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SERVICE DATE – JANUARY 29, 2016

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 35989]

Central Midland Railway Company—Renewal of Lease Exemption with Interchange
Commitment—Union Pacific Railroad Company Lackland Sub-Division

Central Midland Railway Company (CMR),¹ a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to continue to lease from Union Pacific Railroad Company (UP), and to operate, approximately 8.65 miles of rail line and related industrial tracks, known as the Lackland Sub-Division, from milepost 10.35 at Rock Island Junction to milepost 19.0 west of Vigus in St. Louis County, Mo.²

In the verified notice, CMR states that CMR and UP have executed a Lease Agreement³ (Agreement) which served to renew an agreement the parties had previously entered into in January 2003. According to CMR, the Agreement has an initial 10-year term that may be extended by CMR for an additional 10-year period. As required under 49 C.F.R. § 1150.43(h)(1), CMR has disclosed in its verified notice that the Agreement

¹ CMR is wholly owned by Progressive Rail Inc.

² CMR was granted authority to lease and operate the rail line in Central Midland Railway—Lease & Operation Exemption—Union Pacific Railroad, FD 34308 (STB served Jan. 27, 2003).

³ CMR filed a confidential, complete version of the Agreement with its notice of exemption to be kept confidential by the Board under 49 C.F.R. § 1104.14(a) without need for the filing of an accompanying motion for protective order under 49 C.F.R. § 1104.14(b).

contains an interchange commitment that reduces the annual rent due to UP depending on the percentage of rail traffic originating or terminating on the line that is interchanged with UP via the Terminal Railroad Association of St. Louis at St. Louis. CMR has provided additional information regarding the interchange commitment, as required by 49 C.F.R. § 1150.43(h). CMR states that it will continue to be the operator of the line.

CMR certifies that the projected annual revenues as a result of the proposed transaction will not result in CMR's becoming a Class II or Class I rail carrier and will not exceed \$5 million.

CMR intends to consummate the transaction on or shortly after February 14, 2016, the effective date of the exemption (30 days after the verified notice of exemption was filed). 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 to stay must be filed by February 5, 2016 (at least seven days prior to the date the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35989, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on applicant's representative, Audrey L. Brodrick, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606.

According to CMR, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

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

Decided: January 25, 2016.

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