

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

ROBERT A. WIMBISH

(312) 252-1504
rwimbish@fletcher-sippel.com

December 9, 2020

301352

VIA ELECTRONIC FILING

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

ENTERED
Office of Proceedings
December 9, 2020
Part of
Public Record

Re: **Docket No. FD 36457**
Watco Holdings, Inc. — Continuance in Control
Exemption — Dutchtown Southern Railroad, L.L.C.

Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is a **Verified Notice of Exemption of Watco Holdings, Inc., pursuant to 49 C.F.R. § 1180.2(d)(2)**, dated December 9, 2020. The sum of \$1,600, representing the appropriate fee for this filing, has been tendered electronically via Pay.gov.

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

Respectfully submitted,

/s/ *R. A. Wimbish*

Robert A. Wimbish
Attorney for Watco Holdings, Inc.

RAW:ah

Attachment

FILED
December 9, 2020
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
December 9, 2020
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36457

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
DUTCHTOWN SOUTHERN RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF
WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEY FOR
WATCO HOLDINGS, INC.**

Dated: December 9, 2020

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36457

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
DUTCHTOWN SOUTHERN RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF
WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Watco Holdings, Inc. (“Watco”), a non-carrier holding company, hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Dutchtown Southern Railroad, L.L.C. (“DUSR”) once DUSR leases, and commences common carrier operations over, certain track (hereinafter, the “Line”) in Geismar, Louisiana, pursuant to DUSR’s concurrently-filed Verified Notice of Exemption in FD 36456, *Dutchtown Southern Railroad, L.L.C. — Lease and Operation Exemption — Illinois Central Railroad Company*.

The Line to be leased and operated by DUSR does not connect with the lines of any of the thirty-nine rail carriers currently controlled by Watco, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control transaction involve a Class I carrier. Accordingly, Watco’s proposed continuance in control of DUSR qualifies for the class exemption at 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), Watco submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

Watco is a non-carrier holding company which currently controls one Class II rail carrier and thirty-nine Class III rail carriers listed in the Appendix to this Notice. *See Watco Holdings, Inc. — Continuance in Control Exemption — Elwood Joliet & Southern Railroad, L.L.C.*, FD 36438 (STB served Oct. 14, 2020) (“*EJ&S Notice*”).¹

DUSR, a new non-carrier entity controlled by Watco, will lease and operate the Line. None of the rail lines of Watco’s existing rail carrier holdings will connect with DUSR, and this control transaction is not part of a series of anticipated transactions that would result in such an inter-connection. Watco seeks to exercise common control of DUSR and Watco’s existing rail carrier subsidiaries once DUSR leases, and commences common carrier operations over, the Line pursuant to the Verified Notice of Exemption concurrently filed in FD 36456.

The full name and address of the Applicant herein is:

Watco Holdings, Inc.
315 West 3rd Street
Pittsburg, Kansas 66762

Any questions concerning this Notice should be sent to Watco’s representative at the following address:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

¹ For the sake of clarity, Geaux Geaux Railroad is not a separate, Watco-controlled rail carrier subsidiary, but is rather a trade name for Bogalusa Bayou Railroad, L.L.C. *See EJ&S Notice*, 2, n.1.

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

Watco intends to consummate the proposed continuance in control transaction on or after January 16, 2020, simultaneously with DUSR's lease and operation of the Line in keeping with the procedures set forth at 49 C.F.R. § 1180.4(g)(1).

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The exemption sought herein will allow Watco to continue to exercise common control of its existing rail carrier subsidiaries and DUSR. In turn, the control exemption will allow DUSR to proceed with the lease and operation of the Line as contemplated in FD 36456.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

Watco is a non-carrier holding company and does not directly own any rail property. DUSR will lease and operate rail property in the state of Louisiana. Watco's existing rail carrier subsidiaries own or lease and operate over rail property located in 27 states, as shown in the Appendix.

Maps - Exhibits A and B: 49 C.F.R. § 1180.6(a)(6)

A map of the Line to be leased by DUSR is attached hereto as Exhibit A. A map generally showing the location of Watco's existing rail carrier subsidiaries in the United States is attached hereto as Exhibit B.

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

Watco already controls DUSR, currently a non-carrier. No agreement is contemplated or necessary for Watco to continue in control of DUSR once DUSR leases the Line and commences common carrier operations.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

The proposed transaction involves the control of one Class II carrier (Watco's existing subsidiary, Wisconsin & Southern Railroad, L.L.C.) and multiple Class III rail carriers (Watco's remaining existing rail carrier subsidiaries and DUSR). Accordingly, the transaction is subject to the labor protection requirements of 49 U.S.C. § 11326(b) and *Wisconsin Central Ltd. – Acq. Exempt. – Union Pac. R. Co.*, 2 S.T.B. 218 (1997), *rev'd in part sub nom. Ass'n of Amer. Railroads v. STB*, 162 F.3d 101 (D.C. Cir. 1998).

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. Watco's continuance in control of DUSR 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)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. The control transaction will not substantially change the level of maintenance of any railroad property.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

The proposed transaction does not itself involve the acquisition or operation of a rail line, and thus the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable. In any event, the lease transaction that is the subject of the FD 36436 proceeding does not include a provision restricting DUSR's interchange of traffic with a third-party connecting carrier.

Respectfully submitted,

/s/ *R. A. Wimbish*

Robert A. Wimbish

Fletcher & Sippel LLC

29 North Wacker Drive

Suite 800

Chicago, Illinois 60606-3208

(312) 252-1500

**ATTORNEY FOR
WATCO HOLDINGS, INC.**

Dated: December 9, 2020

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. FD 36457

**WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
DUTCHTOWN SOUTHERN RAILROAD, L.L.C.**

APPENDIX

**WATCO-CONTROLLED CARRIERS AND
STATES OF OPERATION**

Class II Carriers

Wisconsin & Southern Railroad, L.L.C. [Illinois, Wisconsin]

Class III Carriers²

Alabama Southern Railroad, L.L.C. [Alabama, Mississippi]

Alabama Warrior Railway, L.L.C. [Alabama]

Ann Arbor Railroad, Inc. [Michigan, Ohio]

Arkansas Southern Railroad, L.L.C. [Arkansas, Oklahoma]

Austin Western Railroad, L.L.C. [Texas]

Autauga Northern Railroad, L.L.C. [Alabama]

Baton Rouge Southern Railroad, L.L.C. [Louisiana]

Birmingham Terminal Railway, L.L.C. [Alabama]

Blue Ridge Southern Railroad, L.L.C. [North Carolina]

Bogalusa Bayou Railroad, L.L.C., also d/b/a Geaux Geaux Railroad [Louisiana]

Boise Valley Railroad, L.L.C. [Idaho]

Cicero Central Railroad, L.L.C. [Illinois]

Decatur & Eastern Illinois Railroad, L.L.C. [Illinois, Indiana]

Eastern Idaho Railroad, L.L.C. [Idaho]

Elwood Joliet & Southern Railroad, L.L.C. [Illinois]

Grand Elk Railroad, Inc. [Indiana, Michigan]

Great Northwest Railroad, L.L.C. [Idaho, Washington]

Ithaca Central Railroad, L.L.C. [New York, Pennsylvania]

Jacksonville Port Terminal Railroad, L.L.C. [Florida]

Kanawha River Railroad, L.L.C. [Ohio, West Virginia]

Kansas & Oklahoma Railroad, L.L.C. [Colorado, Kansas]

Kaw River Railroad, L.L.C. [Kansas, Missouri]

Louisiana Southern Railroad, L.L.C. [Louisiana]

Lubbock and Western Railway, L.L.C. [Texas]

Mission Mountain Railroad, L.L.C. [Montana]

Mississippi Southern Railroad, L.L.C. [Mississippi]

Palouse River & Coulee City Railroad, L.L.C. [Idaho, Oregon, Washington]

Pecos Valley Permian Railroad, L.L.C. d/b/a Pecos Valley Southern Railway [Texas]

Pennsylvania Southwestern Railroad, L.L.C. [Pennsylvania]

San Antonio Central Railroad, L.L.C. [Texas]

Savannah & Old Fort Railroad, L.L.C. [Georgia]

South Kansas and Oklahoma Railroad, L.L.C. [Kansas, Missouri, Oklahoma]

Stillwater Central Railroad, L.L.C. [Oklahoma]

Swan Ranch Railroad, L.L.C. [Wyoming]

Texas and New Mexico Railway, L.L.C. [New Mexico]

Timber Rock Railroad, L.L.C. [Louisiana, Texas]

Vicksburg Southern Railroad, L.L.C. [Mississippi]

Yellowstone Valley Railroad, L.L.C. [Montana, North Dakota]

² Pacific Sun Railroad, L.L.C. (“PacSun”) formally discontinued operations on December 5, 2020, pursuant to *Pacific Sun Railroad, L.L.C. – Discontinuance of Service and Trackage Rights Exemption – in San Diego County, Cal.*, AB 1304X (STB served Nov. 5, 2020). Accordingly, PacSun is no longer a rail carrier subject to the Board’s jurisdiction.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. FD 36457

**WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
DUTCHTOWN SOUTHERN RAILROAD, L.L.C.**

EXHIBIT A

**DUTCHTOWN SOUTHERN
RAILROAD, L.L.C. MAP**

Exhibit A

Approximately Adjacent to
ICRR Milepost 386 + 1636.15'

Leased Line shown in red.

Approximately Adjacent to
ICRR Milepost 388 + 357'

© 2020 Google

Google Earth

Imagery Date: 1/23/2019 30°11'57.98" N 91°00'33.58" W elev 29 ft eye alt 13801 ft

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. FD 36457

**WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
DUTCHTOWN SOUTHERN RAILROAD, L.L.C.**

EXHIBIT B

WATCO SYSTEM MAP



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. FD 36457

**WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
DUTCHTOWN SOUTHERN RAILROAD, L.L.C.**

VERIFICATION

VERIFICATION

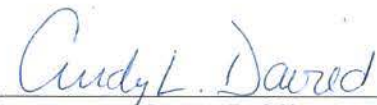
State of Kansas)
) ss:
County of Crawford)

Rick D. Baden, being duly sworn, deposes and says that he is Executive Vice President and Chief Financial Officer of Watco Holdings, Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Rick D. Baden

SUBSCRIBED AND SWORN TO
before me this 1st day
of December, 2020.



Notary Public

My Commission expires: 5-19-2021

