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SERVICE DATE – MAY 25, 2016

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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36033]

Reading Blue Mountain & Northern Railroad Company—Acquisition and Operation
Exemption—Locust Valley Coal Company d/b/a Locust Valley Line

Reading Blue Mountain & Northern Railroad Company (RBMN), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from Locust Valley Coal Company d/b/a Locust Valley Line (Locust Valley), and continue to operate, approximately 5.5 miles of rail line between milepost 0.0 at Laurel Jct., also known as Maria Jct., in Delano Township, and milepost 5.5 beyond Newton Jct., south of Mahanoy City, in Mahanoy Township, in Schuylkill County, Pa. (the Line). The Line is currently being operated by RBMN.

According to RBMN, Locust Valley acquired the 5.5-mile Line but never performed operations on it.¹ RBMN states that the Line (except for approximately one mile near Laurel Jct.) has been out of service for a number of years but has never been abandoned. RBMN also states that Locust Valley rehabilitated the Line and entered into an agreement with RBMN under which RBMN would operate and provide the freight common carrier obligations over the Line.²

¹ See, Locust Valley Coal Co. d/b/a Locust Valley Line—Acquis. Exemption—Rail Lines in Schuylkill Cty., Pa., FD 34642 (STB served Jan. 21, 2005).

² See, Reading Blue Mountain & N. R.R. —Operation Exemption—Locust Valley Line, FD 34785 (STB served Dec. 29, 2005).

Under the proposed transaction, Locust Valley will sell the Line to RBMN to allow RBMN to become owner and continue operating it. According to RBMN, the transaction will also allow Locust Valley to divest itself of an asset it no longer wishes to own or needs for its business purposes. RBMN certifies that the agreement does not include an interchange commitment.

RBMN states that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier, but that its projected annual revenues would exceed \$5 million. Accordingly, RBMN is required, at least 60 days before this exemption is to become effective, to send notice of the transaction to the national offices of the labor unions with employees on the affected lines, post a copy of the notice at the workplace of the employees on the affected lines, and certify to the Board that it has done so. 49 C.F.R. § 1150.42(e).

In the notice, RBMN requests waiver of the 60-day advance labor notice requirement under § 1150.42(e), asserting that: (1) no Locust Valley employees will be affected because there are no Locust Valley employees on the Line; and (2) no RBMN employees will be affected because RBMN will continue to provide the same service as it has since 2006. RBMN's waiver request will be addressed in a separate decision.

The parties propose to consummate the transaction no sooner than June 8, 2016, the effective date exemption (30 days after the verified notice of exemption was filed). The Board will establish in the decision on the waiver request the earliest date this transaction may be consummated.

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 effectiveness of the exemption. Petitions for stay must be filed no later than June 1, 2016 (at least seven days before the exemption becomes effective).

An original and ten copies of all pleadings, referring to Docket No. FD 36033, 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 applicant's representative, Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

According to RBMN, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

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Decided: May 20, 2016.

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