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SERVICE DATE – APRIL 5, 2024

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36525]

Savage Companies—Continuance in Control Exemption—Savage, Bingham & Garfield Railroad Company and Savage Tooele Railroad Company

Savage Companies (Savage) has filed a verified notice of exemption pursuant to 49 CFR 1180.2(d)(2) to continue in control of two non-connecting rail carriers—Savage, Bingham & Garfield Railroad Company (SBG), a Class III rail carrier, and Savage Tooele Railroad Company (STR), a noncarrier—upon STR becoming a Class III rail carrier.¹

This transaction is related to two later-filed petitions for exemption. In the first, Savage Tooele Railroad—Construction & Operation Exemption—Line of Railroad in Tooele County, Utah, Docket No. FD 36616, STR is seeking Board authority to construct and operate approximately 11 miles of rail line in Tooele County, Utah. In the second, Union Pacific Railroad Company sought and received Board authority in Union Pacific Railroad—Operation Exemption—in Tooele County, Utah, FD 36741 (STB served

¹ By decision served September 30, 2021, the Board ordered this docket held in abeyance pending supplementation of the record and further Board action. Savage supplemented the record on October 19, 2021. Issuance of today's notice terminates the abeyance.

Feb. 13, 2024), to reinstitute common carrier service over approximately 1.04 miles of line in Tooele County, Utah.²

Savage states that it will continue in control of SBG and STR upon STR becoming a Class III rail carrier. According to the verified notice, Savage owns and controls SBG and STR through a series of subsidiary holding companies, with Savage as the ultimate parent company. Savage has 81% control of a first-tier subsidiary named Savage Enterprises Holdings, LLC, which in turn owns 100% of a second-tier subsidiary named Savage Enterprises Intermediate, LLC, which in turn owns 100% of a third-tier subsidiary named Savage Enterprises, LLC. SBG and STR are wholly owned subsidiaries of Savage Enterprises, LLC, and are thus fourth-tier subsidiaries of Savage.

The exemption will become effective on May 1, 2024.

Savage represents that: (1) the lines of STR and SBG will not connect with one another; (2) the continuance in control transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) the proposed transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees.

² This transaction is also related to a since-withdrawn verified notice of exemption in Savage Tooele Railroad—Acquisition & Operation Exemption in Tooele County, Utah—Union Pacific Railroad, Docket No. FD 36524. On May 26, 2022, the Board granted STR's motion to withdraw that notice, as STR discovered that the line it sought to acquire had been abandoned in 1983. STR subsequently sought authority to construct and operate a new line in Docket No. FD 36616.

Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

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 April 24, 2024 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36525, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas W. Wilcox, Law Office of Thomas W. Wilcox, LLC, 1629 K Street, N.W., Suite 300, Washington, DC 20006.

According to Savage, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

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

Decided: April 2, 2024.

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