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November 7, 2018

246750

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

ENTERED
Office of Proceedings
November 7, 2018
Part of
Public Record

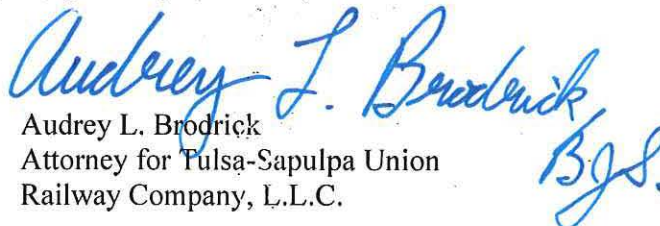
Re: **Docket No. FD 36237**
Tulsa-Sapulpa Union Railway Company, L.L.C. – Renewal
Of Lease Exemption With Interchange Commitment –
Union Pacific Railroad Company Jenks Industrial Lead

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding is the **Verified Notice of Exemption of Tulsa-Sapulpa Union Railway Company, L.L.C., Pursuant to 49 C.F.R. § 1150.41**, dated November 7, 2018. A check in the amount of \$2,000, representing the appropriate fee for this filing was delivered via Federal Express on November 7, 2018. Confidential Materials related to this filing are being submitted separately under seal.

If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,


Audrey L. Brodrick
Attorney for Tulsa-Sapulpa Union
Railway Company, L.L.C.

ALB:bjs

Enclosures

FILED

November 7, 2018

SURFACE

TRANSPORTATION BOARD

FEE RECEIVED
November 7, 2018

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36237

TULSA-SAPULPA UNION RAILWAY COMPANY, L.L.C.
-- RENEWAL OF LEASE EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY JENKS INDUSTRIAL LEAD

**VERIFIED NOTICE OF EXEMPTION
OF
TULSA-SAPULPA UNION RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.41**

Audrey L. Brodrick
Thomas J. Litwiler
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR TULSA-SAPULPA UNION
RAILWAY COMPANY, L.L.C.**

Dated: November 7, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36237

TULSA-SAPULPA UNION RAILWAY COMPANY, L.L.C.
-- RENEWAL OF LEASE EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY JENKS INDUSTRIAL LEAD

**VERIFIED NOTICE OF EXEMPTION
OF
TULSA-SAPULPA UNION RAILWAY COMPANY, L.L.C.
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. §§ 1150.41, et seq., Tulsa-Sapulpa Union Railway Company, L.L.C., (“TSU”), a Class III rail carrier, hereby files this Verified Notice of Exemption to renew its lease from Union Pacific Railroad Company (“UP”) of a rail line and related industrial tracks in Tulsa County, Oklahoma, known as the Jenks Industrial Lead, extending from the end-of-line at milepost 136.40 near the Kimberly Clark facility in Jenks to the end of UP’s ownership at milepost 149.26 and the connection with UP’s trackage rights over BNSF Railway Company in Tulsa, a total distance of 12.86 miles (“the Line”). A map of the Line is attached hereto as Exhibit A. Based on projected revenues from the Line, TSU expects to remain within the revenue thresholds for Class III rail carriers.

In accordance with the requirements of 49 C.F.R. § 1150.43, TSU submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the applicant herein is as follows:

Tulsa-Sapulpa Union Railway Company, L.L.C.
701 East Dewey
Sapulpa, OK 74066

Applicant's Representative: 49 C.F.R. § 1150.43(b)

The TSU representative to whom correspondence regarding this transaction should be sent is as follows:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

In 2001, TSU and UP executed a Lease Agreement regarding the Line. See Tulsa-Sapulpa Union Railway Company, L.L.C. – Lease and Operation Exemption – Union Pacific Railroad Company, Docket No. FD 33974 (STB served Dec. 26, 2000 and Feb. 12, 2001). Pursuant to a new Lease Agreement dated as of December 21, 2018 between TSU and UP (the “2018 Lease Agreement”), TSU will continue to lease the Line from UP and to provide rail freight service to a number of shippers on the Line.

Operation of the Property: 49 C.F.R. § 1150.43(d)

TSU will continue to perform rail freight service operations on the Line and appurtenant industrial trackage. TSU will provide no passenger rail services over the Line.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

TSU is a Class III rail common carrier by rail which operates rail lines in the State of Oklahoma. Pursuant to the parties' 2018 Lease Agreement, TSU will continue to lease and operate approximately 12.86 miles of rail line constituting UP's Jenks Industrial Lead, extending from the end-of-line at milepost 136.40 in Jenks, Oklahoma to the end of UP's ownership at milepost 149.26 in Tulsa, Oklahoma. The 2018 Lease Agreement has an initial five-year term that may be extended by TSU for an additional 15 years.

The complete name and address of the carrier leasing the Line to TSU is as follows:

Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179

TSU intends to consummate the 2018 Lease Agreement of the Line on or shortly after December 21, 2018.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Line is attached as Exhibit A to this notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance consistent with the provisions of 49 C.F.R. § 1150.43(g) stating that TSU's projected revenues will not result in the creation of a Class I or II rail carrier is attached as Exhibit B to this notice.

Interchange Commitments: 49 C.F.R. § 1150.33(h)(1)

(i) The 2018 Lease Agreement contains an interchange commitment that charges TSU an Asset Use Fee for carloads that originate or terminate on the Line that are not interchanged to UP.

(ii) The 2018 Lease Agreement containing the interchange commitment (as Section 4.01) is being filed confidentially with the Board in accordance with the provisions of 49 C.F.R. §§ 1150.43(h)(1)(ii) and 1104.14(a).

(iii) The following shippers currently use or have used the Line within the last two calendar years:

1. Holly Frontier Refining East
2. Kimberly Clark
3. TDC

(iv) The aggregate number of carloads originated or terminated on the Line during the last two years by the shippers identified in the preceding section is being filed confidentially with the Board in accordance with the provisions of 49 C.F.R. §§ 1150.43(h)(1) and 1104.14(a).

(v) A certification that the notice requirements set forth in 49 C.F.R. § 1150.43(h)(1)(v) have been satisfied is attached hereto as Exhibit B.

(vi) Upon commencement of operations under the 2018 Lease Agreement, TSU could physically interchange with either UP or BNSF Railway Company.

(vii) TSU has been informed by UP that the value is inestimable, as UP would not undertake the 2018 Lease Agreement absent the interchange commitment.

Advance Notice: 49 C.F.R. § 1150.42(e)

The projected annual revenue of TSU does not exceed \$5 million, and accordingly the advance notice requirements of 49 C.F.R. § 1150.42(e) are not applicable to this transaction. See Exhibit B hereto.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under C.F.R. § 1105.6(c)(2), the proposed transaction is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

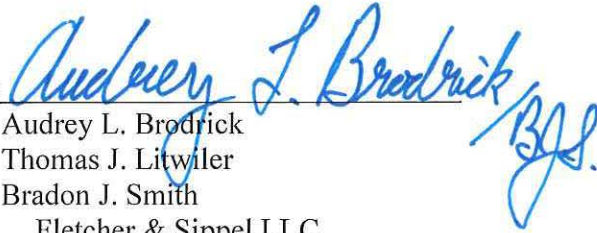
Under 49 C.F.R. § 1105.8(b)(1), the proposed transaction also is exempt from historic preservation reporting requirements. The proposed lease renewal is for the purpose of continuing rail operations. Additional Board approval would be required to discontinue rail service or to abandon the Line. Moreover, there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,

By:


Audrey L. Brodrick

Thomas J. Litwiler

Bradon J. Smith

Fletcher & Sippel LLC

29 North Wacker Drive

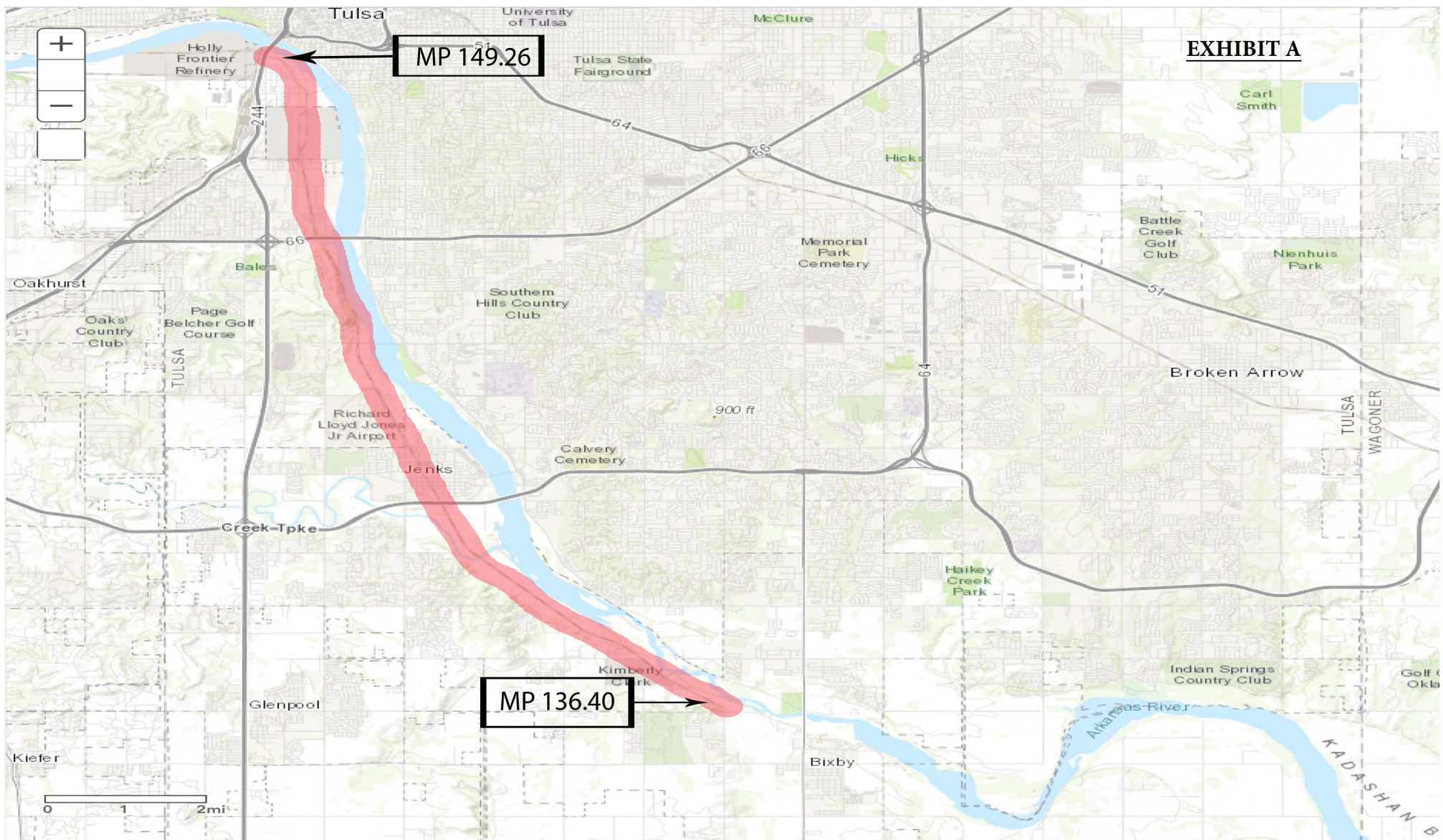
Suite 800

Chicago, Illinois 60606-3208

(312) 252-1500

**ATTORNEYS FOR TULSA-SAPULPA UNION
RAILWAY COMPANY, L.L.C.**

Dated: November 7, 2018



Docket No. FD 36237

Tulsa - Sapulpa Union Railway Company LLC -
Renewal of Lease Exemption with Interchange Commitment -
Union Pacific Railroad Company

CERTIFICATION AND VERIFICATION

I, Kevin Tucker, Vice President and General Manager of Tulsa-Sapulpa Union Railway Company, L.L.C. ("TSU"), hereby certify that TSU's projected annual revenues will not as a consequence of the proposed transaction result in TSU becoming a Class II or Class I rail carrier so as to require processing of the foregoing notice of exemption under 49 C.F.R. § 1150.45, and that TSU's projected annual revenues will not exceed \$5,000,000.00.

I further hereby certify that TSU has provided, under cover of the attached letter, notice of the proposed transaction and interchange commitment to shippers that currently use or have used in the prior two years the rail line from milepost 136.40 to milepost 149.26 in Tulsa County, Oklahoma which is the subject of this proceeding.

Furthermore, pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing notice of exemption is true and correct to the best of my knowledge and belief.

A handwritten signature in black ink, reading "Kevin Tucker", written over a horizontal line.

Kevin Tucker
Vice President and General Manager
Tulsa-Sapulpa Union Railway Company, L.L.C.

Executed on: November 5, 2018

November 7, 2018

VIA U.S. MAIL

SHIPPER ADDRESS

Re: **Docket No. FD 36237
Tulsa-Sapulpa Union Railway Company, L.L.C. – Renewal Of Lease
Exemption With Interchange Commitment – Union Pacific Railroad
Company Jenks Industrial Lead**

Dear _____:

As a shipper on the rail line described herein, and in accordance with 49 C.F.R. § 1150.43, this letter serves as notification that Tulsa-Sapulpa Union Railway Company, L.L.C. (“TSU”) and Union Pacific Railroad Company (“UP”) have agreed to renew TSU’s lease of a rail line and related industrial trackage in Tulsa County, Oklahoma known as the Jenks Industrial Lead extending from milepost 136.40 in Jenks to milepost 149.26 in Tulsa (the “Line”). The lease from UP to TSU contains an interchange commitment under which asset use fees for the Line are imposed if TSU interchanges rail traffic originating or terminating on the Line with a railroad other than UP.

TSU will be filing a Notice of Exemption for this lease renewal transaction at the Surface Transportation Board in Docket No. FD 36237.

Sincerely,

Bradon J. Smith
Attorney for the
Tulsa-Sapulpa Union Railway Company, L.L.C.

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

DOCKET NO. FD 36237

TULSA-SAPULPA UNION RAILWAY COMPANY, L.L.C.
-- RENEWAL OF LEASE EXEMPTION WITH INTERCHANGE COMMITMENT --
UNION PACIFIC RAILROAD COMPANY JENKS INDUSTRIAL LEAD

Tulsa-Sapulpa Union Railway Company, L.L.C. (“TSU”), a Class III rail carrier, has filed a Notice of Exemption under 49 C.F.R. § 1150.41 et seq. to renew its lease with Union Pacific Railroad Company (“UP”) for UP’s Jenks Industrial Lead extending from milepost 136.40 in Jenks to milepost 149.26 in Tulsa, a distance of approximately 12.86 miles in Tulsa County Oklahoma. The lease renewal agreement between TSU and UP includes an interchange commitment.

TSU expects to consummate the proposed lease renewal on or shortly after December 21, 2018.

Comments must be filed with the Board and served on:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

This Notice is filed under 49 C.F.R § 1150.41. If this 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.

Dated: _____, 2018

By the Board