



Surface Transportation Board
Washington, D.C. 20423

October 12, 2012

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October 26, 2012
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John D. Heffner
Strasburger & Price LLP
1700 K Street, NW
Suite 640
Washington, DC 20006-3817

Re: Proposed Voting Trust Agreement

Dear Mr. Heffner:

This responds to your request by letter dated October 5, 2012, for an informal opinion pursuant to 49 C.F.R. § 1013, Guidelines for the Proper Use of Voting Trusts.

The proposed voting trust agreement you enclosed concerns the acquisition of control by Iowa Pacific Holdings, LLC, and its wholly owned subsidiary Permian Basin Railways (collectively, IPH) of Cape Rail, Inc. (Cape), a short line holding company, through transfer of 80% of the issued and outstanding shares of Cape. The proposed voting trust agreement is to be used to avoid unauthorized control by IPH of Cape and its subsidiary, Massachusetts Coastal Railroad, LLC, a Class III rail carrier, pending Surface Transportation Board review of a verified notice of exemption for control pursuant to 49 C.F.R. § 1180.2(d)(2), to be filed on or around October 12, 2012.

As stated in the proposed voting trust agreement, IPH intends to acquire control of Cape through the acquisition of 80% of Cape's stock and simultaneously to transfer the stock to Mark Cane, an independent voting trustee free from the control or influence of IPH. The voting trust agreement states that Mr. Cane shall not serve as an officer or director of, and does not have any direct or indirect business arrangements or dealings with, IPH. IPH also states that the voting trust will be irrevocable and will remain in effect until the verified notice of exemption becomes effective or as otherwise specified in the agreement.

It is my informal opinion that the proposed voting trust agreement you enclosed would effectively insulate IPH from unauthorized control of Cape.

This informal opinion is not binding on the Surface Transportation Board.

Sincerely,

Rachel D. Campbell
Director