

# FLETCHER & SIPPEL LLC

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December 9, 2014

237205

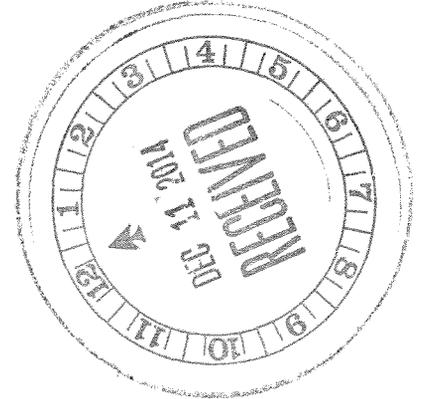
ENTERED

Office of Proceedings

December 11, 2014

Part of

Public Record



## VIA FEDERAL EXPRESS

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W., Room 1034  
Washington, DC 20024

Re: **Docket No. FD 35886**  
**Illinois Railway, LLC – Lease and Operation**  
**Exemption -- Line of Peru Land Acquisition 2, LLC**

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Illinois Railway, LLC Pursuant to 49 C.F.R. § 1150.41**, dated December 9, 2014. A check in the amount of \$1,800.00, representing the appropriate fee for this filing, and a computer disk containing a pdf of the Notice and the *Federal Register* caption summary in MS Word format are attached.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael J. Barron, Jr.".

Michael J. Barron, Jr.

Attorney for Illinois Railway, LLC

MJB/ekf

Enclosures

FILED

December 11, 2014

SURFACE

TRANSPORTATION BOARD

FEE RECEIVED

December 11, 2014

SURFACE

TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 35886

ILLINOIS RAILWAY, LLC  
-- LEASE AND OPERATION EXEMPTION --  
LINE OF PERU LAND ACQUISITION 2, LLC

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**VERIFIED NOTICE OF EXEMPTION  
OF  
ILLINOIS RAILWAY, LLC  
PURSUANT TO 49 C.F.R. § 1150.41**

Michael J. Barron, Jr.  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

**ATTORNEY FOR  
ILLINOIS RAILWAY, LLC**

Dated: December 9, 2014

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 35886

ILLINOIS RAILWAY, LLC  
-- LEASE AND OPERATION EXEMPTION --  
LINE OF PERU LAND ACQUISITION 2, LLC

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**VERIFIED NOTICE OF EXEMPTION  
OF  
ILLINOIS RAILWAY, LLC  
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., Illinois Railway, LLC ("IR"), a Class III rail carrier, hereby files this Verified Notice of Exemption to lease from Peru Land Acquisition 2, LLC ("PLA2") and to operate a rail line (the "Peru City Track") extending from a connection to IR on its western end to the end of track on its eastern end just west of Illinois Route 251, a distance of approximately 3.5 miles. IR currently operates on the line under an arrangement with the City of Peru, Illinois ("Peru"), the current owner, and the proposed transaction will not result in any change in operations or service to customers.<sup>1</sup>

Based on projected revenues for the Peru City Track, IR expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

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<sup>1</sup> The Peru City Track was the subject of three previous abandonment proceedings at the Interstate Commerce Commission ("ICC"), but none resulted in agency abandonment authorization. See Docket Nos. AB-300 (Sub-No. 1X), Chicago Rail Link – Exemption – Abandonment in Bureau and LaSalle Counties, IL, AB-300 (Sub-No. 2X), Carus Corporation – Abandonment Exemption – In LaSalle and Bureau Counties, IL, and AB-300 (Sub-No. 3X), Chicago Rail Link – Abandonment Exemption - In LaSalle and Bureau Counties, IL. At the time Peru acquired the track and later when IR entered into its existing arrangement with Peru to serve customers on the track, the Peru City Track was considered to be private industry track. This filing and the filing in FD 35885 resolve any ambiguity regarding the status of the Peru City Track by installing PLA2 as a common carrier owner of the line and formalizing IR's status as a common carrier lessee of the line.

This Notice is related to Docket No. FD 35885, Peru Land Acquisition 2, LLC – Acquisition Exemption – Line Owned by the City of Peru, Illinois, in which PLA2 is concurrently filing a Notice of Exemption pursuant to 49 C.F.R. § 1150.31, et. seq., to acquire the Peru City Track from Peru so that PLA2 can, in turn, lease the line to IR.

In accordance with the requirements of 49 C.F.R. § 1150.43, IR submits the following information:

**Name and Address of Applicant: 49 C.F.R. § 1150.43(a)**

The full name and address of the rail carrier applicant herein is as follows:

Illinois Railway, LLC  
252 Clayton Street, 4<sup>th</sup> Floor  
Denver, CO 80206

**Applicant's Representative: 49 C.F.R. § 1150.43(b)**

IR's representative to whom correspondence regarding this transaction should be sent is as follows:

Michael J. Barron, Jr.  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 920  
Chicago, IL 60606-2832  
(312) 252-1500

**Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)**

IR and PLA2 will enter into a Lease Agreement prior to consummation that will allow IR to lease and to operate the Peru City Track as a common carrier once PLA2 acquires the Peru City Track.

**Operation of the Property: 49 C.F.R. § 1150.43(d)**

IR will become a common carrier on the Peru City Track and provide all common carrier service on the line once IR consummates the lease.

**Summary of the Transaction: 49 C.F.R. § 1150.43(e)**

Peru currently owns the Peru City Track, and IR currently provides service to customers located on it pursuant to an arrangement with Peru. Following PLA2's acquisition of the Peru City Track and IR's lease of the line, IR will become a common carrier on the line and provide freight service over it.

The Peru City Track runs from a connection with IR on its western end to the end of track just west of Illinois Route 251 on its eastern end, a distance of 3.5 miles, all near Peru, in Bureau and LaSalle Counties, Illinois. The Peru City Track does not have mileposts.

The complete name and address of Peru Land Acquisition 2, LLC, is 252 Clayton Street, 4<sup>th</sup> Floor, Denver, Colorado 80206.

The exemption becomes effective on January 9, 2015, thirty days after it is filed. IR intends to consummate the proposed lease transaction any time on or after February 3, 2015, the date given in its required labor notice. In any event, IR can only consummate once PLA2 acquires the Peru City Track and once all requirements set forth in 49 C.F.R. §§ 1150.42(e) are complied with.

**Map: 49 C.F.R. § 1150.43(f)**

A map showing the Peru City Track and the surrounding area is attached as Exhibit A to this Notice.

**Certificate of Compliance: 49 C.F.R. § 1150.43(g)**

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

**Interchange Commitments: 49 C.F.R. § 1150.43(h)**

The Lease Agreement between IR and PLA2 does not include any provision that would limit IR's future interchange of Peru City Track traffic with a third-party connecting carrier.

**Advance Notice: 49 C.F.R. § 1150.42(e)**

IR posted the 60-day notice of this transaction required by 49 C.F.R. § 1150.42(e) at the workplaces of current employees on the Peru City Track on December 2, 2014; and on that same date served the notice on the national offices of the labor union representing employees on the Peru City Track. IR certified to the Board its compliance with the posting and service requirements on December 2, 2014. A copy of the 60-day notice and certification as filed with the Board is attached as Exhibit C to this Notice.

**Environmental and Historic Preservation Data: 49 C.F.R. § 1105**

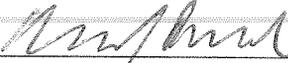
Under 49 C.F.R. § 1105.6(c)(2), IR's proposed lease of the Peru City Track is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. §§ 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), the proposed lease also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Additional Surface Transportation Board approval is required to discontinue service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

**Caption Summary: 49 C.F.R. § 1150.44**

A caption summary in appropriate form is attached as Exhibit D to this Notice.

Respectfully submitted,

By: 

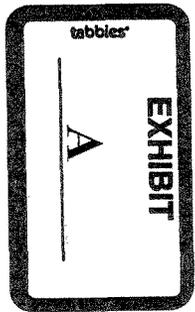
Michael J. Barron, Jr.  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

**ATTORNEY FOR  
ILLINOIS RAILWAY, LLC**

Dated: December 9, 2014

# PERU LAND ACQUISITION 2, LLC

REVISION DATE: 11/24/2014



**LEGEND**

ILLINIOS RAILWAY TRACK	—————
PLA 2 TRACK ACQUISITION	—————
COUNTY LINE	—————

BUREAU COUNTY

LASALLE COUNTY

TO ZEARING, IL

PLANK ROAD  
TO CHERRY, IL

CONENCTION LOCATION

TO LASALLE, IL

PLANK ROAD  
TO PERU, IL

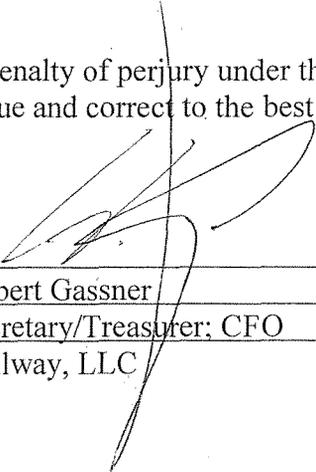
INTERSTATE 80  
TO PRINCETON, IL

INTERSTATE 80  
TO OTTAWA, IL

**CERTIFICATION AND VERIFICATION**

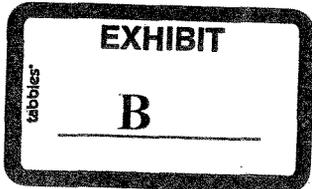
I, Hubert Gassner, Secretary/Treasurer and CFO, of Illinois Railway, LLC (“IR”) hereby certify that IR’s projected annual revenues will not as a consequence of the proposed transaction result in IR becoming a Class II or Class I rail carrier so as to require processing of the foregoing notice of exemption under 49 C.F.R. § 1150.45.

Also, pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing notice of exemption is true and correct to the best of my knowledge and belief.



Name: Hubert Gassner  
Title: Secretary/Treasurer; CFO  
Illinois Railway, LLC

Executed on: December 9, 2014



# FLETCHER & SIPPEL LLC

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Suite 920  
Chicago, Illinois 60606-2832

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www.fletcher-sippel.com

MICHAEL J. BARRON, JR.  
(312) 252-1511  
mbarron@fletcher-sippel.com

December 2, 2014

237143

## VIA ELECTRONIC FILING

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W., Room 1034  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings  
December 2, 2014  
Part of  
Public Record

Re: **Finance Docket No. 35886**  
**Illinois Railway, LLC – Lease and Operation**  
**Exemption -- Line of Peru Land Acquisition 2, LLC**

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Illinois Railway, LLC ("IR") hereby certifies that on December 2, 2014, the attached Notice was posted at the following workplaces of IR employees on the rail line near Peru, Illinois (the "Peru City Track") that is the subject of the above-captioned exemption proceeding:

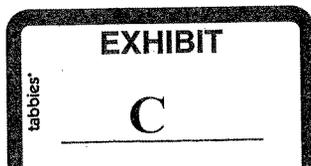
Illinois Railway, LLC  
430 W. Madison Street  
Ottawa, IL 61350

Illinois Railway, LLC  
1406 Chestnut Street  
Ottawa, IL 61350

Illinois Railway, LLC  
810 S. 13<sup>th</sup> Street  
Oregon, IL 61061-0127

Illinois Railway, LLC  
2069 N. 3462<sup>nd</sup> Road  
Wedron, IL 60557

IR also certifies that on December 2, 2014, the attached Notice was served by first class mail, postage prepaid, on the national office of the labor union representing IR employees on the Peru City Track, at the following addresses:



# FLETCHER & SIPPEN LLC

Ms. Cynthia T. Brown  
December 2, 2014  
Page 2

Mr. Dennis R. Pierce  
National President  
Brotherhood of Locomotive Engineers & Trainmen, IBT  
1370 Ontario Street, Mezzanine  
Cleveland, OH 44113

If you have any questions regarding this filing, please feel free to contact me.  
Thank you for your assistance on this matter.

Respectfully submitted,



Michael J. Barron, Jr.

Attorney for Illinois Railway, LLC

MJB/mjb

Attachment

**ILLINOIS RAILWAY, LLC**  
**430 West Madison Street**  
**Ottawa, IL 61350**

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**NOTICE**

Pursuant to regulations of the Surface Transportation Board (“STB”) at 49 C.F.R. 1150.42(e), Illinois Railway, LLC (“IR”), a Class III rail carrier, hereby gives notice to its employees that on or after February 3, 2015, IR intends to lease trackage known as the City of Peru Track (“Peru City Track”) extending from a connection with IR on its west end to the end of track on its east end, just west of Illinois Route 251, a distance of approximately 3.5 miles, all near Peru in Bureau and LaSalle Counties, Illinois. IR currently performs all rail service on the Peru City Track pursuant to an arrangement with the City of Peru (“City”), the current owner.

The City intends on selling the Peru City Track to Peru Land Acquisition 2, LLC (“PLA2”) pursuant to authority to be granted in STB Finance Docket No. 35885. PLA2 will in turn lease the Peru City Track to IR pursuant to authority to be granted in STB Finance Docket No. 35886. Upon consummation of the lease, IR will continue to perform all rail service on the Peru City Track. A notice of exemption to authorize the proposed lease transaction will be filed with the STB in Finance Docket No. 35886 on or about December 5, 2014.

IR does not expect to hire any additional employees as a result of its lease of the Peru City Track. Employees desiring further information regarding the transaction may contact Jeff Monahan at 630-921-9067.

SURFACE TRANSPORTATION BOARD

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**NOTICE OF EXEMPTION**

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DOCKET NO. FD 35886

ILLINOIS RAILWAY, LLC  
-- LEASE AND OPERATION EXEMPTION --  
LINE OF PERU LAND ACQUISITION 2, LLC

---

Illinois Railway, LLC ("IR"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease and operate a line known as the Peru City Track from Peru Land Acquisition 2, LLC ("PLA2") and provide common carrier service on the Peru City Track from its current connection with IR on the western end of the Peru City Track to the end of track on its eastern end just west of Illinois Route 251, all near Peru, in Bureau and LaSalle Counties, Illinois.

IR expects to consummate the proposed lease for the Peru City Track any time on or after February 3, 2015.

Comments must be filed with the Board and served on:

Michael J. Barron, Jr.  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 920  
Chicago, Illinois 60606-2832  
(312) 252-1500

This Notice is related to Docket No. FD 35885, Peru Land Acquisition 2, LLC – Acquisition Exemption – Line Owned by the City of Peru, Illinois, in which PLA2 is concurrently filing a Notice of Exemption pursuant to 49 C.F.R. § 1150.31, et. seq., to acquire the Peru City Track from the City of Peru so that PLA2 can lease the Peru City Track to IR.

This Notice is filed under 49 C.F.R. § 1150.41. If the 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 transaction.

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Dated: \_\_\_\_\_, \_\_\_\_\_

By the Board