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SERVICE DATE – JUNE 14, 2024

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36783]

3i RR Holdings GP LLC, 3i RR Holdings Partnership L.P., 3i RR Intermediate Holdings LLC, 3i RR LLC, Regional Rail Holdings, LLC, Regional Rail Sub Holdings LLC, and Regional Rail, LLC—Control Exemption—Cincinnati Eastern Railroad LLC

3i RR Holdings GP LLC, 3i RR Holdings Partnership L.P., 3i RR Intermediate Holdings LLC, 3i RR LLC, Regional Rail Holdings, LLC, and Regional Rail Sub Holdings LLC (collectively, 3i RR) and Regional Rail, LLC (Regional Rail), each a noncarrier, have filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire control of Cincinnati Eastern Railroad, LLC (CCET II). CCET II will be the successor to CCET LLC (CCET I), a Class III rail carrier that operates approximately 69.45 miles of rail line in Ohio under lease from Norfolk Southern Railway Company.

According to the verified notice, Regional Rail is directly controlled by Regional Rail Sub Holdings LLC, which is controlled by Regional Rail Holdings, LLC, which is controlled by 3i RR LLC, which is controlled by 3i RR Intermediate Holdings LLC, which is controlled by 3i RR Holdings Partnership L.P., which is controlled by 3i RR Holdings GP LLC. The verified notice states that Regional Rail currently directly

controls, and 3i RR indirectly controls, twelve other Class III rail carriers in the eastern United States.¹

The proposed transaction is related to Paul Didelius & CCET LLC—Intra-Corporate Family Transaction Exemption—Cincinnati Eastern Railroad, Docket No. FD 36782, in which CCET I and Paul Didelius (Didelius), who currently controls CCET I, have concurrently filed a verified notice of exemption for an intra-corporate family transaction for CCET I to merge into CCET II, with CCET II as the surviving entity.

According to the verified notice, pursuant to a membership interest purchase agreement to be entered into by Regional Rail, CCET I and CCET I's current owners, Regional Rail proposes to acquire all the existing equity interest of CCET II once it has been created and merged with CCET I.² Regional Rail would assume direct control of CCET II and 3i RR would assume indirect control of CCET II. The verified notice further states that no significant changes in the rail services currently provided by CCET I are anticipated as a result of the proposed transaction and that the agreement does not

¹ Those carriers, and the states in which they operate, are: (1) Carolina Coastal Railway, Inc. (North Carolina and South Carolina); (2) East Penn Railroad, LLC (Delaware and Pennsylvania); (3) Effingham Railroad Company (Illinois); (4) Florida Central Railroad Company, Inc. (Florida); (5) Florida Midland Railroad Company, Inc. (Florida); (6) Florida Northern Railroad Company, Inc. (Florida); (7) Illinois Western Railroad Company (Illinois); (8) Indiana Eastern Railroad, LLC (Indiana and Ohio); (9) Middletown & New Jersey Railroad, LLC (New York); (10) Port Manatee Railroad LLC (Florida); (11) Tyburn Railroad LLC (Pennsylvania); and (12) South Point & Ohio Railroad, Inc. (Ohio).

² Public and confidential versions of the agreement were filed with the verified notice. The confidential version was submitted under seal concurrent with a motion for protective order, which is addressed in a separate decision.

include any provision that would limit the future interchange of traffic with a third-party connecting carrier.

3i RR and Regional Rail represent that: (1) the rail lines of CCET II do not connect with the lines of the rail carriers currently controlled by 3i RR and Regional Rail; (2) this control transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) 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 pursuant to 49 CFR 1180.2(d)(2).

This transaction may be consummated on or after June 30, 2024, 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 the carriers involved are Class III rail 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 for stay must be filed no later than June 21, 2024.

All pleadings, referring to Docket No. FD 36783, 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, one copy of each

pleading must be served on 3i RR's and Regional Rail's representative, Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to 3i RR and Regional Rail, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

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

Decided: June 11, 2024.

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