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SERVICE DATE – AUGUST 16, 2019

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36327]

Chicago St. Paul & Pacific Railroad LLC—Change in Operators Exemption—Chicago Terminal Railroad

Chicago St. Paul & Pacific Railroad LLC (CSP) has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to assume operations over approximately 3.47 miles of track (the Line) owned by Soo Line Railroad Company (Soo Line) and currently operated by Chicago Terminal Railroad (CTM) in Bensenville, Ill. The verified notice states that CSP will operate and provide all rail common carrier service to shippers on the Line pursuant to a lease agreement between its parent, Progressive Rail Incorporated (PGR), and Soo Line. According to CSP, it will replace CTM as the Line's operator, and, upon consummation of the transaction, CTM will cease to serve as a common carrier on the Line. CSP states that it understands, based on information from Soo Line, that CTM does not object to the proposed change in operators.

This transaction is related to a concurrently filed verified notice of exemption in Progressive Rail Incorporated—Continuance in Control Exemption—Chicago St. Paul & Pacific Railroad, Docket No. FD 36335, in which PGR seeks to continue in control of CSP upon CSP's becoming a Class III rail carrier.

CSP states that its proposed lease and operation of the Line does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier and certifies that its projected revenues as a result of this proposed transaction will not result in the creation of a Class II or Class I rail carrier. On July 1, 2019, PGR filed the certification of notice to employees required under 49 C.F.R. § 1150.42(e) for new carriers whose projected annual revenue exceeds \$5 million. Further, under 49 C.F.R. § 1150.32(b), a change in operators exemption requires that notice be given to shippers. CSP states that it has provided notice of the proposed change in operators to all shippers on the Line.

The earliest this transaction may be consummated is August 31, 2019, the effective date of the exemption (30 days after the verified notice was filed). CSP states that it intends to consummate the proposed lease transaction and assume operation of the Line on September 1, 2019.

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 no later than August 23, 2019 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36327, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street, S.W., Washington, DC 20423. In addition, a copy of each pleading must be served on CSP's representative, Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite

800, Chicago, IL 60606.

According to CSP, this action is excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b)(1).

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

Decided: August 13, 2019.

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