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ENTERED
Office of Proceedings
October 12, 2018
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October 11, 2018

VIA FEDEX

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



Re: **IOWA & MIDDLETOWN RAILWAY LLC
- LEASE AND OPERATION EXEMPTION -
AMERICAN ORDNANCE LLC, OWNER'S REPRESENTATIVE
FOR U.S. ARMY JOINT MUNITIONS COMMAND
STB DOCKET NO. FD 36231**

Dear Ms. Brown:

Enclosed for filing are the original and 10 copies of a Notice of Exemption of Iowa & Middletown Railway LLC. Also enclosed is our check in the amount of \$2,000 representing the filing fee for this Notice.

Please time stamp the extra copy of the Notice to indicate receipt, and return it to me in the stamped, self-addressed envelope provided for your convenience.

FILED
October 12, 2018
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
October 12, 2018
SURFACE
TRANSPORTATION BOARD

Cynthia T. Brown
October 11, 2018
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Please let me know if there are any questions regarding this filing. Thank you for your assistance.

Respectfully,

CLARK HILL PLC



Eric M. Hocky

EMH/e
Encls.

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36231

**IOWA & MIDDLETOWN RAILWAY LLC
- LEASE AND OPERATION EXEMPTION -
AMERICAN ORDNANCE LLC, OWNER'S REPRESENTATIVE
FOR U.S. ARMY JOINT MUNITIONS COMMAND**



**VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10901**

(contains color images)

ERIC M. HOCKY
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ehocky@clarkhill.com

Dated: October 11, 2018

Attorneys for
Iowa & Middletown Railway LLC

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36231

**IOWA & MIDDLETOWN RAILWAY LLC
- LEASE AND OPERATION EXEMPTION –
AMERICAN ORDNANCE LLC, OWNER'S REPRESENTATIVE
FOR U.S. ARMY JOINT MUNITIONS COMMAND**



**VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10901**

Iowa & Middletown Railway LLC (“I&M”), a non-carrier, files this Notice of Exemption under 49 USC § 10901 to exempt from regulation, I&M’s lease from American Ordnance LLC (“AO”), as owner’s representative for the U.S. Army Joint Munitions Command (“JMC”)¹, and the operation of, the approximately four miles of track located within the Iowa Army Ammunition Plant over which I&M intends to conduct common carrier operations (the “Line”).² Upon consummation of the transaction and the commencement of operations, I&M will be a Class III carrier. The Line is located in Des Moines County, Iowa. A map of the Line is attached as Exhibit A. In a related filing to be made shortly, Eyal Shapira will file a notice of exemption for the common control of I&M and the other railroads under his control.

Notice

In accordance with the requirements of 49 C.F.R. §1150.33, I&M hereby provides the following information:

¹ AO is a party to an Operations and Maintenance Agreement with JMC, the owner of the Iowa Army Ammunition Plant, which among other rights and obligations, permits AO to grant rights to use certain property within the Plant, including the railroad tracks.

² The lease also includes a number of other tracks that will be operated by I&M under 49 U.S.C. as yard and industrial tracks for which no Board authority is required.

(a) The full name and address of Applicant are: Iowa & Middletown Railway LLC., One Gateway Center, Suite 501B, Newton, MA 02458.

(b) The name, address and telephone number of the representative of I&M who should receive correspondence are: Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

(c) I&M and AO have entered into a lease for the use and operation of the Line. While the lease has been signed and is effective, I&M does not intend to commence common carrier operations until January 1, 2019.

(d) The operator of the Line will be Iowa & Middletown Railway LLC.

(e) Brief Summary of the Proposed Transaction:

The Line is located on and within the Iowa Army Ammunition Plant (the "Plant"). A portion of the Plant is no longer needed by the U.S. Army, and AO has been authorized to repurpose approximately 153 acres of the Plant as a business park (the "Commerce Center of Southeast Iowa") and to identify other industrial users for the property. The industrial sites are located outside remaining government manufacturing areas and buffers. I&M is leasing the Line in order to provide common carrier rail service to transload customers, and other rail customers that may locate in the Plant. I&M will originate and terminate freight traffic, and conduct loading and unloading operations. I&M will also offer rail car storage and car repair services within the Plant. The Line connects with BNSF Railway Company ("BNSF") at Middletown, Iowa, and I&M is working with BNSF to establish interchange there.

(1) The tracks are not currently owned by a railroad. The tracks are owned by the U.S. Army Joint Munitions Command. AO is the owner's representative that has entered into the lease with I&M. The name and

address of the lessor of the Line are: American Ordnance LLC, 17575 DMC Highway 79, Middletown, IA 52638.

(2) I&M and AO have entered into a Tenant Use Contract under which AO is leasing the Line, as well as other tracks and buildings, to I&M. I&M expects to commence common carrier operations on or about January 1, 2019.

(3) The Line does not have any mileposts.

(4) The total route miles to be acquired and operated are approximately four miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Line.

(g) I&M certifies that its projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier.

(h) I&M certifies that the lease does not impose or include an interchange commitment.

Labor Notice Certification

In addition to the information set forth above, I&M certifies that its total annual freight revenues after the transaction will not exceed \$5,000,000. Accordingly, no advance notice to employees of AO is required under 49 C.F.R. §1150.42(e).³

Labor Protection

I&M is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), exemption of this transaction may not be subjected to labor protection conditions.

³ Since AO is not a railroad, there are no “railroad employees” working on the Line, and it is not clear that the labor notice requirements should apply in any event.

Environmental and Historic Reports

This is a lease of existing tracks for use as a rail line that does not involve new construction, and that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Board approval will be required for I&M to discontinue or abandon service, or to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. *See* 49 C.F.R. §1105.6(c)(1)(i); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.44.

Conclusion

Accordingly, I&M requests that the Board issue a notice permitting I&M to commence common carrier operations at any time after thirty days from the filing of this Notice of Exemption.

Respectfully submitted,


ERIC M. HOCKY
CLARK HILL PLC
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500

Dated: October 11, 2018

Attorneys for
Iowa & Middletown Railway LLC

VERIFICATION

I hereby verify on behalf of Iowa & Middletown Railway LLC, under penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verification.

Executed on October 11, 2018.



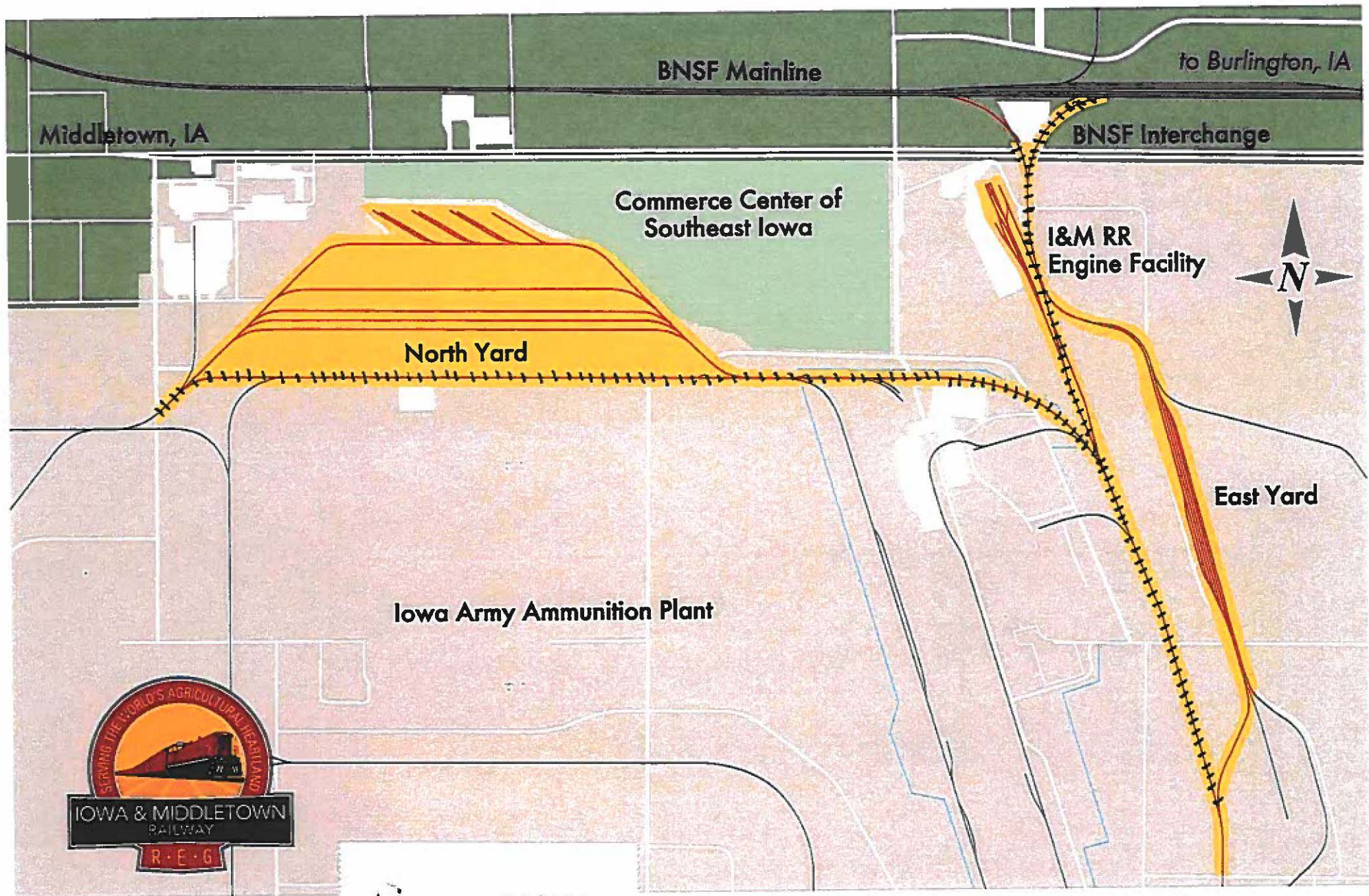
Name:

Title:

Eyal Shapira
president

EXHIBIT A

MAP



Line ++++++

EXHIBIT B

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36231

**IOWA & MIDDLETOWN RAILWAY LLC
- LEASE AND OPERATION EXEMPTION –
AMERICAN ORDNANCE LLC, OWNER’S REPRESENTATIVE
FOR U.S. ARMY JOINT MUNITIONS COMMAND**

Iowa & Middletown Railway LLC (“I&M”), a non-carrier, has filed a Notice of Exemption to exempt its lease from American Ordnance LLC, as owner’s representative for the U.S. Army Joint Munitions Command (“AO”), and the operation of, the approximately four miles of track that will be operated as a line of railroad (the “Line”). There are no mileposts assigned to the Line. The Line is located in Des Moines County, Iowa. The current owner of the tracks that will comprise the Line is the U.S. Army Joint Munitions Command, a non-carrier.

Comments must be filed with the Board and served on I&M’s representative, Eric M. Hocky, Esquire, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

The Notice is filed under 49 C.F.R. §1150.41. 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.