

Karl Morell & Associates

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October 1, 2019

BY HAND DELIVERY

248532
ENTERED

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

Office of Proceedings
October 1, 2019
Part of
Public Record

Re: Docket No. 36 352 Rio Grande Pacific Corporation. – Control
Exemption – Big Spring Rail System, Inc.

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(2), and a check covering the \$1,500 filing fee.

If you have any questions, please call me.

Sincerely,

A handwritten signature in blue ink that reads 'Karl Morell'.

Karl Morell

Enclosures

FILED
October 1, 2019
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
October 1, 2019
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 363 52

RIO GRANDE PACIFIC CORPORATION
--CONTROL EXEMPTION--
BIG SPRING RAIL SYSTEM, INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(2)



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

Attorney for Applicant

Dated: October 1, 2019

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 363₅₂

RIO GRANDE PACIFIC CORPORATION
--CONTROL EXEMPTION--
BIG SPRING RAIL SYSTEM, INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(2)



Rio Grande Pacific Corporation ("RGPC"), files this Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(2), for RGPC to control Big Spring Rail System, Inc. ("BSRS"). In support of this Notice of Exemption, the following information as required by 49 C.F.R. § 1180.4(g) is submitted:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

RGPC, a non-carrier, currently controls 4 Class III railroads, as follows:

Nebraska Central Railroad Company

New Orleans & Gulf Coast Railway Company

Wichita, Tillman and Jackson Railway Company

Idaho Northern and Pacific Railroad Company

BSRS is located between Mileposts 0.0 and 3.3 in Howard County, Texas. The trackage is owned by the City of Big Springs, TX.

The rail lines operated by the RGPC carriers do not connect with the rail line operated by BSRS. Also, the involved transaction is not part of a series of anticipated transactions that would connect the rail line operated by BSRS with any railroad in the RGCP corporate family. Finally, neither RGPC nor any of the carriers controlled by RGPC are Class I rail carriers. Accordingly, this transaction falls within the class of transactions described at 49 C.F.R. 1180.2(d)(2), and exempt from prior approval by the Board.

Applicants are:

Rio Grande Pacific Corporation
6100 Southwest Blvd. Suite 320
Fort Worth, Texas 76109

Nebraska Central Railroad Company
304 N. 5th Street
Norfolk, NE 68701

New Orleans & Gulf Coast Railway Company
9387 Highway 23
Belle Chasse, LA 70037

Wichita, Tillman & Jackson Railway Company
700 Jefferson Street
Wichita Falls, TX 76304

Idaho Northern & Pacific Railroad Company
119 North Commercial Avenue
Emmett, Idaho 83617

Big Spring Rail System, Inc.
6100 Southwest Blvd. Suite 320
Fort Worth, Texas 76109

Applicants' representative:

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

(a)(1)(ii) Consummation Date

The proposed transaction will be consummated on or shortly after the effective date of this Notice of Exemption.

(a)(1)(iii) Purpose Sought to be Accomplished

RGPC intends to reduce overhead expenses, coordinate billing, maintenance, mechanical and personnel policies and practices of its rail carrier subsidiaries and thereby improve the overall efficiency of rail service provided by the railroads in the RGPC corporate family.

(a)(5) List of States

The properties of the rail carriers controlled RGPC are located in the following states: Nebraska, New Orleans, Texas, Oklahoma, Idaho and Oregon. The rail line to be operated by BSRS is located in Texas.

(a)(6) Map

Maps of the rail lines operated by the Class III carriers controlled by RGPC and the rail line to be operated by BSRS is attached as Exhibit 1.

(a)(7)(ii) Agreement

The agreement to effectuate the control of BSRS by RGPC will be prepared prior to the effective date of this Notice of Exemption. A copy of the agreement will be filed with the Board as soon as it is prepared.

LABOR PROTECTION

Under 49 U.S.C. § 10502(g), the Surface Transportation Board ("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 sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

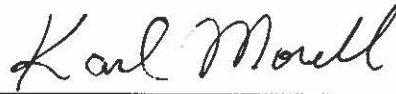
ENVIRONMENTAL AND HISTORIC IMPACTS

RGPC is obtaining control of BSRS for the purpose of continued rail operations where further Board approval is required to abandon 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).

The control by RGPC of BSRS 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. The thresholds in 49 C.F.R. § 1105.7(e)(5)(ii) will also not be exceeded as a result of this transaction. Finally, this transaction does not contemplate the transportation of any ozone depleting material. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

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

Respectfully submitted,

A handwritten signature in black ink that reads "Karl Morell". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

KARL MORELL

Karl Morell and Associates

Suite 440

440 1st Street, N.W.

Washington, DC 20001

(202) 595-9045

Attorney for Applicants

Dated: October 1, 2019

EXHIBIT 1

MAPS

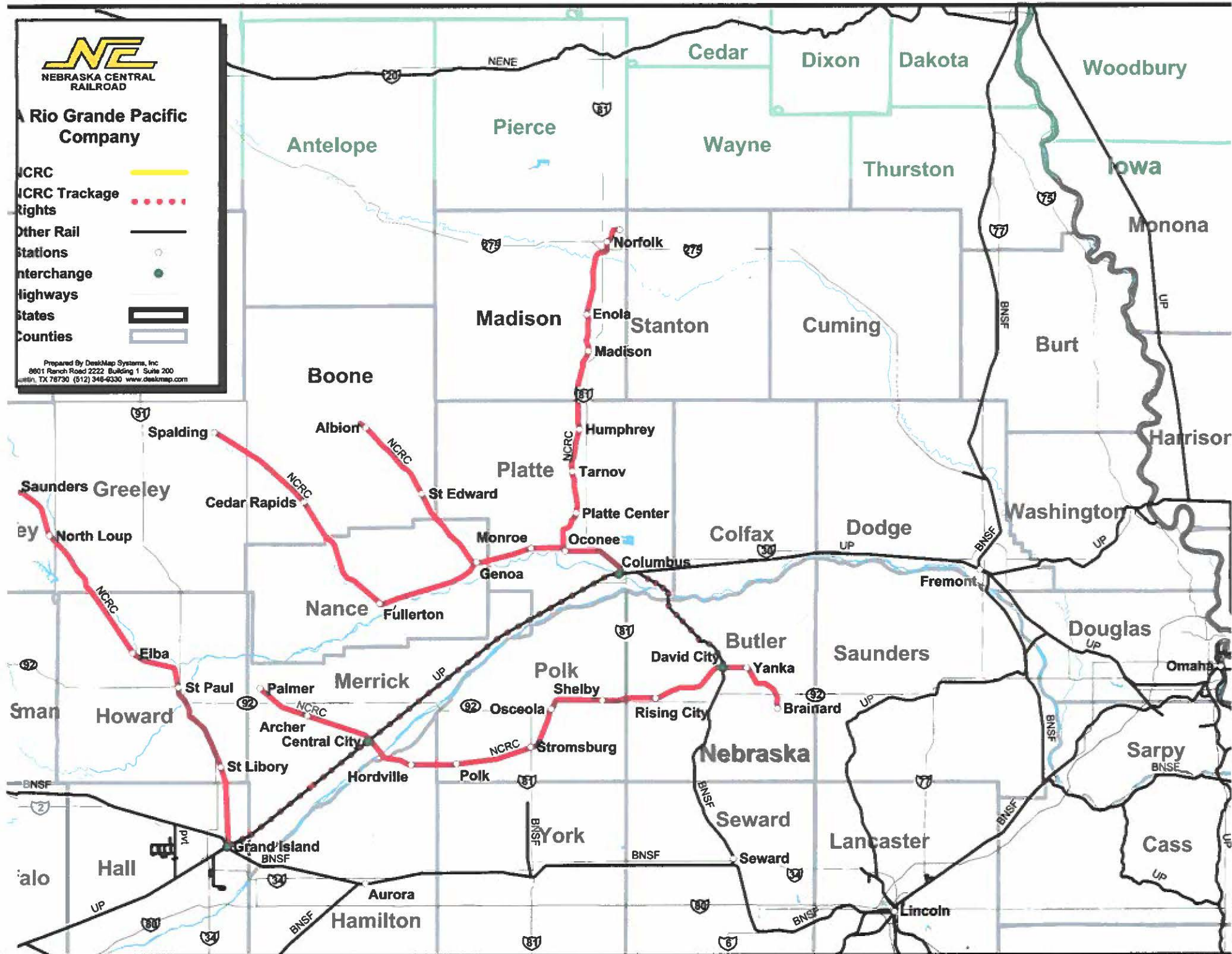


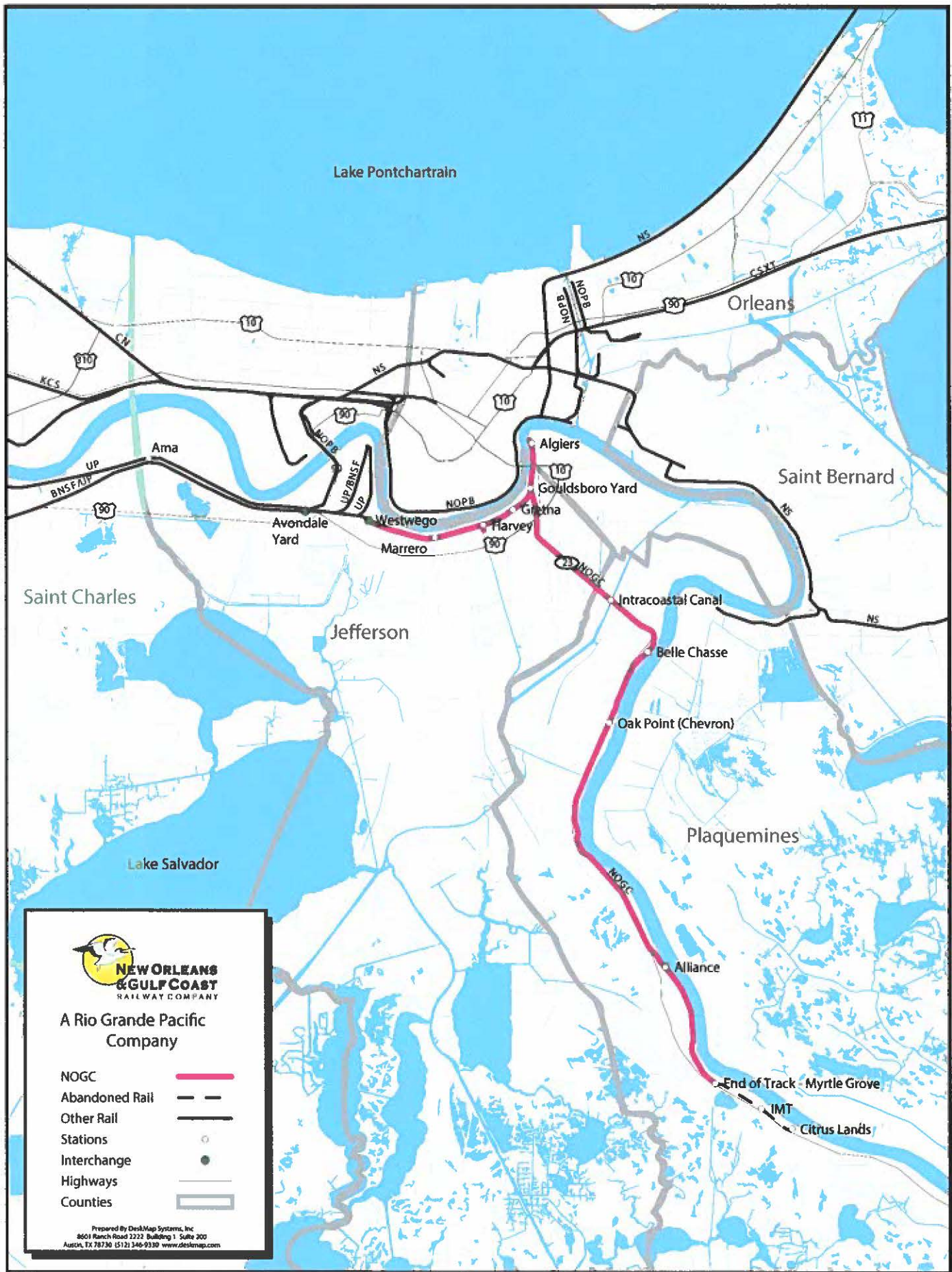
NEBRASKA CENTRAL
RAILROAD

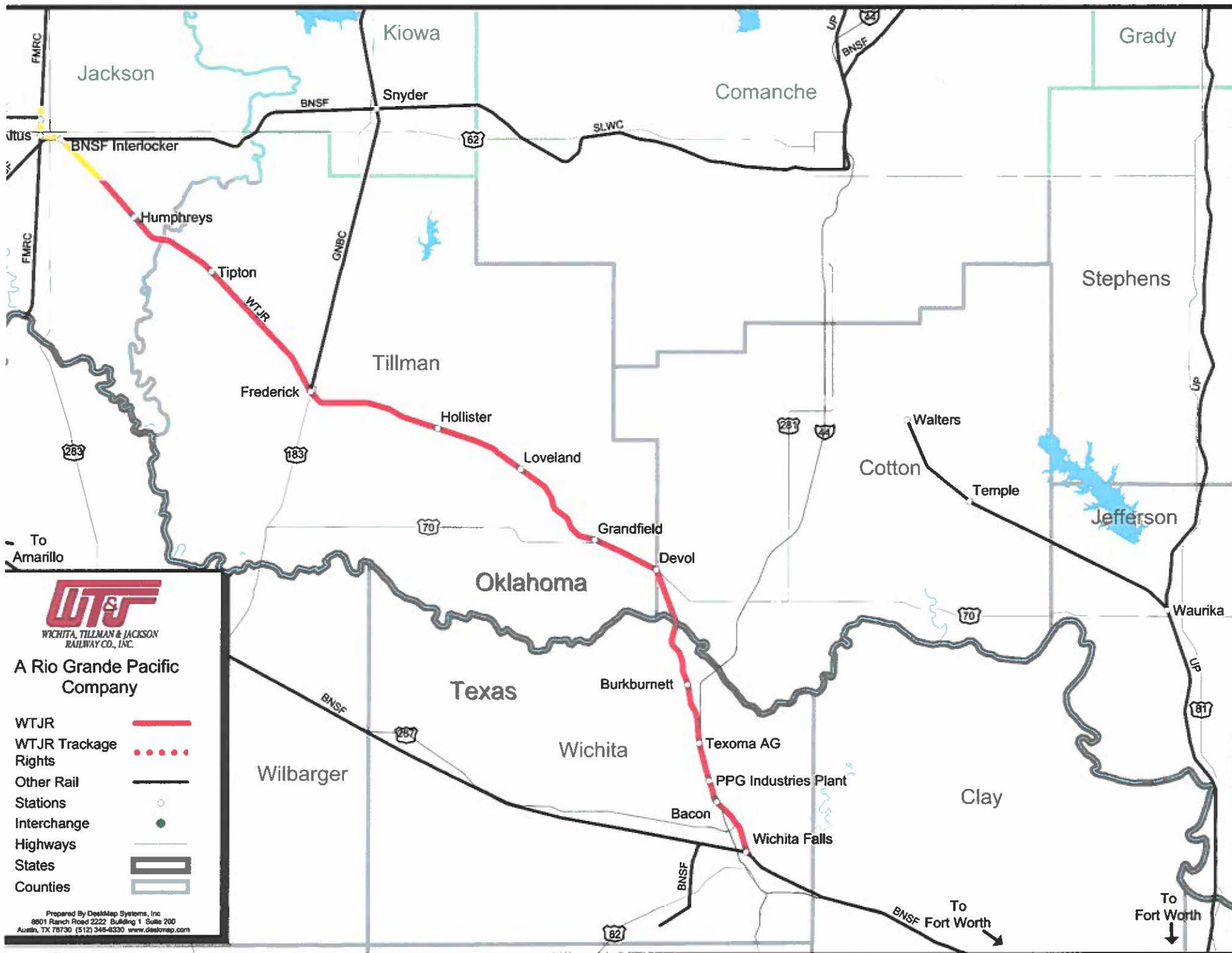
A Rio Grande Pacific
Company

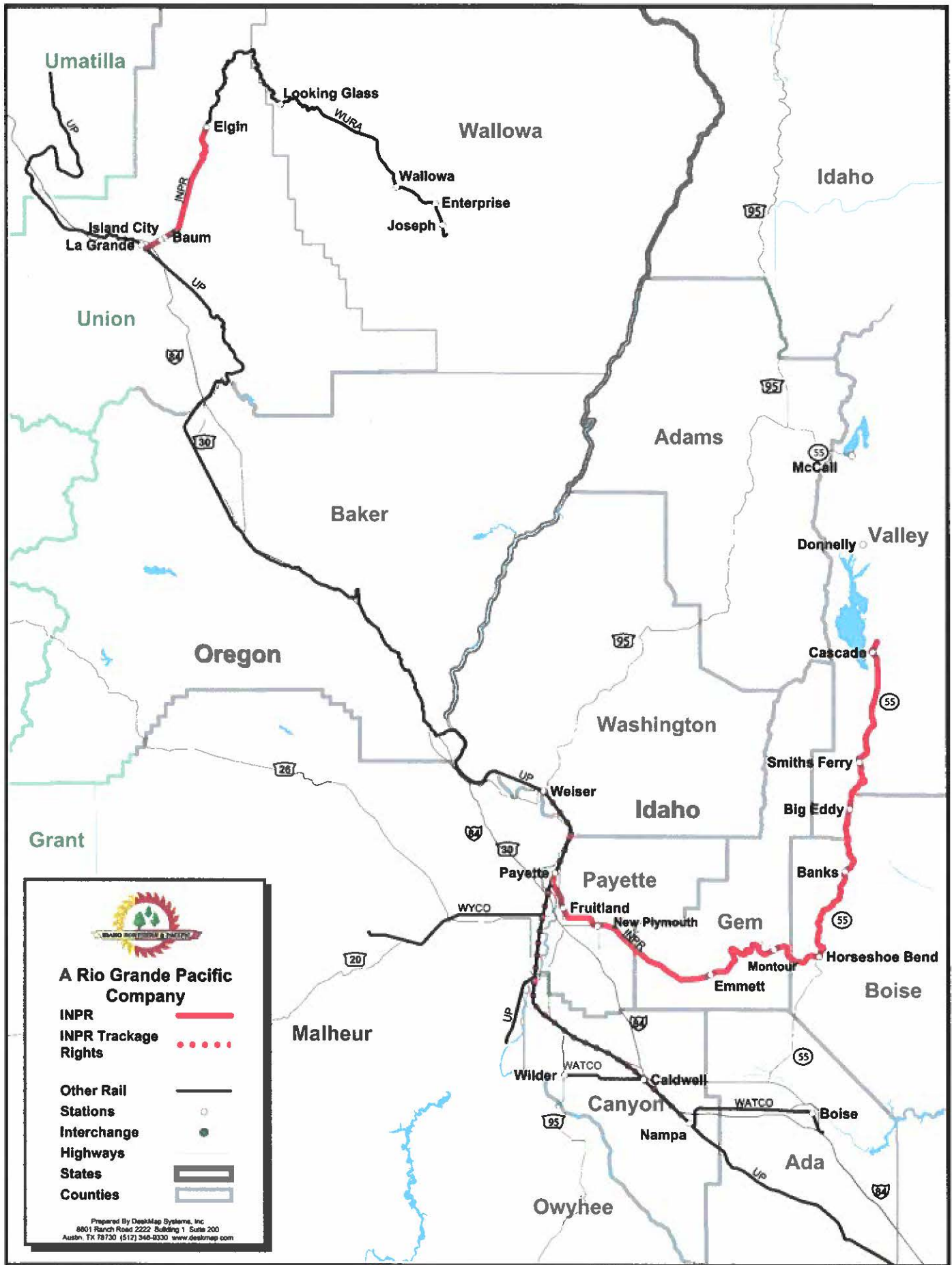
- NCRC
- NCRC Trackage Rights
- Other Rail
- Stations
- Interchange
- Highways
- States
- Counties

Prepared by DeskMap Systems, Inc.
8601 Ranch Road 2222 Building 1 Suite 200
Austin, TX 78730 (512) 348-6330 www.deskmap.com









Big Spring Rail System



Google Earth

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VERIFICATION

I, Robert L. Bach, President of Rio Grande Pacific Corporation, hereby verify under penalty of perjury that the foregoing Notice of Exemption is true and correct as stated to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to file the foregoing Notice of Exemption.

Executed on Sept 30, 2019

Robert L. Bach