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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36410

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NORTHEAST TEXAS CONNECTOR, LLC
—OPERATING EXEMPTION—
NORTHEAST TEXAS RURAL RAIL TRANSPORTATION DISTRICT

**PETITION FOR PARTIAL WAIVER OF
49 C.F.R. § 1150.32(b)'s EXEMPTION EFFECTIVE DATE**

Charles Shewmake
Charles.Shewmake@tklaw.com
(214)-969-2122

Jake Winslett
Jake.Winslett@tklaw.com
(214)-969-1377

Thompson & Knight, LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, TX 75201
(214) 969-2122

**ATTORNEYS FOR NORTHEAST
TEXAS CONNECTOR, LLC**

Dated: June 12, 2020

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Northeast Texas Connector, LLC (“NETC”) petitions the Surface Transportation Board for a waiver of 49 C.F.R. 1150.32(b)’s requirement that the Notice of Exemption NETC filed on June 3, 2020 “will be effective 30 days after the notice is filed.” NETC hereby requests that this otherwise applicable 30-day time period under which the Notice would take effect¹ be reduced to 23 days so that NETC can assume operations over the Line by June 26, 2020.

NETC filed a Verified Notice of Exemption with the Board on June 3, 2020 pursuant to 49 C.F.R. Part 1150, Subpart D—Exempt Transactions, to permit NETC to assume operations as a common carrier over approximately 65.59 miles of rail line (the “Line”) owned by the Northeast Texas Rural Rail Transportation District (“NETEX”) in Hunt, Delta, Hopkins, Franklin, and Titus Counties, Texas. The current operator of the Line is The Blacklands Railroad (“BLR”). The Board recently granted BLR an exemption to discontinue its operations on the Line. *See* STB Docket No. AB 1108 (Sub-No. 1X), *The Blacklands Railroad—Discontinuance of Service Exemption—In Hunt, Delta, Hopkins, Franklin, and Titus Counties, Tex.* (not printed) served February 14, 2020.

¹ Due to the annual revenue projections for NETC (below \$5 million annually), the present Notice would become effective thirty (30) days from the date of filing, barring a stay. *See* 49 C.F.R. § 1150.32(b).

NETC and NETEX entered into an Operating Agreement on June 11, 2020 to allow NETC to perform common carrier service on the Line. Under the new Operating Agreement, NETC replaces BLR as common carrier operator of the Line.

After NETC filed its Notice of Exemption, BLR informed NETC and NETEX that it intended to discontinue its rail service on the Line on June 30, 2020. Pursuant to 49 C.F.R. § 1150.32(b), NETC's Notice of Exemption would not become effective until July 3, 2020. Therefore, a disruption in rail service on the Line will result, causing harm to both NETEX and shippers, unless a partial waiver of § 1150.32(b)'s 30-day time period is granted.

Granting the petition would allow NETC to adequately evaluate the Line's physical condition and assess the need for any required rehabilitation. Additionally, granting NETC early operating rights on the Line will allow it to make the necessary preparations to immediately assume operations once BLR discontinues its rail service on June 30, 2020. NETC is currently in the process of transporting locomotives to the Line, building drop tables to perform rail maintenance, beginning all required hiring and training, and has completed all necessary documentation for the Federal Railway Association. However, NETC is unable to complete other necessary work, or begin operations, until the exemption becomes effective.

In addition to the benefits that NETEX and the shippers will obtain from NETC assuming operations by June 26, 2020, no other party will be harmed. NETC provided notice to all known shippers on the Line of the change in operators on June 4, 2020. Thus, all parties with an immediate interest in the rail service transition are aware of the planned operator change. In addition, the Board has already granted BLR, the current operator, an exemption to discontinue its rail service on the Line, and BLR intends to discontinue its service on June 30, 2020. Therefore,

if NETC is granted operating rights over the Line before BLR discontinues its service, harmful disruption of rail service will be avoided.

The Board has authorized expedited effectiveness where it would avoid a disruption of rail service and benefit shippers through an adequately maintained line.² Therefore, NETC respectfully requests the Board make the Notice effective on June 26, 2020.

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

Respectfully Submitted,

/s/ Charles Shewmake
Charles Shewmake
Charles.Shewmake@tklaw.com
(214)-969-2122

Jake Winslett
Jake.Winslett@tklaw.com
(214)-969-1377

Thompson & Knight, LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, TX 75201
(214) 969-2122

Attorneys for:
Northeast Texas Connector, LLC

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² *Coos Bay Rail Line, Inc.—Change in Operators Exemption—Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link*, Finance Docket No. 36241, slip op. at 2 (served November 14, 2018); *The Great Lake Port Corporation d/b/a Grand River Railway—Acquisition and Operation Exemption—CSX Transportation, Inc.*, Finance Docket No. 35888, slip op. at 2 (served December 24, 2014).