

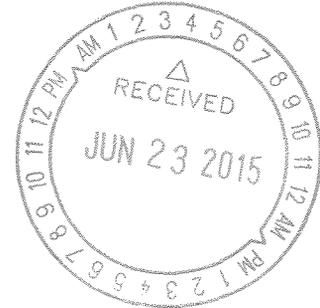
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June 23, 2015

JOHN D. HEFFNER
(202) 742-8607
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John.Heffner@strasburger.com

BY HAND

Ms. Cynthia T. Brown
Chief of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423



1,300.00

**RE: FD 35939, Iowa Pacific Holdings, LLC And Permian Basin
Railways - Continuance In Control Exemption -
Illinois Company Rail Road, LLC**

1,800.00

**FD 35940, Illinois Company Rail Road, LLC – Lease and Operation
Exemption – North Central Mississippi Regional Railroad Authority
And Grenada Railway, LLC**

Dear Ms. Brown:

I am submitting on behalf of Iowa Pacific Holdings, LLC And Permian Basin Railways and its newly formed subsidiary, Illinois Company Rail Road, LLC, an original and ten copies of the following documents:

- (1) In FD 35939, a verified notice of exemption under 49 CFR 1180.2(d)(2) for the continuance in control by Iowa Pacific Holdings, LLC And Permian Basin Railways of Illinois Company Rail Road, LLC; and

FEE RECEIVED
June 23, 2015
SURFACE
TRANSPORTATION BOARD

FILED
JUNE 23, 2015
SURFACE
TRANSPORTATION BOARD

Strasburger

ATTORNEYS AT LAW

Ms. Cynthia T. Brown

June 23, 2015

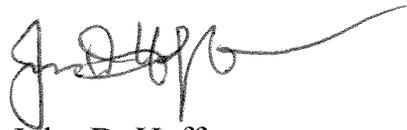
Page 2

(2) In FD 35940, a verified notice of exemption under 49 CFR 1150.31 for Illinois Company Rail Road, LLC's lease and operation of a line of railroad owned by the North Central Mississippi Regional Railroad Authority and Grenada Railway, LLC.

In addition, I am submitting a filing fee check payable to the Board for \$3100 for these two filings and a copy of each on a computer disk.

Please date stamp and return one copy of this letter for my file.

Sincerely yours,

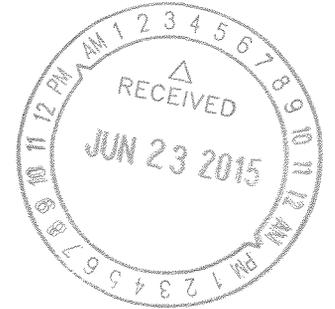


John D. Heffner

Cc: Mr. Edwin Ellis
William Mullins, Esq.

ORIGINAL

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



FD 35940

**ILLINOIS COMPANY RAIL ROAD, LLC
—LEASE AND OPERATION EXEMPTION—
NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY
AND GRENADA RAILWAY, LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. §10901 and 49 CFR §1150.31**

Submitted By:

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Avenue, N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Counsel for Petitioner

Dated: June 23, 2015

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 35940

**ILLINOIS COMPANY RAIL ROAD, LLC
—LEASE AND OPERATION EXEMPTION—
NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY
AND GRENADA RAILWAY, LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. §10901 and 49 CFR §1150.31**

Illinois Company Rail Road, LLC (“ICRR”), a limited liability company and newly established noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit it to provide common carrier operations over about 186.82 miles of railroad (“the Grenada Line”) presently owned by Grenada Railway, LLC (“GRYR”), an existing Class III short line rail carrier. The Grenada Line consists of two segments, (1) the Grenada Branch Line which extends between MP 403.0 near Southaven, MS (GRYR MP 491.09) and MP 703.8 near Canton, MS (GRYR MP 616.49), a distance of about 175.4 route miles, and (2) the connecting Water Valley Branch Line which extends between MP 614.42 at Bruce Jct., MS, and the Water Valley Junction connection with the Grenada Branch Line

at MP 603.0, a distance of about 11.42 routes miles. In addition, ICRR will use GRYR's existing operating rights and interchange rights with Canadian National Railway ("CN") giving it access to that carrier's yards in Memphis, TN, and Canton, MS.

The North Central Mississippi Regional Railroad Authority ("NCMRRRA"), a recently established political subdivision in the State of Mississippi, is presently in the process of purchasing the Membership Interests in GRYR from its individual owners. Once NCMRRRA consummates its acquisition of the Membership Interests in the GRYR, ICRR will provide common carrier freight railroad service over the Grenada Line, pursuant to a lease with NCMRRRA and GRYR. A map illustrating the Line is attached as Exhibit A.

INFORMATION REQUIRED BY 49 CFR §1150.33

Name and Address of Applicant Illinois Company Rail Road, LLC c/o Iowa Pacific Holdings, LLC 118 South Clinton Street Suite 400 Chicago, IL 60661	49 CFR §1150.33(a)
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<u>Applicant's Representative</u>	49 CFR §1150.33(b)
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John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Statement of Agreement 49 CFR §1150.33(c)

ICRR has executed a 15 year lease and operation agreement with NCMRRA and GRYR.

Operator of the Property 49 CFR §1150.33(d)

ICRR will provide all common carrier rail operations over the Grenada Line.

Brief Summary of Transaction 49 CFR §1150.33(e)

ICRR is a limited liability company and a newly established noncarrier indirectly owned by short line holding company Iowa Pacific Holdings, LLC (“IPH”), through its wholly-owned noncarrier subsidiary, Permian Basin Railways (“PBR”). IPH/PBR formed ICRR for the purpose of leasing and operating the entire Grenada Line including both the Grenada Branch Line and the Water Valley Branch Line.

NCMRRA is a political subdivision and regional railroad authority originally established in 2008 under Mississippi law for the purpose of preserving railroad service on the Grenada Line. NCMRRA is a noncarrier that does not currently own or operate any railroad lines or provide any railroad service subject to the Board’s jurisdiction under the ICC Termination Act. Pursuant to an agreement being executed today, NCMRRA will purchase all of GRYR’s Membership Interests from its two existing owners, Kern W. Schumacher and

Rhonda L. Nicoloff.¹ Mr. Schumacher and Ms. Nicoloff had established GRYR in 2009 for the purpose of buying all of the rail assets comprising the Grenada Line from CN's predecessors-in-interest, the Illinois Central Railroad Company and Waterloo Railway Company.²

Upon acquisition of GRYR's ownership interests, NCMRRA will own the GRYR corporate entity which in turn owns the underlying rights-of-way, track structure, operating and interchange rights, buildings and other structures, and any other assets included in that sale that are necessary for the provision of railroad service.³ NCMRRA and GRYR have executed a 15 year lease and operation agreement with ICRR giving it access to all of the GRYR assets including use of GRYR's common carrier obligation, underlying rights-of-way, track, operating and interchange rights, buildings and other structures, and any other assets included in that sale that are necessary for the provision of railroad service.

Other information required

- (1) The name and address of the party transferring the subject property:

¹ Accordingly, NCMRRA does not require Board authority to acquire GRYR's Membership Interests..

² That transaction was the subject of a decision served May 29, 2009, *Grenada Railway, LLC—Acquisition and Operation Exemption—Illinois Central Railroad Company and Waterloo Railway Company*, FD 35247.

³ Overhead trackage rights between MP 403.0 and MP 703.8 that CN had reserved from GRYR's 2009 acquisition from it will be unaffected by this transaction. NCMRRA and ICRR will continue to honor those rights.

NCMRRRA and GRYR will be entering into a 15 year lease with ICRR so no property is being transferred.

The name and address of the NCMRRRA is:

North Central Mississippi Regional Railroad Authority
2000 Gateway Ste 140
Grenada, MS 38901

(2) The proposed time schedule for consummation of the transaction:

On or before August 7, 2015, at least 30 days from the date of this notice.

The mileposts of the subject property, including any branch lines:

(1) the Grenada Branch Line extends between MP 403.0 near Southaven, MS (GRYR MP 491.09) and MP 703.8 near Canton, MS (GRYR MP 616.49), a distance of about 175.4 route miles, and

(2) the Water Valley Branch Line which extends between MP 614.42 at Bruce Jct., MS, and the Water Valley Junction connection with the Grenada Branch Line at MP 603.0, a distance of about 11.42 routes miles.

In addition, ICRR will use GRYR's existing operating rights and interchange rights with Canadian National Railway ("CN") giving it access to that carrier's yards in Memphis, TN, and Canton, MS.

The total route miles to be operated:

About 186.82 miles of railroad plus about 10 miles of operating rights into Memphis, TN, on the north and Canton, MS, on the south for interchange purposes.

Map

49 CFR §1150.33(f)

A map depicting the railroad trackage to be operated is attached as Exhibit

A.

Certificate of Carrier Classification 49 CFR §1150.33(g)

ICRR certifies that with this transaction its projected annual revenues will be less than \$5,000,000. A certificate complying with the provisions of 49 CFR §1150.33(g) is attached as Exhibit B to this notice.

Transactions Imposing Interchange Commitments 49 CFR §1150.33(h)

Not applicable. There are no agreements applicable to the Grenada Line imposing any interchange commitments.

Labor Protection

Labor protective conditions are generally not applicable to transactions under 49 U.S.C. §10901.

Caption Summary 49 CFR §1150.34

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

Related Transactions

This transaction is related to a continuance-in-control exemption filing being submitted concurrently by Iowa Pacific Holdings, LLC, and its wholly controlled subsidiary, Permian Basin Railways, to continue in control of ICRR and the nine

other non-connecting Class III short line rail carriers that IPH/PBR currently own. That filing is docketed as FD35939.

Environmental and Historic Preservation Data 49 CFR §1105

Pursuant to 49 CFR §1105.6(c) (2), the proposed transaction is exempt from environmental review under 49 CFR §1105(c) (2) (i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 49 CFR §1105.7(e) (4) or (5).

In addition, this transaction is exempt from historic review under 49 CFR §1105.8(b) (1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Submitted By:



John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Avenue, N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Counsel for Petitioner

Dated: June 23, 2014

Map

Exhibit A

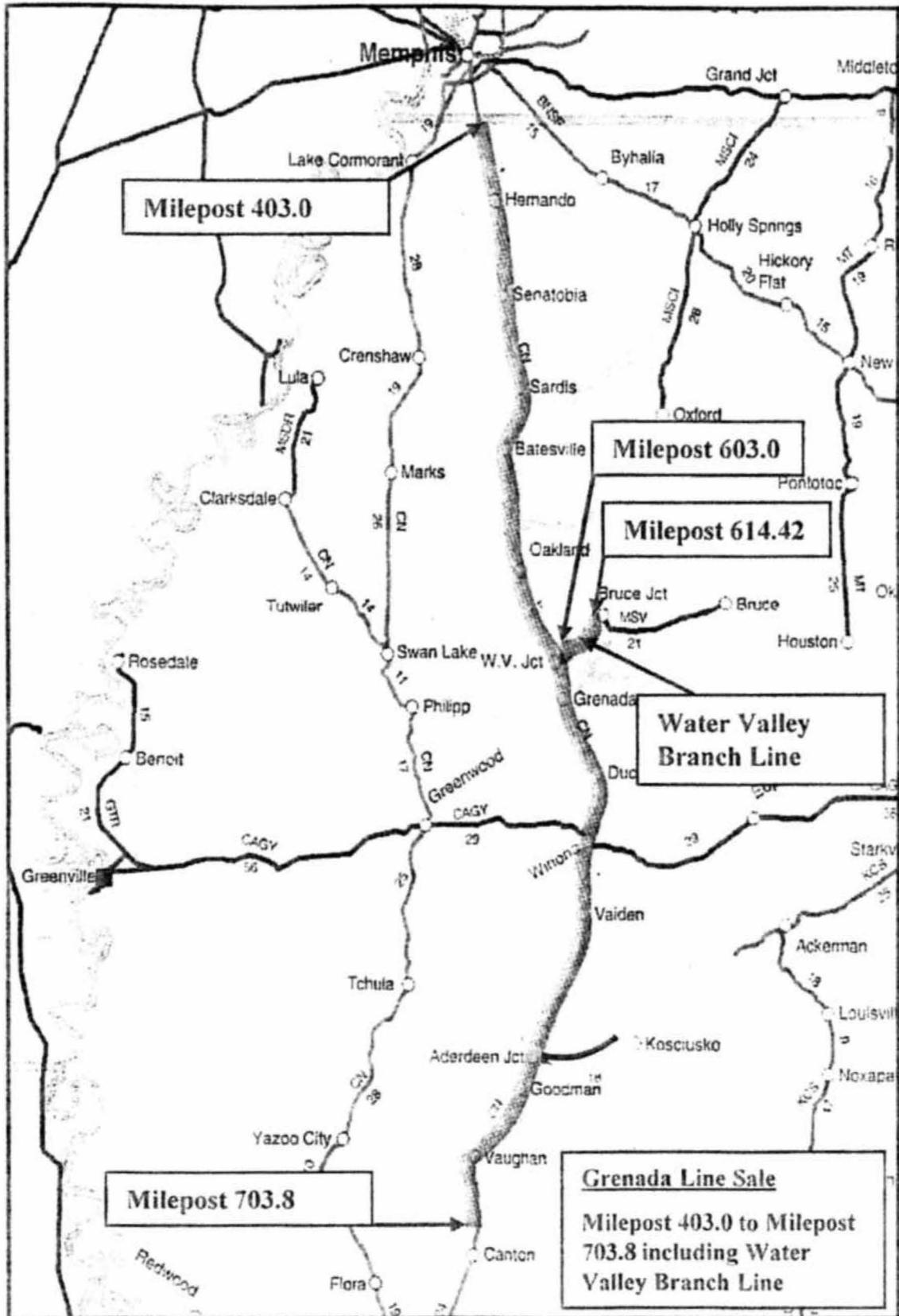


Exhibit B

Certification

I, Kevin W. Busath, certify that I am Vice President, Strategic Planning of Illinois Company Rail Road, LLC and that applicant's projected revenues will not exceed \$5 million annually and will not result in the applicant becoming a Class I or Class II carrier under the provisions of 49 CFR 1201(1-1).

Dated: June 19, 2015

Signature

A handwritten signature in black ink, appearing to read 'Kevin W. Busath', is written over a horizontal line. The signature is stylized and cursive.

EXHIBIT C

BEFORE THE SURFACE TRANSPORTATION BOARD

FD 35940 ILLINOIS COMPANY RAIL ROAD, LLC —LEASE AND OPERATION EXEMPTION— NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY AND GRENADA RAILWAY, LLC

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 U.S.C. §10901 and 49 CFR §1150.31

Illinois Company Rail Road, LLC (“ICRR”), a limited liability company and newly established noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit it to provide common carrier operations over about 186.82 miles of railroad (“the Grenada Line”) presently owned by Grenada Railway, LLC (“GRYR”), an existing Class III short line rail carrier. The Grenada Line consists of two segments, (1) the Grenada Branch Line which extends between MP 403.0 near Southaven, MS (GRYR MP 491.09) and MP 703.8 near Canton, MS (GRYR MP 616.49), a distance of about 175.4 route miles, and (2) the connecting Water Valley Branch Line which extends between MP 614.42 at Bruce Jct., MS, and the Water Valley Junction connection with the Grenada Branch Line at MP 603.0, a distance of about 11.42 routes miles. In addition, ICRR will use GRYR’s existing operating rights and interchange rights with Canadian National

Railway (“CN”) giving it access to that carrier’s yards in Memphis, TN, and Canton, MS.

ICRR certifies that its projected annual revenues as a result of this transaction would not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues will not exceed \$5 million. 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 July 16, 2015 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to FD 35940, 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 John D. Heffner, Esq., Strasburger & Price, 1025 Connecticut Ave., N.W. – Suite 717, Washington, D.C. 20036, Telephone: (202) 742-8607, counsel for ICRR.

Board decisions and notices are available on our website at WWW.STB.DOT.GOV.

Decided:
By the Board, Rachel D. Campbell, Director, Office of Proceedings.

