% interest in ORP will be held by Hannibal Development, LLC (“Hannibal Development”), which currently owns the rail line that is the subject of ORP’s Verified Notice of Exemption in Finance Docket No. 35984.

limited liability company (“RAH”), which is, in turn, owned by FTAI. CMQR, a Class III carrier, operates approximately 244 miles of rail lines in the States of Maine and Vermont.

The Line to be acquired by ORP is located entirely in the State of Ohio. FECR’s rail lines are located entirely in the State of Florida, and CMQR’s rail lines are located entirely in the States of Maine and Vermont. The rail lines operated by FECR and CMQR do not connect with each other, nor do they connect with the Line that ORP proposes to acquire and operate in Finance Docket No. 35984. None of the rail lines of FECR, CMQR or ORP connect with the lines of any other U.S. railroad that is owned or controlled by Fortress, an affiliate of Fortress or any investment fund or entity managed by an affiliate of Fortress. Fortress does not own or control any U.S. rail carriers other than FECR (which Fortress may be deemed to control for purposes of 49 U.S.C. § 11323 because of the fact that one or more investment funds managed by an affiliate of Fortress own FECR), and CMQR and ORP (which Fortress may be deemed to control for purposes of 49 U.S.C. § 11323 because of the fact that they are indirectly controlled by FTAI, which is managed by an affiliate of Fortress). The transaction that is the subject of ORP’s Verified Notice of Exemption in Finance Docket No. 35984 is not part of a series of anticipated transactions that would connect ORP’s Line with the lines of any other rail carrier owned by Fortress, any affiliate of Fortress or any investment fund or entity managed by an affiliate of Fortress. Finally, none of ORP, CMQR or FECR is a Class I rail carrier. Accordingly, this transaction falls within the class of transactions described at 49 C.F.R. § 1180.2(d)(2), and is exempt from prior approval by the Surface Transportation Board.

The name and business address of Applicants are as follows:

Fortress Investment Group LLC
1345 Avenue of the Americas, 47th Floor
New York, New York 10105
(212) 798-6100

Florida East Coast Railway, L.L.C.
7411 Fullerton Street, Suite 300
Jacksonville, Florida 32256
(800) 342-1131

Central Maine & Quebec Railway US Inc.
c/o FIG LLC
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
(212) 798-6110

Ohio River Partners LLC
c/o FIG LLC
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
(212) 798-6110

Applicants' representative:

Terence M. Hynes
Sidley Austin LLP
1501 K Street, N.W.
Washington, D.C. 20005
(202) 736-8198

1180.6(a)(1)(ii) ***The proposed time schedule for consummation of the proposed transaction.***

The parties intend to consummate the proposed control transaction as soon as practicable after the effective date of this Verified Notice of Exemption and the concurrent Verified Notice of Exemption filed by ORP in Finance Docket No. 35984.

1180.6(a)(1)(iii) ***The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.***

Pursuant to the transaction that is the subject of this Verified Notice of Exemption and the Verified Notice of Exemption filed by ORP in Finance Docket No. 35984, ORP will acquire the Line, which is known as the Omal Secondary Track and extends between Milepost 60.5 at or near Powhatan Point, Ohio and Milepost 72.7 at or near Hannibal, Ohio, a distance of 12.2 miles

in Monroe County, Ohio. The Line is located on certain real property that ORP plans to acquire from Hannibal Development, LLC (the “Hannibal Property”). ORP plans to redevelop the Hannibal Property and to market the site to industrial tenants. The purpose of the transaction is to enable ORP to provide common carrier rail service to industries that locate along the Line on the Hannibal Property. ORP will provide rail service, as required, to meet the needs of such shippers.² ORP will offer prospective shippers access to the national rail network via the connection between the Line and NS rail lines at Powhatan Point, Ohio. ORP’s relationship with FTAI and Fortress will enable ORP to take advantage of their extensive experience in managing successful railroad operations.

1180.6(a)(5) *A list of the State(s) in which any part of the property of each applicant carrier is situated.*

The Line to be acquired by ORP is located entirely within the State of Ohio.

FECR’s rail lines are located entirely within the State of Florida.

CMQR’s rail lines are located entirely within the States of Maine and Vermont.

² A prior owner of the Line, ORMET Railroad Corporation, granted Hannibal Real Estate, LLC (“HRE”) an easement to use the Line for the sole purpose of providing rail service to an industrial park on HRE’s property (which is located adjacent to the Hannibal Property – see Exhibit B). Ohio Terminal Railway Company (“OTRC”) currently uses the Line to serve customers in the HRE industrial park. See Finance Docket No. 35703, *Ohio Terminal Ry. Co. -- Operation Exemption – Hannibal Real Estate, LLC, Monroe County, Ohio* (served January 11, 2013). The customers in the HRE industrial park are currently the only rail shippers on the Line. Any new industries that locate on or along the Line would be served by ORP.

1180.6(a)(6) *Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed.*

Color maps depicting the rail lines of FECR and CMQR, and the Line that ORP proposes to acquire and operate, are attached as Exhibits A-1, A-2, A-3. A color map depicting the Hannibal Property to be acquired by ORP is attached as Exhibit B.

1180.6(a)(7)(ii) *Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.*

The parties will not enter into any agreement, or sign any written instrument, in connection with the control transaction that is the subject of this Verified Notice of Exemption.

Level of Labor Protection to be Imposed

Because an affiliate of Fortress manages investment funds which own a Class II carrier (FECR), employees affected by this transaction may be deemed to be entitled to labor protection in accordance with the provisions of 49 U.S.C. § 11326(b).

Environmental and Historic Impacts

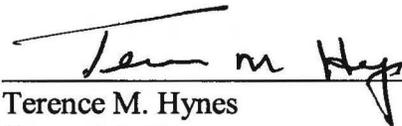
The corporate control transaction that is the subject of this Verified Notice of Exemption will not cause a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of the Line to motor carriage. While ORP anticipates that its redevelopment efforts will eventually result in new rail traffic moving to and from industries that choose to locate on the Hannibal Property, that traffic does not exist today. Accordingly, the proposed control transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the Line; (2) an increase of rail yard activities of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. This control transaction

will not affect a Class I or nonattainment area under the Clean Air Act, nor will the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) be exceeded. The control transaction will not result in the transportation of any ozone depleting materials. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not affect either the quality of the human environment or energy conservation.

ORP plans to operate approximately 12.2 miles of rail line in Ohio. Prior Board approval or exemption would be required if, in the future, ORP proposed to abandon or discontinue rail service over any portion of the Line. The parties have no plans to dispose of or alter any property that is subject to the Board's jurisdiction and is 50 years old or older. Accordingly, this Verified Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

Respectfully submitted,



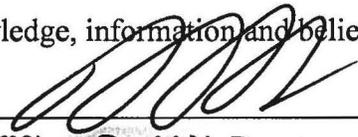
Terence M. Hynes
Hanna M. Chouest
Sidley Austin LLP
1501 K Street, N.W.
Washington, D.C. 20005
(202) 736-8000

*Attorneys for Fortress Investment Group LLC, Florida East Coast Railway, L.L.C.,
Central Maine & Quebec Railway US Inc. and Ohio River Partners LLC*

Dated: December 18, 2015

VERIFICATION

I, David N. Brooks, being duly sworn, state that I am Secretary of Fortress Investment Group LLC and that I am an officer duly authorized to execute, verify and file this Verified Notice of Exemption. I have knowledge of the matters contained herein, and the statements made herein are true and correct to the best of my knowledge, information and belief.


Name: **David N. Brooks**
Title: **Secretary**

Subscribed and sworn to before me this 17th day of December 2015.

Rosario Rutzy Lualhati
Notary Public

My Commission expires: May 16, 2019



State of New York)
County of New York) ss.:

Before me the undersigned notary public, duly commissioned and qualified in the state and county aforesaid, personally appeared David N. Brooks, the Secretary of Fortress Investment Group LLC, a Delaware limited liability company, known to me to be the person who signed the foregoing instrument and acknowledged that he did execute the instrument for the purposes stated therein.

Rosario Rutzy Lualhati
NOTARY PUBLIC

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35985

**FORTRESS INVESTMENT GROUP LLC
—CONTINUANCE IN CONTROL EXEMPTION—
FLORIDA EAST COAST RAILWAY, L.L.C.,
CENTRAL MAINE & QUEBEC RAILWAY US INC. AND OHIO RIVER PARTNERS
LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

**EXHIBIT A
SYSTEM MAPS**

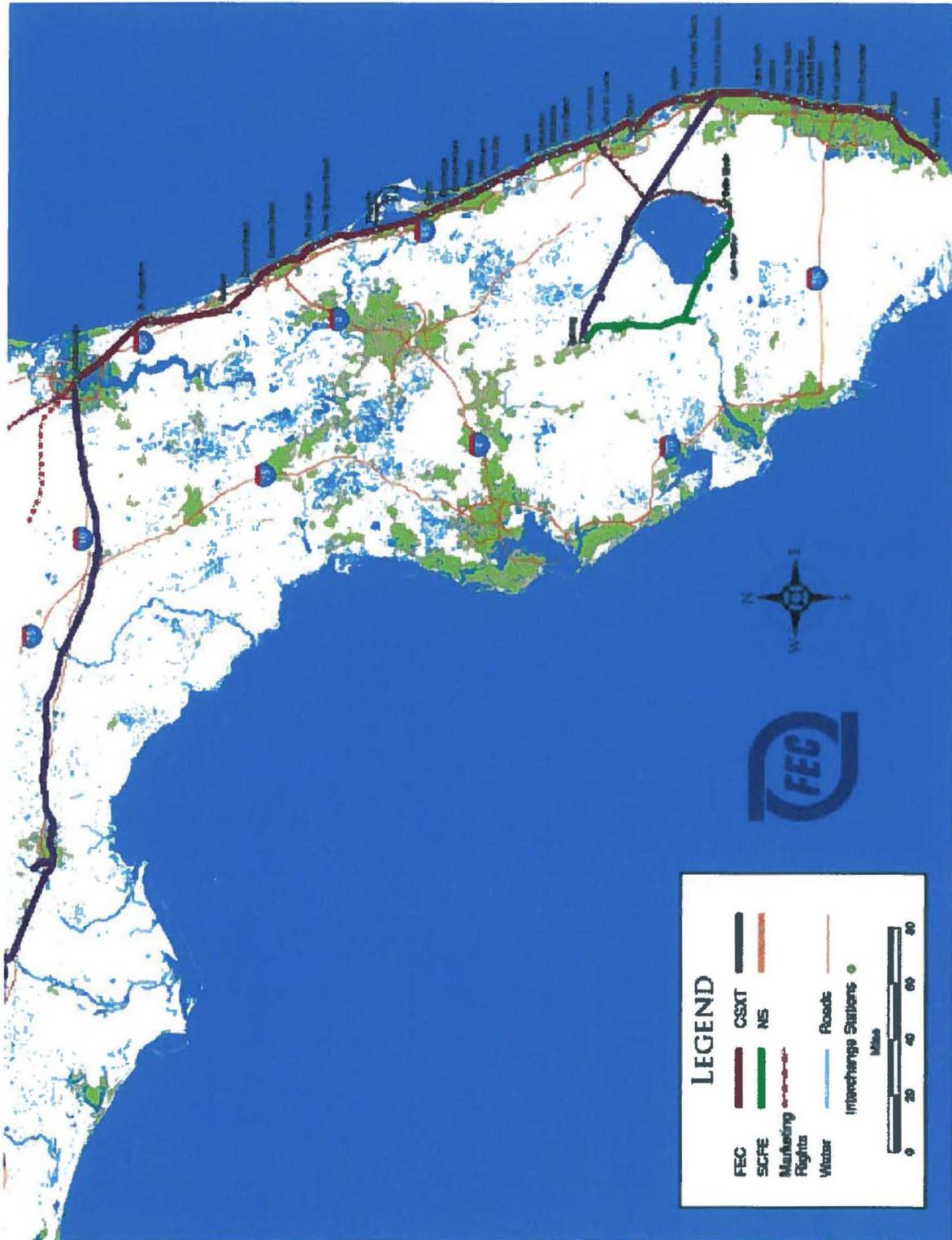


Exhibit A-1

Central Maine & Quebec Railway Mileage Information

Map Not to
Scale

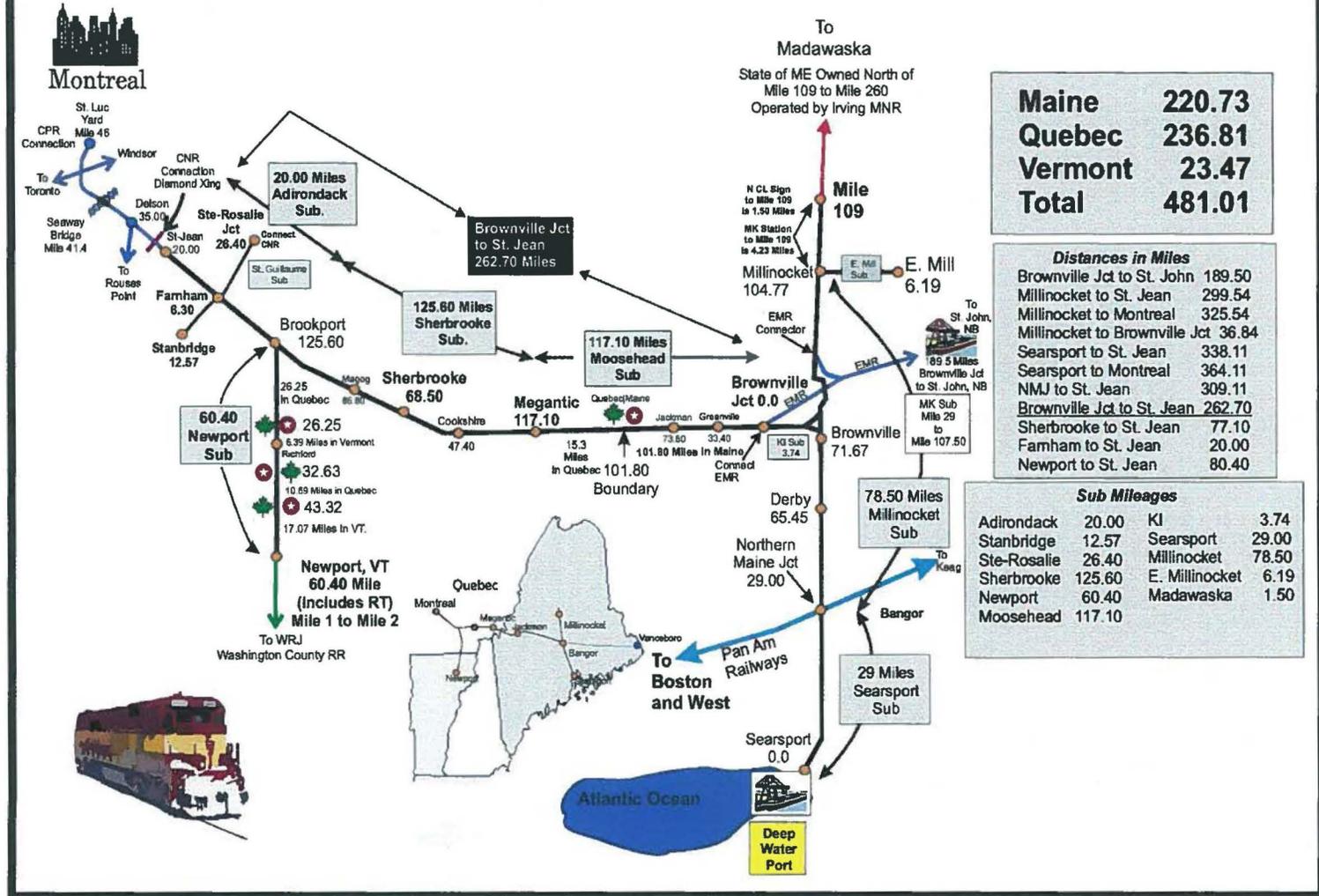
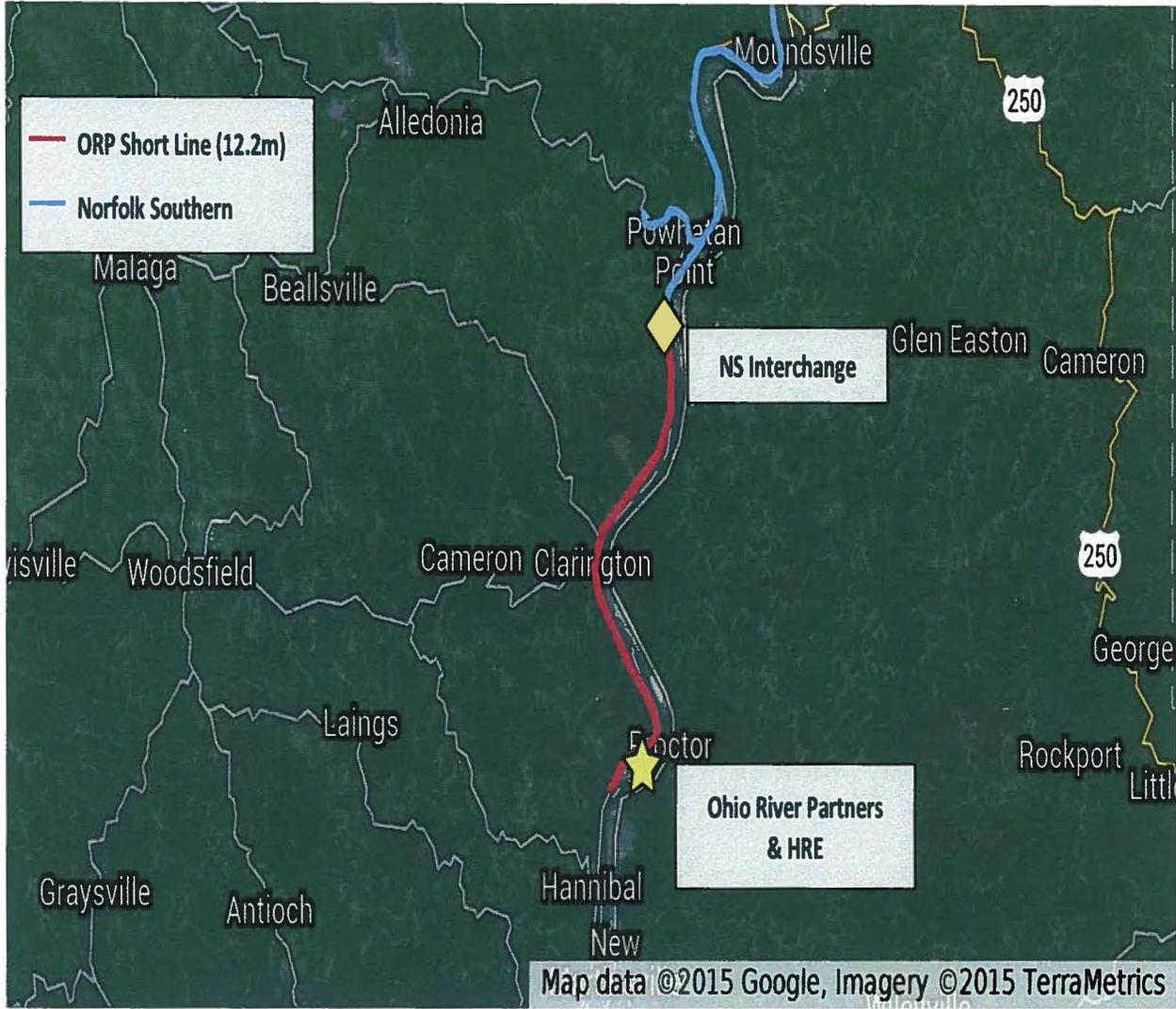


Exhibit A-2

FORT-1



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35985

**FORTRESS INVESTMENT GROUP LLC
—CONTINUANCE IN CONTROL EXEMPTION—
FLORIDA EAST COAST RAILWAY, L.L.C.,
CENTRAL MAINE & QUEBEC RAILWAY US INC. AND OHIO RIVER PARTNERS
LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

**EXHIBIT B
MAP OF HANNIBAL PROPERTY**

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing Verified Notice of Exemption to be served by first class mail, postage pre-paid, this 18th day of December 2015, on

Secretary of US Department of Transportation
Docket Clerk, Office of Chief Counsel
Federal Railroad Administration
400 7th Street, S.W., Room 5101
Washington, D.C. 20590

Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530-0001

Federal Trade Commission
600 Pennsylvania Avenue, N.W., CRC-240
Washington, D.C. 20580

Governor John Kasich
77 South High Street
Columbus, OH 43215-6117

Chairman Andre T. Porter
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Jerry Wray, Director
Ohio Department of Transportation
1980 West Broad Street
Columbus, OH 43223



Hanna M. Chouest