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SERVICE DATE – APRIL 9, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35234]

U S Rail Holdings, LLC–Lease and Operation Exemption–Winamac Southern Railway Company and Kokomo Grain Co., Inc.

U S Rail Holdings, LLC (Holdings), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease from Winamac Southern Railway Company (WSRY) and Kokomo Grain Co., Inc., and to operate approximately 58.89 miles of rail lines, located in Indiana: (1) the Bringham Line, between milepost 50.1 at Bringham and milepost 71.5 at Van Jct. (Logansport); (2) the Kokomo Line, between milepost 74.5 at Eighteenth St. Yard (Logansport) and milepost 97.9 at Kokomo; (3) the Kokomo Belt Line, between milepost 0.0 at E. Markland Ave (Kokomo) and milepost 1.5 at Union St. (Kokomo); and (4) the Amboy Line, between milepost 147.07 at Amboy, and milepost 134.48± at Marion.¹

¹ According to Holdings, it has entered into a new ten year lease agreement with WSRV and Kokomo Grain to cover operation of the rail lines, which are currently being operated by U S Rail Corporation (U S Rail), an affiliate. Pursuant to the transaction, the current lease with U S Rail will be terminated and pursuant to the new lease, Holdings has authority to appoint and intends to appoint U S Rail as the operator. Holdings states that it has been established primarily for financing purposes and currently does not intend to operate as a railroad. Holdings acknowledges, however, that in leasing the rail lines it will have a residual common carrier obligation.

This transaction is related to the concurrently filed notice of exemption in STB Finance Docket No. 35235, Gabriel D. Hall—Corporate Family Transaction Exemption—U.S. Rail Holdings, LLC and U S Rail Corporation. In that proceeding, Gabriel D. Hall has filed a notice of exemption under 49 CFR 1180.2(d)(3) to exempt, from the provisions of 49 U.S.C. 11323, a transaction within the family of business entities in which he owns controlling interests.

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

The transaction is expected to be consummated on or after April 23, 2009, the effective date of the exemption (30 days after the exemption was filed).

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting and shredding). The term “solid waste” is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

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 April 16, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35234, 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 Eric M. Hocky, One Commerce Square, 2005 Market Street, Suite 1910, Philadelphia, PA 19103.

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

Decided: April 3, 2009.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.

Anne K. Quinlan

Acting Secretary