

June 25, 2013

The Honorable Cynthia T. Brown, Chief
Section of Administration
Surface Transportation Board
395 E Street, SW
Suite 1260
Washington, DC 20423-0001

Re: Finance Docket No. 35744, Charles Barenfanger, Jr. and Agracel, Inc.
Continuance in Control Exemption – Vandalia Railroad Company

Dear Ms. Brown:

The Surface Transportation Board (the “Board”) Staff has requested clarification of the June 20, 2013 notice filed in the captioned docket (“June 20 Notice”).

As stated in the June 20 Notice, Charles Barenfanger, Jr. and Agracel, Inc. (“Applicants”) are acquiring all of the stock of the Vandalia Railroad Company (“Vandalia”) in Vandalia, Illinois. Because Vandalia is a Class III railroad and only Class III carriers are involved, the acquisition is exempt under 49 C.F.R. § 1180.2(d)(2) as well as the continuance in common control exemption. Please modify the Federal Register notice to read Finance Docket No. 35744, Charles Barenfanger, Jr. and Agracel, Inc., Acquisition and Continuance in Control Exemption – Vandalia Railroad Company.

Mr. Barenfanger will own 51 percent of Vandalia and now owns 51 percent of the Effingham Railroad Company (“EFR”) and the Illinois Western Railroad Company (“IWR”), the other two Class III railroads listed in the June 20 Notice. Agracel, Inc. will own 49 percent of Vandalia and now owns 49 percent of the other two railroads. Mr. Barenfanger does not have any ownership interest in Agracel, Inc. and it would be accurate to conclude that the common control exemption applies only to Mr. Barenfanger. Agracel, Inc. was included in the notice to assure that the Board was fully informed of the structure of the transaction.

The Board Staff also requested clarification of the regulatory status of IWR. At present, the only rail asset under the operating control of IWR is a line of railroad in Greenville, Illinois, which IWR leases from the City of Greenville. On January 25, 1996, the

Board concluded that it did not have jurisdiction of the line in question because it was an industrial or side track. *See Illinois Western Railroad Company -- Change in Operator Exemption -- The City of Greenville, IL*, Finance Docket No. 32853 (Decided January 25, 1996, and served January 30, 1996). As of this date, IWR has never utilized a common carrier tariff and interchanges traffic with its Class I connections using a per car fee based on the carriers' interchange agreement. As the Board has held that IWR's current operations are not jurisdictional, the Board might wish to dismiss IWR from this proceeding, a result Applicants support.

Finally, the Board Staff has requested clarification of the maps included in the Appendix 1 of the June 20 Notice. Vandalia now operates in Vandalia, Illinois; Effingham Railroad Company in Effingham, Illinois; and Illinois Western Railroad in Greenville, Illinois. As stated in the June 20 Notice, there are no connections among these three carriers.

Please feel free to contact me if the Board has any further concerns.

Very truly yours,

/s/ John M. Robinson
John M. Robinson

cc: Christopher Diamond, Esq.
Scott Zimmerman, Esq.