



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36152]

Ohio River Partners Shareholders LLC—Exemption for Intra-Corporate Family Transaction—Ohio River Partners LLC

Ohio River Partners Shareholder LLC (ORPS) and Ohio River Partners LLC (ORP) (collectively, the Parties) have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family transaction. ORP is a Delaware limited liability company, and in 2016 the Board authorized it to acquire and operate a 12.2-mile rail line between milepost 60.5 at or near Powhatan Point, Ohio, and milepost 72.2 at or near Hannibal, Ohio (the Omal Line).¹ ORPS, a Delaware limited liability company, owns 100% of the member interests of ORP.²

According to the Parties, the purpose of this transaction is to vest both fee title to the Omal Line and the right (and common carrier obligation) to operate the Omal Line in a single entity (ORPS).³ They state that the transaction will streamline administration

¹ See Ohio River Partners LLC—Acquis. & Operation Exemption—Hannibal Development, LLC, FD 35984 (STB served Apr. 1, 2016).

² ORPS is indirectly owned and controlled by Fortress Transportation and Infrastructure Investors LLC, which is managed by an affiliate of Fortress Investment Group LLC (Fortress).

³ The Parties state that the Omal Line acquisition was part of a broader real estate transaction pursuant to which ORPS acquired certain industrial property (including the land upon which the Omal Line is located) from Hannibal Development LLC (Hannibal Development). The parties originally contemplated that ORP would acquire and operate the Omal Line, while ORPS would acquire the other real property from Hannibal Development. However, as consummated, the transaction resulted in ORPS becoming

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and enhance corporate efficiency for the Parties, which are already closely integrated. They note, for example, that the proposed merger will eliminate the need for ORP and ORPS to prepare separate tax returns and maintain separate corporate records.

The Parties state that the transaction does not impose or involve any interchange commitment by, or affecting, the Parties.⁴

Unless stayed, the exemption will be effective on November 15, 2017 (30 days after the verified notice was filed). The Parties state that they intend to consummate the proposed transaction as soon as practicable after the effective date of the exemption.

This is a transaction within a corporate family of the type specially exempted from prior review and approval under 49 CFR 1180.2(d)(3). The Parties state that the transaction will not result in any adverse change in service levels or significant operational changes because ORP has not yet commenced operations over the Omal Line. Nor will the merger of ORP with and into ORPS result in any 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. The

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the owner of all the property conveyed by Hannibal Development, including the Omal Line.

⁴ An unexecuted draft copy of the Parties' agreement was filed with the verified notice of exemption.

exemption here was filed by ORP and ORPS. Only Class III carriers are involved. Accordingly, labor protective conditions will not be imposed.

If the verified 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 exemption. Petitions for stay must be filed no later than November 8, 2017 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36152, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Terrence M. Hynes, Sidley Austin LLP, 1501 K Street, N.W., Washington, DC 20005.

According to the Parties, this action is categorically excluded from environmental review under 49 CFR 1105.6(c).

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Decided: October 27, 2017.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Brendetta S. Jones,

Clearance Clerk.

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