

MULLINS LAW GROUP PLLC

Transportation Solutions for the 21st Century

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July 25, 2024

308499

VIA E-FILING

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

ENTERED
Office of Proceedings
July 25, 2024
Part of
Public Record

Re: Waterloo Railroad, LLC – Change of Operator Exemption with Interchange
Commitment – Union Pacific Railroad Company, FD 36798

Dear Ms. Brown:

Pursuant to 49 C.F.R. part 1150, subpart D, Waterloo Railroad, LLC (“WTRL”), a non-carrier, hereby files this verified notice of exemption (“Notice”) to assume operation of approximately 6.9 miles of main line track (the “Line”), along with connecting ancillary trackage (yard and side tracks), all of which are located in Blackhawk County, Iowa, and are owned by Union Pacific Railroad (“UP”). WTRL is providing a version to the Board with carload data redacted and which also omits the lease agreement pursuant to 49 C.F.R. § 1150.33(H). An unredacted page 7 and the lease agreement have been filed as a confidential addendum to this Notice.

Additionally, pursuant to 49 C.F.R. § 1002.02(f)(11)(ii), the requisite filing fee in the amount of \$2,200 has been paid on pay.gov. If there are any questions about this matter, please contact me directly, either by telephone: (202) 663-7823 or by email:

wmullins@mullinslawgroup.net.

Sincerely,

/s/ William A. Mullins

William A. Mullins

Attorney for Waterloo Railroad, LLC

FEE RECEIVED

July 25, 2024

SURFACE

TRANSPORTATION BOARD

FILED

July 25, 2024

SURFACE

TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

**William A. Mullins
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***Counsel for Waterloo Railroad,
LLC***

Dated: July 25, 2024

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. part 1150, subpart D,¹ Waterloo Railroad, LLC (“WTRL”), a non-carrier, hereby files this verified notice of exemption (“Notice”) to assume operation of approximately 6.9 miles of main line track (the “Line”), along with connecting ancillary trackage (yard and side tracks), all of which are located in Blackhawk County, Iowa, and are owned by Union Pacific Railroad (“UP”). The Line, also known as the “Waterloo Industrial Line,” extends between milepost 325.1 and milepost 332.0. The Line is currently operated under lease by Iowa Northern Railway Company (“IANR”), who will be replaced as the common carrier service provider on the Line and connecting ancillary track upon WTRL’s assumption of the proposed leasehold from UP.² Based on projected annual revenues for the Line, WTRL expects to be a Class III rail carrier after consummation of the proposed transaction, with forecasted annual revenues of less than \$5 million.

This Notice is related to FD 36797, *OPSEU Pension Plan Trust Fund, Jaguar Transport Holdings, LLC, and Jaguar Rail Holdings, LLC – Continuance in Control Exemption – Waterloo*

¹ See 49 C.F.R. 1150.31 (a)(2) (“[t]his exemption also includes...(3) A change of operators on the line...”)

² Iowa Northern Railway Company – Lease Exemption with Interchange Commitment – Rail Line of Union Pacific Railroad Company, FD 36277 (STB served March 20, 2019).

Railroad, LLC, in which OPSEU Pension Plan Trust Fund, Jaguar Transport Holdings, LLC, and Jaguar Rail Holdings, LLC (collectively “Jaguar”) are concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of WTRL once WTRL commences leasehold operation of the Line in place of IANR and thereby becomes a carrier. Jaguar is a non-carrier that collectively controls nine Class III carriers.³

In accordance with the requirements of 49 C.F.R. part 1150, subpart D, WTRL submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.33(a)

The full name and address of the applicant herein is as follows:

Waterloo Railroad, LLC
1027 South Main Street
Joplin, MO 64801
(417) 622 0384

Applicant's Representatives: 49 C.F.R. § 1150.33(b)

WTRL’s representative to whom correspondence regarding this transaction should be sent is as follows:

William A. Mullins
Spencer M. Naake
Mullins Law Group PLLC
Suite 300
2401 Pennsylvania Ave, N.W.
Washington, D.C. 20037
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Fax: (202) 459-2115
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³ Southwestern Railroad, Inc., Texas & Eastern Railroad, LLC, Wyoming and Colorado Railroad, Inc. (which also does business under the name “Oregon Eastern Railroad”), Cimarron Valley Railroad, L.C., Washington Eastern Railroad, LLC, West Memphis Base Railroad L.L.C., Missouri Eastern Railroad, LLC, Charlotte Western Railroad, LLC, and Kinston Railroad, LLC.

Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)

WTRL and UP have reached a lease agreement under which WTRL will, once the proposed transaction is Board authorized and consummated, lease the line and provide common carrier service over it in place of IANR, the incumbent leasehold operator.⁴

Operator of the Property: 49 C.F.R. § 1150.33(d)

WTRL will replace IANR as the operator of the Line pursuant to a lease. Upon WTRL's assumption of operations, inclusive of rail common carrier service to customers on the Line, IANR will have no common carrier obligation on the Line.

Summary of the Transaction: 49 C.F.R. § 1150.33(e)

WTRL, a non-carrier subsidiary of Jaguar Rail Holdings, LLC, proposes to assume a leasehold interest in, and to operate, the UP-owned Line, extending from milepost 325.1 to milepost 332.0 (a total of 6.9 main line route miles), including connecting yard and side trackage. The UP-WTRL arrangement, as presented here under the Board's change of operator class exemption procedures, is intended to remove IANR from the Line as a common carrier, and to install WTRL in its place.

(1) Name and address or railroad transferring the subject property:

Union Pacific Railroad Company
1400 Dodge Street
Omaha, Nebraska 68179

(2) Proposed time schedule for consummation.

⁴ While an agreement has been reached in principle, the parties have yet to finalize the written agreement. A draft of the nearly complete agreement is being provided to the Board pursuant to 49 C.F.R. §1150.33(h). An executed copy will be provided under seal pursuant to 49 C.F.R. §1104.14 as soon as it is fully executed.

The transaction is expected to be consummated on or after August 24, 2024, (30 days after the filing of the Notice)

(3) Mileposts of the subject property:

The property is identified as follows: The subject line of railroad is located between Milepost 325.1 and Milepost 332.0 which also includes a rail yard located at approximately Milepost 326.5 and certain side tracks located at approximately Milepost 329.0 and Milepost 331.5 and are referred to collectively as the "Waterloo Industrial Line". The line is located in Black Hawk County, Iowa and consists of a total of approximately 6.9 miles of trackage.

(4) Route miles being acquired

The Line consists of 6.9 main line route miles, including connecting yard and side trackage.

Map: 49 C.F.R. § 1150.33(f)

A map showing the Line and the surrounding area is attached as Exhibit A.

Certificate of Revenue: 49 C.F.R. § 1150.33(g)

WTRL hereby certifies that its projected annual revenues resulting from the transaction will not exceed those that would qualify it as a Class III carrier. See certification attach as Exhibit B.

Interchange Commitments: 49 C.F.R. § 1150.33(h)

The underlying lease agreement includes provisions that would limit future interchange with third-party connecting carriers. Accordingly, WTRL submits the following information:

(i) The lease agreement contains an interchange commitment which provides for a Going Business Concern payment by WTRL to UP for carloads that originate or terminate on the Waterloo Industrial Line that are not interchanged with UP.⁵

(ii) WTRL has tendered the pertinent lease agreement including the interchange commitment under seal as Confidential Exhibit D.

(iii) Customers located on the Line having made use of rail service over the past two years are as follows: John Deere Waterloo Works; Watco Terminal & Port Services; Tyson Fresh Meats, Inc.; and AgVantage.

(iv) The confidential aggregate number of carloads originated or terminated on the Line by the above-listed shippers for the past two calendar years are as follows:

{{ [REDACTED] [REDACTED] }}

{{ [REDACTED] [REDACTED] }}

(v) WTRL certifies it has provided notice of the proposed transaction and interchange commitment to the above-listed customers via email or, where email notice was not possible, via U.S. Mail (first class postage prepaid). See Exhibit C.

(vi) See (i).

(vii) UP has informed WTRL that UP would not undertake the amended lease extension absent the interchange commitment, and thus the value of the interchange commitment is inestimable.

(viii) The caption indicates the presence of an interchange commitment.

⁵ This is a continuance of the preexisting relationship between IANR and UP regarding interchange commitments on the Line. See Iowa Northern Railway Company—Lease Exemption with Interchange Commitment—Rail Line of Union Pacific Railroad Company, FD 36277 (STB served March 20, 2019).

Shipper Notice: 49 C.F.R. § 1150.32(b)

WTRL has notified on-Line customers of the proposed change of operator including service of the verified notice of exemption (with interchange commitment). A certificate of service of such notice in compliance with Section 1150.32(b), and a list of customers is attached as Exhibit C, along with the text of the notice sent to customers (attached as Exhibit C-1).

Advance Notice: 49 C.F.R. § 1150.32(e)

WTRL's projected annual revenue would not exceed \$5 million. See Exhibit B. Accordingly, the 60-day advance notice and posting requirements of 49 C.F.R. § 1150.32(e) are inapplicable.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(1), WTRL's proposed operation of the Line is exempt from environmental reporting requirements. The proposed transaction 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)(1), WTRL's assumption of operations on the Line also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations by a new railroad. Further Board approval would be required to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in appropriate form is attached as Exhibit E.

Respectfully submitted,

/s/ William A. Mullins

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2401 Pennsylvania Ave, N.W.
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Counsel for Waterloo Railroad, LLC

July 25, 2024

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

**EXHIBIT A
MAP**



WARNING

IN ALL OCCASIONS, U.P. COMMUNICATIONS DEPARTMENT MUST BE CONTACTED IN ADVANCE OF ANY WORK TO DETERMINE EXISTENCE AND LOCATION OF FIBER OPTIC CABLE.
PHONE: 1-(800) 336-9193

EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY
WATERLOO INDUSTRIAL LEAD
RAILROAD MILE POST 325.1 - 332
Waterloo, Blackhawk County, IA



EXHIBIT "A"



WARNING

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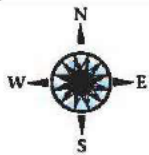


EXHIBIT "A"



WARNING

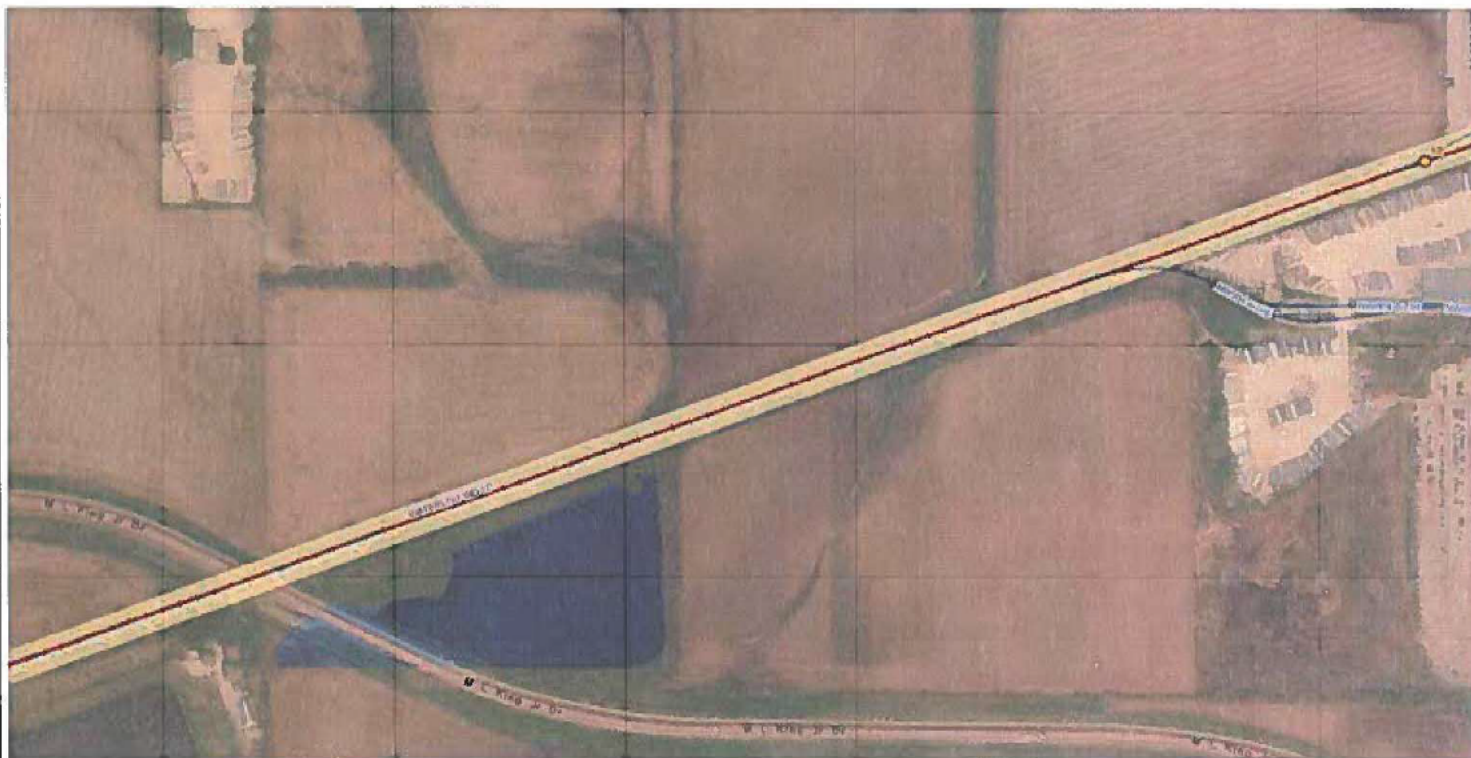
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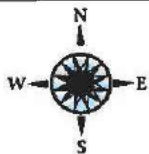


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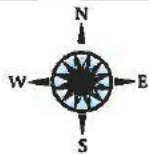
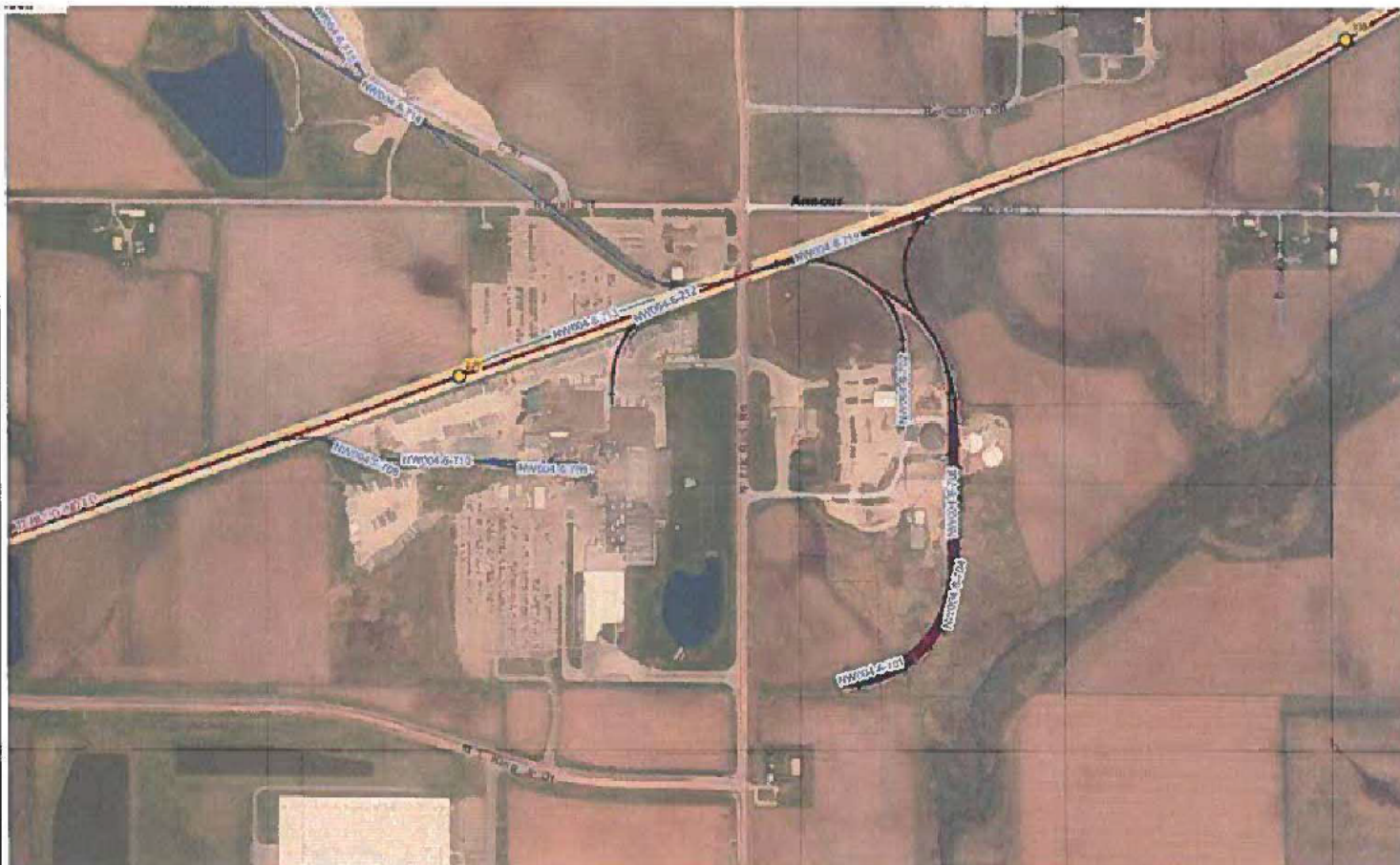


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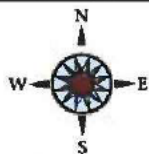
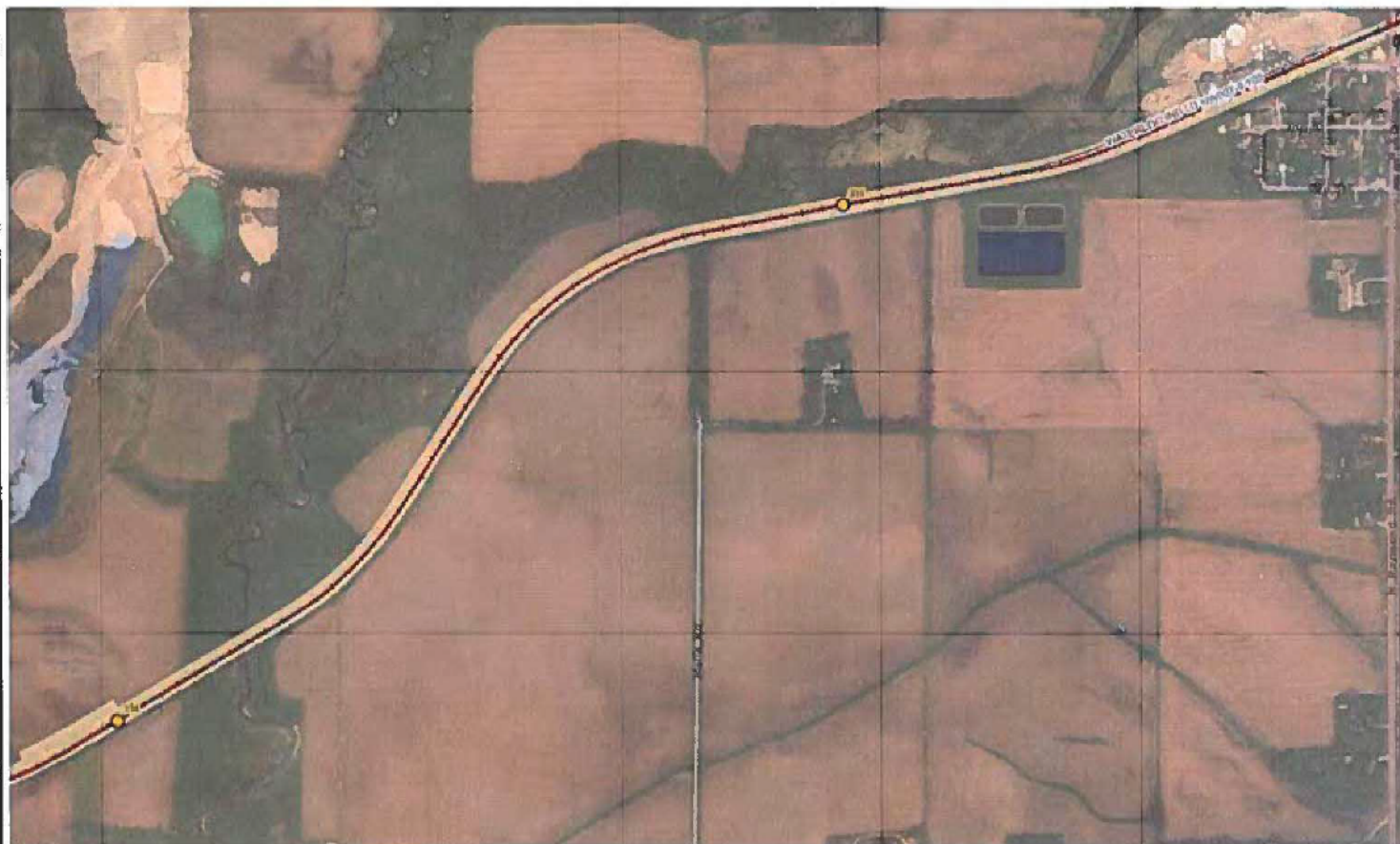


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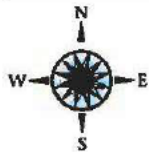


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EXHIBIT "A"
UNION PACIFIC RAILROAD COMPANY
WATERLOO INDUSTRIAL LEAD
RAILROAD MILE POST 325.1 - 332
Waterloo, Blackhawk County, IA

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

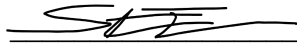
NOTICE OF EXEMPTION

**EXHIBIT B
CERTIFICATION AND VERIFICATION**

CERTIFICATION AND VERIFICATION

I, J. Stuart Towner, President of Waterloo Railroad, LLC (“WTRL”), hereby certify that the projected annual rail revenues of the WTRL will not as consequence of this transaction exceed \$5,000,000.00 or result in WTRL becoming a Class II or Class I carrier so as to require processing the foregoing notice of exemption under 49 C.F.R. 1150.35.

Executed this 25th day of July 2024



J. Stuart Towner
Waterloo Railroad, LLC

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

**EXHIBIT C
CERTIFICATE OF SERVICE**

CERTIFICATE OF SERVICE

I hereby certify that in compliance with the notice requirements of 49 C.F.R. § 1150.32(b), I have today arranged, via the text appended on the page following, to notify the below-listed customers on the subject railroad line of the proposed change of operator. And I certify that, in so doing, I have also supplied those customers with a copy of the present Notice of Exemption.

<u>CUSTOMER NAME</u>	<u>ADDRESS</u>	<u>CITY</u>
John Deere Waterloo Works	2000 Westfield Ave	Waterloo IA
Watco Terminal & Port Services	638 N Elk Run Rd	Waterloo IA
Tyson Fresh Meats	501 N Elk Run Rd	Waterloo IA
AgVantage	5901 1 st St	Dewar IA

/s/ William A. Mullins

William A. Mullins
Attorney for Waterloo Railroad, LLC

Executed on: July 25, 2024

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

**EXHIBIT C-1
SAMPLE SHIPPER NOTIFICATION**

Waterloo Railroad, LLC (“WTRL”) hereby informs you that it has agreed to lease terms (the “Lease”) with Union Pacific Railroad Company (“UP”) under which WTRL will assume railroad operations over an UP-owned railroad line (the “Line”) extending from milepost 325.1 to milepost 332.0 (a total of 6.9 main line route miles), including connecting yard and side trackage. WTRL’s proposed railroad common carrier operations would replace such operations as currently provided by the Iowa Northern Railway Company (“IANR”). The proposed change of railroad operator transaction has been presented for authorization by the Surface Transportation Board (“STB”) concurrently with this notice to you.

WTRL has filed a verified notice of exemption for this transaction with the STB under FD 36798, a copy of which is attached.

This notice is intended as information in compliance with applicable STB advance notice regulations (49 C.F.R. § 1150.32(b)). You are welcome to respond to this notice or the attached filing if you wish, but no such response is required or expected. If you have any questions concerning this notice or the railroad line transaction that is the subject of the attached regulatory filing, you may contact the STB at (202-245-0238) or counsel for WTRL.

Sincerely,

/s/ William A. Mullins

William A. Mullins
Attorney for Waterloo Railroad, LLC
wmullins@mullinslawgroup.net

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

CONFIDENTIAL EXHIBIT D

**LEASE AGREEMENT
FILED IN CONFIDENTIAL
ADDENDUM PURSUANT
TO 49 C.F.R. § 1150.33(H)**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36798

**WATERLOO RAILROAD, LLC
-- CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY**

NOTICE OF EXEMPTION

**EXHIBIT E
CAPTION SUMMARY**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FD 36798

**WATERLOO RAILROAD, LLC
– CHANGE OF OPERATOR EXEMPTION WITH INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY**

Waterloo Railroad, LLC (“WTRL”), a non-carrier, has filed a Verified Notice of Exemption to lease from Union Pacific Railroad Company and operate approximately 6.9 route miles of rail line (the “Line”) in Blackhawk County, Iowa, extending from milepost 325.1 to milepost 332.0, including connecting yard and side trackage.¹ WTRL will replace Iowa Northern Railway Company (“IANR”) as the operator of the Line, upon consummation of the Board-authorized transaction, thereby ending IANR’s common carrier obligations over the Line.

WTRL expects to commence operations over the Line in place of IANR on or after August 24, 2024.

¹ OPSEU Pension Plan Trust Fund, Jaguar Transport Holdings, LLC, and Jaguar Rail Holdings, LLC (collectively “Jaguar”) are filing a related proceeding to continue in control of WTRL once WTRL commences leasehold operation of the Line in place of IANR and thereby becomes a carrier. See OPSEU Pension Plan Trust Fund, Jaguar Transport Holdings, LLC, and Jaguar Rail Holdings, LLC – Continuance in Control Exemption – Waterloo Railroad, LLC, FD 36797 (filed concurrently).

Comments must be filed with the Board and served on WTRL's representative: William A. Mullins, Mullins Law Group PLLC, 2401 Pennsylvania Ave., NW, Suite 300, Washington, DC 20037, (202) 663-78120. This Notice is filed under 49 C.F.R. § 1150.31(a)(3). 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.

Decided: _____ By the Board