

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35984

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Office of Proceedings
December 18, 2015
Part of
Public Record

OHIO RIVER PARTNERS LLC
—EXEMPTION FOR ACQUISITION AND OPERATION OF A RAIL LINE—
HANNIBAL DEVELOPMENT, LLC IN MONROE COUNTY, OHIO

VERIFIED NOTICE OF EXEMPTION

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

Attorneys for Ohio River Partners LLC

Dated: December 18, 2015

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**OHIO RIVER PARTNERS LLC
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HANNIBAL DEVELOPMENT, LLC IN MONROE COUNTY, OHIO**

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 U.S.C. § 10502(a) and the Board’s regulations at 49 C.F.R. §§ 1150.31 *et seq.*, Ohio River Partners LLC (“ORP”), a non-carrier, hereby submits this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 10901 for the acquisition and operation as a common carrier of a 12.2-mile line of railroad in Monroe County, Ohio (the “Line”). 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 Fortress Transportation and Infrastructure Investors LLC (“FTAI”), which is managed by an affiliate of Fortress Investment Group LLC (“Fortress”).²

The Line, known as the Omal Secondary Track, 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 was acquired from Conrail by ORMET Railroad Corporation

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 Line and the property upon which it is situated.

² Fortress is concurrently filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2 (d)(2) in Finance Docket No. 35985 to continue in control of ORP and rail carriers currently controlled by other companies managed by affiliates of Fortress, Central Maine & Quebec Railway US Inc. (“CMQR”) and Florida East Coast Railway, L.L.C. (“FECR”) following consummation of the proposed transaction.

(“ORMET”) in 1996, pursuant to STB Finance Docket No. 32907. The Line connects with rail lines operated by Norfolk Southern Railway Company (“NS”) at Powhatan Point, Ohio.

The Line is currently owned by Hannibal Development, which acquired it from the bankruptcy estate of ORMET in 2014. Prior to entering bankruptcy, ORMET granted to Hannibal Real Estate, LLC (“HRE”) an easement to use the Line for the purpose of providing rail service to an industrial park owned by HRE on property located adjacent to ORMET’s property. *See Exhibit B.*³ Ohio Terminal Railway Company (“OTRC”) currently serves customers in the HRE industrial park pursuant to the easement.⁴ The customers in the HRE industrial park are currently the only rail shippers on the Line. ORP will acquire certain assets including the Line (collectively, the “Hannibal Property”) from Hannibal Development, and plans to redevelop the Hannibal Property for industrial use.⁵ ORP anticipates that industries locating on the Hannibal Property may require rail service. Accordingly, ORP is seeking this exemption from the requirements of Section 10901 to acquire and operate the Line.⁶

Ordinarily, the acquisition and operation of a railroad line would require Board approval pursuant to 49 U.S.C. § 10901. However, because ORP is a non-carrier, the subject transaction qualifies for exemption from the Board’s prior approval requirements pursuant to the class exemption set forth at 49 C.F.R. § 1150.31 *et seq.*

³ HRE and Hannibal Development are not affiliated companies.

⁴ OTRC obtained an exemption to operate over the Line in Finance Docket No. 35703, *Ohio Terminal Ry. Co. – Operation Exemption – Hannibal Real Estate, LLC, Monroe County, Ohio* (served January 11, 2013).

⁵ A color map depicting the Hannibal Property is attached as Exhibit B.

⁶ The easement granted by ORMET gives HRE the right to use the Line only for the purpose of providing rail service to HRE’s property. Accordingly, any new industries that locate on the Hannibal Property would be served by ORP.

SPECIFIC INFORMATION REQUIRED BY THE REGULATIONS

49 C.F.R. § 1150.33 specifies certain information that must be included in a Verified Notice of Exemption filed pursuant to 49 C.F.R. § 1150.31. The required information is provided below, preceded by the subsection of the Board's regulations to which it is responsive.

1150.33(a). *The full name and address of the applicant*

The business address and telephone number for ORP is:

Ohio River Partners LLC
c/o FIG LLC
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attn: Ken Nicholson
(212) 479-5350

1150.33(b). *The name, address, and telephone number of the representative of the applicant who should receive correspondence*

Counsel to whom correspondence regarding the transaction and this Verified Notice of Exemption should be addressed is:

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

1150.33(c). *A statement that an agreement has been reached or details about when an agreement will be reached*

ORP and Hannibal Development have executed a term sheet outlining the business terms for the proposed transaction, and will execute a definitive purchase agreement prior to closing.

1150.33(d) *The operator of the property*

Upon consummation of the transaction, the Line will be owned and operated by ORP.⁷

Based upon its projected revenues, ORP will be a Class III common carrier subject to the jurisdiction of the Board.

1150.33(e) *A brief summary of the proposed transaction, including: (1) the name and address of the railroad transferring the subject property, (2) the proposed time schedule for consummation of the transaction, (3) the mile-posts of the subject property, including any branch lines, and (4) the total route miles being acquired*

Pursuant to the proposed transaction, ORP will acquire the Hannibal Property (including the Line) from Hannibal Development. Hannibal Development's address is 1101 Mill Street, Niagara, Wisconsin 54151 (Attn: Eric J. Spirtas). 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. As stated above, ORP plans to redevelop the Hannibal Property and to market the site to industrial tenants. ORP will provide rail service, as required, to meet the needs of such shippers. 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 intends to consummate the acquisition of the Line as soon as practicable after the effective date of this Verified Notice of Exemption and the concurrent Verified Notice of Exemption filed by Fortress in Finance Docket No. 35985.

The Line, which is known as the Omal Secondary Track, 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.

⁷ OTRC will continue to serve the HRE industrial park pursuant to the easement and the exemption in Finance Docket No. 35703.

1151.33(f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and States*

A colored map depicting the Line is attached as Exhibit A. A colored map depicting the Hannibal Property is attached as Exhibit B.

1151.33(g) *A certificate that applicants projected revenues do not exceed those that would qualify it as a Class III carrier.*

A certificate regarding ORP's projected revenues is attached as Exhibit C.

1151.33(h) *Transactions imposing interchange commitments.*

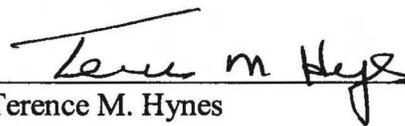
The transaction does not impose any interchange commitment on ORP.

Environmental and Historic Preservation Matters.

The transaction that is the subject of this Verified Notice of Exemption will not cause a diversion of: (1) more than 1,000 rail carloads per 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 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 lines; (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. The 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. ORP does not contemplate transporting any ozone depleting materials. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

ORP plans to operate entire Line. Prior Board approval or exemption would be required if, in the future, ORP sought to abandon or discontinue rail service over any portion of the Line. ORP has no plans to dispose of or to 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
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1501 K Street, N.W.
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(202) 736-8000

Attorneys for Ohio River Partners LLC

Dated: December 18, 2015

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**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1150.31**

**EXHIBIT A
SYSTEM MAP**

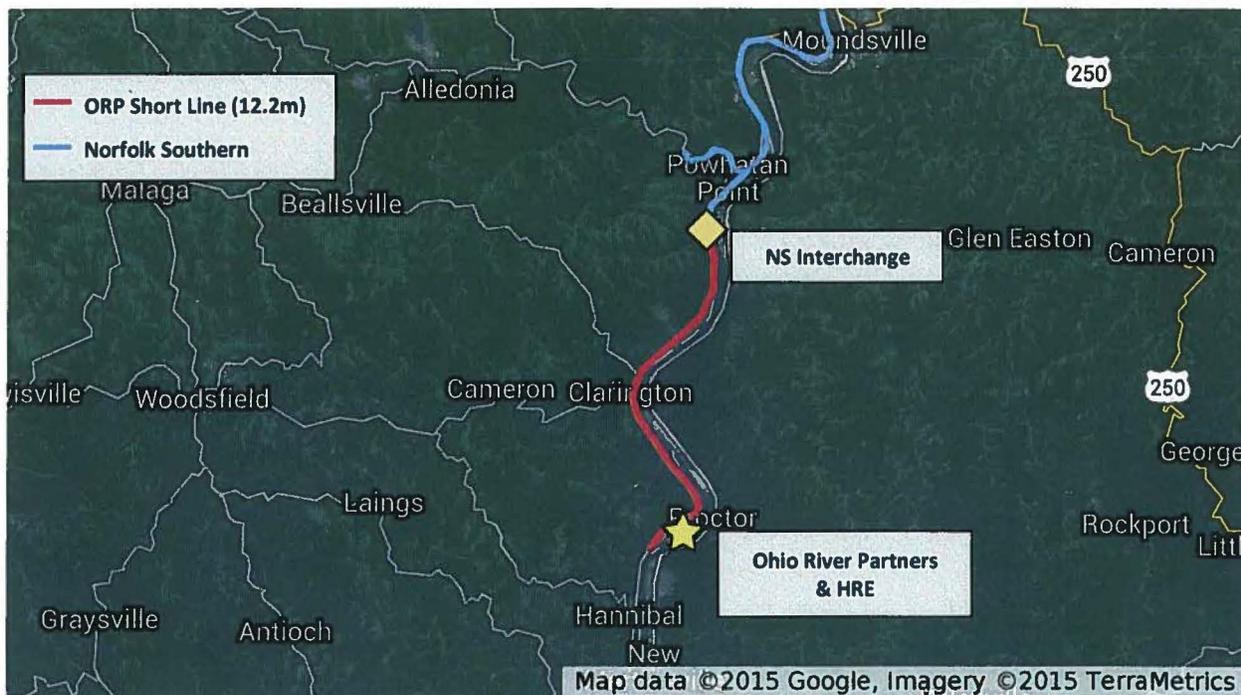


Exhibit A

**BEFORE THE
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**EXHIBIT B
MAP OF HANNIBAL PROPERTY**



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**EXHIBIT C
CERTIFICATION OF REVENUE**

The undersigned hereby certifies that the carrier operating revenues of Ohio River Partners LLC (“ORP”) are not projected to exceed the current threshold for Class II carrier status. Accordingly, upon consummation of the transaction that is the subject of this Verified Notice of Exemption, ORP will be a Class III rail carrier.

Further, because ORP’s carrier operating revenues are not projected to exceed \$5 million, no notice to labor is required under 49 C.F.R. § 1150.42(e).

Ohio River Partners Shareholder LLC

By: 

Name: Demetrio Tserpelis

Title: Treasurer

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CAPTION SUMMARY

Ohio River Partners LLC, a non-carrier Delaware limited liability company (“ORP”) has filed a Notice of Exemption to acquire from Hannibal Development, LLC and operate a line of railroad, known as the Omal Secondary Track, extending 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.

Comments must be filed with the Surface Transportation Board and served on Terence M. Hynes, Sidley Austin LLP, 1501 K St N.W., Washington, D.C. 20005.

Fortress Investment Group LLC is concurrently filing a Verified Notice of Exemption in Finance Docket No. 35985 pursuant to 49 C.F.R. § 1180.2 (d)(2) to continue in control of ORP following consummation of the transaction that is the subject of this Verified Notice of Exemption.

This notice is filed under 49 C.F.R. § 1150.31. 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: _____

Signed: _____

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