



## **SURFACE TRANSPORTATION BOARD**

**[Docket No. FD 36454]**

### **Strasburg Rail Road Company—Continuance in Control Exemption—SRC**

#### **Railway LLC**

Strasburg Rail Road Company (SRC), a Class III rail carrier, has filed a verified notice of exemption pursuant to 49 CFR 1180.2(d)(2) to continue in control of SRC Railway LLC (Railway LLC), upon Railway LLC becoming a Class III rail carrier.<sup>1</sup> Railway LLC is a newly formed noncarrier entity that is controlled by SRC.

This transaction is related to a concurrently filed verified notice of exemption in SRC Railway LLC—Lease & Operation Exemption—Strasburg Rail Road Co., Docket No. FD 36453. In that proceeding, Railway LLC seeks an exemption to lease and operate approximately 4.25 miles of rail line known as the Strasburg Line in Lancaster County, Pa. (the Line).

The verified notice states that because the Line is solely owned by SRC, lease of the Line to Railway LLC does not constitute a connection within the corporate family. SRC further states that the transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

The earliest this transaction may be consummated is January 20, 2021, the effective date of the exemption (30 days after the verified notice was filed).

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<sup>1</sup> SRC states that, although the proposed transaction is wholly within a corporate family and would satisfy the criteria for an exemption under section 1180.2(d)(3), it submitted verified notices for acquisition authority and continuance in control authority given the decision in Oregon International Port of Coos Bay—Intra-Corporate Family Transaction Exemption, FD 36199 (STB served Oct. 26, 2018). This notice does not address the appropriateness of section 1180.2(d)(3) in this situation, as the notice satisfies the criteria for section 1180.2(d)(2).

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. Accordingly, the Board may not impose labor protective conditions here because only Class III carriers are involved.

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 for stay must be filed no later than January 12, 2021.

All pleadings, referring to Docket No. FD 36454 should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on SRC's representative, Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to SRC, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: December 31, 2020.

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

Jeffrey Herzig,

Clearance Clerk.