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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36574]

Missouri Eastern Railroad, LLC—Change in Operator Exemption with Interchange
Commitment—Union Pacific Railroad Company

Missouri Eastern Railroad, LLC (MER), a Class III rail carrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.41 to assume operation of approximately 8.65 miles of rail line between Vigus, Mo. (milepost 19.0) and Rock Island Jct., Mo. (milepost 10.35), along with connected sidings and ancillary tracks (collectively, the Line).¹ Union Pacific Railroad Company (UP) owns the Line, and Central Midland Railway Company (CMRC) currently operates the Line under a lease.²

According to the verified notice, MER has entered into an agreement with CMRC—with UP's consent—under which CMRC will assign its interest in the Lease to MER, and under which MER will replace CMRC as the common carrier rail service provider on the Line subject to the same terms, conditions, and restrictions.

¹ MER recently acquired incidental overhead trackage rights over the Line as part of its acquisition of a connecting line. See Mo. E. R.R.—Acquis. & Change of Operator Exemption—V & S Ry., FD 36550 (STB served Nov. 10, 2021).

² CMRC has been authorized to lease and operate the Line since 2003. See Cent. Midland Ry.—Lease & Operation Exemption—Union Pac. R.R., FD 34308 (STB served Jan. 27, 2003). In 2016, it was authorized to continue to lease and operate the Line under a renewed lease agreement (Lease). See Cent. Midland Ry.—Renewal of Lease Exemption with Interchange Commitment—Union Pac. R.R. Lackland Sub-Div., FD 35989 (STB served Jan. 29, 2016).

As required under 49 C.F.R. § 1150.43(h)(1), MER certifies in its verified notice that the Lease contains an interchange commitment that applies to traffic that originates or terminates on the Line. Under the interchange commitment, the annual rent due to UP depends on the percentage of rail traffic originating or terminating on the Line that is interchanged with UP via the Terminal Railroad Association of St. Louis.³ MER has provided additional information regarding the interchange commitment as required by 49 C.F.R. § 1150.43(h).

MER certifies that its projected annual revenues as a result of the transaction will not exceed \$5 million and will not result in the creation of a Class I or Class II rail carrier.

Under 49 C.F.R. § 1150.42(b), a change in operator exemption requires that notice be given to shippers. MER certifies that it has provided notice of the proposed transaction and interchange commitment to shippers that currently use or have used the Line in the last two years.

The transaction may be consummated on or after February 10, 2022, the effective date of the exemption.

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. Petitions for stay must be filed no later than February 3, 2022 (at least seven days before the exemption becomes effective).

³ A copy of the Lease containing the interchange commitment was filed under seal with the verified notice. See 49 C.F.R. § 1150.43(h)(1).

All pleadings, referring to Docket No. FD 36574, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on MER's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to MER, this action is categorically excluded from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b) and from environmental reporting requirements under 49 C.F.R. § 1105.6(c).

Board decisions and notices are available at www.stb.gov.

Decided: January 24, 2022.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.