

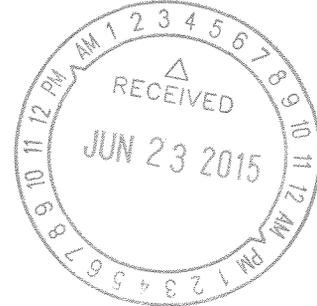
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June 23, 2015

JOHN D. HEFFNER
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BY HAND

Ms. Cynthia T. Brown
Chief of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423



**RE: FD 35939, Iowa Pacific Holdings, LLC And Permian Basin
Railways - Continuance In Control Exemption -
Illinois Company Rail Road, LLC**

**FD 35940, Illinois Company Rail Road, LLC – Lease and Operation
Exemption – North Central Mississippi Regional Railroad Authority
And Grenada Railway, LLC**

Dear Ms. Brown:

I am submitting on behalf of Iowa Pacific Holdings, LLC And Permian Basin Railways and its newly formed subsidiary, Illinois Company Rail Road, LLC, an original and ten copies of the following documents:

- (1) In FD 35939, a verified notice of exemption under 49 CFR 1180.2(d)(2) for the continuance in control by Iowa Pacific Holdings, LLC And Permian Basin Railways of Illinois Company Rail Road, LLC; and

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Strasburger

ATTORNEYS AT LAW

Ms. Cynthia T. Brown

June 23, 2015

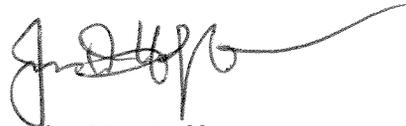
Page 2

(2) In FD 35940, a verified notice of exemption under 49 CFR 1150.31 for Illinois Company Rail Road, LLC's lease and operation of a line of railroad owned by the North Central Mississippi Regional Railroad Authority and Grenada Railway, LLC.

In addition, I am submitting a filing fee check payable to the Board for \$3100 for these two filings and a copy of each on a computer disk.

Please date stamp and return one copy of this letter for my file.

Sincerely yours,



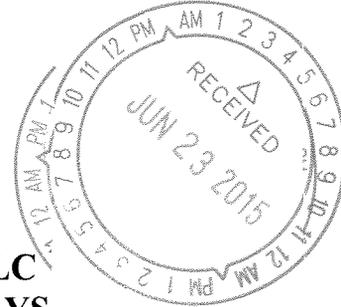
John D. Heffner

Cc: Mr. Edwin Ellis
William Mullins, Esq.

ORIGINAL

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 35939



**IOWA PACIFIC HOLDINGS, LLC
AND PERMIAN BASIN RAILWAYS
-- CONTINUANCE IN CONTROL EXEMPTION --
ILLINOIS COMPANY RAIL ROAD, LLC
VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d) (2)**

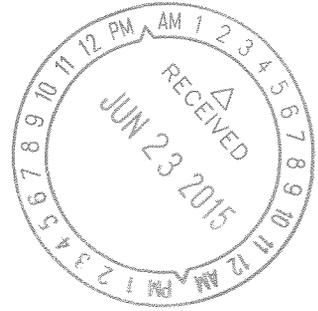
Submitted By:

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Counsel for Petitioner

Dated: June 23, 2015

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



FD 35939

**IOWA PACIFIC HOLDINGS, LLC
AND PERMIAN BASIN RAILWAYS
-- CONTINUANCE IN CONTROL EXEMPTION --
ILLINOIS COMPANY RAIL ROAD, LLC
VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d) (2)**

Come now Iowa Pacific Holdings, LLC (“IPH”), and its wholly owned subsidiary Permian Basin Railways (“PBR”) and Illinois Company Rail Road, LLC (“ICRR”), and state as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules (49 C.F.R. § 1180), ICRR hereby gives notice of a transaction which qualifies for exemption under Section 1180.2(d) (2) of those rules.

2. As relevant here, ICRR is a limited liability company and a newly established noncarrier formed by IPH and PBR for the purpose of providing common carrier freight railroad service over about 186.82 miles of railroad owned by Grenada Railway, LLC (“GRYR”), an existing Class III short line rail carrier, and known as “the Grenada Line.”¹

¹ The Grenada Line consists of two segments, (1) the Grenada Branch Line which extends between MP 403.0 near Southaven, MS (GRYR MP 491.09) and MP 703.8 near Canton, MS

3. More specifically, IPH and PBR have established ICRR for the purpose of leasing and operating the entire Grenada Line.

4. Under the proposed transaction the North Central Mississippi Regional Railroad Authority (“NCMRRRA”), a political subdivision and regional railroad authority established for the purpose of preserving railroad service on the Grenada Line, will purchase the Membership Interests in GRYR.² Upon acquisition of GRYR’s ownership interests, NCMRRRA will own the GRYR corporate entity, GRYR will continue to own the underlying rights-of-way, track, operating and interchange rights, buildings and other structures, and any other assets included in that sale that are necessary for the provision of railroad service. NCMRRRA and GRYR will execute a 15 year lease with ICRR giving it access to all of GRYR’s assets including use of GRYR’s common carrier obligation, underlying rights-of-way, track, operating and interchange rights, buildings and other structures, and any other assets included in that sale that are necessary for the provision of railroad service.

(GRYR MP 616.49), a distance of about 175.4 route miles, and (2) the connecting Water Valley Branch Line which extends between MP 614.42 at Bruce Jct., MS, and the Water Valley Junction connection with the Grenada Branch Line at MP 603.0, a distance of about 11.42 routes miles.

² Inasmuch as NCMRRRA is a noncarrier that does not currently own or operate any railroad lines or provide any railroad service subject to the Board’s jurisdiction under the ICC Termination Act, it does not need Board approval to acquire GRYR’s Membership Interests.

5. Each of the nine freight railroads currently owned and operated by IPH/PBR do not connect with the Grenada Line and, in fact, are hundreds of miles distant from the Grenada Line.

6. 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. Specifically, section 1180.2(d) (2) exempts the acquisition of non-connecting carriers where (i) the railroads will not connect with each other or any railroad in their corporate family, (ii) the acquisition 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.

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(a)(1)(i) – (iii), 1180.6(a)(5) – (6), and 1180.6(a)(7)(ii) of those rules. That information is provided as follows:

Summary of Proposed Transaction: 49 CFR § 1180.6(a) (1) (i)

ICRR is a limited liability company and a newly established noncarrier indirectly owned by short line holding company IPH, through its wholly-owned noncarrier subsidiary, PBR. IPH/PBR formed ICRR for the purpose of leasing

and operating the entire Grenada Line including both the Grenada Branch Line³ and the Water Valley Branch Line. As noted above, once NCMRRA acquires the Membership Interests in GRYR, ICRR will provide all common carrier railroad service over the Grenada Line pursuant to a 15 year lease of the property.

Applicant's name, address, and telephone number:

Illinois Company Railroad, LLC
c/o Iowa Pacific Holdings, LLC
118 South Clinton Street
Suite 400
Chicago, IL 60661
(312) 466-0900

Legal counsel to whom questions should be addressed:

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Ave., N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Schedule for consummation: 49 CFR §1180.6(a) (1) (ii)

ICRR contemplates closing this transaction on or before August 7, 2015, more than 30 days from the date of this notice.

Purpose to be accomplished by the transaction: 49 CFR §1180.6(a) (1) (iii)

The purpose of this transaction is for ICRR to serve as GRYR's short line railroad operator under a 15 year lease. ICRR anticipates that the service which it

³ Including GRYR's existing operating rights and interchange rights with Canadian National Railway giving it access to that carrier's yards in Memphis, TN, and Canton, MS.

will provide will be more responsive to customer needs than that previously available.

States in which the property of each carrier is situated: 49 CFR§1180.6(a)(5)

IPH-owned rail carriers

California	Santa Cruz and Monterey Bay Railway Company
Colorado	San Luis & Rio Grande Railroad Company, Inc.
Illinois	Chicago Terminal Railroad
Massachusetts	Massachusetts Coastal Railroad, LLC
New Mexico	Austin & Northwestern Railroad Company, Inc., operating as the Texas-New Mexico Railroad ⁴
New York	Saratoga & North Creek Railway, LLC
Oregon	Mount Hood Railroad
Texas	Austin & Northwestern Railroad Company, Inc., operating as the Texas-New Mexico Railroad Rusk, Palestine & Pacific Railroad, LLC West Texas & Lubbock Railway Company, Inc. ⁵ West Texas & Lubbock Railroad Company, Inc. ⁶

Map: 49 CFR §1180.6(a)(6)

Attached hereto as Exhibit A.

Copy of Agreement: 49 CFR §1180.6(a)(7)(ii)

N.A. There is no agreement covering IPH/PBR's control of ICRR.

⁴ IPH/PBR is selling this carrier to WATCO Companies, LLC

⁵ IPH/PBR is selling this carrier to WATCO Companies, LLC

⁶ IPH/PBR is selling this carrier to WATCO Companies, LLC

Related transaction

Concurrently with this filing ICRR is submitting a verified Notice of Exemption for its lease and operation of the Grenada Line. That notice has been assigned docket number FD 35940.

Other information/Certification:

IPH/Permian and ICRR hereby certify that (1) the line to be operated by the rail carrier [ICRR] to be controlled pursuant to this notice of exemption does not connect with those of operated by any of IPH/PBR's nine other non-connecting Class III short line rail carriers, (2) the subject acquisition proceedings is not a part of a series of anticipated transactions that would connect these railroads with each other, and (3) the transaction does not involve a Class I carrier.

Environmental and historical considerations:

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 thresholds established in 49 CFR §1105.7(e) (4) or (5). In addition, this proceeding is exempt from historic review under 49 CFR §1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are at least 50 years old. Accordingly, no historic report is required.

Labor Protection to be Imposed

No labor protection applies on transactions involving only class III railroads.

See, 49 U.S.C. §11326(c).

Respectfully submitted,



John D. Heffner

Strasburger & Price, LLP

1025 Connecticut Ave., N.W.

Suite 717

Washington, D.C. 20036

(202) 742-8607

Counsel for Petitioner

Dated: June 23, 2015

EXHIBIT A

Mount Hood Railroad

San Joaquin and Monterey Bay

San Luis & Rio Grande Railroad

Acetic & Northwestern T.R. Co.

Albany Texas New Mexico R.R.

West Texas & Lubbock Railway Co.

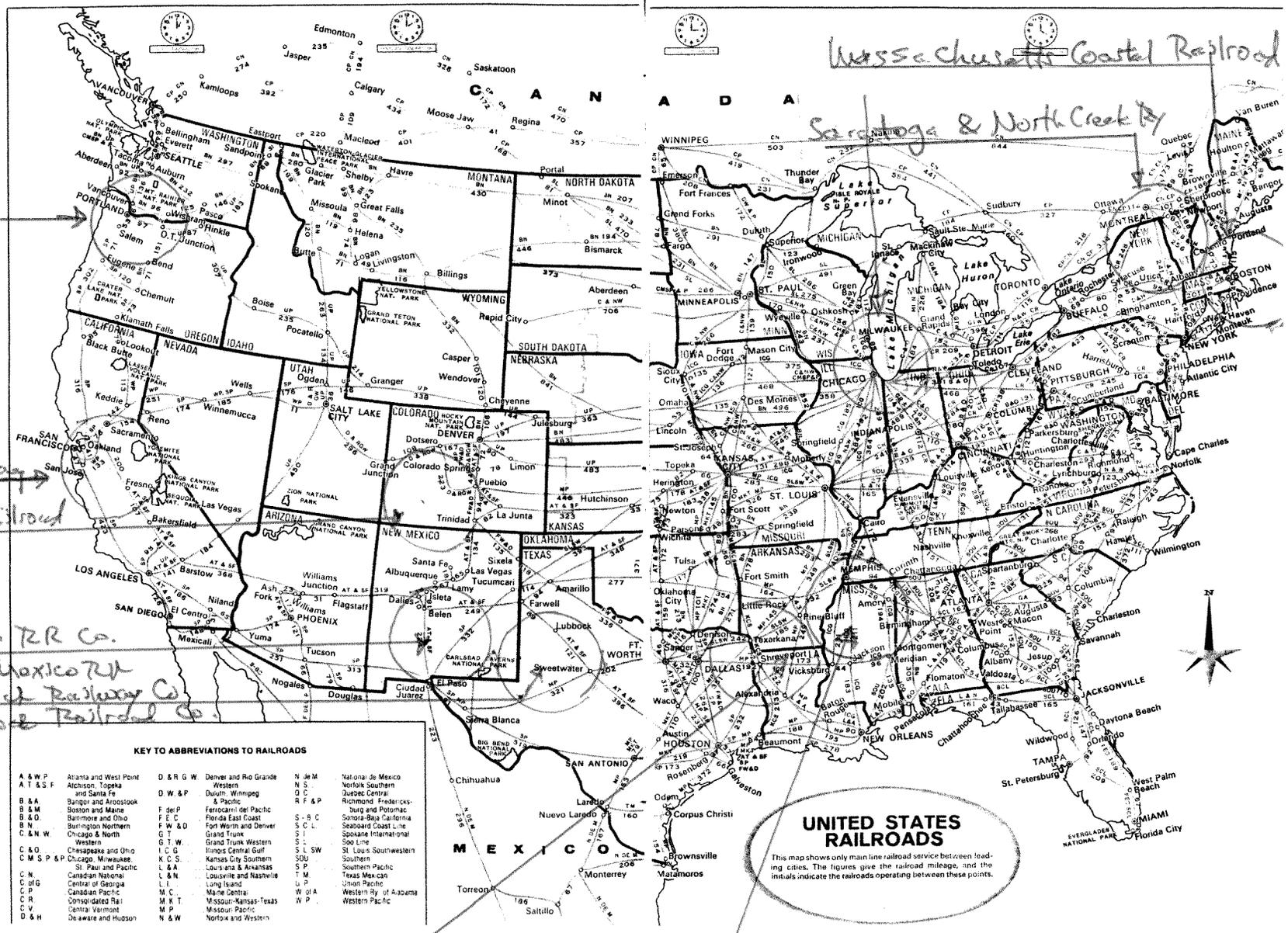
West Texas & Lubbock Railway Co.

Rusk Palestine & Pacific Railroad

Illinois Company Rail Road

Massachusetts Coastal Railroad

Sacramento & North Creek Ry



UNITED STATES RAILROADS

This map shows only main line railroad service between leading cities. The figures give the railroad mileage, and the initials indicate the railroads operating between these points.

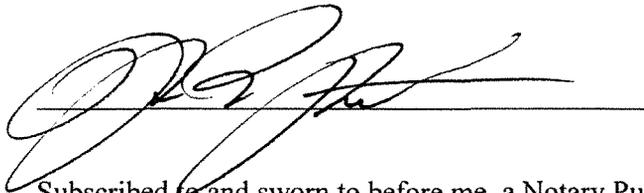
KEY TO ABBREVIATIONS TO RAILROADS

A & W P	Atlanta and West Point	D & R G W	Denver and Rio Grande Western	N de M	National de Mexico
A T & S F	Atchafalaya and Santa Fe	D W & P	Duluth, Winnipeg & Pacific	N S	Norfolk Southern
B & A	Baltimore and Annapolis	F de P	Ferrocarril del Pacifico	D C	Denver Central
B & M	Boston and Maine	F E C	Florida East Coast	R F & P	Richmond Fredericksburg and Potomac
B & O	Baltimore and Ohio	F W & D	Fort Worth and Denver	S - B C	Sonora Bay California Seaboard Coast Line
B N	Burlington Northern	G T	Grand Trunk	S I	Spokane International
C & N W	Chicago & North Western	G T W	Grand Trunk Western	S L	500 Line
C A O	Chesapeake and Ohio	I C G	Illinois Central Gulf	S L SW	St. Louis Southwestern
C M S P & P	Chicago, Milwaukee and St. Paul and Pacific	K C S	Kansas City Southern	SDU	Southern
C N	Canadian National	L & A	Louisiana and Arkansas	S P	Southern Pacific
C of G	Central of Georgia	L & N	Louisville and Nashville	T M	Texas Mexican
C P	Canadian Pacific	L I	Long Island	U P	Union Pacific
C R	Consolidated Rail	M C T	Maine Central	W of A	Western Ry. of Alabama
C V	Central Vermont	M M	Missouri-Kansas-Texas	W P	Western Pacific
D & H	Dea and Hudson	N & W	Norfolk and Western		

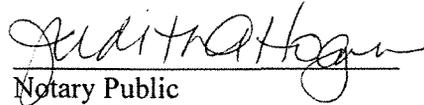
VERIFICATION

STATE OF Illinois)
)
CITY OF Chicago)

Kevin W. Busath, being duly sworn according to law, hereby deposes and states that he holds the position of Vice President, Strategic Planning with applicant/petitioner, is authorized to make this Verification, had read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of his knowledge, information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the County of Cook in the State of Illinois, this 19 day of June, 2015.


Notary Public

My Commission expires: Jan 13, 2017

