



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36449]

Cleveland-Cliffs Inc.—Acquisition of Control Exemption—Brandywine Valley Railroad Company, Steelton & Highspire Railroad Company, Lake Michigan & Indiana Railroad Company, Upper Merion & Plymouth Railroad Company, Cleveland Works Railway Inc., and South Chicago & Indiana Harbor Railway Company

Cleveland-Cliffs Inc. (Cleveland-Cliffs), a noncarrier, has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire control of six Class III rail carriers: Brandywine Valley Railroad Company (Brandywine); Steelton & Highspire Railroad Company (S&H); Lake Michigan & Indiana Railroad Company (LMIC); Upper Merion & Plymouth Railroad Company (UMPR); Cleveland Works Railway Inc. (CWR); and South Chicago & Indiana Harbor Railway Company (SCIH) (collectively, the Acquired Railroads).¹ According to the verified notice, the Acquired Railroads are currently owned and controlled by ArcelorMittal USA LLC (ArcelorMittal USA) and are all shortline or terminal railroads that primarily service steel production facilities currently owned by ArcelorMittal USA.

According to the verified notice, Cleveland-Cliffs has entered into an agreement to purchase all of the equity of ArcelorMittal USA, as a result of which Cleveland-Cliffs will become the indirect owner of the Acquired Railroads.² The verified notice states that Cleveland-

¹ Cleveland-Cliffs states that Brandywine, S&H, and UMPR operate in Pennsylvania; LMIC operates in Indiana; CWR operates in Ohio; and SCIH operates in Illinois and Indiana.

² Cleveland-Cliffs states that it is a vertically integrated producer of differentiated iron ore and steel and that it is acquiring ArcelorMittal USA to become a more efficient fully integrated steel producer. Cleveland-Cliffs states that, because its acquisition of the Acquired

Cliffs currently owns one Class III railroad, the Lake Superior & Ishpeming Railroad (LS&I), which operates in Michigan.

The verified notice states that: (1) the Acquired Railroads do not connect with each other or with LS&I; (2) the proposed transaction is not a part of a series of anticipated transactions that would connect any of these rail carriers with each other; and (3) the proposed transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

The earliest the transaction may be consummated is November 22, 2020, the effective date of the exemption (30 days after the verified notice was filed).

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. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

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 effectiveness of the exemption. Petitions to stay must be filed no later than November 13, 2020 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36449, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading

Railroads is incidental to its acquisition of ArcelorMittal USA, it does not anticipate that this transaction will alter the operations or service of the Acquired Railroads in any material respect.

must be served on Cleveland-Cliffs' representative, Don Munro, Jones Day, 51 Louisiana Avenue, N.W., Washington, DC 20001.

According to Cleveland-Cliffs, this action is categorically excluded from environmental review under 49 1105.6(c) and from historic review under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: November 2, 2020.

By the Board, Allison C. Davis, Director, Office of Proceedings.

Regena Smith-Bernard,

Clearance Clerk.

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