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May 9, 2016  
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May 6, 2016

## VIA FEDEX

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20024



**Re: STB Docket No. FD 36033  
Reading Blue Mountain & Northern Railroad Company -  
Acquisition and Operation Exemption -  
Locust Valley Coal Company d/b/a Locust Valley Line**

Dear Ms. Brown:

Enclosed for filing in the above-referenced docket are the original and 10 copies of a Notice of Exemption, and Request for Waiver, being filed by Reading Blue Mountain & Northern Railroad Company ("RBMN"). A check in the amount of \$1,900 representing the filing fee is also enclosed.

Please date-stamp the extra copy the Notice of Exemption to indicate receipt and return it to me in the self-addressed, stamped envelope provided.

FEE RECEIVED  
May 9, 2016  
SURFACE  
TRANSPORTATION BOARD

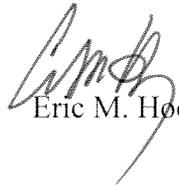
FILED  
May 9, 2016  
SURFACE  
TRANSPORTATION BOARD

Cynthia T. Brown  
May 6, 2016  
Page 2

Please let me know if there are any questions regarding these filings. Thank you for your assistance.

Respectfully,

CLARK HILL PLC

  
Eric M. Hocky

EMH/e  
Encls.

BEFORE THE  
**SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. FD 36033

**READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY**  
– ACQUISITION AND OPERATION EXEMPTION –  
**LOCUST VALLEY COAL COMPANY d/b/a LOCUST VALLEY LINE**



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**VERIFIED NOTICE OF EXEMPTION**  
**UNDER 49 U.S.C. §10902**

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**REQUEST FOR WAIVER OF NOTICE REQUIREMENTS**  
**OF 49 C.F.R. §1150.41(E)**

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Dated: May 6, 2016

Attorneys for  
Reading Blue Mountain & Northern  
Railroad Company

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36033

**READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY**  
– ACQUISITION AND OPERATION EXEMPTION –  
**LOCUST VALLEY COAL COMPANY d/b/a LOCUST VALLEY LINE**



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**VERIFIED NOTICE OF EXEMPTION**  
**UNDER 49 U.S.C. §10902**

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**REQUEST FOR WAIVER OF NOTICE REQUIREMENTS**  
**OF 49 C.F.R. §1150.41(E)**

Reading Blue Mountain & Northern Railroad Company, an existing Class III carrier (“RBMN”) hereby files this Notice of Exemption under 49 U.S.C. §10902 to exempt from regulation RBMN’s acquisition of the Rail Line described herein that is currently owned by Locust Valley Coal Company d/b/a Locust Valley Line (“Locust Valley”) and operated by RBMN. A map showing the Rail Line is attached hereto as Exhibit A.

**Background**

In 2005, Locust Valley acquired the rail line between MP 0.0 at Laurel Jct. (also known as Maria Jct.) in Delano Township, and MP 5.5, beyond Newton Jct., south of Mahanoy City, in Mahanoy Township, in Schuylkill County, Pennsylvania (the “Rail Line”). *See Locust Valley Coal Company d/b/a Locust Valley Line – Acquisition Exemption – Rail Lines in Schuylkill County, PA*, STB Finance Docket No. 34642 (served January 21, 2005). The Rail Line (except for approximately one mile near Laurel Jct.) had been out of service for many years, but had never been abandoned. Locust Valley rehabilitated the Rail Line and then entered into an agreement with RBMN under which RBMN would operate the Rail Line and provide all of the common carrier freight obligations over the Rail Line. *See Reading Blue Mountain and*

*Northern Railroad Company – Operation Exemption – Locust Valley Line*, STB Finance Docket No. 34785 (served December 29, 2005). RBMN began operations over the Rail Line in 2006. Locust Valley never operated the Rail Line and never had any railroad employees. Locust Valley no longer wishes to own the Rail Line, and the parties have agreed to that Locust Valley will sell, and RBMN will purchase, the Rail Line.

#### **Notice**

In accordance with 49 C.F.R. §1150.43, RBMN hereby provides the following information:

(a) The full name and address of RBMN are: Reading Blue Mountain & Northern Railroad Company, PO Box 218, Port Clinton, PA 19549.

(b) The name, address and telephone number of the representative of RBMN who should receive correspondence are: Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

(c) RBMN and Locust Valley have agreed on the terms of, and will be entering into, an Agreement of Sale under which RBMN will purchase the Rail Line.

(d) The current operator of the Rail Line is RBMN, and it will continue as the operator after the transaction is closed.

(e) Brief Summary of the Proposed Transaction:

Under the proposed transaction, Locust Valley, a non-operating rail carrier, will sell the Rail Line to RBMN to allow RBMN to continue to operate the Rail Line. The transaction will allow Locust Valley to divest itself of an asset it no longer needs for its business purposes, and will align the interests of the owner and the operator of the Rail Line.

- (1) The name and address of the railroad transferring the Rail Line: Locust Valley Coal Company d/b/a Locust Valley Line, PO Box 279, Industrial Park Road, St. Clair, PA 17970.
- (2) The parties propose to consummate the transaction no sooner than the effective date of this Notice of Exemption, thirty days after the filing.
- (3) The Rail Line is located in Schuylkill County, Pennsylvania, between MP 0.0 at Laurel Jct. (also known as Maria Jct.) in Delano Township, and MP 5.5, beyond Newton Jct., south of Mahanoy City, in Mahanoy Township.
- (4) The total miles of Rail Line that are being acquired are approximately 5.5 miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Line.

(g) RBMN is a Class III carrier. The transaction will not result in the creation of a Class II or Class I rail carrier.

(h) RBMN certifies that the transaction agreement does *not* include an interchange commitment.

(i) RBMN's revenues after the transaction will be in excess of \$5,000,000. However, because RBMN has been the sole railroad operator of the Rail Line since 2006, RBMN is requesting a waiver of the notice to labor that would otherwise be applicable under 49 C.F.R. § 1150.42(e). *See* discussion below.

#### **Labor Protection**

RBMN is a Class III carrier, and pursuant to 49 U.S.C. §10902(c), approval of the transaction may not be subjected to labor protection conditions.

## **Environmental and Historic Reports**

The transactions provide for continued rail operations that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further Board approval is required for RBMN to abandon the tracks, or alter properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. *See* 49 C.F.R. §1105.6(c)(2); 49 C.F.R. §1105.8(b)(1).

### **Caption Summary**

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.44.

### **Request for Waiver of Notice Requirements of 49 C.F.R. §1150.41(e)**

RBMN is a Class III carrier with annual revenues in excess of \$5,000,000. Accordingly, under the Board's regulations at 49 C.F.R. §1150.42(e), RBMN would be required to give sixty days' notice to employees working on the Rail Line unless the waiver requested herein is granted.<sup>1</sup>

The Board has held: "The purpose of 49 CFR 1150.42(e) is to ensure that rail labor unions and employees who would be affected by the transfer of a line are given sufficient notice of the transaction before consummation." *Belt Line Division of Tacoma Public Utilities – Operation Exemption – In Pierce, Thurston and Lewis Counties, WA*, STB Finance Docket No. 33666 (served October 30, 1998) at 2. *See also Acquisition of Leased Lines under 49 USC 10901 and 10902 – Advance Notice of Proposed Transactions* ("Advanced Notice of Proposed Transactions"), 2 STB 592 (1997). In adopting the notice requirement, the Board specifically

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<sup>1</sup> The regulations also require that notice be given to the national offices of their collective bargaining representatives; however, RBMN's employees are not organized.

recognized that “exceptional situations may occur necessitating acquirer requests for waiver of the 60 day notice provision ...” *Advanced Notice of Proposed Transactions, supra* at 601.

In this instance, RBMN should not be required to comply with the requirements of Section 1150.42(e) because there will be no changes for any employees working on the Rail Line. As explained above, RBMN already operates the Rail Lines, and has been the sole common carrier operator of the Rail Line since 2006. RBMN is merely acquiring title to the Rail Line from Locust Valley, a non-operating carrier. There will be no operational changes arising from the transactions, and no employees of RBMN will be affected. Thus, under the circumstances of this transaction, compliance with the notice requirements will not further the purposes of the rule and should be waived. Granting RBMN a waiver would be consistent with other circumstances in which the Board has granted waivers from the labor notice requirements when a common carrier has filed to extend a lease it was previously leasing and will remain as the common carrier operator on the line. *See, e.g., Southwestern Railroad, Inc. – Lease and Operations Exemption – BNSF Railway Company*, STB Docket No. FD 35855 (served October 15, 2014); *Piedmont & Atlantic Railroad Co., Inc., d/b/a Yadkin Valley Railroad Company - Lease Exemption Containing Interchange Commitment - Norfolk Southern Railway Company*, STB Docket No. FD 35841 (served July 11, 2014); *New Orleans & Gulf Coast Railway Company, Inc. - Lease Exemption Containing Interchange Commitment - Union Pacific Railroad Company*, STB Docket No. FD 35777 (served December 12, 2013); *Puget Sound & Pacific Railroad Company - Lease Exemption - The United States of America*, STB Docket No. FD 35714 (served February 22, 2013).

RBMN asks that the waiver of the labor notice requirements be granted in a timely manner so that the Notice of Exemption can become effective in 30 days.

### **Conclusion**

Accordingly, RBMN requests that the Board issue an exemption notice reflecting the information set forth herein, and that the Board grant its request for waiver of the notice requirements.

Respectfully submitted,



ERIC M. HOCKY  
CLARK HILL PLC  
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2005 Market Street, Suite 1000  
Philadelphia, PA 19103  
(215) 640-8500

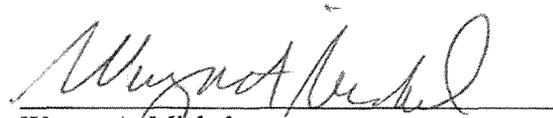
Dated: May 6, 2016

Attorneys for  
Reading Blue Mountain & Northern  
Railroad Company

**VERIFICATION**

I, Wayne A. Michel, President of the Reading Blue Mountain & Northern Railroad Company, verify under penalty of perjury that statements contained in the foregoing Petition for Declaratory Order are true and correct to the best of my knowledge and belief. Further, I certify that I am qualified and authorized to file this Verification.

Executed on April 30, 2016.

  
Wayne A. Michel

# EXHIBIT A

## MAP



**EXHIBIT B**

**CAPTION SUMMARY**

**READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY  
– ACQUISITION AND OPERATION EXEMPTION –  
LOCUST VALLEY COAL COMPANY d/b/a LOCUST VALLEY LINE**

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**VERIFIED NOTICE OF EXEMPTION  
UNDER 49 U.S.C. §10902**

Reading Blue Mountain & Northern Railroad Company (“RBMN”), a Class III rail carrier, has filed a Notice of Exemption under 49 USC § 10902 and 49 CFR § 1150.41 to acquire from Locust Valley Railroad Company (“Locust Valley”), and operate, approximately 5.5 miles of rail line in Schuylkill County, Pennsylvania, between MP 0.0 at Laurel Jct. (also known as Maria Jct.) in Delano Township, and MP 5.5, beyond Newton Jct., south of Mahanoy City, in Mahanoy Township.

RBMN has certified that the proposed transaction does not include an interchange commitment.

RBMN has separately filed a request for waiver of the advanced notice to labor requirements of 49 C.F.R. §1150.42(e).

The Notice is filed under 49 C.F.R. §1150.41. 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.

Comments must be filed with the Board and served on RBMN’s representative, Eric M. Hockey, Esquire, Clark Hill. PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.