

302972

SURFACE TRANSPORTATION BOARD

Notice of Exemption

ENTERED
Office of Proceedings
September 2, 2021
Part of
Public Record

FINANCE DOCKET NO. 36524

SAVAGE TOOEELE RAILROAD COMPANY
— ACQUISITION AND OPERATION EXEMPTION IN TOOEELE COUNTY, UTAH —
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31

NOTE: Color maps included in Exhibit B

FILED
September 2, 2021
SURFACE
TRANSPORTATION BOARD

Richard F. Riley Jr.
R. Nicholas Englund
Foley & Lardner LLP
3000 K Street, N.W., Suite 600
Washington DC 20007-5109

Tel (202) 295-4712
Email rriley@foley.com

Attorneys for Savage Companies

Date: September 2, 2021

FEE RECEIVED
September 2, 2021
SURFACE
TRANSPORTATION BOARD

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO. 36524

SAVAGE TOOEELE RAILROAD COMPANY
— ACQUISITION AND OPERATION EXEMPTION IN TOOEELE COUNTY, UTAH —
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31

Savage Tooele Railroad Company (“**STR**”), a non-carrier, files this Notice of Exemption pursuant to 49 U.S.C. § 10901 and 49 C.F.R. Part 1150, Subpart D (§§ 1150.31 – 1150.36) (“Exempt Transactions Under 49 U.S.C. 10901”), to permit STR:

- to acquire interests in certain rail lines in Tooele County, Utah from Union Pacific Railroad Company (“**UP**”) and to operate rail service on such lines, and
- to acquire other property in Tooele County adjacent to such lines and to construct rail lines and operate rail service on such lines.

The transactions will result in STR’s operation of approximately 12 miles of railroad in Tooele County, Utah as a Class III rail carrier.

STR’s notarized Verification signed by a knowledgeable officer, certifying as to all factual statements in this Notice, is attached as Exhibit A.

In support of this Notice of Exemption, STR submits the following information as required by 49 C.F.R. § 1150.33:

1) Full Name and Address of Applicant

Savage Tooele Railroad Company
901 W. Legacy Center Way
Midvale, UT 84047-5765
Telephone (801) 944-6600

2) Applicant's Representatives

Richard F. Riley Jr.
R. Nicholas Englund
Foley & Lardner LLP
3000 K Street, N.W., Suite 600
Washington DC 20007-5109

Tel (202) 295-4712
Email rriley@foley.com

3) Statement of Agreements

STR will enter into (i) an easement acquisition agreement and (ii) an interchange agreement with UP, plus possible ancillary agreements with UP governing STR's operations on UP's Warner Spur in Tooele County, UT. The Warner Spur begins at milepost (MP) 897.84 on UP's east-west mainline Shafter Subdivision, near the unincorporated community of Burmester, UT, and extends south-southeast from Warner Spur MP zero to approximately MP 6.9. STR will acquire an operating easement on the Warner Spur from UP. STR and UP will construct and operate interchange tracks near the north end of the Warner Spur, and STR will rehabilitate and operate rail service on the Warner Spur south to approximately MP 6.9.

Separate landowners control property from Warner Spur MP 5.8 to MP 6.3. STR will enter into agreements with the separate landowners to acquire the right of way between MP 5.8 and MP 6.3 and will construct new track to complete the spur. Finally, STR will enter into agreements with additional land owners to obtain property and construct an additional approximately 5 miles of interchange and switching trackage outside and within the newly

developed Lakeview Business Park at the south end of the Warner Spur near Grantsville, UT.

See <https://www.lakeviewbusinesspark.com/>. STR will enter into appropriate rail service agreements with customers at Lakeview Business Park to carry their traffic.

4) **Operator of the Property**

STR will become the operator of the property.

5) **Summary of Proposed Transaction**

As described above in the statement of agreements, STR will acquire an operating easement over rail property from UP and will enter into an interchange agreement with UP, and will construct and rehabilitate track, in order to provide north-south rail service over approximately 7 miles of track known as the Warner Spur in Tooele County, UT, between MP 897.84 on UP's mainline Shafter Subdivision near Burmester, UT south to the new Lakeview Business Park near Grantsville, UT. STR will also acquire property from unrelated land owners and construct track in order to complete the Warner Spur between the UP interchange and the business park, and will construct additional interchange and switching trackage outside and within Lakeview Business Park. STR will enter into appropriate rail service agreements with to-be-identified customers in the business park. UP and STR will interchange traffic at the north end of the Warner Spur.

STR plans to begin the property transactions and track construction described above during October 2021, shortly after the effective date of the STR-Tooele Exemption Notice (30 days from today, the date of filing, assuming no stay).

Additional information as required by 49 C.F.R. § 1150.33(e) is as follows:

- The name and address of the railroad transferring the subject property is:

Union Pacific Railroad Company
1400 Douglas Street
Omaha, Nebraska 68179

- The property transactions and track construction described above are expected to begin in October 2021, shortly after the effective date of this Notice (30 days after filing, assuming no stay). STR projects its rail carrier operations on the completed Warner Spur in Tooele County, Utah will begin in the 4th quarter of 2022 or the 1st quarter of 2023.
- The mileposts on the subject property, the Warner Spur, are from the UP wye interchange at MP 0.0 near Burmester, UT south to MP 6.9 close to Lakeview Business Park near Grantsville, UT. The north terminus of the Warner Spur is at MP 897.84 on UP's mainline Shafter Subdivision.

6) **Maps of the Subject Lines are Attached as Exhibit B.**

7) **Certification Concerning Projected Revenues**

STR hereby certifies that its projected revenues as a result of this transaction will not result in STR becoming a Class II or Class I rail carrier. STR further certifies that its projected annual revenue, each year for the first five years, will not exceed \$5 million. Accordingly, the requirements of 49 C.F.R. § 1150.32(e) do not apply to this transaction. (Because this is new rail service after a period of dormancy on the Warner Spur, no current employees are affected.)

8) **A caption summary as required by 49 C.F.R. § 1150.34 is attached as Exhibit C.**

9) **No interchange commitments.**

STR certifies that this transaction involves no provision or agreement limiting future interchange with other carriers, within the meaning of 49 C.F.R. § 1150.33(h).

ENVIRONMENTAL ASSESSMENT

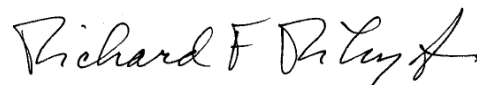
STR's operations will involve no diversion of traffic to motor carriage. Moreover, this transaction will not result in an increase in rail traffic of eight or more trains a day on any segment of the line. STR's operations will not affect a Class I or nonattainment area under the Clean Air Act. Finally, the transportation of ozone depleting materials is not contemplated. Accordingly, an Environmental Assessment is not required pursuant to under 49 C.F.R. §§ 1105.6(c)(1)(i), 1105.7(e)(4), (5).

HISTORIC REPORTING

STR will utilize the affected rail lines for continued rail operations. Board approval will be required for STR to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Accordingly, no historic report is required pursuant to 49 C.F.R. § 1105.8(b)(1).

Respectfully submitted,

SAVAGE TOOEELE RAILROAD COMPANY



Date: September 2, 2021

Richard F. Riley Jr.
R. Nicholas Englund
Foley & Lardner LLP
3000 K Street, N.W., Suite 600
Washington DC 20007-5109

Tel (202) 295-4712
Email rriley@foley.com

Attorneys for Savage Tooele Railroad Company

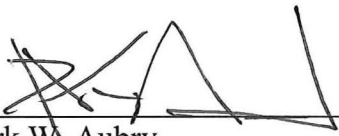
Exhibit A

VERIFICATION

VERIFICATION

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

Kirk W. Aubry, being duly sworn, deposes and says that he is the President & CEO of Savage Tooele Railroad Company; that he has read the foregoing Verified Notice of Exemption Pursuant to 49 C.F.R. § 1150.31 to allow Savage Tooele Railroad Company to operate a line of railroad in Tooele County, Utah as a Class III rail carrier (STB Finance Docket No. 36524); and that the facts set forth in such Verified Petition are true and correct to the best of his knowledge and belief.



Kirk W. Aubry
President & CEO
Savage Tooele Railroad Company

Subscribed and sworn to before me this 2nd day of September, 2021.



Notary Public



Exhibit B

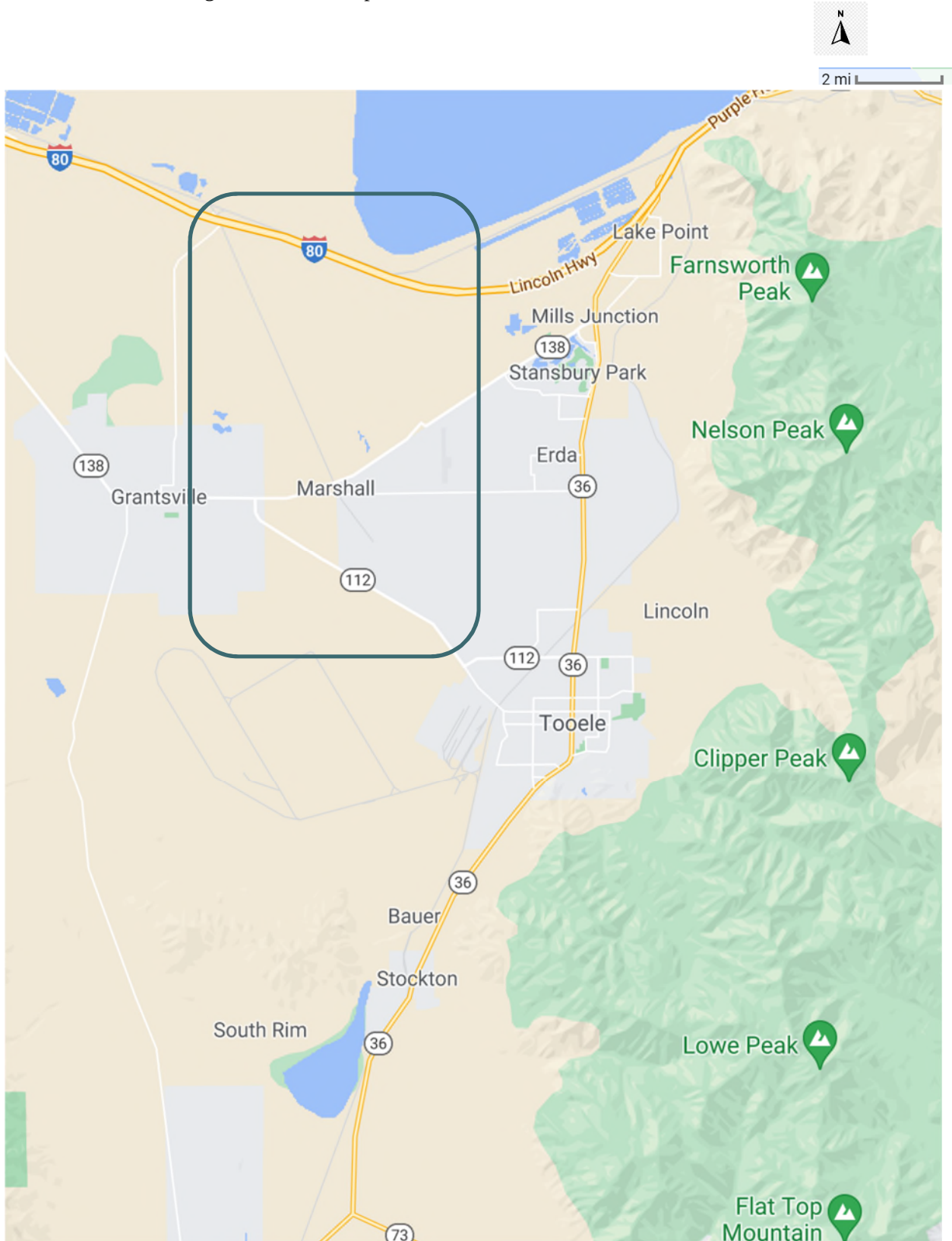
Maps

SAVAGE TOOEELE RAILROAD COMPANY

PROPOSED *TOOELE COUNTY, UTAH* OPERATIONS LOCATED IN BOX BELOW.

Following are:

- Map of proposed trackage between UP Shafter Subdivision MP 897.84 and Lakeview Business Park.
- Schematic diagram of Warner Spur.



Proposed trackage (in red) between UP Shafter Subdivision MP 897.84 and Lakeview Business Park.*



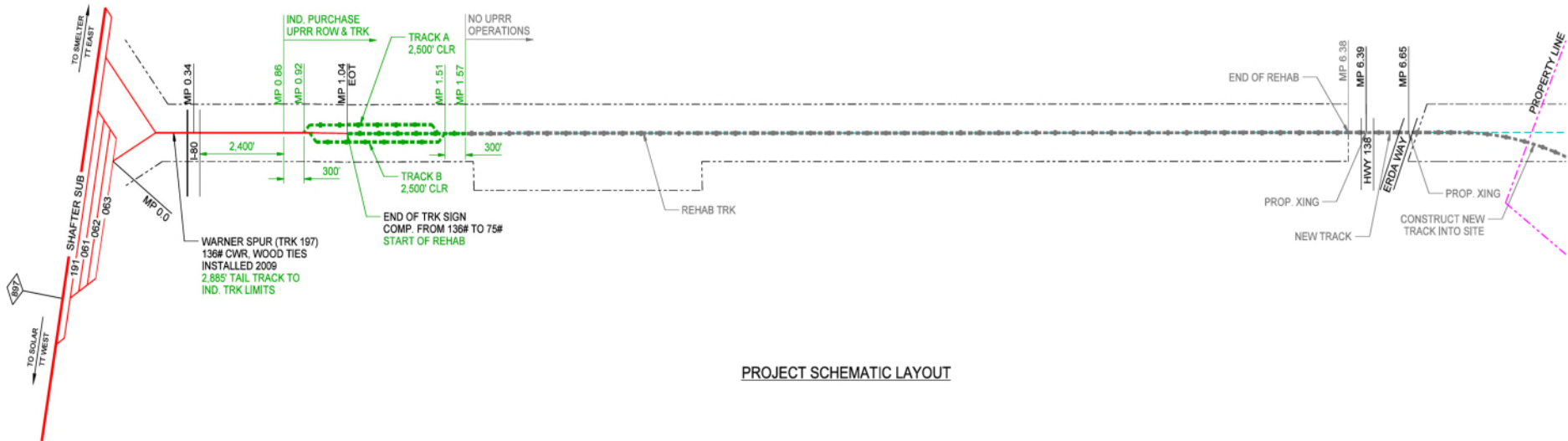
* Business park track layout subject to change based on future customer locations.



LAKEVIEW BUSINESS PARK EXPANSION

MILEPOST 897.84, SHAFTER SUBDIVISION
TOOELE COUNTY, UTAH

Schematic diagram of Warner Spur.



PROJECT SCHEMATIC LAYOUT

Exhibit C

49 C.F.R. § 1150.34 Caption Summary

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 36524

**SAVAGE TOOEELE RAILROAD COMPANY
— ACQUISITION AND OPERATION EXEMPTION IN TOOEELE COUNTY, UTAH —
UNION PACIFIC RAILROAD COMPANY**

Savage Tooele Railroad Company (“STR”), a non-carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire an operating easement on a line of railroad in Tooele County, Utah known as the Warner Spur, approximately 7 miles in length, from Union Pacific Railroad Company (“UP”), including a portion of the Spur to be acquired from other landowners. STR will acquire additional property and construct additional trackage totaling approximately 5 miles in length at the south end of the said Warner Spur, to serve the new Lakeview Business Park near Grantsville, Utah. STR plans to provide rail common carrier service on the lines and to interchange traffic with UP.

STR certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier.

The transaction will occur after the effective date of the verified notice.

The verified notice is filed under 49 C.F.R. § 1150.31. 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.

All comments and other pleadings must be filed with the Board and served on STR’s representative, Richard F. Riley Jr., Foley & Lardner LLP, 3000 K Street, N.W., Suite 600, Washington DC 20007-5109, telephone (202) 295-4712, email rriley@foley.com.