

FILED

September 13, 2018
**SURFACE
 TRANSPORTATION BOARD**

BAKER & MILLER PLLC

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William A. Mullins

ENTERED
 Office of Proceedings
 September 13, 2018
 Part of
 Public Record

(202) 663-7823 (Direct Dial)
 E-Mail: wmullins@bakerandmilller.com

September 13, 2018

FEE RECEIVED
September 13, 2018
SURFACE
TRANSPORTATION BOARD

BY HAND DELIVERY

Cynthia T. Brown, Chief
 Section of Administration, Office of Proceedings
 Surface Transportation Board
 395 E Street, SW
 Washington DC 20423-0001

Re: North Central Mississippi Regional Railroad Authority and Grenada Railway,
LLC – Corporate Family Transaction, FD 36224
Cover Letter and Filing Fee Waiver Request

Dear Ms. Brown:

Enclosed please find an original and eleven copies of a Verified Notice of Exemption (“Notice”) under 49 C.F.R. §1180.2(d)(3) for a Corporate Family Transaction involving the North Central Mississippi Regional Railroad Authority (“NCMRRA”) and Grenada Railway, LLC (“GRYR”). Please acknowledge receipt and filing of the Notice by date stamping the enclosed eleventh copy and returning it to the courier to return to me. This submission also includes an electronic copy of the filing and a draft Federal Register notice.

Filing Fee Waiver Request

Pursuant to 49 CFR § 1002.2(e)(1) the Board grants filing fee waiver requests made by a federal government agency or state or local government entity; or, pursuant to 49 CFR § 1002.2(e)(2)(ii) when the requesting entity demonstrates that waiver is in the best interest of the public or that payment of the filing fee would impose an undue hardship on the requestor. NCMRRA¹ is a local government entity pursuant to 49 CFR § 1002.2(e)(1) and requests that the

¹ NCMRRA was created in 2012 as a regional railroad authority pursuant to Section 19-29-1 et. seq. of the Miss. Code Annotated of 1972 by representatives from the counties of Tate, Panola, Yalobusha, Grenada, Montgomery, Carroll, and Holmes Counties to protect long term rail

Cynthia T. Brown, Chief
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filing fee be waived. As such, NCMRRA, as a local government entity, respectfully requests that the Board waive the filing fee associated with this transaction.

To avoid delaying the Board processing the Notice pending the Board's decision on the waiver request, NCMRRA is enclosing a filing fee check for \$1,600.00. If the Board grants NCMRRA's filing fee waiver request, NCMRRA requests that the Board send back the check or refund the amount paid.

If there are any questions concerning this matter, please contact me directly at (202) 663-7831 or by e-mail at wmullins@bakerandmiller.com. If I am unavailable, you may contact my associate, Crystal M. Zorbaugh, who can be reached at (202) 663-7831 or by e-mail at zorbaugh@bakerandmiller.com.

Sincerely,



William A. Mullins
Attorney for North Central Mississippi Regional
Railroad Authority

Enclosure
cc: Larry Hart

service in the region. In 2015, NCMRRA acquired a stock interest in its first railroad, GRYR, after its previous owners filed for abandonment authority.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36224

**NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY AND
GRENADA RAILWAY, LLC – CORPORATE FAMILY TRANSACTION**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

**William A. Mullins
Crystal M. Zorbaugh
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September 13, 2018

**Attorneys for North Central Mississippi
Regional Railroad Authority**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36224

**NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY AND
GRENADA RAILWAY, LLC – CORPORATE FAMILY TRANSACTION**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

North Central Mississippi Regional Railroad Authority, a non-carrier (“NCMRRA”), and Grenada Railway, LLC (“GRYR”) (collectively, the “Parties”) hereby submit this Notice of Exemption (“Notice”), pursuant to 49 C.F.R. §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) for a transaction within a corporate family. NCMRRA is a non-carrier government entity that wholly owns, through stock ownership, GRYR, a Class III carrier. NCMRRA is concurrently filing with this Notice a notice of exemption to acquire and operate a rail line in North Central Mississippi Regional Railroad Authority – Acquisition and Operation Exemption – Mississippi Department of Transportation, FD 36182 (“FD 36182”). Through that acquisition, NCMRRA will become a Class III carrier in its own right. Through this Notice, NCMRRA seeks to bring its control of GRYR and itself under the same corporate family once NCMRRA becomes a rail carrier.

In support of the Notice and in compliance with 49 C.F.R. §1180.4(g), the Parties state the following:

49 C.F.R. §1180.6(a)(1)(i) –Brief Summary of Proposed Transaction, Description of Applicants, Address for Applicants, and Counsel for Applicants:

Brief Summary of Proposed Transaction

The transaction subject to this Notice will allow NCMRRA, a non-carrier, which is concurrently filing to acquire a rail line in FD 36182, to continue in control of GRYR while also

remaining in control of itself once NCMRRA becomes a rail carrier. The proposed transaction qualifies for an exemption under 49 C.F.R. §1180.2(d)(3) because the proposed transaction is within a corporate family and will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Operational changes, if any, would be de minimis.

Applicants

NCMRRA, a local government entity pursuant to 49 CFR § 1002.2(e)(1), was created in 2012 as a regional railroad authority pursuant to Section 19-29-1 et. seq. of the Miss. Code Annotated of 1972 by representatives from the counties of Tate, Panola, Yalobusha, Grenada, Montgomery, Carroll, and Holmes Counties to protect long-term rail service in the region. In 2015, NCMRRA acquired its first railroad interest by purchasing the stock and assuming control of GRYR after it filed for abandonment authority for its rail lines. See Grenada Railway, LLC – Abandonment Exemption – In Grenada, Montgomery, Carroll, Holmes, Yazoo, and Madison Counties, MS, AB-1087 (Sub-No. 1x) and Grenada Railway, LLC – Abandonment Exemption – In Yalobusha County, MS, AB-1087 (Sub-No. 2x). In FD 36182, which is being filed concurrently, NCMRRA is filing to acquire and operate an approximately 21.70-mile rail line owned by the Mississippi Department of Transportation that extends from milepost H-0.20 (at Aberdeen Junction) to milepost H-21.90 (at Kosciusko) in Holmes and Attala Counties, MS (“Kosciusko Line”). NCMRRA certifies that annual revenues on the Kosciusko Line will not exceed \$5 million. Through that acquisition, NCMRRA will become a Class III carrier.

GRYR became a class III carrier, in 2009, after filing for authority to acquire and operate lines owned by Illinois Central Railroad Company and Waterloo Railroad Company. See Grenada Railway, LLC-- Acquisition and Operation Exemption—Illinois Central Railroad Company and Waterloo Railway Company, FD 35247 (STB served May 29, 2009). After acquiring control of

GRYR in 2015, NCMRRA and GRYR leased the rail lines owned by GRYR to Illinois Central Rail Road, LLC in July 2015. See Illinois Company Rail Road, LLC—Lease and Operation Exemption—North Central Mississippi Regional Railroad Authority and Grenada Railway, LLC, FD 35940 (STB served July 9, 2015).²

Names, Addresses, and Phone Numbers of Involved Parties.

Larry Hart	Grenada Railway, LLC
Chairman – Executive Committee	Post Office Box 888
North Central Mississippi	Water Valley, MS 38965
Regional Railroad Authority	Tel: (662) 473-7411
Post Office Box 888	
Water Valley, MS 38965	
Tel: (662) 473-7411	

Name of Counsel to Whom Questions Can Be Addressed.

Correspondence on this Notice should be addressed to:

William A. Mullins
Crystal M. Zorbaugh
BAKER & MILLER PLLC
2401 Pennsylvania Ave., NW
Suite 300
Washington, DC 20037
Tel: (202) 663-7820
Fax: (202) 663-7849

49 C.F.R. §1180.6(a)(1)(ii) --Consummation Schedule.

The Parties propose to consummate the proposed transaction on or after the effective date of the transaction proposed in North Central Mississippi Regional Railroad Authority – Acquisition and Operation Exemption – Mississippi Department of Transportation, FD 36182, which will be at least 30 days after filing the Notice.

² In a filing to the Board on July 14, 2015, Illinois Company Rail Road's name was changed to Grenada Railroad, LLC.

49 C.F.R. §1180.6(a)(1)(iii) -- Purpose of the Transaction.

The purpose sought to be accomplished through this transaction is to bring NCMRRA and GRYR under one corporate family to promote administrative efficiencies in future transactions.

49 C.F.R. §1180.6(a)(5) -- List of States in Which the Parties' Property is Located.

The Kosciusko Line that NCMRRA is acquiring is in Mississippi. GRYR's rail lines are also in Mississippi.

49 C.F.R. §1180.6(a)(6) -- Map Exhibit.

Attached is a map that shows GRYR's rail lines and Kosciusko Line that NCMRRA is acquiring. See Exhibit A.

49 C.F.R. §1180.6(a)(7)(ii) -- Agreement.

NCMRRA and GRYR have not entered into any agreements or written instruments to undertake the proposed corporate family transactions.

49 C.F.R. §1180.4(g)(1)(i) -- Level of Labor Protection.

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. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because both of the carriers involved are Class III rail carriers.

49 C.F.R. §1105.6 through 1105.8--Environmental Report.

The proceeding is exempt from environmental review under 49 CFR §1105.6(c)(2)(i) and (ii) because NCMRRA is acquiring the Kosciusko Line under 10901 and there will be no change in GRYR's operations resulting from the transactions proposed in this proceeding.

In addition, this proceeding is exempt from historic review under 49 CFR §1105.8(b)(1) because the purpose of the proposed transactions is for continued rail service and further STB

authority would be required for abandonment of the involved rail lines and neither railroad has plans to dispose of or alter properties subject to the STB jurisdiction that are 50 years old or older.

Certification of Annual Revenues upon Consummation of Transaction.

The Applicant certifies that the projected annual revenue on the Kosciusko Line, which is being brought into the corporate family subject to this transaction is less than \$5 Million.

Caption Summary.

While not required by the regulations, attached to this Notice as Exhibit B is a proposed caption summary.

Respectfully submitted,



William A. Mullins
Crystal M. Zorbaugh
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Washington, DC 20037
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September 13, 2018

Attorneys for North Central Mississippi
Regional Railroad Authority

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36224

**NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY AND
GRENADA RAILWAY, LLC – CORPORATE FAMILY TRANSACTION**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

VERIFICATION

VERIFICATION

I, Larry Hart, Chairman — Executive Committee, hereby verify under penalty of perjury on behalf of North Central Mississippi Regional Railroad Authority that I have read the foregoing Verified Notice of Exemption and that its statements are true and correct to best of my knowledge, information, and belief. I further declare that I am qualified and authorized to make such verification on behalf of North Central Mississippi Regional Railroad Authority in connection with this proceeding before the Surface Transportation Board.

Executed this 13th day of September 2018.



Larry Hart
Chairman — Executive Committee
North Central Mississippi Regional Railroad
Authority

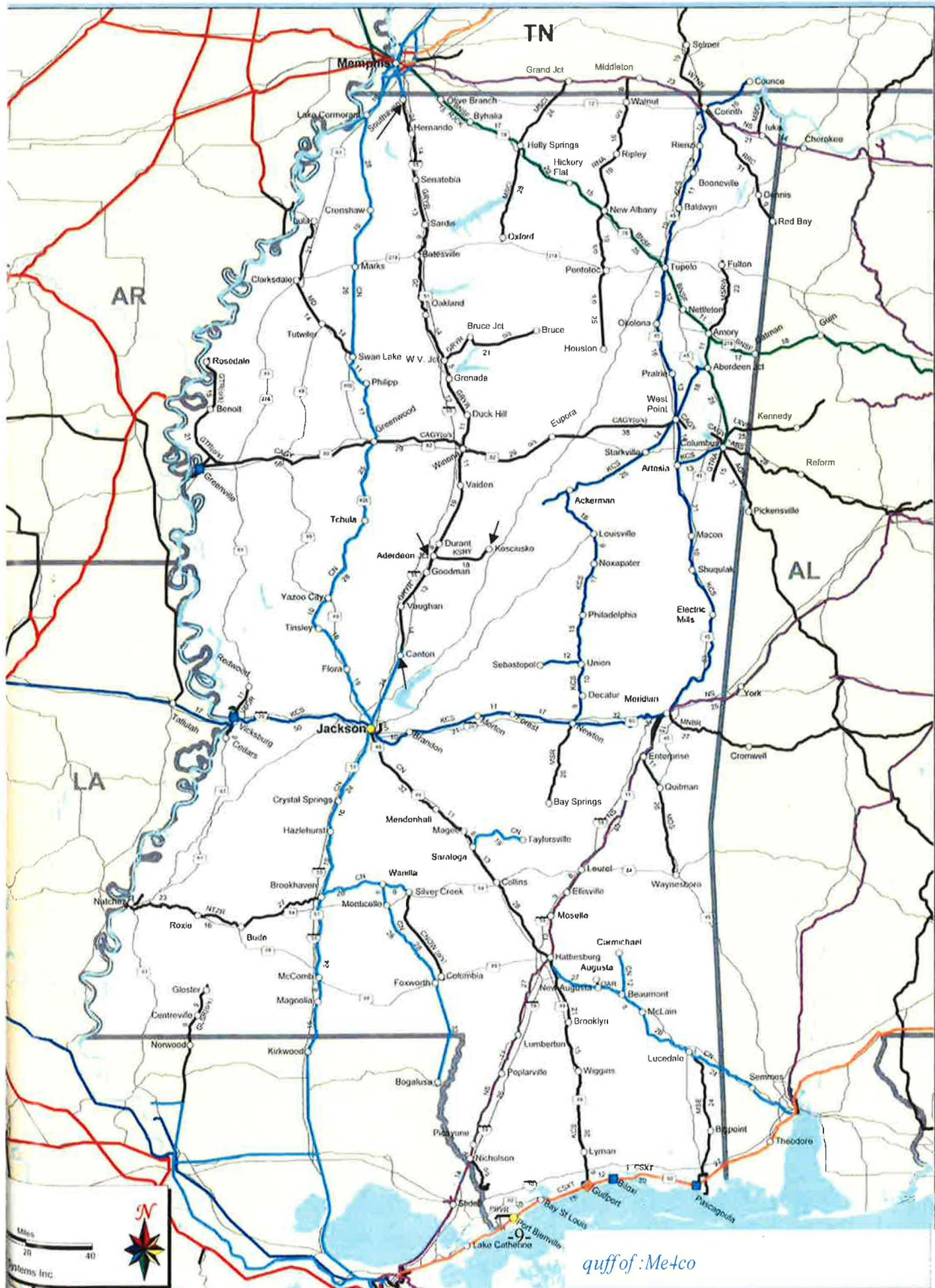
**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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**EXHIBIT A
MAP**



**BEFORE THE
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EXHIBIT B

CAPTION SUMMARY

CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

(FD 36224)

**NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY AND
GRENADA RAILWAY, LLC
– CORPORATE FAMILY TRANSACTION –**

North Central Mississippi Regional Railroad Authority, a non-carrier (“NCMRRA”), and Grenada Railway, LLC (“GRYR”)³ (collectively, the “Parties”) hereby submit this Notice of Exemption (“Notice”), pursuant to 49 C.F.R. §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) for a transaction within a corporate family. NCMRRA is a non-carrier government entity that wholly owns, through stock ownership, GRYR, a Class III carrier. NCMRRA is concurrently filing with this Notice a notice of exemption to acquire and operate a rail line in North Central Mississippi Regional Railroad Authority – Acquisition and Operation Exemption – Mississippi Department of Transportation, FD 36182 (“FD 36182”) (the “Kosciusko Line”). Through that acquisition, NCMRRA will become a Class III carrier in its own right. Through this Notice, NCMRRA seeks to bring GRYR and itself under common control as part of the same corporate family once NCMRRA becomes a rail carrier.

³ NCMRRA acquired ownership of GRYR by purchasing the stock and assuming control of GRYR after it filed for abandonment authority for its rail lines. See Grenada Railway, LLC – Abandonment Exemption – In Grenada, Montgomery, Carroll, Holmes, Yazoo, and Madison Counties, MS, AB-1087 (Sub-No. 1x) and Grenada Railway, LLC – Abandonment Exemption – In Yalobusha County, MS, AB-1087 (Sub-No. 2x). As a non-carrier that did not own or control any other railroads, no STB authority was required for NCMRRA to purchase the stock of GRYR. See Louisville & J. B. & R. Co. Merger, 295 I.C.C. 11 (1955), *affirmed on other grounds sub nom. Alleghany Corp. v. Breswick & Co. et al.*, 353 U.S. 151 (1957); Broth. of Ry. and Airline Clerks v. Burlington Northern, 671 F. 2d 1085 (8th Cir 1982).

NCMRRA and GRYR intend to consummate this transaction on or after the effective date set by the Board for NCMRRA's acquisition of the Kosciusko Line. The Kosciusko Line NCMRRA is acquiring is in Mississippi. GRYR's rail lines are also in Mississippi.

If the Notice of Exemption contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. §10502(d) can be filed at any time. The filing of a Petition to Revoke will not automatically stay the proposed transaction. Any petitions to revoke must be filed with the Board and served on CEI's representative: William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Ave., NW, Suite 300, Washington, DC 20037, (202) 663-7820.

Decided: _____

By the Board