

ENTERED
Office of Proceedings
April 28, 2023
Part of
Public Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36700

**GRENADA RAILROAD, LLC
—ACQUISITION AND OPERATION EXEMPTION—
NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY
AND GRENADA RAILWAY, LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41 ET SEQ.**

Terence M. Hynes
Allison C. Davis
Matthew B. Cahill
Sidley Austin LLP
1501 K Street N.W.
Washington, DC 20005
(202) 736-8000
thynes@sidley.com

Attorneys for Grenada Railroad, LLC

Dated April 28, 2023

FILED

April 28, 2023

SURFACE

TRANSPORTATION BOARD

Filing Contains Color Images

FEE RECEIVED

April 28, 2023

SURFACE

TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36700

**GRENADA RAILROAD, LLC
—ACQUISITION AND OPERATION EXEMPTION—
NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY
AND GRENADA RAILWAY, LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41 ET SEQ.**

Pursuant to the Board’s regulations at 49 C.F.R. § 1150.41 *et seq.*, Grenada Railroad, LLC (“GRR”), a Class III carrier, files this Verified Notice of Exemption (“Verified Notice”) from the prior approval requirements of 49 U.S.C. § 10902 to acquire and operate approximately 228 miles of rail lines in the state of Mississippi from the North Central Mississippi Regional Railroad Authority (“NCMRRA”) and Grenada Railway, LLC (“GRY”) (the “Transaction”). Specifically, the lines to be acquired include: (i) approximately 175.4 miles of main line between milepost 403.0 at Southaven, MS (GRY MP 491.09), and milepost 703.8 near Canton, MS (GRY MP 616.49), along with certain side and yard tracks (the “Grenada Line”); (ii) approximately 11.42 miles of branch line between a point of connection with the Grenada Line at milepost 603.0 and milepost 614.42 at Bruce Junction, MS (the “Water Valley Branch”); and (iii) approximately 21.7 miles of branch line between a point of connection with the Grenada Line at milepost H-0.2 at Aberdeen Junction,

MS and milepost H-21.9 near Kosciusko, MS (the “Aberdeen Branch”) (collectively, the “Acquired Lines”).

GRY was authorized to acquire and operate the Grenada Line and the Water Valley Branch in 2009.¹ In 2015, NCMRRA acquired the stock and assumed control of GRY.² Also in 2015, GRR was authorized to lease and operate the Grenada Line and Water Valley Branch pursuant to a lease and operating agreement among NCMRRA, GRY, and GRR.³ GRR has operated the Grenada Line and Water Valley Branch since 2015 and is now seeking authority to acquire these lines, as well as the Aberdeen Branch, which is owned by NCMRRA.⁴

In support of this Verified Notice, GRR submits the following information required by 49 C.F.R. § 1150.43:

¹ *Grenada Ry.—Acquisition & Operation Exemption—Ill. Cent. R.R. & Waterloo Ry.*, Docket No. FD 35247 (STB served May 29, 2009).

² *See Ill. Co. Rail Road, LLC—Lease & Operation Exemption—N. Cent. Miss. Reg’l R.R. Auth. & Grenada Ry., LLC*, Docket No. FD 35940, slip op. at 1, n.1 (STB served July 9, 2015).

³ *Id.* at 1. GRR was formerly known as the Illinois Company Rail Road, LLC.

⁴ NCMRRA was authorized to acquire the Aberdeen Branch in 2018. *N. Cent. Miss. Reg’l R.R. Auth.—Acquisition & Operation Exemption—Miss. Dep’t of Transp.*, Docket No. FD 36182 (STB served Nov. 20, 2018). The Aberdeen Branch (also known as the Kosciusko Line) was in inoperable condition when it was acquired by NCMRRA and remains out of service. No active rail shippers are located on the branch. A short segment of the Aberdeen Branch, at its junction with the Grenada Line, has been used for car storage.

1150.43(a) *The full name and address of the Class III rail carrier applicant*

Grenada Railroad, LLC
c/o Gulf & Atlantic Railways, LLC
245 Riverside Avenue, Suite 250
Jacksonville, FL 32202
Attn: Ryan Ratledge
E-mail: ryan.ratledge@garailways.com

1150.43(b) *The name, address, and telephone number of the representative of the applicant who should receive correspondence*

Terence M. Hynes
Sidley Austin LLP
1501 K Street N.W.
Washington, DC 20005
E-mail: thynes@sidley.com

1150.43(c) *A statement that an agreement has been reached or details about when an agreement will be reached*

The parties entered into an Asset Purchase Agreement (“APA”) dated as of April 27, 2023, by and among GRR, NCMRRA (a public agency and public body corporate organized under the laws of Mississippi and owner of the Acquired Lines), and GRY.

1150.43(d) *The operator of the property*

GRR currently operates the Grenada Line and Water Valley Branch. Upon acquiring ownership of the Acquired Lines, GRR will continue to operate the Grenada Line and Water Valley Branch and will be the authorized operator on the Aberdeen Branch.

1150.43(e) *A brief summary of the transaction*

GRR currently operates the Grenada Line and Water Valley Branch. GRR will continue to operate the Grenada Line and Water Valley Branch following the

Transaction. GRR will also acquire the Aberdeen Branch. The Aberdeen Branch is currently out of service, and there are no active rail shippers located on the line. The current patterns of service over the Acquired Lines will not change as a result of the Transaction. No GRR employees will be dismissed or displaced. Neither NCMRRA nor GRY has any rail employees. Concurrent with the filing of this Verified Notice, GRR has filed a petition for partial waiver of the advance employee notice requirement set forth at 49 C.F.R. § 1150.42(e).

1150.43(e)(1) The name and address of the railroad transferring the subject property to the Class III rail carrier applicant

North Central Mississippi Regional Railroad Authority
Grenada Railway, LLC
c/o Jay Gore III
Gore, Kilpatrick & Dambrino, PLLC
2000 Gateway Street, Suite 160
Grenada, MS 38901

with a copy to:

Gore, Kilpatrick & Dambrino, PLLC
P.O. Box 901
Grenada, MS 38902
Attn: Jay Gore
E-mail: jgore@gorekilpatrick.com

1150.43(e)(2) The proposed time schedule for consummation of the transaction

The Transaction is expected to be consummated as soon as practicable after the effective date of this Verified Notice and satisfaction of all conditions precedent set forth in the APA.

1150.43(e)(3) The mileposts of the subject property, including any branch lines

The Acquired Lines consist of:

- The Grenada Line: approximately 175.4 miles of rail line between milepost 403.0 at Southaven, MS, and milepost 703.8 near Canton, MS along with certain side and yard tracks;
- The Water Valley Branch: approximately 11.42 miles of branch line between a point of connection with the Grenada Line at milepost 603.0 and milepost 614.42 at Bruce Junction, MS; and
- The Aberdeen Branch: approximately 21.70 miles of inactive branch line between a point of connection with the Grenada Line at milepost H-0.20 at Aberdeen Junction, MS, and milepost H-21.90 near Kosciusko, MS.

1150.43(e)(4) *The total route miles being acquired*

The Acquired Lines, collectively, consist of approximately 228 miles of main line, side tracks and yard tracks.

1150.43(f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states*

A map depicting the Acquired Lines is attached as Exhibit A.

1150.43(g) *A certificate that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under § 1150.45.*

A Certificate of Compliance with the requirements of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

1150.43(h)(1) *Interchange Commitments*

GRR hereby certifies that the Transaction does not involve any interchange commitments.

1150.42(e) *Employee Notice*

No NCMRRA or GRY employees currently work on the Acquired Lines; indeed, neither NCMRRA nor GRY has any rail carrier employees. Rather the Grenada Line and Water Valley Branch have been operated by GRR employees pursuant to lease since 2015. There are no NCMRRA or GRR employees currently involved in operating the Aberdeen Branch, which has been out of service since prior to NCMRRA's acquisition of that line.

On April 28, 2023, GRR posted a notice of the proposed Transaction at the workplaces of GRR employees who already work on the Acquired Lines and certified that action to the Board.⁵ A copy of the notice and certification as filed with the Board is attached as Exhibit C.

GRR currently operates the Grenada Line and Water Valley Branch. Upon acquiring ownership of the Acquired Lines, GRR will continue to operate the Grenada Line and Water Valley Branch and will be the authorized operator on the Aberdeen Branch. The proposed Transaction will not result in any changes to the rail operations of GRR or have any effect on GRR, NCMRRA, or GRY rail carrier employees. Accordingly, and consistent with precedent, GRR is concurrently filing a petition for partial waiver of the requirements of 49 C.F.R. § 1150.42(e) to allow the transaction to proceed after 30 days' notice to GRR's own employees.

⁵ GRR employees are not represented by a labor union.

The Transaction will not result in significant changes in carrier operations: there will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage.⁶ The Transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day.⁷ Furthermore, the Transaction will not result in (1) an increase in rail traffic of at least 50 percent or an increase of at least three trains a day on any segment of rail line; (2) an increase in rail yard activity of at least 20 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any road segment.⁸ GRR does not currently transport ozone depleting materials over the Acquired Lines, nor is such transportation contemplated.⁹ Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(1)(i).

The Transaction is a sale of rail lines for the purpose of continued rail operations. Further STB approval would be required to abandon or discontinue

⁶ 49 C.F.R. § 1105.7(e)(4)(iv).

⁷ 49 C.F.R. § 1105.7(e)(5)(i).

⁸ 49 C.F.R. § 1105.7(e)(5)(ii).

⁹ 49 C.F.R. § 1105.7(e)(5)(iii).

service over any portion of the Acquired Lines. GRR has no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older. Accordingly, this Verified Notice does not require a Historic Report under 49 C.F.R. § 1105.8(b)(1).

This action will not significantly affect either the quality of the human environment or energy conservation.

* * *

For the foregoing reasons, GRR respectfully requests that the Board publish the requisite Verified Notice.

Respectfully submitted,

/s/ Terence M. Hynes

Terence M. Hynes

Allison C. Davis

Matthew B. Cahill

Sidley Austin LLP

1501 K Street N.W.

Washington, DC 20005

(202) 736-8000

thynes@sidley.com

Attorneys for Grenada Railroad, LLC

Dated April 28, 2023

EXHIBIT A: MAP (1150.43(F))

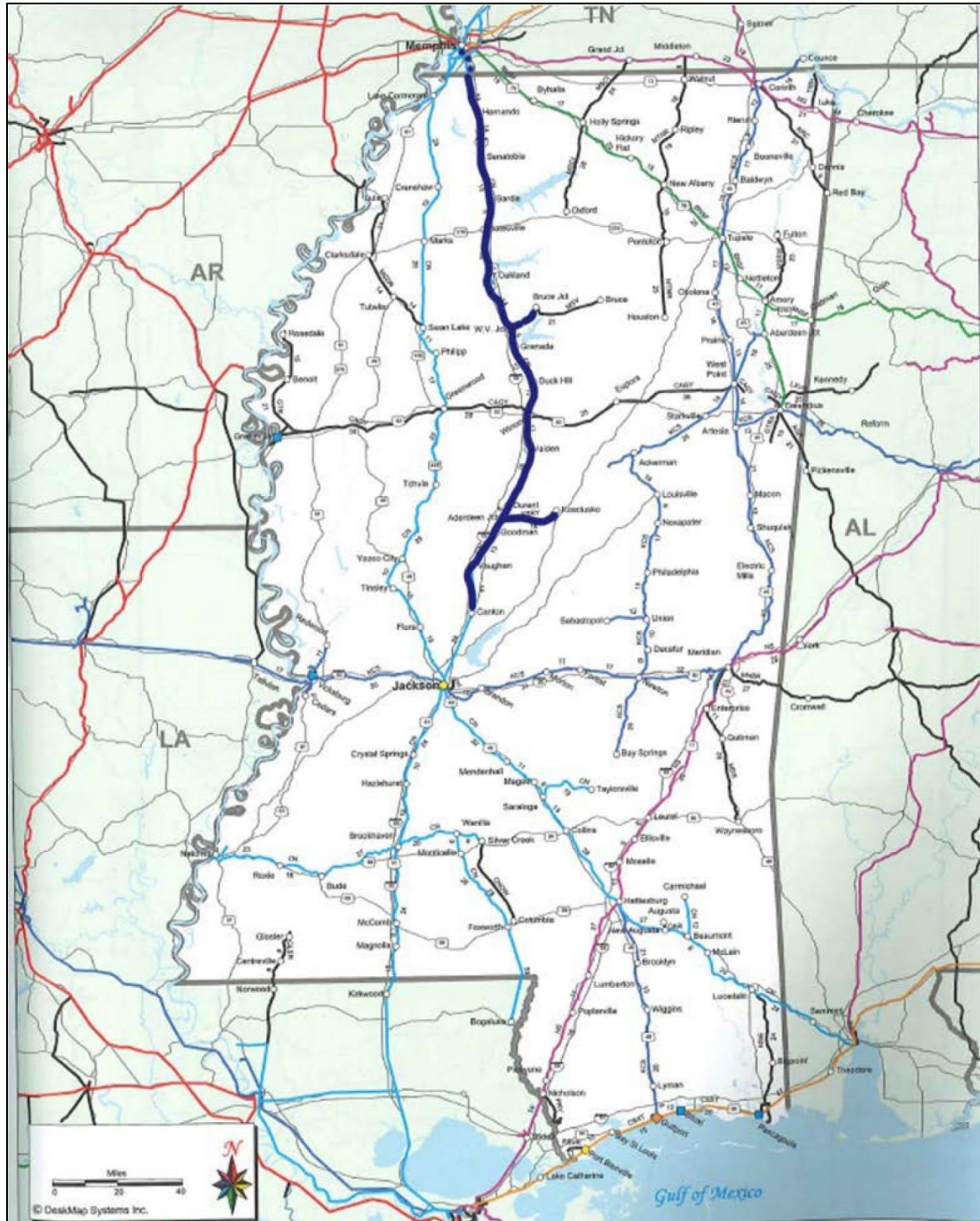


EXHIBIT B: CERTIFICATE OF COMPLIANCE (1150.43(G))

I, Ryan Ratledge, hereby certify that the projected annual rail revenues of Grenada Railroad, LLC, as a result of the transaction proposed herein will not result in the creation of a Class II or Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).

A handwritten signature in black ink, appearing to read 'Ryan Ratledge', is positioned above a horizontal line.

Ryan Ratledge
Chief Executive Officer

Dated: April 28, 2023

EXHIBIT C: EMPLOYEE NOTICE (1150.42(E))



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
+1 202 736 8000
+1 202 736 8711 FAX

AMERICA • ASIA PACIFIC • EUROPE

+1 202 736 8198
THYNES@SIDLEY.COM

April 28, 2023

By Electronic Filing

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

**Re: Docket No. FD 36700
Grenada Railroad, LLC—Acquisition and Operation Exemption—North
Central Mississippi Regional Railroad Authority and Grenada Railway, LLC**

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Grenada Railroad, LLC (“GRR”) hereby certifies that, on April 28, 2023, the attached notice was posted at the following workplace of GRR employees:

643 First Street
Grenada, MS 38901

GRR employees are not represented by any labor union.

If you have any questions regarding this filing, please feel free to contact me.

Respectfully submitted,

/s/ Terence M. Hynes

Terence M. Hynes
Counsel for Grenada Railroad, LLC

TMH:mbc

Attachment

**GRENADA RAILROAD, LLC
c/o Gulf & Atlantic Railways, LLC
245 Riverside Avenue, Suite 250
Jacksonville, FL 32202**

NOTICE

Pursuant to regulations of the Surface Transportation Board (“STB”) at 49 C.F.R. § 1150.42(e), Grenada Railroad, LLC (“GRR”), a Class III rail carrier, hereby gives notice to its employees that, on or about May 28, 2023, GRR intends to acquire and thereafter continue operation of the following rail lines of the North Central Mississippi Regional Railroad Authority (“NCMRRA”) and Grenada Railway, LLC (“GRY”) currently leased by GRR:

- The Grenada Line: approximately 175.4 miles of rail line between milepost 403.0 at Southaven, MS, and milepost 703.8 near Canton, MS, along with certain side and yard tracks; and
- The Water Valley Branch: approximately 11.42 miles of branch line between a point of connection with the Grenada Line at milepost 603.0 and milepost 614.42 at Bruce Junction, MS.

GRR will also acquire the following rail line owned by the NCMRRA:

- The Aberdeen Branch: approximately 21.7 miles of inactive branch line between a point of connection with the Grenada Line at milepost H-0.20 at Aberdeen Junction, MS, and milepost H-21.90 near Kosciusko, MS.

GRR currently operates the Grenada Line and Water Valley Branch. GRR will continue to operate the Grenada Line and Water Valley Branch following the transaction. GRR will also acquire the Aberdeen Branch. The Aberdeen Branch is currently out of service, and there are no active rail shippers located on the line. The current patterns of service over the acquired lines will not change as a result of the proposed transaction. No GRR employees will be dismissed or displaced as a result of the transaction.

A verified notice of exemption to authorize the proposed transaction will be filed with the STB on or shortly after April 28, 2023, in Docket No. FD 36700. GRR anticipates that it will concurrently seek partial waiver of the normal 60-day waiting period for this advance notice, so as to allow the transaction to be consummated 30 days after filing of the verified notice of exemption.

GRR does not expect to hire any additional employees as a result of the proposed transaction. Employees desiring further information regarding the transaction may contact Gaynor Ryan, Chief Administration Officer, at (207) 745-6077.

4/28/2023

EXHIBIT D: CAPTION SUMMARY (1150.44)

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

DOCKET NO. FD 36700

**GRENADA RAILROAD, LLC
—ACQUISITION AND OPERATION EXEMPTION—
NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY
AND GRENADA RAILWAY, LLC**

Grenada Railroad, LLC has filed a verified notice of exemption to acquire and operate certain lines currently owned by the North Central Mississippi Regional Railroad Authority and Grenada Railway, LLC, including (i) approximately 175.4 miles of rail line between milepost 403.0 at Southaven, MS, and milepost 703.8 near Canton, MS along with certain side and yard tracks (the “Grenada Line”); (ii) approximately 11.42 miles of branch line between a point of connection with the Grenada Line at milepost 603.0 and milepost 614.42 at Bruce Junction, MS (the “Water Valley Branch”); and (iii) approximately 21.7 miles of inactive branch line between a point of connection with the Grenada Line at milepost H-0.2 at Aberdeen Junction, MS, and milepost H-21.9 near Kosciusko, MS (the “Aberdeen Branch”).

Comments must be filed with the Board and served on GRR’s representative, Terence M. Hynes, Sidley Austin LLP, 1501 K Street N.W., Washington, DC 20005; telephone: (202) 736-8000; e-mail: thynes@sidley.com.

This notice is filed under 49 CFR 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

I, Ryan Ratledge, state that I am the Chief Executive Officer of Gulf and Atlantic Railways, LLC and its subsidiary, Grenada Railroad, LLC and that I am duly authorized to execute, verify, and file this Verified Notice of Exemption. I have knowledge of the matters contained herein, and the statements made herein are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'Ryan Ratledge', is positioned above a horizontal line.

Ryan Ratledge
Chief Executive Officer

Dated: April 28, 2023