

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

308741

ENTERED
Office of Proceedings
September 20, 2024
Part of
Public Record

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

September 20, 2024

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: **Docket No. FD 36805**
Delmarva Central Railroad Company – Acquisition Exemption –
Line of The Maryland and Delaware Railroad Company

Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is the **Verified Notice of Exemption of Delmarva Central Railroad Company Pursuant to 49 C.F.R. § 1150.42**, dated September 20, 2024. The sum of \$2,200, representing the appropriate fee for this filing, has been tendered electronically via Pay.gov.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

/s/ Thomas J. Litwiler

Thomas J. Litwiler
Attorney for Delmarva Central
Railroad Company

FILED

September 20, 2024
SURFACE
TRANSPORTATION BOARD

TJL:tl

Attachment

FEE RECEIVED

September 20, 2024
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36805

DELMARVA CENTRAL RAILROAD COMPANY
-- ACQUISITION EXEMPTION --
LINE OF THE MARYLAND AND DELAWARE RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
DELMARVA CENTRAL RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.42**

Thomas J. Litwiler
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR DELMARVA CENTRAL
RAILROAD COMPANY**

Dated: September 20, 2024

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36805

DELMARVA CENTRAL RAILROAD COMPANY
-- ACQUISITION EXEMPTION --
LINE OF THE MARLAND AND DELAWARE RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
DELMARVA CENTRAL RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.42**

Pursuant to 49 C.F.R. § 1150.41, *et seq.*, Delmarva Central Railroad Company (“DCR”), a Class III rail carrier, hereby files this Verified Notice of Exemption to acquire from The Maryland and Delaware Railroad Company (“MDDE”) an approximately 3-mile rail line between Frankford and Selbyville, Delaware (the “Snow Hill North Line”). DCR connects with the Snow Hill North Line at Frankford. Based on projected revenues for the Snow Hill North Line, DCR expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.43, DCR submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

Delmarva Central Railroad Company
519 Cedar Way
Building 1, Suite 100
Oakmont, Pennsylvania 15139-2010
(412) 426-2800

101 Delaware Avenue
Harrington, Delaware 19952-1213

Applicant's Representative: 49 C.F.R. § 1150.43(b)

DCR's representative to whom correspondence regarding this transaction should be sent is as follows:

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

Carload Express, Inc. ("Carload Express," the parent of DCR), Old Line Holding Company, Inc. (the parent of MDDE) and MDDE have entered into a Purchase Agreement dated as of August 1, 2024 pursuant to which, *inter alia*, the Snow Hill North Line will be acquired by DCR as a designated corporate affiliate of Carload Express.

Operation of the Property: 49 C.F.R. § 1150.43(d)

DCR will operate the Snow Hill North Line upon DCR's acquisition of that line from MDDE.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

DCR is a Class III rail carrier which leases or operates approximately 187 miles of rail line on the Delmarva Peninsula in Delaware, Maryland and Virginia. *Delmarva Central*

Railroad Company – Lease and Operation Exemption with Interchange Commitment – Norfolk Southern Railway Company, Docket No. FD 36071 (STB served Dec. 2, 2016); *Delmarva Central Railroad Company – Change in Operator Exemption – Cassatt Management, LLC d/b/a Bay Coast Railroad*, Docket No. FD 36196 (STB served June 7, 2018 and June 8, 2018); *Delmarva Central Railroad Company – Modified Rail Certificate*, Docket No. FD 36239 (STB served Feb. 11, 2019). DCR is a wholly-owned subsidiary of Carload Express, which also controls two other Class III rail carriers operating in Pennsylvania. *See Carload Express, Inc. – Continuance in Control Exemption – Delmarva Central Railroad Company*, Docket No. FD 36072 (STB served Dec. 2, 2016).¹

MDDE is a Class III rail carrier which operates under a modified certificate of public convenience and necessity disconnected rail lines in Delaware and Maryland owned by the State of Maryland, and also owns and operates a rail line extending between Frankford, Delaware and Snow Hill, Maryland (of which the Snow Hill North Line is a part). *See Maryland and Delaware Railroad Company – Modified Rail Certificate*, Docket No. FD 29830 (ICC served Feb. 9, 1982); *Maryland and Delaware and Railroad Company – Acquisition Exemption – Snow Hill Shippers Association, Inc.*, Docket No. FD 33772 (STB served Feb. 24, 2000). Each of MDDE's rail lines connects with DCR.

Pursuant to the Purchase Agreement executed by the parties, DCR will acquire from MDDE the Snow Hill North Line extending between the connection with DCR at milepost 39.0 at Frankford, Delaware and milepost 42.0 immediately south of Fava Road at Selbyville, Delaware,

¹ The operations of a fourth Carload Express subsidiary in Ohio were assumed by another rail carrier in 2021. *See Katahdin Railcar Services LLC – Change in Operators Exemption – Ohio Terminal Railway Company*, Docket No. FD 36487 (STB served Mar. 30, 2021).

a distance of approximately 3.0 miles. DCR will operate the Snow Hill North Line as an extension of its existing line to Frankford from Harrington, Delaware.

After DCR's acquisition of the Snow Hill North Line, the Purchase Agreement between the parties provides that Carload Express will acquire control of MDDE. As part of that control transaction, Old Line Holding Company, Inc. ("Old Line"), the current parent of MDDE, will retain ownership of the Snow Hill Line south of milepost 42.0 at Selbyville. Each of those subsequent transactions will be the subject of separate proceedings at the Board.² The staggered structure of the transactions among Carload Express, DCR, Old Line and MDDE accommodates certain tax treatment of the Snow Hill North Line acquisition, and will result in: 1) Carload Express' control of MDDE, which will operate state-owned lines under a modified certificate; and 2) the division of ownership of the Snow Hill Line between DCR and Old Line.

The complete name and address of the entity conveying the Snow Hill North Line to DCR is as follows:

The Maryland and Delaware Railroad Company
106 Railroad Avenue
Federalsburg, Maryland 21632

DCR intends to consummate its acquisition of the Snow Hill North Line from MDDE on or shortly after October 21, 2024.

² Old Line will file a notice of exemption pursuant to 49 C.F.R. § 1150.32 to acquire what is designated the "Snow Hill South Line" in Docket No. FD 36806, *Old Line Holding Company, Inc., d/b/a Old Line Railroad – Acquisition and Operation Exemption – Line of The Maryland and Delaware Railroad Company*. Carload Express will file a petition for exemption pursuant to 49 U.S.C. §§ 10502 and 11323(a)(5) and 49 C.F.R. § 1121 to control MDDE in Docket No. FD 36807, *Carload Express, Inc. – Control Exemption – The Maryland and Delaware Railroad Company*.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Snow Hill North Line and the surrounding area is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

DCR's proposed acquisition of the Snow Hill North Line does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.42(e)

On August 19, 2024, the 60-day notice of the proposed acquisition transaction required by 49 C.F.R. § 1150.42(e) was posted at the workplaces of current MDDE employees who work on the Snow Hill North Line, and on August 20, 2024 DCR certified that action to the Board.³ A copy of the notice and certification as filed with the Board is attached as Exhibit C to this Notice.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), DCR's proposed acquisition of the Snow Hill North Line does not require preparation of environmental documentation. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

³ MDDE employees are not represented by any labor union.

Under 49 C.F.R. § 1105.8(b)(1), DCR’s acquisition of the Snow Hill North Line also is excepted from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to abandon or discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

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

Respectfully submitted,

/s/ Thomas J. Litwiler

By: _____

Thomas J. Litwiler

Bradon J. Smith

Fletcher & Sippel LLC

29 North Wacker Drive

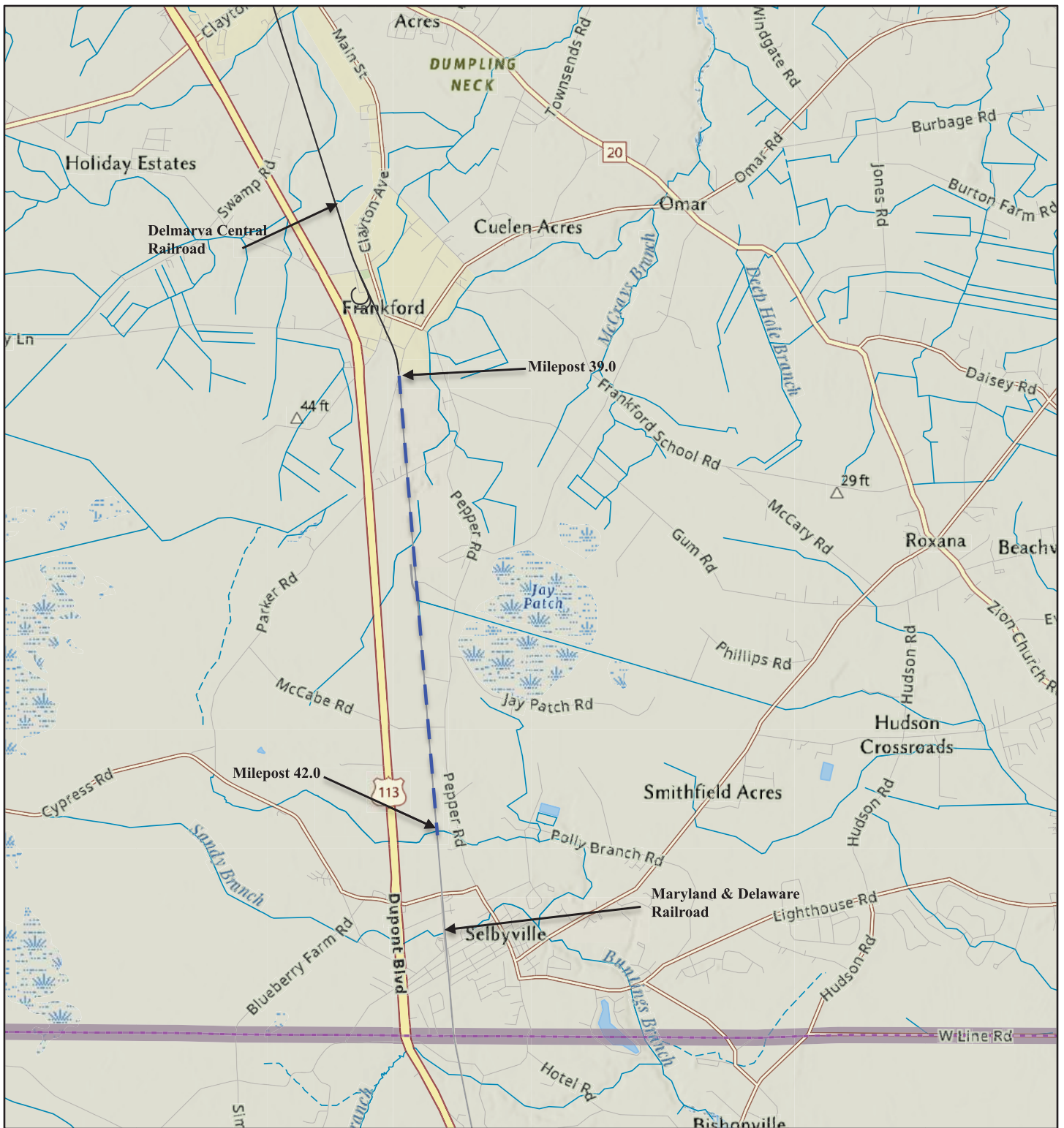
Suite 800

Chicago, Illinois 60606-3208

(312) 252-1500

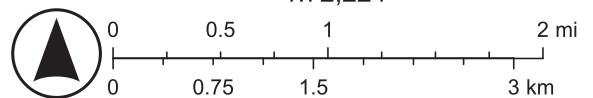
**ATTORNEYS FOR DELMARVA CENTRAL
RAILROAD COMPANY**

Dated: September 20, 2024



9/20/2024

1:72,224



CERTIFICATION

Commonwealth of Pennsylvania)
)
County of Allegheny)

SS:

John P. Ashbridge, being duly sworn, hereby certifies that the projected annual rail revenues of Delmarva Central Railroad Company as a result of the transaction proposed herein will not result in the creation of a Class II or a Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).

John Paulding Ashbridge

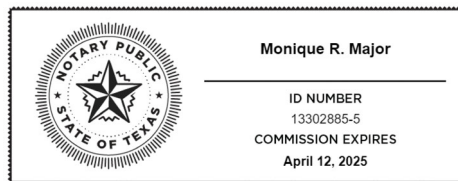
John P. Ashbridge
President and Chief Executive Officer

State of Texas
County of Montgomery

SUBSCRIBED AND SWORN TO
before me this 20th day
of September, 2024.

Monique R. Major

Notary Public



My Commission expires: 04/12/2025

Electronically signed and notarized online using the Proof platform.

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

August 20, 2024

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: **Docket No. FD 36805**
Delmarva Central Railroad Company – Acquisition Exemption –
Line of The Maryland and Delaware Railroad Company

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Delmarva Central Railroad Company hereby certifies that on August 19, 2024 the attached Notice was posted at the following workplaces of employees of The Maryland and Delaware Railroad Company (“MDDE”):

MDDE Enginehouse
3 West Railroad Avenue
Selbyville, DE 19975

MDDE Locomotive Cab (on siding)
29901 Feather Lane
Frankford, DE 19945

MDDE employees are not represented by any labor union.

If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,

/s/ Thomas J. Litwiler

Thomas J. Litwiler
Attorney for Delmarva Central
Railroad Company

TJL:tl
Attachment

DELMARVA CENTRAL RAILROAD COMPANY
101 Delaware Avenue
Harrington, DE 19952-1213

NOTICE

Pursuant to regulations of the Surface Transportation Board ("STB") at 49 C.F.R. § 1150.42(e), Delmarva Central Railroad Company ("DCR"), a Class III rail carrier, hereby gives notice to employees of The Maryland and Delaware Railroad Company ("MDDE") that on or shortly after October 18, 2024, DCR intends to acquire and thereafter operate MDDE's line of railroad extending between the connection with DCR at milepost 39.0 at Frankford, Delaware and milepost 42.0 immediately south of Fava Road at Selbyville, Delaware, a distance of approximately 3.0 miles (the "Snow Hill North Line").

A notice of exemption to authorize the proposed transaction will be filed with the STB on or shortly before September 18, 2024 in Docket No. FD 36805.

DCR does not expect to hire any additional employees as a result of its proposed acquisition of the Snow Hill North Line, and MDDE will not make any staffing changes as a result of the transaction. Employees desiring further information regarding the transaction may contact John Ashbridge, President & CEO of DCR, at (412) 426-2001.

In addition to DCR's proposed acquisition of the Snow Hill North Line, the parents of DCR and MDDE have entered into an agreement pursuant to which Carload Express, Inc., the parent of DCR, will acquire control of MDDE. As part of that transaction, Old Line Holding Company, Inc., the current parent of MDDE, will retain ownership of the Snow Hill Line south of milepost 42.0 at Selbyville. Those transactions will be the subject of separate proceedings at the STB.

8/19/24

EXHIBIT D
CAPTION SUMMARY

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36805]

Delmarva Central Railroad Company—Acquisition Exemption—Line of The Maryland and Delaware Railroad Company

Delmarva Central Railroad Company (DCR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. part 1150, subpart E to acquire from The Maryland and Delaware Railroad Company (MDDE) and to operate an approximately 3.0-mile rail line extending between the connection with DCR at milepost 39.0 at Frankford, Del. and milepost 42.0 immediately south of Fava Road at Selbyville, Del. (the Line).

DCR certifies that the proposed acquisition of the Line does not involve an interchange commitment. DCR further certifies that its projected annual revenues after this transaction will not result in the creation of a Class I or Class II rail carrier. Pursuant to 49 CFR 1150.42(e), if a carrier's projected annual revenues will exceed \$5 million, it must, at least 60 days before the exemption is to become effective, post a notice of its intent to undertake the proposed transaction at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines,¹ and certify to the Board that it has done so. On August 20, 2024, DCR certified that it had complied with those advance notice requirements.

The transaction may be consummated on or after October __, 2024, the effective date of the exemption (30 days after the verified notice was filed).

¹ MDDE employees are not represented by any labor union.

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 October __, 2024 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36805, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on DCR's representative, Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to DCR, 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.

Decided: October __, 2024.

By the Board, Mai T. Dinh, Director, Office of Proceedings.

VERIFICATION

Commonwealth of Pennsylvania)
)
County of Allegheny) SS:

John P. Ashbridge, being duly sworn, deposes and says that he is President and Chief Executive Officer of Delmarva Central Railroad Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

John Paulding Ashbridge

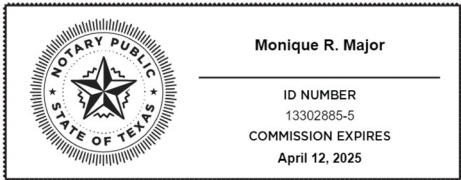
John P. Ashbridge

State of Texas
County of Montgomery

SUBSCRIBED AND SWORN TO
before me this 20th day
of September, 2024.

Monique R. Major

Notary Public



My Commission expires: 04/12/2025

Electronically signed and notarized online using the Proof platform.