DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

Wyoming Connect Railroad LLC—Acquisition and Operation Exemption—Union Pacific Railroad Company

Wyoming Connect Railroad LLC (WCR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire by lease from Union Pacific Railroad Company and to operate approximately 18.5 miles of rail line between milepost 0.0 at or near Yoder and milepost 18.5 at or near South Torrington, in Goshen County, Wyo.

The transaction is scheduled to be consummated on or after July 15, 2012 (30 days after the notice of exemption was filed).

WCR certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed $5 million.

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.

An original and ten copies of all pleadings, referring to Docket No. FD 35640, must be filed with the Surface Transportation Board, 395 E Street SW., Washington, DC 20423–0001. In addition, a copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle St., Suite 1890, Chicago, IL 60604.


By the Board.

Richard Armstrong,
Acting Director, Office of Proceedings.

Jeffrey Herzig,
Clearance Unit.

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[S isseton Milbank Railroad Company—Acquisition and Operation Exemption—SLA Property Management Limited Partnership and Sisseton Milbank Railroad, Inc.

Sisseton Milbank Railroad Company (SMRC), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from SLA Property Management Limited Partnership and Sisseton Milbank Railroad, Inc.

This transaction is related to a concurrently filed petition for exemption in Docket No. FD 35642, Twin Cities & Western Railroad Company, the Estate of Douglas M. Head and the DMH Trust fbo Martha M. Head—Contingency in Control Exemption—Sisseton Milbank Railroad Company, in which Twin Cities & Western Railroad Company (TCW), the Estate of Douglas M. Head (Estate), and the DMH Trust fbo Martha M. Head (Trust) seek Board approval to continue in control of SMRC upon SMRC’s becoming a Class III rail carrier. 1

The parties expect to consummate the transaction on or after July 16, 2012. 2

SMRC certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed $5 million.

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.

A copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle St., Suite 1890, Chicago, IL 60604.


By the Board.

Richard Armstrong,
Acting Director, Office of Proceedings.

Jeffrey Herzig,
Clearance Unit.

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[S isseton Milbank Railroad Company—Acquisition and Operation Exemption—SLA Property Management Limited Partnership and Sisseton Milbank Railroad, Inc.

Sisseton Milbank Railroad Company (SMRC), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from SLA Property Management Limited Partnership and Sisseton Milbank Railroad, Inc.

This transaction is related to a concurrently filed petition for exemption in Docket No. FD 35642, Twin Cities & Western Railroad Company, the Estate of Douglas M. Head and the DMH Trust fbo Martha M. Head—Contingency in Control Exemption—Sisseton Milbank Railroad Company, in which Twin Cities & Western Railroad Company (TCW), the Estate of Douglas M. Head (Estate), and the DMH Trust fbo Martha M. Head (Trust) seek Board approval to continue in control of SMRC upon SMRC’s becoming a Class III rail carrier. 1

The parties expect to consummate the transaction on or after July 16, 2012. 2

SMRC certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed $5 million.

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.

A copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle St., Suite 1890, Chicago, IL 60604.


By the Board.

Richard Armstrong,
Acting Director, Office of Proceedings.

Jeffrey Herzig,
Clearance Unit.

1 SMRC states that it is a wholly owned subsidiary of TCW, which is currently controlled by the Estate, and that it is anticipated that the TCW stock held by the Trust will be distributed to the Trust in the near future.

2 SMRC indicates that, because it is likely that the acquisition transaction will close prior to the Board’s issuance of a decision on TCW’s continuance-in-control petition, TCW has entered into a Voting Trust Agreement pursuant to 49 CFR part 1013, under which the shares of SMRC will be deposited in a voting trust.
DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35634]

Midwest Rail, LLC d/b/a Toledo, Lake Erie and Western Railroad—Lease and Operation Exemption—Norfolk Southern Railway Company

Under 49 CFR 1011.7(a)(2)(i)(A), the Director of the Office of Proceedings (Director) is delegated the authority to determine whether to issue notices of exemption under 49 U.S.C. 10502 for lease and operation transactions under 49 U.S.C. 10902. However, the Board reserves itself the consideration and disposition of all matters involving issues of general transportation importance. 49 CFR 1011.2(a)(6). Accordingly, the Board revokes the delegation to the Director with respect to issuance of the notice of exemption for lease and operation of the rail line at issue in this case. The Board determines that this notice of exemption should be issued, and does so here.

Midwest Rail, LLC d/b/a Toledo, Lake Erie and Western Railway (Toledo), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from Norfolk Southern Railway Company (NSR) and operate a 1.8-mile line of railroad between milepost TS 13.2 near Maumee, Ohio and milepost TS 15.0 in Waterville, Ohio, (the Line). According to Toledo, NSR has entered into a Lease Agreement (Agreement) whereby Toledo will lease the Line from NSR. The term of the lease is 10 years.

Pursuant to 49 CFR 1150.43(h), Toledo has disclosed that the Agreement contains an interchange commitment in the form of lease credits, depending on the number of carloads interchanged with NSR at milepost TS 13.2 in a given year.1 According to Matthew Shawver, owner of Toledo, the interchange commitment will allow Toledo to “invest in improvements on the leased line to increase traffic levels.”2 The Line connects only with NSR at Maumee and at Waterville with a 10-mile, sub-ended line leased and operated by Toledo.3 Toledo certifies that its projected annual revenues as a result of this transaction will not result in Toledo becoming a Class I or Class II rail carrier. Toledo further certifies that its projected annual revenues will not exceed $5 million.

The earliest the transaction can be consummated is July 15, 2012, the effective date of the exemption (30 days after the 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. Stay petitions must be filed no later than July 6, 2012 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35634, must be filed with the Surface Transportation Board, 395 E Street SW., Washington, DC 20423–0001. In addition, one copy of each pleading must be served on John D. Heffner,

1 Concurrently with its verified notice of exemption, Toledo has filed under seal, pursuant to 49 CFR 1150.43(h)(i), a confidential, complete version of the Agreement. Toledo also filed a motion for protective order. The merits of Toledo’s motion will be addressed in a separate decision.

2 Pet. 6.