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SERVICE DATE - MARCH 28, 1997

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33365]

R.J. Corman Railroad Company/Pennsylvania Lines Inc.--
Corporate Family Transaction Exemption--Clearfield &
Mahoning Railway Company

R.J. Corman Railroad Company/Pennsylvania Lines, Inc.
(RJCP) and the Clearfield & Mahoning Railway Company (C&M),¹
Class III common carrier railroads, have jointly filed a
verified notice of exemption. C&M will agree to extend
RJCP's current trackage rights from Curwensville, PA,
milepost 18.0, to approximately East Bickford, PA, milepost
17.4, approximately 0.6 miles.² Simultaneously, RJCP and
C&M will terminate a lease agreement over approximately 8.4
route miles of C&M rail line between milepost 25.8, at
Clearfield, and milepost 17.4, at East Bickford.³

¹ RJCP and C&M are commonly controlled by Richard J. Corman.

² RJCP currently operates, by assignment, incidental trackage rights over C&M's lines between Clearfield, PA, milepost 25.8, and CB Junction, PA, milepost 19.4, to Curwensville, Pa, milepost 18.0, a distance of 7.8 miles.

³ See R.J. Corman Railroad Company/Pennsylvania Lines Inc.--Lease Exemption--Clearfield & Mahoning Railway Company, STB Finance Docket No. 32861 (STB served June 21,

The transaction was to be consummated after the March 7, 1997 effective date of the exemption.

The new trackage rights agreement and the termination of the lease agreement between RJCP and C&M are transactions within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

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 sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding to revoke the exemption under 49

1996).

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U.S.C. 10502(d) may be filed at any time. The filing of a petition to reopen will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33365, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Kevin M. Sheys, Esq., Oppenheimer Wolff & Donnelly, 1020 Nineteenth Street, N.W., Suite 400, Washington, DC 20036.

Decided: March 24, 1997.

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

Vernon A. Williams

Secretary