



309241

ENTERED
Office of Proceedings
February 18, 2025
Part of
Public Record

Justin J. Marks
T (202) 772-0916
F +12027720919
Email:jjmarks@ClarkHill.com

Clark Hill
1001 Pennsylvania Avenue N.W.
Suite 1300 South
Washington, DC 20004
T (202) 772-0909
F (202) 772-0919

February 18, 2025

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: Farmrail System, Inc.
– Continuance in Control Exemption –
Land Rush Rail Corporation
Surface Transportation Board Finance Docket 36838

Dear Ms. Brown:

Enclosed for e-filing on behalf of Farmrail System, Inc. is a Notice of Exemption being filed under 49 USC 11323 and 49 CFR 1180.2(d)(2).

The filing fee of was paid using Pay.gov. Please let me know if there are any questions regarding this filing.

Sincerely,

A handwritten signature in blue ink that reads 'Justin J. Marks'.

Justin J. Marks
Counsel for Farmrail System, Inc.

Enclosure

FILED
February 18, 2025
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
February 18, 2025
SURFACE TRANSPORTATION BOARD

clarkhill.com

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36838

FARMRAIL SYSTEM, INC.
– CONTINUANCE IN CONTROL EXEMPTION –
LAND RUSH RAIL CORPORATION

NOTICE OF EXEMPTION

(contains color images)

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523
ehocky@clarkhill.com

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

Attorneys for Farmrail System, Inc.

Dated: February 18, 2025

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36838

FARMRAIL SYSTEM, INC.
– CONTINUANCE IN CONTROL EXEMPTION –
LAND RUSH RAIL CORPORATION

NOTICE OF EXEMPTION

Farmrail System, Inc. (“System”), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. §1180.2(d)(2) to exempt from the provisions of 49 U.S.C. §11323, its continuance in control of Land Rush Rail Corporation (“LRRC”), a non-carrier, when LRRC becomes a common carrier. System currently controls two Class III carriers, Farmrail Corporation and Grainbelt Corporation.

LRRC, a newly formed non-carrier subsidiary of System, has filed a notice of exemption to become the lessee and operator of the lines of railroad described below and shown on Exhibit A (the “Subject Line”) in the states of Oklahoma and Kansas. *See Land Rush Rail Corporation – Lease and Operation Exemption – Oklahoma Department of Transportation and Blackwell Industrial Authority*, STB Docket No. FD 36837, filed contemporaneously with this Notice of Exemption. The Subject Line to be operated by LRRC does not connect with either of the railroads in System’s corporate family, nor is the control of LRRC part of a series of anticipated transactions that would connect the Subject Line to be operated by LRRC with the rail lines of either carrier in System’s corporate family. The proposed transaction does not involve a Class I railroad.

Accordingly, this transaction qualifies for the class exemption described in 49 C.F.R. §1180.2(d)(2).

Required Information

In accordance with the provisions of 49 C.F.R. 1180.4(g), System provides the following information as required by 49 C.F.R. §1180.6(a)(1)(i)-(iii), (a)(5), (a)(6), and (a)(7)(ii):

1180.6(a)(1)

(i) The proposed transaction as described above involves System's continuance in control of LRRC, a non-carrier, when LRRC becomes the lessee and operator of the Subject Line. Upon the commencement of operations, LRRC will be a Class III carrier. Because System controls two other Class III carriers, its continuance in control of LRRC when LRRC becomes a carrier requires authorization under 49 U.S.C. §11323(a)(5) or an exemption therefrom.

The full name and address of the applicant is: Farmrail System, Inc., 150 E. Gary Blvd., Clinton, OK 73601.

The name, address and telephone number of System's counsel who should receive correspondence is:

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523
ehocky@clarkhill.com

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

(ii) LRRC is filing its notice of exemption contemporaneously with the filing of this Notice of Exemption to assume the operations of the Subject Line described as extending from milepost 0.09 at Wellington, Kansas, to milepost 35.35 at Blackwell, Oklahoma, and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell. *See Land Rush Rail Corporation – Lease and Operation Exemption – Oklahoma Department of Transportation and Blackwell Industrial Authority*, STB Docket No. FD 36837. System expects to consummate its transaction after its and LRRC’s exemptions becomes effective on March 20, 2025.

(iii) The purpose of the transaction is to allow System, a non-carrier that controls two other Class III railroads to continue in control of LRRC when LRRC begins to operate as a carrier. The continuance in control will allow LRRC to take advantage of the administrative, financial, marketing and operational support that System can provide, thus promoting the ability of LRRC to provide safe and efficient service to its shippers.

1180.6(a)(5)

LRRC will operate in the states of Oklahoma and Kansas. System’s existing railroads operate in the State of Oklahoma.

1180.6(a)(6)

A map showing the Subject Line to be operated by LRRC is attached as Exhibit A. A map showing the general locations of LRRC, Farmrail Corporation, and Grainbelt Corporation is attached as Exhibit B.

1180.6(a)(7)(ii)

There is no agreement covering the control of LRRC by System, nor any agreement covering the common control of LRRC, Farmrail Corporation, or Grainbelt Corporation.

Labor Protection

Pursuant to 49 U.S.C. §11326(c), approval of this transaction may not be subjected to labor protection because the proposed transaction involves only Class III carriers.

Environmental and Historic Reports

The proposed acquisition of control involves only the continuance in control of a non-carrier when it becomes a carrier and will not affect the previous level of operations on the Subject Line to be operated by LRRC, or the rail lines operated by any of the railroads in System's corporate family. As such, the proposed transaction should be exempt from the Board's environmental reporting requirements pursuant to 49 C.F.R. §1105.6(c)(2)(ii). Further, the proposed transaction is exempt from the historic preservation reporting requirements since the proposed acquisition of control will not substantially change the level of operations over, or maintenance of, the Subject Line to be operated by LRRC, or the rail lines or any of the railroads in System's corporate family. *See* 49 C.F.R. §1105.8(b)(3).

Conclusion

For the foregoing reasons, System requests that the Board issue a notice of exemption pursuant to 49 C.F.R. §1180.2(d)(2).

Respectfully submitted,



Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523
ehocky@clarkhill.com

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

Attorneys for Farmrail System, Inc.

Dated: February 18, 2025

VERIFICATION

I, R. Eric Betke, President & General Manager of Farmrail System, Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on February 18, 2025.


R. Eric Betke

EXHIBIT A

MAP OF THE SUBJECT LINE OF LRRC

Land Rush Rail Corporation

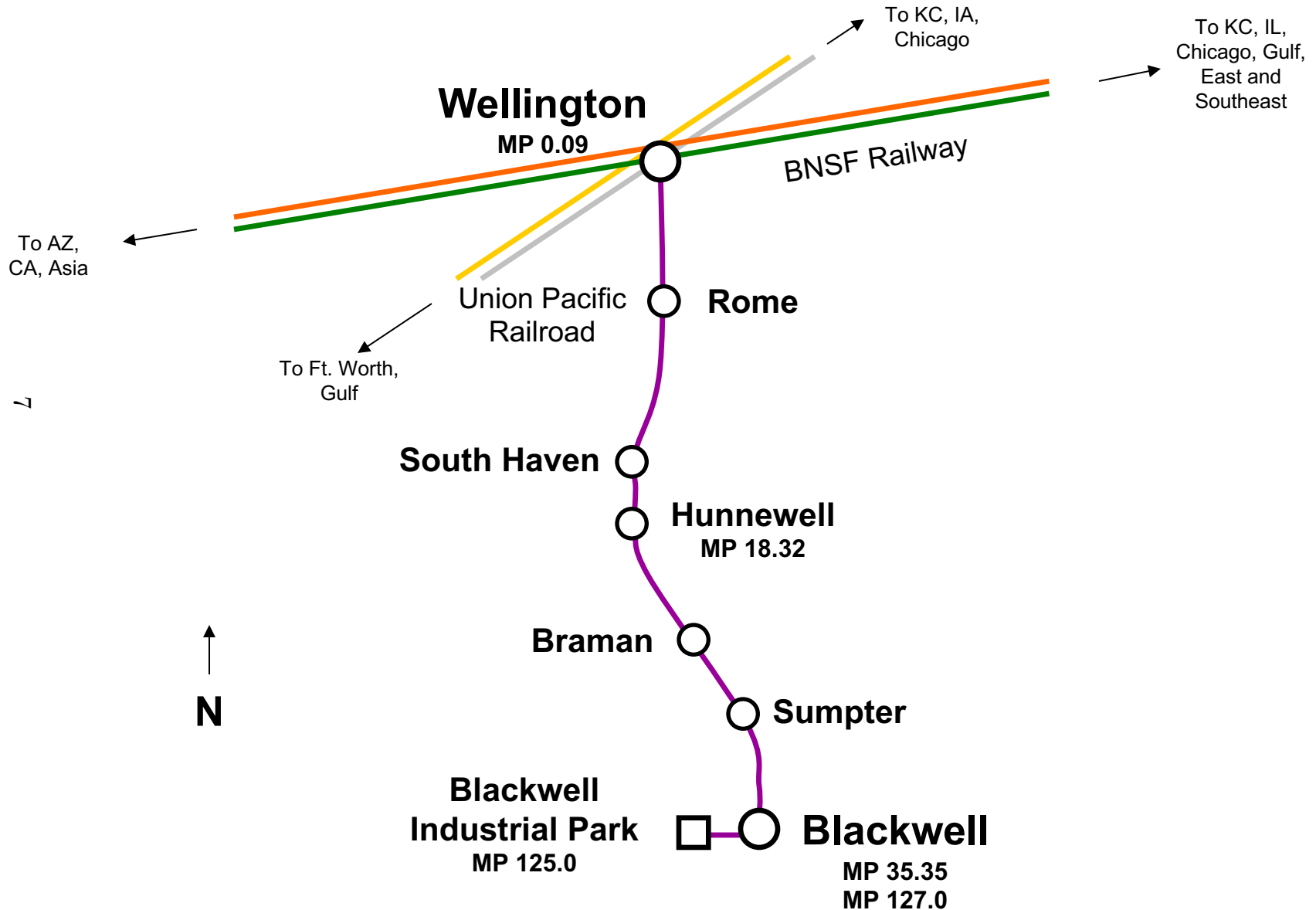


EXHIBIT B

MAP OF LRRC, FARMRAIL CORPORATION, AND GRAINBELT CORPORATION

