

BEFORE THE
SURFACE TRANSPORTATION BOARD

233194

FINANCE DOCKET NO. 35686

ENTERED
Office of Proceedings
October 15, 2012
Part of
Public Record

PIONEER RAILCORP
--CONTINUATION IN CONTROL EXEMPTION--
RAIL SWITCHING SERVICES, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR §1180.2(d)(2)

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Attorney for Pioneer Railcorp

Dated: October 15, 2012.

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Comes now Pioneer Railcorp ("Pioneer"), and its shortline railroad subsidiaries, West Michigan Railroad Co., originally West Jersey Railroad Co. ("WMI"); Fort Smith Railroad Co. ("FSR"); Shawnee Terminal Railroad Co., Inc. ("STR"); Mississippi Central Railroad Co., originally Natchez Trace Railroad ("MSCI"); Alabama & Florida Railway Co., Inc., d/b/a Ripley & New Albany Railroad Co, Inc. ("RNA"); Decatur Junction Railway Co. ("DJR"); Vandalia Railroad Company ("VRRRC"); Keokuk Junction Railway Co. ("KJRY"); Keokuk Union Depot Company ("KUD"); Michigan Southern Railroad Company, originally Wabash & Grand River Railway Co. ("MSO"); Elkhart & Western Railroad Co. ("EWR"); Kendallville Terminal Railroad Co. ("KTR"); Pioneer Industrial Railway Co. ("PIRY"), The Garden City Western Railway, Inc. ("GCW"), Indiana Southwestern Railway Co. ("ISW"); and Gettysburg & Northern Railroad Co. ("GET") and Georgia Southern Railway Co. ("GS"); and hereby state as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules, 49 C.F.R. §1180, Pioneer, WMI, FSR, STR, MSCI, RNA, DJR, VRRRC, KJRY, KUD,

MSO, EWR, KTR, PIRY, GCW, ISW, GET and GS hereby give notice of a transaction which qualifies for exemption under Section 1180.2 of those rules.

2. Pioneer currently owns 100% of the common stock of the seventeen existing class III shortline rail carriers,* identified above. On December 2, 2009, the Board served a decision in FD No. 35323, Pioneer Railcorp – Continuance in Control Exemption – Georgia Southern Railway Co., exempting Pioneer's continuance in control of these carriers.

3. RAIL SWITCHING SERVICES, INC., an Iowa corporation ("RSS"), has an agreement to operate approximately 4.9 miles of trackage in Pemiscot County, Missouri, and has filed contemporaneously with this Notice, a Notice of Exemption to operate that trackage in FD 35685. The trackage includes a Line running from Hayti to the Pemiscot Port Harbor, Missouri. The Line is owned by Pemiscot County Port Authority, but not currently being operated by any common carrier (See FD 34117, Served August 26, 2003),

4. Under Section 1180.2(d)(2) of the Board's consolidation rules certain transactions are automatically exempt from the prior approval requirements for common control under 49 U.S.C. §11343 - 11344. Specifically, Section 1180.2(d)(2) exempts the continuance-in-control of a non-connecting carrier where (i) the railroads will not connect with each other or any railroad in their corporate family, (ii) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family, and (iii) the transaction does not involve a class I carrier.

6. The properties owned and operated by Pioneer's rail carrier subsidiaries do not physically connect and there are no plans to acquire additional rail lines for the purpose of making a connection. Each of these subsidiaries is a class III carrier. The lines of WMI, FSR, STR, MSC1, RNA, DJ, VRRRC, KJRY, KUD, MSO, EWR, KTR, PIRY, GCW, ISW, GET

and GS are located in Michigan; Arkansas; Illinois; Alabama; Mississippi; Tennessee; Iowa; Kansas; Indiana; Pennsylvania and Georgia. No other Pioneer carrier subsidiary operates any track in Missouri. The closest Pioneer subsidiary-served station to RSS is the STR at Cairo, Illinois, approximately 75 miles to the northeast of Hayti, Missouri.

7. In order to claim the Section 1180.2(d)(2) exemption, Section 1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in Sections 1180.6(1)(I)-(iii); 1180.6(5)-(6) and 1180.6(a)(7)(ii) of those rules and indicating the level of protection required.

9. Information about the carriers:

49 C.F.R. §1180.6(a)(1)(I)

Name: Pioneer Railcorp (holding company)

Address: 1318 S. Johanson Road, Peoria, IL 61607

Telephone: (309) 697-1400

Name: West Michigan Railroad Co.

Address: 115 Industrial Drive, Paw Paw, MI 47079

Telephone: (616) 657-2558

Name: Fort Smith Railroad Co.

Address: 22 North B Street, Fort Smith, AR 72901

Telephone: (501) 782-2511

Name: Shawnee Terminal Railroad Co., Inc.

Address: 17 th. St. West, Cairo, Illinois 62914

Telephone (618) 734-2190

Name: Mississippi Central Railroad Co.

Address: 542 Van Dorn Ave., Holly Springs, MS 38635

Telephone: (601) 252-1263

Name: Ripley & New Albany Railroad Co., Inc..

Address: 200 North Railroad Ave., New Albany, MS 38652

Telephone: (662) 534-8547

Name: Decatur Junction Railway Co.

Address: 308 S. Chestnut St., Assumption, IL 62510

Telephone: (217) 226-4375

Name: Vandalia Railroad Company

Address: 609 West Main, Vandalia, IL 62471

Telephone: (618) 283-2452

Name: Keokuk Junction Railway Co.

Address: 117 Water St., Keokuk, IA 52632

Telephone: (319) 524-7313

Name: Keokuk Union Depot Company

Address: 1318 S. Johanson Road, Peoria, Illinois 61607

Telephone: (309) 697-1400

Name: Michigan Southern Railroad Company

Address: 501 Sol Morris Ave., White Pigeon, MI 49099

Telephone: (269) 483-7497

Name: Elkhart & Western Railroad Co.

Address: 152 Easy Shopping Place, Elkhart, Indiana 46516

Telephone: (574) 295-5019

Name: Kendallville Terminal Railroad Co.

Address: 151 West Ohio Street, Kendallville, Indiana 46755H

Telephone: (260) 343-9015

Name: Pioneer Industrial Railway Co.

Address: 1318 S. Johanson Road, Peoria, IL 61607

Telephone: (309) 697-1400

Name: The Garden City Western Railway, Inc.

Address: 708 N. VFW Road, Garden City, KS 67846

Telephone: (316) 271-9514

Name: Indiana Southwestern Railway Co.

Address: 1603 Allen Lane, Evansville, Indiana 47710

Telephone: (812) 422-3819

Name: Gettysburg & Northern Railroad Co.

Address: 106 N. Washington St., Gettysburg, Pennsylvania 17325

Telephone: (717) 334-1597

Name: Georgia Southern Railway Co.

Address: 200 East Main St., Fort Valley, GA 31030

Telephone: (478) 825-5540

Legal counsel to whom questions should be addressed:

Daniel A. LaKemper,
General Counsel
Pioneer Railcorp
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400
(for Petitioner)

Schedule for consummation: 49 C.F.R. §1180.6(a)(1)(ii)

November 15, 2012

Purpose to be accomplished by the transaction:
49 C.F.R. §1180.6(a)(1)(iii)

Initiation of common carrier service, due to customer demand, on the line of railroad that the Board authorized construction of, but has not, to date, had any common carrier service. RSS expects to be able to operate the line, and preserve service that would otherwise not be available, as the owner and residuary carrier, Pemiscot County Port Authority, does not desire to provide the service itself, and has contracted with RSS to provide the service.

State where proposed operations will be conducted:
49 C.F.R. 1180.6(a)(5)

Missouri

Map showing relationship between RSS and other Pioneer shortline subsidiaries: 49 C.F.R. §1180.6(a)(6)

Attached hereto as Exhibit B.

Copy of Agreement: 49 C.F.R. §1180.6(a)(7)(ii)

A copy of the Rail Line Operating Agreement is attached as Exhibit D to RSS's Exemption Filing FD-35685.

10. This continuance in control proceeding is exempt from environmental review under 49 CFR §1105.6(c)(2)(I) because the proposed action will not cause any operating changes that exceed the threshold established in 49 C.F.R. §1105.7(e)(4) or (5). In addition, this

proceeding is exempt from historic review under 49 C.F.R. §1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Accordingly, no historic report is required.

October 15, 2012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper". The signature is written in a cursive style with a large initial "D".

Daniel A. LaKemper, Esq.
General Counsel,
Pioneer Railcorp
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400

Attorney for Petitioner

* WMI owns and operates a rail line between Hartford and Paw Paw, Michigan. See FD No. 32787, West Michigan Railroad Co. -- Acquisition and Operation Exemption -- Line of Southwestern Michigan Railroad Company, Inc., d/b/a Kalamazoo, Lake Shore & Chicago Railway Co. (served October 18, 1995).

FSR leases and operates a rail line between Fort Smith and Fort Chaffee, Arkansas from Missouri Pacific Railroad Company. That transaction was exempted by the Commission in FD No. 31893, Fort Smith Railroad Co. - Lease and Operation Exemption - Missouri Pacific Railroad Company (served July 10, 1991). A segment from Fort Chaffee and Paris, Arkansas, originally included in this lease, was abandoned by Decision of the Commission in Docket No. AB-387 (Sub-No. 1X), served July 20, 1995.

STR owns and operates a line of railroad approximately 2.5 miles in length, located in/near Cairo, Alexander County, Illinois. See FD 33127, Served October 11, 1996. STR also owns and operates a line of railroad between Flomaton and Beatrice, Alabama, which was purchased from CSX Transportation, Inc. The line was initially transferred from CSX to Wabash & Grand River Railway Co. ("Wabash") and then from Wabash to ALAB, a newly established non-carrier. These transactions were authorized in exemptions granted in FD Nos. 31868 and 31943, Wabash & Grand River Railway Co. - Purchase and Operation - CSX Transportation, Inc. Line of Railroad Between Flomaton and Corduroy, Alabama (served September 13, 1991), and Alabama Railroad Co. -- Acquisition and Operation Exemption -- Wabash & Grand River Railway (served October 9, 1991), respectively. The segment between Beatrice and Corduroy was abandoned by Decision of the Board (Docket No. AB-463X), served February 9, 1996. Alabama Railroad Co. and Shawnee Terminal Railroad Co. were merged March 3 2009, pursuant to FD 35214, Served January 30, 2009. The Alabama segment does business as "Alabama Railroad" and uses "ALAB" as its reporting marks. A&F has not yet merged into STR, due to corporate governance issues.

MSCI owns and operates a line of railroad between Grand Junction Tennessee and Oxford, Mississippi, which it acquired from Illinois Central Gulf Railroad. See FD No. 29858, served February 26, 1982. MSCI also operates a line of railroad between Iuka and the Tri-State Commerce Park (approximately 10 miles), which it leases from Tishomingo County. See the FD No.35258, Served July 10, 2009.

RNA owns and operates a line of railroad between New Albany and Ripley, Mississippi, which it purchased from Mississippi Tennessee Holdings, LLC. See FD No. 35569, Served November 30, 2011. The Alabama rail line of Alabama & Florida Railway, Inc. is no longer operating. See AB-1073-0-X, Served November 15, 2011.

DJR operates a rail line between Green's Switch (Decatur), and Cisco, Illinois, which it leases from Cisco Cooperative Grain Company, and a rail line between Elwin and Assumption, Illinois, which it leases from Central Illinois Shippers, Inc. These lines are connected through trackage rights over the Illinois Central Railroad. See FD Nos. 32365, Served October 18, 1993.

VRRRC operates a line of railroad in Vandalia, Fayette County, Illinois, which it leases from the City of Vandalia. See FD No. 30315 (Sub-No. 2), Vandalia Railroad Company -- Lease and Operation in Fayette County, Illinois, Served December 21, 1983.

KJRY operates a line of railroad between Sommer, Peoria County, Illinois and Keokuk, Lee County, Iowa, as well as trackage in and near Keokuk, and a branch from Hamilton to Warsaw, in Hancock County, Illinois, and a branch from LaHarpe, Illinois to Lomax, Illinois, a total of approximately 38 miles, which it acquired from the Trustee of the Chicago, Rock Island and Pacific Railway Company (in 1981) and from the Atchison, Topeka & Santa Fe Railway Company (in 1986), and from the Toledo, Peoria & Western Railroad Company in transactions in 2002 (See FD 34143, Served January 11, 2002) and 2005 (See FD 34335, Served February 7, 2005).

KUD, originally formed in 1890, is a non-operating common carrier that owns the Keokuk Union Depot building and KUD yard in Keokuk, Iowa.

MSO operates approximately 13 miles of railroad running from White Pigeon to Sturgis, Michigan; See FD 33306, Served December 24, 1996.

EWR operates approximately 9.8 miles of railroad running from Elkhart to Mishawaka, Indiana. See FD 33941, Served October 10, 2000. MSO also operates a line it leases from Norfolk Southern Railway, between Argos and Walkerton, Indiana (a distance of approximately 23.0 miles), See FD-35347, Served February 19, 2010, and a line between Argos and Rochester, Indiana (approximately 11.7 miles), owned by Fulton County LLC, that EWR has trackage rights over, See FD-35453, Served February 9, 2011,

KTR operates approximately 1.1 miles of railroad in/near Kendallville, Indiana. See FD 33941, Served October 10, 2000.

PIRY operates a line of railroad approximately 4.81 miles in length, located in Peoria County, Illinois, pursuant to a trackage rights agreement, See FD 35341, Served January 14, 2010.

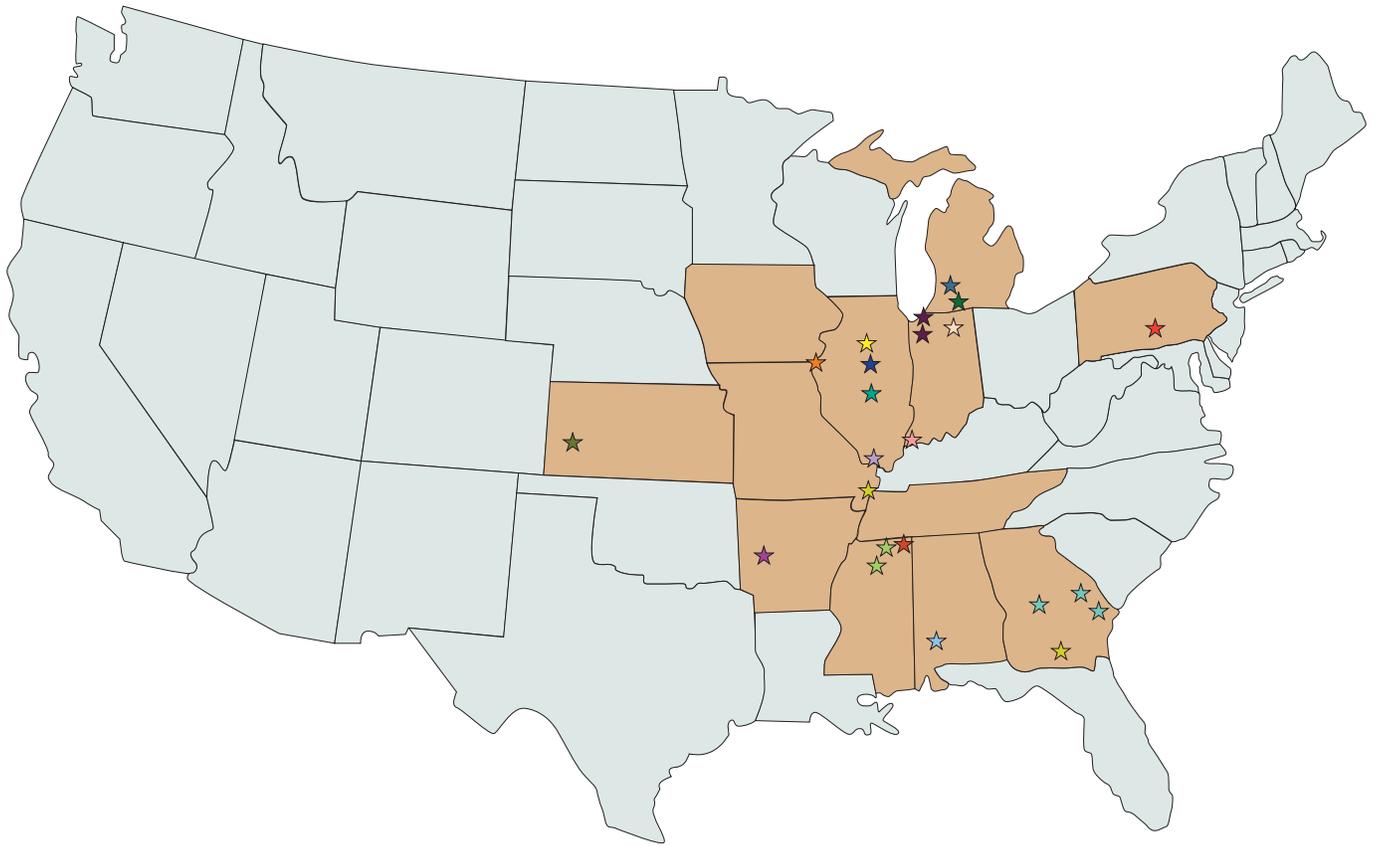
GCW owns and operates the trackage between Garden City and Shallow Water, Kansas, and between Garden City and Wolf, Kansas, a total of approximately 45.09 miles. (See FD 33743, Served May 14, 1999).

ISW owned and operated trackage between Evansville and Poseyville, Indiana, and between Poseyville and Cynthiana, Indiana a total of approximately 21.9 miles (See FD

33859, Served March 28, 2000), but has ceased service on approximately 17.2 miles north and west of Evansville. See AB-1065-0-X, Served September 23, 2011.

GET owns and operates the trackage between Gettysburg and Mt. Holly Springs, Pennsylvania, a distance of approximately 23.36 miles. (See FD 34011, Served February 27, 2001).

GS leases and/or operates four rail lines, running from Fort Valley to Perry, Georgia (the "Perry Line"); from Roberta to Fort Valley, Georgia (the "Roberta Line"); from Dover to Metter, Georgia (the "Metter Line"); and from Midville to Vidalia, Georgia (the "Midville Line"). The Perry Line, the Roberta Line and the Metter Line are leased to GS; the Midville Line is leased by Heart of Georgia Railroad ("HOG"), and GS operates under contract, for HOG. See FD-35322, Served December 2, 2009.



KEY	Subsidiary	Mark	KEY	Subsidiary	Mark
ALAB	Alabama Railroad Co.	ALAB	KJRY	Keokuk Junction Railway Co.	KJRY
DT	Decatur Junction Railway Co.	DT	MSO	Michigan Southern Railroad Co.	MSO
EWR	Elkhart & Western Railway Co.	EWR	MSCI	Mississippi Central Railroad Co.	MSCI
FSR	Fort Smith Railroad Co.	FSR	PRY	Pioneer Industrial Railway Co.	PRY
GCW	The Garden City Western Railway Company	GCW	PRI	Rail Switching Services, Inc.	PRI
GET	Gettysburg & Northern Railroad Company	GET	RNA	Ripley & New Albany Railroad Co.	RNA
GS	Georgia Southern Railway Co.	GS	STR	Shawnee Terminal Railway Company	STR
ISW	Indiana Southwestern Railway Co.	ISW	VRRC	Vandalia Railroad Company	VRRC
KTR	Kendallville Terminal Railway Co.	KTR	WMI	West Michigan Railroad	WMI

**EXHIBIT A -
MAP**

Digitally signed by EXHIBIT A - MAP
 DN: cn=EXHIBIT A - MAP, o, ou,
 email=lakemper@mtco.com, c=US
 Date: 2012.10.15 14:07:37 -05'00'

VERIFICATION

STATE OF ILLINOIS)
) ss
COUNTY OF PEORIA)

J. Michael Carr, having been first duly sworn, deposes and states:

I am the President of Pioneer Railcorp, and I am authorized to make this Verification. I have read the foregoing document, and know the facts asserted therein and those facts are true and accurate as stated, to the best of his knowledge, information and belief.



J. Michael Carr, President
Pioneer Railcorp

Subscribed and sworn to before me, a Notary Public, this 15th day of October, 2012.



Notary Public

My Commission expires:

May 25, 2015