

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

April 16, 2021

VIA ELECTRONIC FILING

302032

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
April 16, 2021
Part of
Public Record

Re: **FD 36494**
Ringneck & Western Railroad, L.L.C. – Acquisition and Operation Exemption –
Railroad Line in Davison, Aurora, Brule, Lyman, Jones, Jackson, and
Pennington Counties, S.D.
and
FD 36512
Watco Holdings, Inc. — Continuance in Control
Exemption — Ringneck & Western Railroad, L.L.C.

Dear Ms. Brown:

Attached for filing in the above-captioned proceedings are – (1) a **Verified Notice of Exemption for Ringneck & Western Railroad, L.L.C. pursuant to 49 C.F.R. § 1150.31**; and (2) a related a **Verified Notice of Exemption of Watco Holdings, Inc., pursuant to 49 C.F.R. § 1180.2(d)(2)**, both dated April 16, 2021. The sum of \$3,800, representing the appropriate fees, collectively (\$2,200 and \$1,600, respectively) for these filings, 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.

FEE RECEIVED

April 16, 2021

SURFACE

TRANSPORTATION BOARD

RAW:bjs

Attachments

Respectfully submitted,

/s/ *R. A. Wimbish*

Robert A. Wimbish
Attorney for Watco Holdings, Inc.

FILED

April 16, 2021

SURFACE

TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36512

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
RINGNECK & WESTERN 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
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEY FOR
WATCO HOLDINGS, INC.**

Dated: April 16, 2021

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36512

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
RINGNECK & WESTERN 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 Ringneck & Western Railroad, L.L.C. (“RWRR”) once RWRR acquires, and commences common carrier operations over, certain lines in South Dakota (hereinafter, the “Lines”) pursuant to RWRR’s concurrently-filed Verified Notice of Exemption in FD 36494, *Ringneck & Western Railroad, L.L.C. — Acquisition and Operation Exemption — Railroad Line in Davison, Aurora, Rule, Lyman, Jones, Jackson and Pennington Counties, S.D.*

The Lines to be acquired and operated by RWRR do not connect with any of the lines of Watco’s forty existing rail carriers, 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 RWRR 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.¹ *See Watco Holdings, Inc. — Continuance in Control Exemption — Dutchtown Southern Railroad, L.L.C.*, FD 36457 (STB served Dec. 23, 2020).

RWRR, a new non-carrier entity controlled by Watco, will acquire and operate the Lines. None of the rail lines of Watco's existing rail carrier holdings will connect with RWRR, and this control transaction is not part of a series of anticipated transactions that would result in such an inter-connection. Watco seeks to continue in control of RWRR and Watco's existing rail carrier subsidiaries once RWRR acquires, and commences common carrier operations over, the Lines that are the subject of the FD 36494 exemption proceeding.

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 Watco anticipates that this Notice will be effective prior to the disposition of the pending Petition for Exemption in *Watco Holdings, Inc. — Continuance in Control Exemption — Fox Valley & Lake Superior Rail System, L.L.C.*, FD 36506.

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

Watco intends to consummate the proposed transaction on May 25, 2021, simultaneously with the consummation of RWRR's acquisition and operation transaction that is the subject of the FD 36494 proceeding, in keeping with 49 C.F.R. § 1180.4(g)(1).

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

The subject exemption will allow Watco to continue to exercise common control of its existing rail carrier subsidiaries and RWRR. In turn, the control exemption will allow RWRR to proceed with the acquisition and operation of the Line as contemplated in FD 36494.

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. RWRR will acquire and operate rail property in the state of South Dakota. Watco's existing rail carrier subsidiaries own or lease, and operate, rail property located in 27 states, as listed in the Appendix.

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

Maps of the Lines to be acquired and operated by RWRR are attached hereto as Exhibit A. A system map generally showing the location of Watco's existing rail carrier subsidiaries in the United States is attached hereto as Exhibit B. A user-friendly copy of this system map offered as Exhibit B is also available at <https://www.watco.com/system-map/>.

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

Watco already controls RWRR, currently a non-carrier. No agreement is contemplated or necessary for Watco to continue in control of RWRR once RWRR acquires the Lines 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 RWRR). 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 RWRR 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 acquisition that is the subject of the FD 36494 proceeding does not include a provision restricting RWRR's interchange of traffic with a third-party connecting carrier.

Respectfully submitted,

/s/ *R. A. Wimbish*

Robert A. Wimbish

Bradon J. Smith

Fletcher & Sippel LLC

29 North Wacker Drive

Suite 800

Chicago, Illinois 60606-3208

(312) 252-1500

**ATTORNEY FOR
WATCO HOLDINGS, INC.**

Dated: April 16, 2021

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36512

**WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
RINGNECK & WESTERN 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 Carriers

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

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

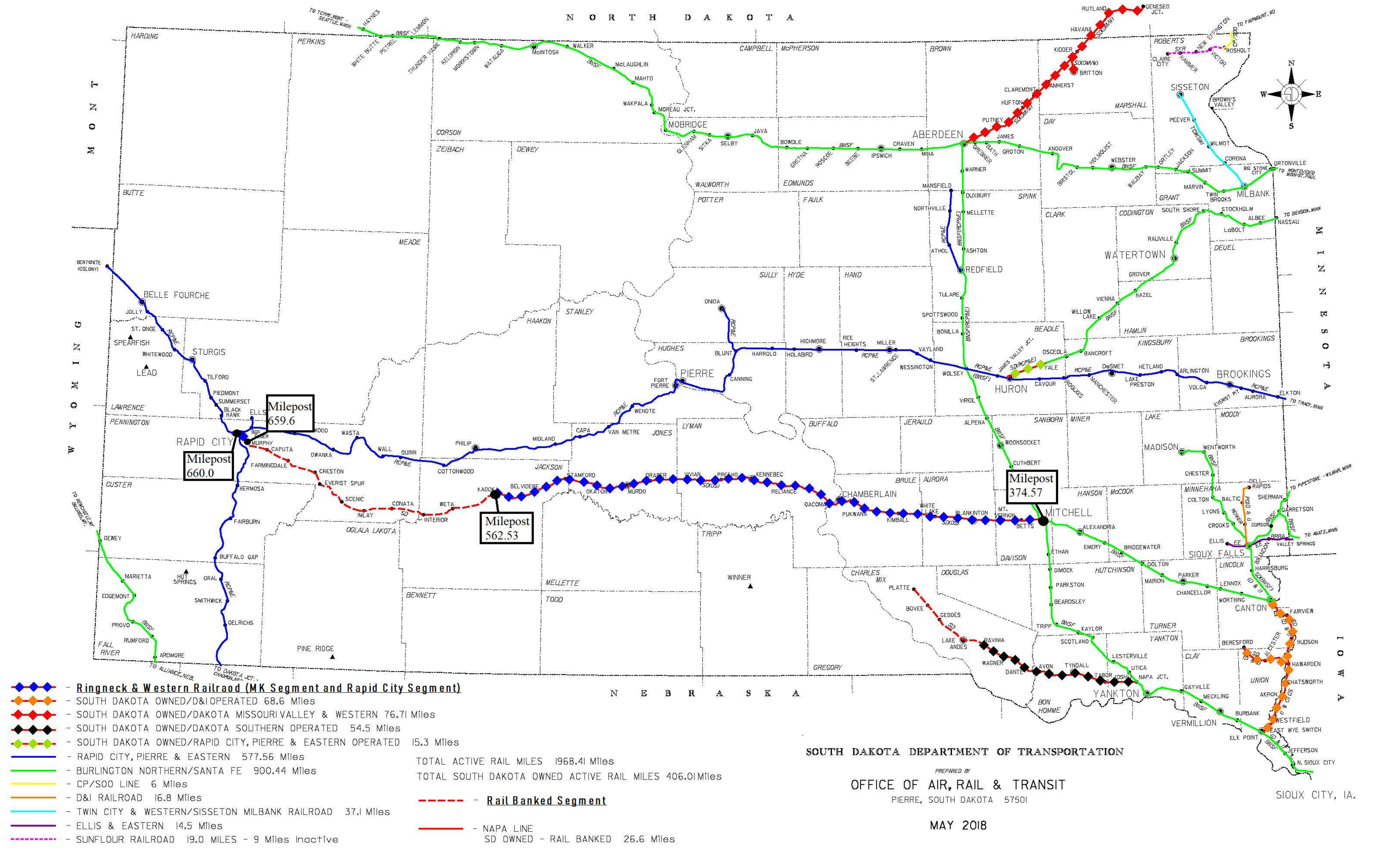
FD 36512

**WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
RINGNECK & WESTERN RAILROAD, L.L.C.**

EXHIBIT A

**RINGNECK & WESTERN RAILROAD, L.L.C.
MAPS**

Ringneck & Western Railroad Mitchell - Rapid City Railroad Line



Ringneck & Western Railroad Trackage Rights

BNSF
Milepost 652.9

Graceland Cemetery

W 23rd Ave

W 23rd Ave

W 23rd Ave

N Main St

37

N Sanborn Blvd

N Main St

37

The World's
Only Corn Palace

BNSF
Milepost 650.65

Mitchell

BNSF
Milepost 650.16

Dry Run
Creek Park

- Trackage Rights Line
- MK Segment (East End)

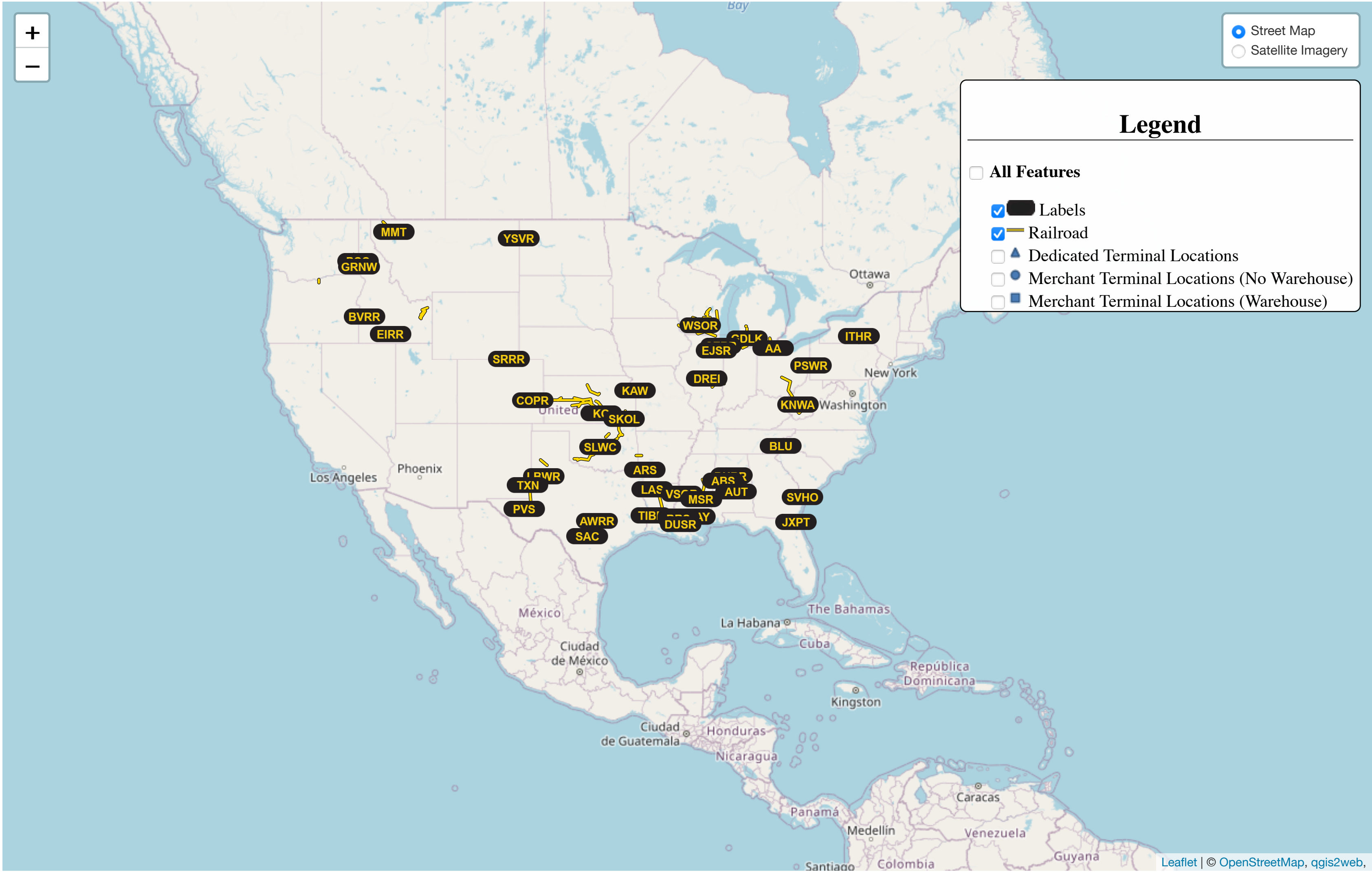
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FD 36512

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— CONTINUANCE IN CONTROL EXEMPTION —
RINGNECK & WESTERN RAILROAD, L.L.C.**

EXHIBIT B

WATCO SYSTEM MAP



315 W 3rd St, Pittsburg, KS 66762
(620) 231-2230

Emergency Dispatch (316) 262-1700
Safety and Ethics Hotline (866) 479-2826

About
Careers
Suppliers
Customer Tools
Employment Verification

Watco Gear
News
Privacy Policy
Investor Relations
Giving Back

System Map
Team Member Login

As a transportation service company, Watco integrates rail, water, road, and air to solve any supply chain challenge.

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RINGNECK & WESTERN RAILROAD, L.L.C.**

VERIFICATION

VERIFICATION

I, Rick D. Baden, President and Chief Financial Officer of Watco Holdings, Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to verify this notice of exemption on behalf of Watco Holdings, Inc.

A handwritten signature in black ink, appearing to read "Rick D. Baden", is written over a horizontal line.

Rick D. Baden