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April 1, 2025
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April 1, 2025

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

Re: Marquette Rail, LLC
-Lease and Operation Exemption
Including Interchange Commitment-
CSX Transportation, Inc.
Surface Transportation Board Finance Docket 36831

Dear Ms. Brown:

Enclosed for filing in the above referenced docket is a Notice of Exemption under 49 U.S.C. § 10902 for Marquette Rail, LLC ("MQT") to continue operating on rail lines owned by the CSX Transportation, Inc.

Included within this notice of exemption is a request to waive the notice requirements of 49 CFR § 1150.42(e) and a confidential appendix that is being filed under seal pursuant to 49 CFR § 1150.43(h)(1).

The filing fee has been paid via pay.gov. If you have any questions related to this filing, please let me know.

Sincerely,

FILED

April 1, 2025

SURFACE
TRANSPORTATION BOARD

Enclosure

Justin J. Marks
Counsel to for San Joaquin Valley Railroad Co.

FEE RECEIVED

April 1, 2025

SURFACE
TRANSPORTATION BOARD

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36831

MARQUETTE RAIL, LLC
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

(includes color images)

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Attorneys for Marquette Rail, LLC

Dated: April 1, 2025

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36831

MARQUETTE RAIL, LLC
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

Marquette Rail, LLC (“MQT”), a Class III railroad, files this Notice of Exemption under 49 USC § 10902 to exempt from regulation, MQT’s entry into an amendment to extend the term of, and to make other changes to, its lease (“Lease”) with CSX Transportation, Inc. (“CSXT”). The lines of railroad subject to the lease amendment (the “Lease Amendment”) include the following segments of rail line totaling approximately 129.03 miles (together referred to herein as the “Leased Lines”): (1) from Milepost CGE 3.6 at the Grand Rapids station to Milepost CGE 73.71 at the Baldwin station; (2) from Milepost CB 106.91 at the Baldwin station to Milepost CB 136.5 at the Ludington station; (3) from Milepost CBA 87.0 at the Walhalla station to Milepost CBA 113.7 at the Manistee station; and (4) the Filer City Spur extending an additional 2.63 miles from CBA 113.7 at the Manistee station to the end of track at Filer City. The Leased Lines are shown on the maps attached as Exhibit A. The Lease Amendment will extend the term of the Lease and will revise other commercial provisions.

Notice

In accordance with 49 C.F.R. §1150.43, MQT hereby provides the following information:

- (a) The full name and address of Applicant: Marquette Rail, LLC, 3670 North Euclid Avenue, Bay City, MI 48706.

(b) Applicant's Representatives:

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(c) MQT and CSXT are entering into the Lease Amendment in order to extend the term of the Lease and to make other commercial revisions.

(d) The current operator of the Leased Lines is MQT, and MQT will continue to be the operator after the transaction.

(e) Brief Summary of the Proposed Transaction: In 2005, MQT entered into the Lease and a Freight Operating Agreement ("FOA") with CSXT for MQT to lease and operate the Leased Lines. *Marquette Rail, LLC – Lease and Operation Exemption –CSX Transportation, Inc.* STB Finance Docket No. 34728 (served Oct. 26, 2005).

MQT and CSXT have now agreed to amend the Lease and FOA to further extend the term of the Lease and make other commercial changes.

- i. The name and address of the company leasing the Leased Lines is CSX Transportation, Inc., 500 Water Street, Jacksonville, Florida, 32202.
- ii. The Lease Amendment will be effective upon the effective date of this Notice of Exemption, thirty days after filing (or upon the grant of the requested labor notice

waiver). MQT is currently operating the Leased Lines under the terms of the Lease and will continue to do so until the Lease Amendment becomes effective.

- iii. The current mileposts of the Leased Lines are: (1) from Milepost CGE 3.6 at the Grand Rapids station to Milepost CGE 73.71 at the Baldwin station; (2) from Milepost CB 106.91 at the Baldwin station to Milepost CB 136.5 at the Ludington station; (3) from Milepost CBA 87.0 at the Walhalla station to Milepost CBA 113.7 at the Manistee station; and (4) the Filer City Spur extending an additional 2.63 miles from CBA 113.7 at the Manistee station to the end of track at Filer City.
- iv. The total route miles to be leased and operated is approximately 129.03 miles.
- (f) Attached as Exhibit A to this Notice of Exemption are maps of the Leased Lines.
- (g) MQT certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier.
- (h) MQT certifies that the FOA that was entered into in connection with the Lease includes an interchange commitment that potentially affects interchange with carriers other than CSXT. The parties are entering into an amendment to the FOA (the “FOA Amendment”) in connection with the Lease Amendment. The following additional information is provided by MQT with respect to the interchange commitment:
 - i. As noted above, the FOA that was entered into in connection with the Lease contains an interchange commitment that affects interchange with carriers other than CSXT at the interchange points shown on the map attached as Exhibit A.
 - ii. A confidential version of the Lease, FOA, the Lease Amendment and the FOA Amendment are being submitted under separate cover as part of a Confidential Appendix governed by 49 CFR 1104.14(a).

- iii. A list of the shippers who currently use or who have used the Leased Lines in the last two calendar years, and whose traffic is subject to the interchange commitment is attached hereto as Exhibit B.
 - iv. The aggregate number of carloads originated or terminated within the last two calendar years by the shippers identified in subparagraph iii above is included as part of the Confidential Appendix.
 - v. MQT hereby certifies that, as set forth in the certificate of service, it has provided notice of the proposed transaction and interchange commitment by serving a copy of this Notice of Exemption on the shippers identified in subparagraph iii above.
 - vi. In addition to CSXT, MQT physically interchanges with the Grand Elk Railroad.
 - vii. MQT does not have the information to estimate the difference between the rent with and without the interchange commitment at the time it entered into the Lease. Moreover, in connection with the current amendment and extension of the Lease there was no discussion or negotiation of the lease with and without the commitment. Accordingly, MQT requested an estimate of the difference from CSXT as permitted by the Board. *Information Required in Notices and Petitions Containing Interchange Commitments*, STB Docket No. EP 714 (served September 5, 2013), slip op. at 5-6. A copy of the CSXT response is included in the Confidential Appendix.
 - viii. The caption of this proceeding reflects the existence of the interchange commitment.
- (i) In addition to the information set forth above, MQT certifies that its revenues currently exceed \$5,000,000. However, since MQT will continue to be the operator of the

Leased Lines both before and after the transaction, MQT is requesting a waiver of the labor notice requirements under 49 C.F.R. §1150.42(e). *See* request for waiver set forth below.

Labor Protection

MQT is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions. Additionally, since MQT is already the operator of the Leased Lines, there will be no employees adversely affected by the lease arrangements.

Environmental and Historic Reports

This is an extension of a lease for continued rail operations that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further Board approval is required for MQT to discontinue (or for CSXT to abandon) service, or to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. *See* 49 C.F.R. §1105.6(c)(2); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit C is the caption summary required by 49 C.F.R. §1150.44.

Request for Waiver of Notice Requirements of 49 C.F.R. §1150.42(e)

As noted above, MQT's total revenues exceed \$5,000,000. Under the Board's regulations at 49 C.F.R. §1150.42(e), MQT would be required to give sixty days' notice to CSXT's employees working on the Leased Lines (and the national offices of their collective bargaining representatives). However, the Board has held: "The purpose of 49 CFR 1150.42(e) is to ensure that rail labor unions and employees who would be affected by the transfer of a line are given sufficient notice of the transaction before consummation." *Louisiana & Delta Railroad, Inc.* –

Lease Amendment and Operation Exemption – Union Pacific Railroad Company, STB Finance Docket No. 36379, slip op. at 2 (served Mar. 4, 2020). *See also Acquisition of Leased Lines under 49 USC 10901 and 10902 – Advance Notice of Proposed Transactions* (“*Advanced Notice of Proposed Transactions*”), 2 STB 592 (1997). In adopting the notice requirement, the Board specifically recognized that “exceptional situations may occur necessitating acquirer requests for waiver of the 60 day notice provision ...” *Advanced Notice of Proposed Transactions*, *supra* at 601.

In this instance, MQT should not be required to comply with the requirements of Section 1150.42(e) because there will be no changes for any employees working on the Leased Lines. MQT already leases the rail facilities, and has been the sole common carrier operator of the Leased Lines since 2005. The Lease Amendment extends the term of the Lease and MQT will continue to be the sole common carrier operator of the Leased Lines. No employees of the transferring carrier, CSXT or its predecessor, have worked on the line since 2005, and there are no employees of CSXT who will be affected or have to make any career choices as a result of the extended lease. Posting notices on the Leased Lines would not provide notice to any CSXT employees since none work on the Leased Lines. Further, there will be no operational changes and no employees of MQT will be affected.¹ Thus, under the circumstances of this transaction, compliance with the notice requirements will not further the purposes of the rule and should be waived. Granting MQT a waiver would be consistent with other circumstances in which the Board has granted waivers from the labor notice requirements when a common carrier has filed to extend a lease it was previously leasing and will remain as the common carrier operator on the line. *See North Carolina*

¹ Notwithstanding that there will be no effect on employees of MQT, MQT is providing notice of this transaction to the national office of the union that represents employees working on the Leased Lines by serving it with a copy of this Notice of Exemption.

& Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division – Lease Amendment Exemption – Norfolk Southern Railway Company, STB Docket No. FD 35564 (Sub-No. 1) (served December 23, 2011). See also Louisiana Southern Railroad, LLC – Lease Exemption containing Interchange Commitment – The Kansas City Southern Railway Company, STB Docket No. FD 35983 (served February 18, 2016).

MQT asks that the waiver of the labor notice requirements be granted expeditiously so that this Notice of Exemption can become effective as scheduled 30 days after it is filed.

Conclusion

Accordingly, MQT requests that the Board issue a notice allowing the Lease Amendment to become effective 30 days from the filing of this Notice of Exemption.

Respectfully submitted,



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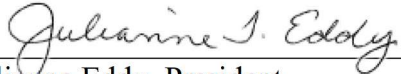
Attorneys for Marquette Rail, LLC

Dated: April 1, 2025

VERIFICATION

I, Julianne Eddy, President of Marquette Rail, LLC, 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 April 1, 2025



Julianne Eddy, President

EXHIBIT A

MAPS

Manistee
CBA 113.7

Manistee
County

End Track / Land Lease

Mason County

Ludington
CB 136.5

Walhalla
CBA 87.0
CB 120.0

Lake County

Baldwin
CCE 73.71
CB 106.91

Newaygo
County

Oceana County

Mecosta
County

Montcalm
County

Lake Michigan

Muskegon
County

Begin Track / Land Lease
V.S. 8244+33 +/-

Kent County

Grand Rapids
CCE 3.6

Ionia
County

Ottawa County

CCE 0

CH 150

CGP 0

CGC 30

CG 10

CG 20

CH 140

CH 130



Lease of Track and Land
Ludington Subdivision
CCE 3.6 - 73.71 / CB 106.91 - 136.5
Manistee Subdivision
CBA 87.0 - 113.7

● Engineering Milepost

— CSX RR

--- Proposed Transaction

— Grand Elk RR

— Grand Rapids Eastern RR

Y

0 4.5 9
Miles

EXHIBIT B

LIST OF SHIPPERS

AMERICAN MATERIALS 1735 State St Manistee, MI 49660
CAL CHLOR CORP 5379 W 6th St Ludington, MI 49431
KEYSTONE COOPERATIVE 1484 E Washington St White Cloud, MI 49349
MARTIN MARIETTA 1800 E Lake Rd Stronach, MI 49660
MICHIGAN AGRI COMMUNITIES 103 Water St Newaygo, MI 49337
MORTON SALT DIV F 180 6th St Manistee, MI 49660
OCCIDENTAL CHEMICAL 1600 S Madison St Ludington, MI 49431
PACKAGING CORP OF AMERICA 2245 Udell St Filer City, MI 49634
PAK SAK 122 S Aspen Sparta, MI 49345
QUALITY LIQUID FEED 5715 Comstock Park DR NW Comstock Park, MI 49321
TOWNS BROTHERS 679 S Pere Marquette HWY Ludington, MI 49431
VANS LOGISTICS 2280 Turner NW Grand Rapids, MI 49544
WEEKES FOREST PRODUCTS 5528 Rusche Dr NW Comstock Park, MI 49321
WILBUR-ELLIS 277 S Maple St Grant, MI 49327

EXHIBIT C

CAPTION SUMMARY

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket No. FD 36831

**MARQUETTE RAIL, LLC
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
CSX TRANSPORTATION, INC.**

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UNDER 49 U.S.C. §10902**

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Comments must be filed with the Board and served on MQT’s representative, Justin J. Marks, Esq., Clark Hill, PLC, 1001 Pennsylvania Ave. N.W., Suite 1300 South, Washington, DC 20004; (202) 772-0916.

The Notice is filed under 49 C.F.R. §1150.41. 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.

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

Decided: _____, 2025.

By the Board, Mai T. Dinh, Director, Office of Proceedings.

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served by email or U.S. first class mail, postage pre-paid on the following national representative of MQT employees working on the Leased Lines:

SMART-TD

Steve McKay, Local Chairman
461 Washington Road
Pentwater, MI 49449

glc392@aol.com

and on the shippers shown on the following list.



Justin J. Marks

Dated: April 1, 2025

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