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# BAKER & MILLER PLLC

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ENTERED  
Office of Proceedings  
December 29, 2015  
Part of  
Public Record

William A. Mullins

(202) 663-7823 (Direct Dial)  
E-Mail: [wmullins@bakerandmiller.com](mailto:wmullins@bakerandmiller.com)

December 29, 2015

**BY HAND DELIVERY**

Cynthia T. Brown, Chief  
Section of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington DC 20423-0001

Re: BD Highspire Holdings, LLC - Acquisition And Operation Exemption – Mittal Steel USA – Railways Inc., FD 35987

Dear Ms. Brown:

Enclosed please find an original and eleven copies of a Verified Notice of Exemption under 49 C.F.R. §1150.31 filed on behalf of BD Highspire Holdings, LLC.

Please acknowledge receipt and filing of this notice of exemption by date-stamping the enclosed eleventh copy and returning it to the courier to return to me. This submission also includes an electronic copy of the entire filing and a separate electronic copy of a draft Federal Register notice.

Finally, pursuant to 49 C.F.R. § 1002.2(f)(11)(ii), I have enclosed a filing fee check in the amount of \$1,900.00. If there are any questions about this matter, please contact me directly, either by telephone: 202-663-7823 or by e-mail: [wmullins@bakerandmiller.com](mailto:wmullins@bakerandmiller.com).

Sincerely,



William A. Mullins

Attorney for BD Highspire Holdings, LLC

Enclosures

cc: Neal Wise  
Daniella Silberstein  
Peter Denton

FILED  
December 29, 2015  
Surface Transportation Board

FEE RECEIVED  
December 29, 2015  
Surface Transportation Board

**BEFORE THE  
SURFACE TRANSPORTATION BOARD  
WASHINGTON, DC**

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**FD 35987**

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**BD HIGHSPIRE HOLDINGS, LLC  
—ACQUISITION AND OPERATION EXEMPTION—  
MITTAL STEEL USA – RAILWAYS INC.**

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**VERIFIED NOTICE OF EXEMPTION**

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**William A. Mullins  
Crystal M. Zorbaugh  
BAKER & MILLER PLLC  
2401 Pennsylvania Ave., NW  
Suite 300  
Washington, DC 20037  
Tel: (202) 663-7820  
Fax: (202) 663-7849**

**Attorneys for BD Highspire Holdings,  
LLC**

**December 29, 2015**

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**FD 35987**

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**INTRODUCTION**

BD Highspire Holdings, LLC (“BDHH”), a non-carrier, hereby files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions to permit BDHH to acquire from Mittal Steel USA – Railways Inc. (“Mittal Railways”) and subsequently operate approximately 47 miles of rail lines and related rail assets that once comprised the Steelton & Highspire Railroad in Dauphin County, Pennsylvania (for ease of reference, all rail assets to be acquired pursuant to this Notice of Exemption will be referred to as the “Line”).<sup>1</sup>

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<sup>1</sup> See Steelton & Highspire R.R. Co. LLC—Acquisition and Operation Exemption—Steelton & Highspire R.R. Co., FD 34158 (STB served Jan. 10, 2002). Steelton & Highspire R.R. Co. LLC was later acquired by ISG Railways, Inc. See ISG Railways, Inc. —Acquisition of Control Exemption—Assets of Keystone R.R. LLC d/b/a Philadelphia, Bethlehem and New England R.R. Co., Conemaugh & Black Lick R.R. Co. LLC, Steelton & Highspire R.R. Co. LLC, Lake Michigan & Indiana R.R. Co. LLC, Brandywine Valley R.R. Co. LLC, Upper Merion & Plymouth R.R. Co. LLC, Patapsco & Back Rivers R. R. Co. LLC, and Cambria and Indiana R.R., Inc., FD 34344 (STB served May 22, 2003). ISG Railways, Inc. was later acquired by Mittal Steel Company N.V. See Mittal Steel Company N.V. – Acquisition Of Control Exemption – ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Company and ISG Cleveland Works Railway Company, FD 34650 (STB served May 3, 2005). ISG Railways Inc. later changed its name to Mittal Steel USA – Railways Inc., the current owner of the Line.

## REQUIRED INFORMATION

In support of this Notice of Exemption, BDHH submits the following information as required by 49 C.F.R. § 1150.32-1150.34:

(a) **Full name and Address of Applicant: 49 C.F.R. § 1150.33(a)**

BD Highspire Holdings, LLC  
c/o Corporation Trust Center  
1209 Orange Street  
Wilmington, DE 19801

(b) **Applicant's Representatives: 49 C.F.R. § 1150.33(b)**

William A. Mullins  
Crystal M. Zorbaugh  
BAKER & MILLER PLLC  
2401 Pennsylvania Ave., NW, Suite 300  
Washington, DC 20037  
Tel: (202) 663-7820  
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(c) **Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)**

BDCM Opportunity Fund IV, L.P. ("BDCM"), the parent company of BDHH, and ArcelorMittal USA LLC ("AM USA"), a Delaware limited liability company and the parent company of Mittal Railways, have reached an agreement which, when consummated, will result in BDHH purchasing from Mittal Railways and subsequently operating the Line. A letter of intent covering the transaction was signed on November 13, 2015 and the parties expect to finalize a sale and purchase agreement shortly.

(d) **Operator of the Property: 49 C.F.R. § 1150.33(d)**

BDHH will be the owner and operator of the Line.

(e) **Summary of the Transaction: 49 C.F.R. § 1150.33(e)**

BDHH is a newly formed non-carrier limited liability company owned and controlled by BDCM, a non-carrier holding company. Neither BDCM, its controlling

shareholders, nor BDHH own or control, directly or indirectly, any rail carriers subject to the jurisdiction of the Surface Transportation Board. AM USA is the U.S. subsidiary of ArcelorMittal, an international steel company. AM USA and its subsidiaries, including Mittal Railways, own various properties in the United States, including the Line. BDCM and AM USA have reached an agreement which, when consummated, will result in BDHH purchasing and operating the Line. BDHH intends to utilize existing employees for its operations.

- (1) Name and address of railroad transferring the subject property:

Mittal Steel USA – Railways Inc.  
One South Dearborn  
Chicago, IL 60603

- (2) Proposed time schedule for consummation:

The involved transaction is expected to be consummated on or after January 28, 2016 (30 days after filing this Notice of Exemption).

- (3) Mileposts of the subject property:

The Line consists mainly of yard and switching track that does not have designated mileposts. The Line connects at the east end with the Norfolk Southern Railway Company (“NS”) at the NS/Highspire Interchange and on the west end with NS at the NS/Steelton Interchange. All of the Line is located in Dauphin County, Pennsylvania.

- (4) Route miles being acquired:

The Line being acquired by BDHH totals approximately 47 miles, which includes all of the rail assets of the former Steelton & Highspire Railroad Company, LLC (“SHRR”). Given that the Line is comprised mainly of yard and

switching tracks, it does not have assigned mileposts. The 47 miles estimate is intended to represent all of the rail assets previously acquired by SHRR in FD 34158.<sup>2</sup>

(f) **Map: 49 C.F.R. § 1150.33(f)**

A map of the Line being acquired is attached as Exhibit A.

(g) **Certification of Revenues: 49 C.F.R. § 1150.33(g)**

BDHH hereby certifies that its projected annual revenues resulting from the transaction will not exceed those that would qualify it as a Class III carrier. See certification attached as Exhibit B.

(h) **Interchange Commitments: 49 C.F.R. § 1150.33(h)**

The transaction does not include any interchange commitments that prohibits BDHH from interchanging traffic with a third party or limits BDHH's ability to interchange with a third party.

#### **ADVANCE NOTICE REQUIREMENTS**

BDHH's projected annual revenues will not exceed \$5 million as a result of this transaction. See Exhibit B. For this reason, the 60-day advance notice and posting requirements of 49 C.F.R. § 1150.32(e) do not apply here.

#### **ENVIRONMENTAL AND HISTORIC IMPACTS**

Under 49 C.F.R. § 1105.6(c)(2), the proposed transaction is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier

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<sup>2</sup> Although Steelton & Highspire Railroad Company sought and obtained authority to acquire all 47 miles of the Line, most of the track is excepted track under 49 U.S.C. §10906. BDHH is using the 47 mile figure for the purpose of notifying the Board and the public that Mittal Railways is selling, and BDHH is acquiring, substantially all of Mittal Railway's rail assets that formally comprised the Steelton & Highspire Railroad Company.

operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § § 1105.7(e)(4) or (5).

Also, under 49 C.F.R. § 1105.8(b)(1), the proposed transaction is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Further Board approval would be required for BDHH to abandon or discontinue any service. There are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

#### CAPTION SUMMARY

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Respectfully submitted,



William A. Mullins  
Crystal M. Zorbaugh  
BAKER & MILLER PLLC  
2401 Pennsylvania Ave., NW  
Suite 300  
Washington, DC 20037  
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December 29, 2015

Attorneys for BD Highspire Holdings, LLC

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WASHINGTON, DC**

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**FD 35987**

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- ACQUISITION AND OPERATION EXEMPTION -  
MITTAL STEEL USA - RAILWAYS INC.**

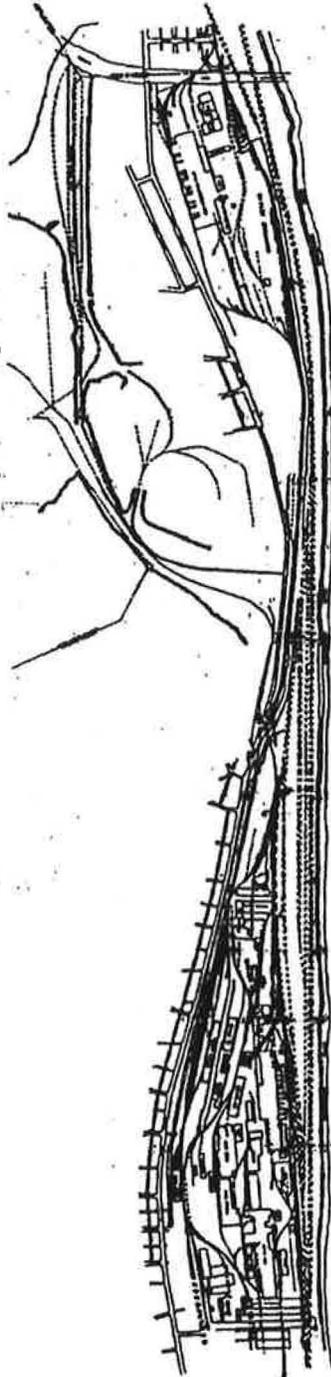
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**VERIFIED NOTICE OF EXEMPTION**

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**EXHIBIT A**

**MAP**



Steelton & Highspire Railroad Co.  
Steelton, PA

14  
A-1

**BEFORE THE  
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**EXHIBIT B**

**CERTIFICATION OF REVENUES**

**CERTIFICATION**

I, Sam Farahnak, Director of BD Highspire Holdings, LLC, hereby certify that BD Highspire Holdings, LLC's projected annual revenues will not exceed \$5,000,000 following consummation of the subject transaction.



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Sam Farahnak  
Director  
BD Highspire Holdings, LLC

December 29, 2015

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**EXHIBIT C**

**CAPTION SUMMARY**

**SURFACE TRANSPORTATION BOARD**

**NOTICE OF EXEMPTION**

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**FD 35987**

**BD HIGHSPIRE HOLDINGS, LLC  
– ACQUISITION AND OPERATION EXEMPTION –  
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BD Highspire Holdings, LLC, a newly formed noncarrier limited liability company owned by BDCM Opportunity Fund IV, L.P., a non-carrier holding company that does not own or control any rail carriers, has filed a verified notice of exemption to acquire and operate substantially all of the rail assets currently owned and operated by Mittal Steel USA – Railways Inc. in Dauphin County, Pennsylvania. The rail assets consist of approximately 47 miles of mainly yard and switching track and are entirely located in Dauphin County, Pennsylvania. Comments must be filed with the Surface Transportation Board and served on BDHH's representative: William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Ave., NW, suite 300, Washington, DC 20037, Tel. (202) 663-7820.

The notice is filed under the class exemption procedures set forth at 49 C.F.R. § 1150.31, et seq. 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.

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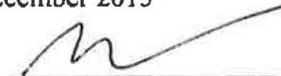
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**VERIFICATION**

## VERIFICATION

I, Sam Farahnak, hereby verify under penalty of perjury on behalf BD Highspire Holdings, LLC that I have read the foregoing Verified Notice of Exemption and that its statements are true and correct to best of my knowledge, information, and belief. I further declare that I am qualified and authorized to make such verification on behalf of BD Highspire Holdings, LLC in connection with this proceeding before the Surface Transportation Board.

Executed this 29th day of December 2015



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Sam Farahnak  
Director