

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36838]

Farmrail System, Inc.—Continuance in Control Exemption—Land Rush Rail Corporation

Farmrail System, Inc. (System), a non-carrier, has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of Land Rush Rail Corporation (LRRC), upon LRRC's becoming a Class III carrier. System currently controls two Class III carriers, Farmrail Corporation and Grainbelt Corporation.

This transaction is related to a concurrently filed verified notice of exemption in Land Rush Rail Corp.—Lease & Operation Exemption—Oklahoma Department of Transportation, Docket No. FD 36837, in which LRRC seeks Board approval to lease and operate approximately 37.26 miles of rail line (the Line) owned by Oklahoma Department of Transportation (ODOT) and Blackwell Industrial Authority (BIA) extending from milepost 0.09 at Wellington, Kan., to milepost 35.35 at Blackwell, Okla., and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell.

System represents that: (1) the Line to be operated by LRRC does not connect with either of the railroads in System's corporate family; (2) System's control of LRRC is not part of a series of anticipated transactions that would connect the Line to be operated by LRRC with the rail lines of either carrier in System's corporate family; and (3) the 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. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Accordingly, because this transaction involves Class III rail carriers only, the Board may not impose labor protective conditions here.

The earliest this transaction may be consummated is March 20, 2025, the effective date of the exemption (30 days after the verified notice was filed). 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 by March 13, 2025 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36838, 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, a copy of each pleading must be served on System's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave., N.W., Suite 1300 South, Washington, DC 20004.

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

Decided: March 3, 2025.

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