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April 12, 2013



Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE. Docket No. FD 35734, *Hilco SP Rail, LLC — Acquisition and Operation Exemption—RG Steel Railroad Holding, LLC*

Dear Ms. Brown:

Enclosed for filing are the original and 10 copies of a Verified Notice of Exemption under 49 C.F.R. 1150.31, a check covering the \$1,800.00 filing fee, and a CD with the file Notice of Exemption.

Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger. Thank you for your assistance.

If you have any questions, please call or email me.

Sincerely yours,

Louis E. Gitomer
Attorney for: Hilco SP Rail, LLC

ENTERED
Office of Proceedings
APR 12 2013
Part of
Public Record

Enclosures

FILE RECEIVED
APR 12 2013
SURFACE
TRANSPORTATION BOARD

FILED
APR 12 2013
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 35734

HILCO SP RAIL, LLC —ACQUISITION AND OPERATION EXEMPTION—
RG STEEL RAILROAD HOLDING, LLC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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SURFACE
TRANSPORTATION BOARD

Louis E. Gitomer, Esq.
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Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

Attorney for HILCO SP RAIL, LLC

Dated: April 12, 2013

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 35734

HILCO SP RAIL, LLC—ACQUISITION AND OPERATION EXEMPTION—
RG STEEL RAILROAD HOLDING, LLC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Hilco SP Rail, LLC (“Hilco”), a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit Hilco to acquire and operate as a common carrier over an approximately 12-mile line of railroad in Sparrows Point, Baltimore County, MD (the “Line”).

Hilco acquired the exclusive right to operate the Line on September 14, 2012 from RG Steel Railroad Holding, LLC (“RGS Railroad”), pursuant to that certain APA (as defined below) and related subsequent agreements more fully described below. Hilco respectfully requests that the Board confirm that it will not pursue an enforcement action against Hilco because Hilco’s failure to obtain prior approval or exemption to acquire and operate the Line was inadvertent and no harm resulted.¹

In support of this Notice of Exemption, Hilco submits the following information as required by 49 C.F.R. § 1150.33:

¹ See, *Parksierra Corporation (Successor-In-Interest to California Northern Railroad Company Limited Partnership)-Lease and Operation Exemption-Southern Pacific Transportation Company*, STB Finance Docket No 34126, slip op at 11-12 (served December 26, 2001).

a. Full name and address of applicant:

Hilco SP Rail, LLC
5 Revere Drive, Suite 206
Northbrook, IL 60062
847-509-1100

b. Applicant's Representative.

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

c. An Asset Purchase Agreement dated as of August 7, 2012 (the "APA") was entered by Environmental Liability Transfer, Inc , Commercial Development Company, Inc., and Sparrows Point, LLC ("Purchaser") and RG Steel Sparrows Point, LLC and RG Steel Railroad Holding, LLC ("Seller"). Purchaser agreed to purchase certain assets from Seller, including the railroad assets (not stock) of RGS Railroad. Pursuant to Section 1.8 of the APA, Seller and Purchaser agreed that Purchaser could designate HRE Sparrows Point LLC ("HRESP") as the acquirer of certain assets at closing

A Designation of Purchased Assets dated as of August 7, 2012 between Seller and Purchaser designated HRESP as the acquirer of certain purchased assets, and certain related agreements between Purchaser and HRESP granted HRESP the exclusive right to possession of the land and the railroad track of RGS Railroad, along with all other assets of RGS Railroad. RGS Railroad continued to operate until the sale was closed on September 14, 2012. At the time of the September 14, 2012 closing, HRESP immediately assigned all of its rights and interests in the railroad assets to its affiliate Hilco, at which time Hilco agreed that MCM Rail Services LLC,

d/b/a Baltimore Industrial Railroad (“MCM”) would operate the Line. HRESP did not operate the Line and did not hold itself out to provide common carrier service over the Line. Indeed, HRESP was merely a vehicle to pass its rights and interests in RGS Railroad through to Hilco on the day that closing occurred.

The sale of assets pursuant to the APA was authorized and approved on August 21, 2012 by United States Bankruptcy Judge Kevin J. Carey in *Order Authorizing and Approving (I) Sale of Sparrows Point Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, and (II) Granting Related Relief in WP Steel Venture LLC, et al , Debtors, Case No. 12-11661 (KJC)* (the “*Order*”) The Order also authorized the designation of the acquisition of certain assets to be acquired by HRESP and HRESP’s exclusive license to the land and to operate the railroad assets upon closing. The exclusive license of the common carrier obligation and to operate the railroad assets of the Line was immediately assigned to Hilco.

d. The operator of the Line will be MCM See the Notice of Exemption filed in Docket No. FD 35725, *MCM Rail Services LLC, d/b/a Baltimore Industrial Railroad —Operation Exemption— HRE Sparrows Point, LLC* filed on March 20, 2013.

e. Summary of proposed transaction:

1. The name and address of the party transferring the property is:

RG Steel Railroad Holding, LLC
1430 Sparrows Point Boulevard
Sparrows Point, MD 21219

2. The proposed time schedule for the consummation of the transaction is on or after May 12, 2013.

3. The mileposts of the subject property, including any branch lines. There are no

mileposts on the Line.

4. Hilco will have the residual common carrier obligation to operate over about 12 miles of railroad line as well as additional spur, industrial, team, switching, and side track as a common carrier railroad. MCM will operate over about 12 miles of railroad line as well as additional spur, industrial, team, switching, and side track as a common carrier railroad. MCM will interchange traffic with CSX Transportation, Inc. ("CSXT"), and Norfolk Southern Railway Company ("NSR")

f. A color map of the Line is attached as Exhibit C

g. A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit A.

h. There are no interchange commitments or paper barriers in the agreement between MCM and Hilco. Nor will there be any interchange commitments or paper barriers in the interchange agreements between Hilco and MCM and CSXT or between Hilco and MCM and NSR.

i. A caption summary, as required by 49 C.F.R. §1150.34, is attached as Exhibit B.

j. No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 C.F.R. §1105.6(b)(4) and (c)(2)(i)

k. An historic report is not required because MCM will operate the Line. MCM will require further Board approval as required to discontinue any service and Hilco will require further Board approval to abandon the Line. There are no plans to dispose of or alter properties subject

to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. §1105.8(b)(1).

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

Respectfully submitted,



Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

Attorney for HILCO SP RAIL, LLC

Dated: April 12, 2013

EXHIBIT A

CERTIFICATION

State of Illinois)
) ss:
County of Lake)

I, Eric Kaup, being duly sworn, deposes and says that he is Secretary of Hilco SP Rail, LLC, a Delaware limited liability company, and that the projected annual revenues from the rail operations would not exceed those that would make it a Class III carrier under 49 CFR Part 1201(1-1) and would not exceed \$ 5 million.


Eric Kaup

Subscribed and sworn to before me this 12th day of April 2013.


Notary Public



(SEAL)

My Commission Expires: August 26, 2013

VERIFICATION

State of Illinois)
) ss
County of Lake)

I, Eric Kaup, being duly sworn, deposes and says that he is Secretary of Hilco SP Rail, LLC, a Delaware limited liability company, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information and belief.



Eric Kaup

Subscribed and sworn to before me this 12th day of April 2013.



Notary Public



EXHIBIT B – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO 35734

**HILCO SP RAIL, LLC—ACQUISITION AND OPERATION EXEMPTION—
RG STEEL RAILROAD HOLDING, LLC**

Hilco SP Rail, LLC (“Hilco”) has filed a notice of exemption to acquire and operate as a common carrier over an approximately 12-mile line of railroad in Sparrows Point, Baltimore County, MD (the “Line”), pursuant to an agreement with RG Steel Railroad Holding, LLC, the owner of the Line.

The transaction is scheduled to take place on or after May 12, 2013.

Hilco certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenue will not exceed \$5 million.

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding 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. Petitions to stay must be filed no later than May 5, 2013 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35734, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204,

(410) 296-2250, Lou@lgraillaw.com.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

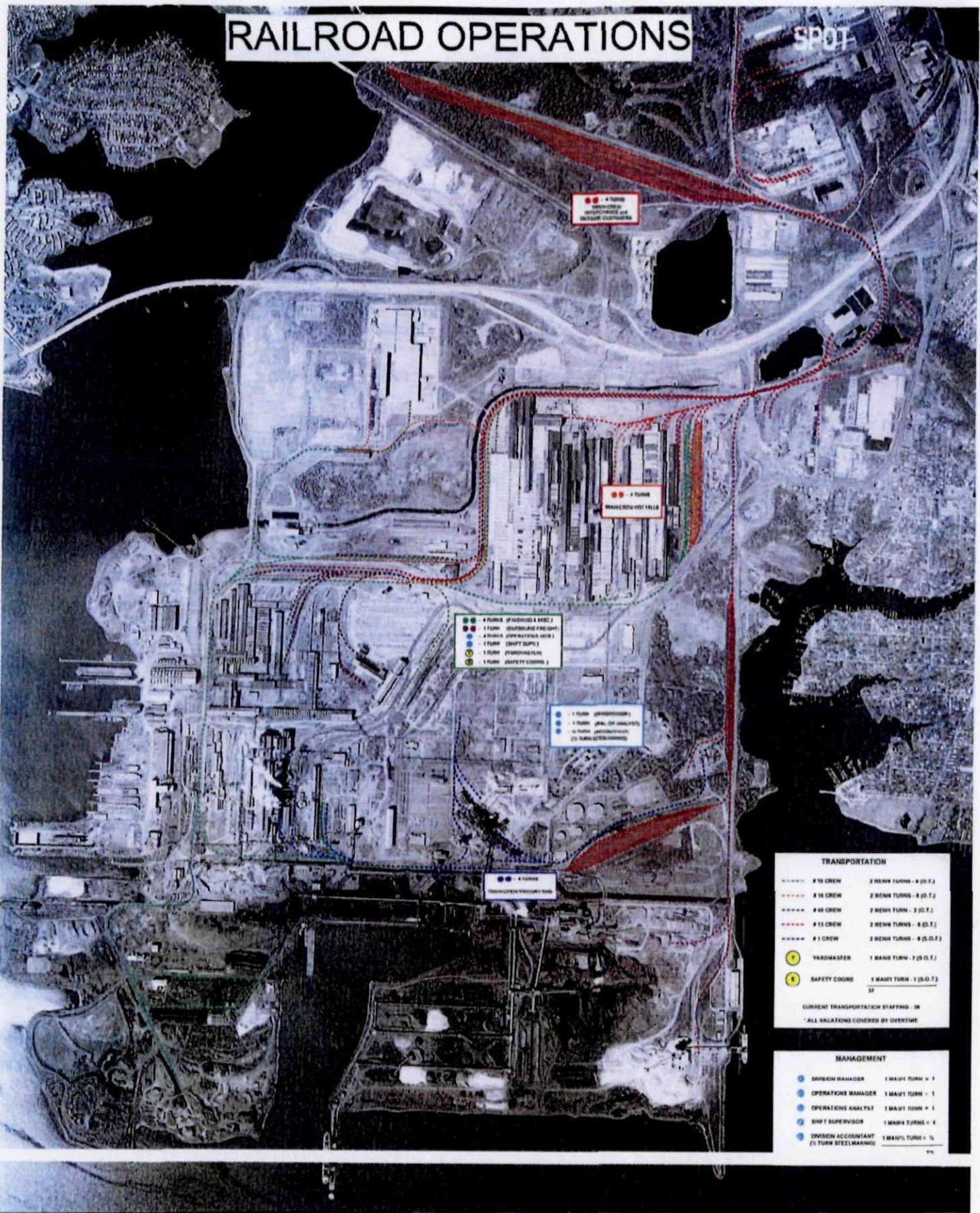
Decided: April __, 2013.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

EXHIBIT C-MAP

RAILROAD OPERATIONS

SPOT



- 4 TURNS (FINISHING & BNC)
- 1 TURN (OUTBOUND FREIGHT)
- 4 TURNS (OFF-HOURS BNC)
- 1 TURN (SPOT SUPPLY)
- 1 TURN (STANDARD LITTS)
- 1 TURN (SAFETY COORD.)

- 1 TURN (OPERATIONS)
- 1 TURN (AL. OF QUALITY)
- 1 TURN (SAFETY COORD.) (2 TURNS LATER EVENING)

TRANSPORTATION	
2 TO CREW	2 BEND TURNS - 8 (D.T.)
16 CREW	2 BEND TURNS - 8 (D.T.)
40 CREW	2 BEND TURNS - 2 (D.T.)
13 CREW	2 BEND TURNS - 8 (D.T.)
1 CREW	2 BEND TURNS - 8 (D.O.T.)
1 YARDMASTER	1 BEND TURN - 7 (D.O.T.)
1 SAFETY COORD.	1 BEND TURN - 1 (D.O.T.)
37	
CURRENT TRANSPORTATION STAFFING - 34	
ALL VACATIONS COVERED BY OVERTIME	

MANAGEMENT	
1 DIVISION MANAGER	1 BEND TURN - 1
1 OPERATIONS MANAGER	1 BEND TURN - 1
1 OPERATIONS ANALYST	1 BEND TURN - 1
1 SHIFT SUPERVISOR	1 BEND TURN - 1
1 DIVISION ACCOUNTANT (2 TURN STEELMAKING)	1 BEND TURN - 1/2
5 1/2	