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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36804

**VERMILION VALLEY RAILROAD COMPANY, LLC
—OPERATION EXEMPTION—
FNG LOGISTICS COMPANY**

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

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*Attorneys for Vermilion Valley Railroad
Company, LLC*

Dated September 9, 2024

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

Pursuant to the Board’s regulations at 49 C.F.R. § 1150.41 *et seq.*, Vermilion Valley Railroad Company, LLC (“VVRr”),¹ a Class III carrier, files this Verified Notice of Exemption (“Verified Notice”) from the prior approval requirements of 49 U.S.C. § 10902 to enter into a new Railroad Operator Agreement (“ROA”) with FNG Logistics Company (“FNG”) for the continued operation of approximately 5.91 miles of railroad in the state of Indiana. Pursuant to the new ROA, VVRr will continue to operate FNG’s line of railroad between the Indiana/Illinois state boundary line at Milepost 5.18 in Vermillion County, Indiana and the track’s terminus at Milepost 11.09 at Olin (near Covington) in Warren County, Indiana (the “Line”).

FNG acquired the Line from the former New York Central Lines, LLC as part of an abandonment and offer of financial assistance proceeding in 2003.² VVRr was

¹ VVRr, previously incorporated as Vermilion Valley Railroad Company, Inc., changed to a limited liability company on April 11, 2023.

² See *New York Cent. Lines, LLC—Abandonment Exemption—In Vermillion and Warren Cntys., IN*, AB 565 (Sub-No. 4X) (STB served Sept. 17, 2002) (authorizing

authorized to operate the Line pursuant to a Railroad Operator Agreement with FNG (the “2003 ROA”).³ Thereafter, in 2019, VVRR was authorized to lease and operate approximately 1.9 miles of additional track owned by CSX Transportation, Inc. (“CSXT”), which connect to the Line at Milepost 5.18 (approximately CSXT Milepost QSO 5.2).⁴

VVRR has operated the Line continuously since 2003. VVRR and FNG entered into an updated agreement dated February 4, 2022 (the “2022 ROA”), which extended the term of the 2003 ROA and amended provisions relating to insurance and FNG’s revenue guarantee to VVRR.⁵ VVRR is now seeking authority to enter into a new Railroad Operator Agreement with FNG that will maintain VVRR as the Line’s operator for an extended term and modify certain economic terms of the parties’ arrangement. In particular, VVRR will commit to making an investment in the Line’s

FNG’s parent company, Flex-N-Gate Corporation, to purchase the Line); *New York Cent. Lines, LLC—Abandonment Exemption—In Vermillion and Warren Cntys., IN*, AB 565 (Sub-No. 4X) (STB served Apr. 28, 2003) (granting Flex-N-Gate Corporation’s motion to substitute its wholly owned subsidiary, FNG, as the purchaser).

³ *Vermilion Valley R.R.—Operation Exemption—FNG Logistics Co.*, Docket No. FD 34340 (STB served May 16, 2003).

⁴ *Vermilion Valley R.R.—Lease & Operation Exemption—CSX Transp., Inc.*, Docket No. FD 36350 (STB served Oct. 18, 2019).

⁵ VVRR was acquired by Gulf & Atlantic Railways LLC (“G&A”) in 2023. *See Macquarie Infrastructure Partners V GP, LLC, et al.—Control Exemption—Camp Chase Rail, LLC, Chesapeake and Ind. R.R., and Vermilion Valley R.R.*, Docket No. FD 36685 (STB served Apr. 7, 2023). VVRR and FNG entered into the 2022 ROA prior to that transaction. G&A subsequently changed its name to Pinsly Railroad Company following its acquisition of Pioneer Valley Railroad Company, Inc. from Pinsly. *See Macquarie Infra. Partners VGP, LLC, et al.—Control Exemption—Pioneer Valley R.R.*, Docket No. FD 36720 (STB served Sept. 13, 2023).

track infrastructure. The Railroad Operator Agreement that is the subject of this Verified Notice will replace the 2022 ROA in its entirety.

Because VVRR is a Class III railroad and is seeking to operate the rail property of a third party over which VVRR already operates, the new Railroad Operator Agreement is within the scope of the exemption set out in Section 1150.41(b).⁶

SPECIFIC INFORMATION REQUIRED BY THE REGULATIONS

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

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

Vermilion Valley Railroad Company
c/o Pinsly Railroad Company
245 Riverside Avenue, Suite 250
Jacksonville, FL 32202
Attn: Ryan Ratledge
E-mail: Ryan.Ratledge@Pinsly.com

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

Correspondence with respect to this Verified Notice should be addressed to:

⁶ See, e.g., *Chesapeake & Ind. R.R.—Operation Exemption—Town of N. Judson, Ind.*, Docket No. FD 36147 (STB served Oct. 20, 2017) (use of Section 1150.41 exemption for a new 10-year agreement for the continued operation of the same line by the same Class III carrier); *Pa. & S. Ry.—Operation Exemption—Franklin Cnty. Gen. Auth.*, Docket No. FD 35893 (STB served Jan. 8, 2015) (use of Section 1150.41 exemption for an amended operating agreement extending the term of, and making other minor changes to, the current agreement).

Terence M. Hynes
Sidley Austin LLP
1501 K Street N.W.
Washington, DC 20005
Tel: 202-736-8000
E-mail: thynes@sidley.com

with a copy to:

Kristin Bevil
Pinsly Railroad Company
245 Riverside Avenue, Suite 250
Jacksonville, FL 32202

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

VVRR and FNG have entered into the new Railroad Operator Agreement, which will take effect after the effective date of this Verified Notice.

1150.43(d) *The operator of the property*

VVRR has operated the Line continuously since 2003, when FNG acquired the Line from the former New York Central Lines, LLC.

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

Pursuant to the transaction that is the subject of this Verified Notice, VVRR will continue to operate the Line, to provide common carrier rail service to all shippers on the Line, and to interchange traffic moving to and from the Line with CSXT. There will be no change to the current patterns of rail service over the Line as a result of the new Railroad Operator Agreement. No VVRR employees will be dismissed or displaced. Moreover, the new Railroad Operator Agreement provides for a commitment by VVRR to invest in the Line's track infrastructure within the first 12 months after the effective date of the new agreement.

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

The owner of the Line is:

FNG Logistics Company
Attn: Tom Clarkson
1306 E University Avenue
Urbana, IL 61802

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

The parties have executed the Railroad Operator Agreement, which will take effect after the effective date of this Verified Notice.

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

The Line extends from the state boundary line between Indiana and Illinois at Milepost 5.18 in Vermillion County, Indiana to the track's terminus at Milepost 11.09 at Olin (near Covington) in Warren County, Indiana.

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

The Line consists of 5.91 route miles.

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 Line is attached as Exhibit A to this Verified Notice.

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.*

VVRR is a Class III carrier. VVRR certifies that its projected annual revenues as a result of the transaction will not exceed \$5,000,000. Accordingly, no advance notice is required under 49 C.F.R. § 1150.42(e). A Certificate of Compliance with the

requirements of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Verified Notice. Pursuant to 49 U.S.C. § 10902(d), exemption of this transaction may not be subjected to labor protection conditions.

1150.43(h)(1) Interchange Commitments

VVRR hereby certifies that the transaction that is the subject of this Verified Notice does not involve any interchange commitments. VVRR will continue to interchange traffic with CSXT at or near the state boundary line between Illinois and Indiana, as it does today.

1105 Environmental and Historic Impacts

The Board's regulations at 49 C.F.R. § 1105.6(c) provide that no environmental documentation will normally be prepared where a transaction will not result in a "significant change in carrier operations" and does not exceed the thresholds in 49 C.F.R. § 1105.7(e)(4) or (5). The new Railroad Operator Agreement that is the subject of this Verified Notice provides for the continuation of VVRR's current operation of the Line and will not result in any change in carrier operations that will exceed those thresholds.

Specifically, the new agreement 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 the Line to motor carriage.⁷ The new agreement 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

⁷ 49 C.F.R. § 1105.7(e)(4)(iv).

segment of the Line; (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.⁸ Furthermore, the new agreement 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 the 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.⁹ VVRR does not currently transport ozone depleting materials over the Line, nor is such transportation contemplated.¹⁰ Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(1)(i).

The proposed new Railroad Operator Agreement provides for continued operation of the Line by VVRR. Prior Board approval would be required for VVRR to discontinue service over, or for FNG to abandon, any portion of the Line. Neither VVRR (which does not own the Line) nor FNG has plans to dispose of or alter properties subject to Board 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.

⁸ *Id.* § 1105.7(e)(5)(i).

⁹ *Id.* § 1105.7(e)(5)(ii).

¹⁰ *Id.* § 1105.7(e)(5)(iii).

1150.42(a) *Brief Caption Summary*

A brief caption summary that conforms to the format set forth at 49 C.F.R. § 1150.44 is attached as Exhibit C to this Verified Notice.

* * *

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

Respectfully submitted,

/s/ Terence M. Hynes
Terence M. Hynes
Stephen S. Laudone
Sidley Austin LLP
1501 K Street N.W.
Washington, DC 20005
(202) 736-8000
thynes@sidley.com

*Attorneys for Vermilion Valley Railroad
Company, LLC*

Dated September 9, 2024

EXHIBIT A: MAP (1150.43(F))



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

I, Ryan Ratledge, hereby certify pursuant to 49 C.F.R. § 1150.43(g) that the new Railroad Operator Agreement that is the subject of this Verified Notice of Exemption 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). Once the new Railroad Operator Agreement takes effect, VVRR will continue to be a Class III rail carrier and will have revenues that will not exceed \$5 million annually.

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

Ryan Ratledge
Chief Executive Officer

Dated: September 9, 2024

EXHIBIT C: CAPTION SUMMARY (1150.44)

SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36804

**VERMILION VALLEY RAILROAD COMPANY, LLC
—OPERATION EXEMPTION—
FNG LOGISTICS COMPANY**

Vermilion Valley Railroad Company, LLC (“VVR”) has filed a verified notice of exemption to enter into a new agreement for the continued operation of a line of railroad owned by FNG Logistics Company consisting of approximately 5.91 miles between the Indiana/Illinois state boundary line at Milepost 5.18 in Vermillion County, Indiana and the track’s terminus at Milepost 11.09 at Olin (near Covington) in Warren County, Indiana.

Comments must be filed with the Board and served on VVR’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 C.F.R. § 1150.41 *et seq.* 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 Pinsly Railroad Company and its subsidiary, Vermilion Valley Railroad Company, 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: September 9, 2024