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July 2, 2019

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BY HAND DELIVERY

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Finance Docket No. 36325, Spokane, Spangle & Palouse
Railway, L.L.C. – Leases and Operation Exemption –
Washington State Department of Transportation

Dear Ms. Brown

Attached for filing are the original and ten copies of a Verified Notice of Exemption pursuant to 49 C.F.R 1150.31 and a check covering the \$2,000 filing fee.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

Enclosures

FILED
July 2, 2019
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
July 2, 2019
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36325

SPOKANE, SPANGLE & PALOUSE RAILWAY, L.L.C.
--LEASE AND OPERATION EXEMPTION--
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

KARL MORELL
Karl Morell and Associates
Suite 440
440 1st Street, N.W.
Washington, D.C. 20001
(202) 595-9045

Attorney for:
SPOKANE, SPANGLE & PALOUSE
RAILWAY, L.L.C.

Dated: July 2, 2019

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36325

SPOKANE, SPANGLE & PALOUSE RAILWAY, L.L.C.
--LEASE AND OPERATION EXEMPTION--
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION FINANCE DOCKET NO.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Spokane, Spangle & Palouse Railway, L.L.C. ("SSPR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit SSPR to lease from the Washington State Department of Transportation ("WSDOT") and operate approximately 102.6 miles of rail lines located in Washington and Idaho.

In support of this Notice of Exemption, SSPR submits the following information as required by 49 C.F.R. § 1150.33:

(a) Full name and address of applicant:

Spokane, Spangle & Palouse Railway, L.L.C.
417 S Park Ave.
Rosalia, Washington 99170

(b) Applicant's Representative:

Karl Morell
Karl Morell and Associates
Suite 440
440 1st Street, N.W.
Washington, DC 20001
(202) 595-9045



(c) Statement of Agreement:

SSPR will shortly enter into an agreement to lease the rail lines from WSDOT.

(d) The operator of the property:

SSPR will be the operator of the leased lines.

(e) Summary of proposed transaction:

(1) The name and address of the company leasing the subject property:

Washington State Department of Transportation
310 Maple Park Avenue SE
Olympia, WA 98504-7300

(2) The involved transaction is expected to be consummated on or shortly after the effective date of this Notice of Exemption.

(3) The 102.6 miles of rail lines that SSPR will lease from WSDOT are located as follows: (1) Colfax-Moscow line located (a) between milepost 3.0, at Colfax, WA, and milepost 18.7, at Pullman, WA, and (b) between milepost 75.9, at Pullman and milepost 84.05, at the Washington-Idaho State line; (2) Washington, Idaho, and Montana Line located between milepost 0.0, at Palouse, WA, and milepost 3.85, at the Washington State Line; and (3) the Palouse and Lewiston Line located between milepost 1.0, at Marshall, WA and milepost 75.9 at Pullman..

(4) The length of the rail lines being leased is approximately 102.6 miles.

(f) A map of the rail lines being leased is attached as Exhibit A.

(g) SSPR hereby certifies that SSPR's projected revenues as a result of this transaction will not result in SSPR becoming a Class II or Class I rail carrier. SSPR

further certifies that the projected annual revenue of SSPR will not exceed \$5 million.

Consequently, the requirements of 49 C.F.R. § 1150.32(e) do not apply to this transaction.

(h) The Agreement between SSPR and WSDOT will not contain any provision that prohibits SSPR from interchanging traffic with a third party or limits SSPR's ability to interchange with a third party.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

SSPR is leasing the line from WSDOT for continued rail operations. Further Board approval is required for SSPR to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

SSPR's lease and operation of the rail lines 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 this line to motor carriage. This transaction 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 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. SSPR's lease and operation of the rail lines will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Karl Morell". The signature is written in dark ink and is positioned above a horizontal line.

KARL MORELL

Karl Morell and Associates

Suite 440

440 1st Street, N.W.

Washington, DC 20001

(202) 595-9045

Attorney for:

SPOKANE, SPANGLE & PALOUSE

RAILWAY, L.L.C

Dated: July 2, 2019

EXHIBIT A

Spokane, Spangle & Palouse Railway, LLC

Represented in Blue and Yellow



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 36325

SPOKANE, SPANGLE & PALOUSE RAILWAY, L.L.C.
--LEASE AND OPERATION EXEMPTION--
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

Spokane, Spangle & Palouse Railway, L.L.C. ("SSPR"), a non-carrier, has filed a notice of exemption to lease from Washington State Department of Transportation, and operate approximately 102.6 miles of rail lines. The rail lines being leased are located as follows: (1) Colfax-Moscow line located (a) between milepost 3.0, at Colfax, WA, and milepost 18.7, at Pullman, WA, and (b) between milepost 75.9, at Pullman and milepost 84.05, at the Washington-Idaho State line; (2) Washington, Idaho, and Montana Line located between milepost 0.0, at Palouse, WA, and milepost 3.85, at the Washington State Line; and (3) the Palouse and Lewiston Line located between milepost 1.0, at Marshall, WA and milepost 75.9 at Pullman..

Comments must be filed with the Board and served on Karl Morell, Suite 440, 440 1st Street, N.W., Washington, DC 20001, (202) 595-9045.

This notice is filed under 49 C.F.R. 1150.31. 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

STATE OF NEBRASKA

COUNTY OF DOUGLAS

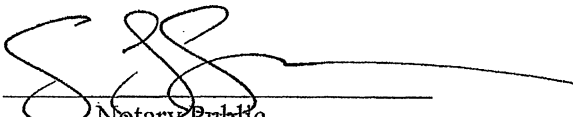
)
)
) SS.

I, Terence R. Peterson, being duly sworn depose and state that I am Manager of Spokane, Spangle & Palouse LLC, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



SUBSCRIBED AND SWORN TO before me this 1st day of July, 2019, in the County of Douglas, State of Nebraska.

My Commission Expires: ~~6-12-2019~~
6-12-2022 *SS*



Notary Public