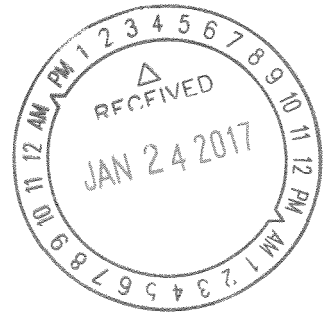




Karl Morell & Associates
655 15th Street, NW, Suite 225
Washington, DC 20005
(202) 595-9045
karlm@karlmorell.com

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ENTERED
Office of Proceedings
January 24, 2017
Part of
Public Record

January 23, 2017

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. 36089, Jacksonville Port Terminal
Railroad, L.L.C. – Operating Exemption – The Jacksonville
Port Authority

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified
Notice of Exemption under 49 C.F.R 1150.31 and a check covering
the \$1,900 filing fee.

If you have any questions, please contact me.

Sincerely yours,


Karl Morell

Enclosures

FEE RECEIVED
January 24, 2017
SURFACE
TRANSPORTATION BOARD

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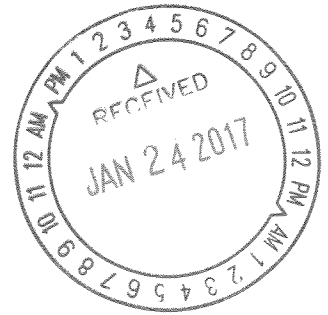
FILED
January 24, 2017
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36089

JACKSONVILLE PORT TERMINAL RAILROAD
--OPERATING EXEMPTION--
THE JACKSONVILLE PORT AUTHORITY

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



KARL MORELL
Karl Morell & Associates
Suite 225
655 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 595-9045

Attorney for:
JACKSONVILLE PORT TERMINAL
RAILROAD

Dated: January 23, 2017

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36089

JACKSONVILLE PORT TERMINAL RAILROAD
--OPERATING EXEMPTION--
THE JACKSONVILLE PORT AUTHORITY

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

Jacksonville Port Terminal Railroad (“JXPT”), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit JXPT to operate over approximately 10 miles of track owned by The Jacksonville Port Authority (“Authority”) at the Talleyrand Docks and Terminal (“Terminal Facilities”) in Jacksonville, Florida.

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

(a) Full name and address of applicant:

Jacksonville Port Terminal Railroad
315 W. 3rd Street
Pittsburg, Kansas 66762

(b) Applicant's Representative:

Karl Morell
Karl Morell & Associates
Suite 225
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 595-9045

(c) Statement of Agreement:

JXPT and Authority will enter into an Operating Agreement prior to closing.

(d) The operator of the property:

JXPT will be the operator of the rail lines.

(e) Summary of proposed transaction:

JXPT is a new, wholly owned, non-carrier subsidiary of Watco Holdings, Inc. (“Watco”).

Talleyrand Terminal Railroad Company, Inc. (“Talleyrand”) is the current operator of the rail lines in the Terminal Facilities. Talleyrand will assign to JXPT all of Talleyrand’s authority to provide common and contract carrier rail operations over the Terminal Facilities, and will discontinue its operations in coordination of transition of operations to JXPT expected to be on or about March 1, 2017.¹ Also, JXPT and Authority will enter into an Operating Agreement prior to the closing of this transaction. In this transaction, JXPT seeks authority to operate over the Terminal Facilities.

(1) The name and address of the entity owning the subject property:

Jacksonville Port Authority
2831 Talleyrand Avenue
Post Office Box 3005
Jacksonville, Florida 32206

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

(3) JXPT will operate the rail line located from F&J Junction (between Norfolk Southern Railway milepost 5-C and CSX Transportation milepost 632.08) in an easterly

¹ See *Talleyrand Terminal Railroad Company, Inc. – Operation Exemption – Lines of Municipal Docks Railway* (not printed), decided March 1, 1996.

direction to Municipal Docks Railway milepost 10.33 within the Talleyrand Marine Terminal, in Duval County, Florida.

(4) The length of the rail line over which JXPT will operate is approximately 10.00 miles.

(f) A map of the rail line over which JXPT will operate is attached as Exhibit A.

(g) JXPT hereby certifies that this transaction will not result in JXPT becoming a Class II or Class I rail carrier. Upon consummation of this transaction, JXPT will become a Class III carrier. The projected annual revenue of JXPT will not exceed \$5 million. Consequently, JXPT does not need to comply with the notice requirements of 49 C.F.R. § 1150.32(e).

(h) The Agreement between JXPT and Authority does not contain any provision that prohibits JXPT from interchanging traffic with a third party or limits JXPT'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

JXPT will operate the rail line owned by Authority for continued rail operations. Further Board approval is required for JXPT to abandon or 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).

JXPT's operations over the rail line 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 these lines 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 lines; (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. JXPT's operation of the rail line 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,

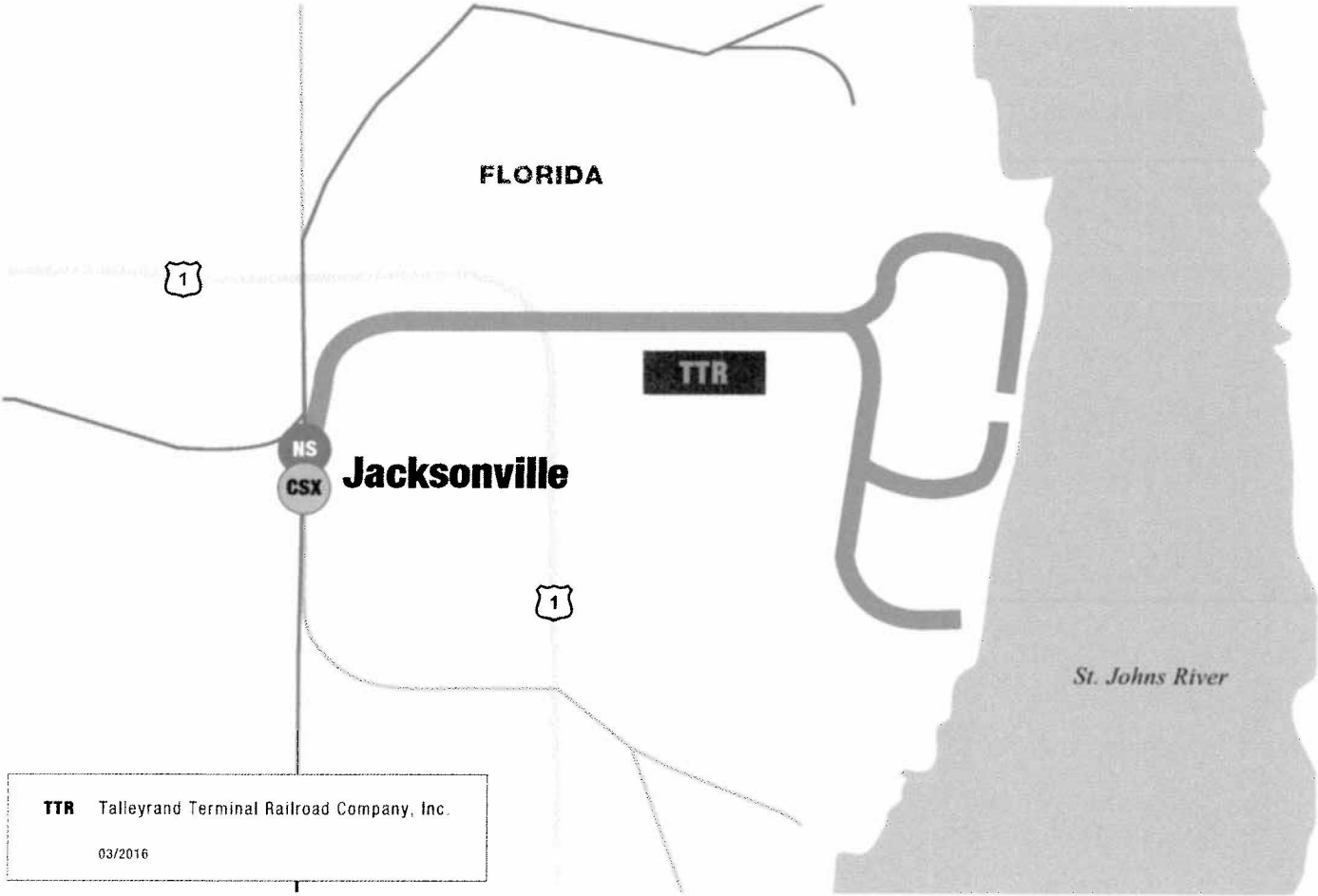
A handwritten signature in cursive script, appearing to read "Karl Morell", written in dark ink.

KARL MORELL
Karl Morell & Associates
Suite 225
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 638-3307

Attorney for:
Jacksonville Port Terminal Railroad

Dated: January 23, 2017

EXHIBIT A



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 36089

JACKSONVILLE PORT TERMINAL RAILROAD
--OPERATING EXEMPTION--
THE JACKSONVILLE PORT AUTHORITY

Jacksonville Port Terminal Railroad (“JXPT”), a non-carrier, has filed a notice of exemption to operate the rail line located from F&J Junction (between Norfolk Southern Railway milepost 5-C and CSX Transportation milepost 632.08) in an easterly direction to Municipal Docks Railway milepost 10.33 within the Talleyrand Marine Terminal, in Duval County, Florida. The current operator Talleyrand Terminal Railroad Company, Inc. will assign to JXPT all of Talleyrand’s authority to provide common and contract carrier rail, and will discontinue its operations in coordination of transition of operations to JXPT expected to be on or about March 1, 2017.

This transaction is related to Finance Docket No. 36090, Watco Holdings, Inc. -- Continuance In Control Exemption – Jacksonville Port Terminal Railroad, wherein Watco Holdings, Inc., has concurrently filed a verified notice to continue in control of JXPT upon JXPT becoming a Class III carrier.

Comments must be filed with the Board and served on Karl Morell, Karl Morell & Associates, Suite 225, 655 Fifteenth Street, N.W., Washington, DC 20005, (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. 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.

VERIFICATION

STATE OF KANSAS

COUNTY OF CRAWFORD

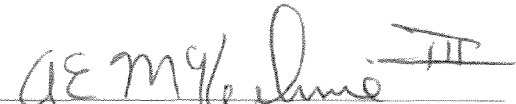
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ss.

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Assistant Secretary of Jacksonville Port Terminal Railroad, L.L.C., 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.

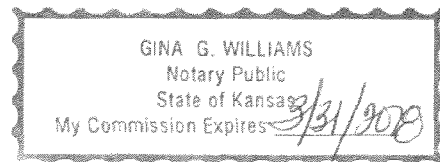

Arthur E. McKechnie, III

SUBSCRIBED AND SWORN TO before me this 12th day of January, 2017, in the County of Crawford, State of Kansas.

My Commission Expires:

3/31/2020


Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Exemption has been served, this 24th day of January on the following customers that will be served by JXPT within the Talleyrand Marine Terminal:

Contanda

Crowley

Seaonus

Westway

Toyota


Karl Morell