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ENTERED

Office of Proceedings
February 25, 2021
Part of
Public Record

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February 25, 2021

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 20423-0001

Re: **FD 36479**
Palouse River and Coulee City Railroad, L.L.C. —
Lease and Operation Exemption —
Union Pacific Railroad Company

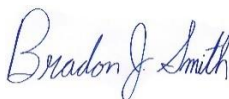
Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is a **Verified Notice of Exemption of Palouse River & Coulee City Railroad, L.L.C. Pursuant to 49 C.F.R. § 1150.42** dated February 25, 2021. A confidential version of the notice has been filed separately. The filing fee for this matter has been tendered electronically via Pay.gov.

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

FILED
February 25, 2021
SURFACE TRANSPORTATION
BOARD

Respectfully submitted,



Bradon J. Smith
Attorney for
Palouse River & Coulee City Railroad L.L.C.

BJS:bs

Attachments

FEE RECEIVED
February 25, 2021
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36479

PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

Bradon J. Smith
Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606
(312) 252-1500

**ATTORNEYS FOR PALOUSE RIVER &
COULEE RAILROAD, L.L.C.**

Dated: February 25, 2021

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36479

PALOUSE RIVER & COULEE RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
PALOUSE RIVER & COULEE RAILROAD, L.L.C.
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

Pursuant to 49 C.F.R. Part 1150, Subpart E, Palouse River & Coulee Railroad, L.L.C. (“PRCC”), a Class III rail carrier, hereby files this Verified Notice of Exemption (the “Notice”) to renew its lease from Union Pacific Railroad Company (“UP”) of a line of railroad (the “Line”) between milepost 0.0 at Arlington, Oregon, and milepost 11.50 at Gilliam, Oregon, a distance of approximately 11.5 route miles. In accordance with the requirements of 49 C.F.R. § 1150.43, PRCC 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:

Palouse River & Coulee Railroad, L.L.C.
315 W. Third Street
Pittsburg, KS 66782

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

PRCC’s representative to whom correspondence regarding this transaction should be sent is as follows:

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

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

PRCC has leased and operated the Condon Subdivision since 2003. *Palouse River & Coulee Railroad, Inc — Lease and Operation Exemption — Union Pacific Railroad Company*, FD 34385 (STB served Aug. 21, 2003) (“*PRCC-2003*”). UP and PRCC have negotiated and executed an amendment extending the term of the lease governing the Condon Subdivision through August 31, 2025 (the “Amendment”). The Amendment will take effect as of the effective date of the class exemption.

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

PRCC will continue to operate and provide all rail common carrier freight service to shippers on the Line.

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

PRCC and UP have reached an agreement to amend PRCC’s lease of the Line, also known as the Condon Subdivision, extending between milepost 0.0 at Arlington, Oregon, and milepost 11.50 at Gilliam, Oregon. The subject transaction involves approximately 11.5 route miles of railroad line PRCC has leased since 2003. *PRCC-2003*.

PRCC intends to consummate the Amendment on or shortly after the effective date of the subject class exemption.

The name and address of the railroad leasing the Condon Subdivision to PRCC is:

Union Pacific Railroad Company
1400 Douglas St.
Omaha, NE 68179

Map: 49 C.F.R. § 1150.43(f)

A map showing the Condon Subdivision is attached as Exhibit A to this Notice.

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

The projected revenues will not result in the creation of a Class I or II rail carrier; a certification to this effect is made with the verification of this Notice.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

(i) The lease includes an interchange commitment. There are no affected interchanges.

(ii) The complete, confidential version of the leases and the amendments thereto subject to this Notice is filed under seal as Exhibit B.

(iii) Waste Management is the sole customer on the Condon Subdivision that has received service in the past two years.

(iv) The confidential aggregate number of carloads originated or terminated on the Leased Lines by the above-listed shippers is as follows:

2018: [REDACTED]

2019: [REDACTED]

(v) PRCC certifies that it has provided notice of the proposed transaction and interchange commitment to the above-listed shipper (see transmittal letter attached as Exhibit C).

(vi) As there are no affected interchange points, there are no affected carriers.

(vii) The value of the Line without the interchange commitment is identified on the table in Section 4.02 of the Agreement.

(viii) PRCC has filed this Notice of Exemption with the existence of an interchange commitment designated in the caption.

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

PRCC's annual revenue is not anticipated to exceed \$5 million.

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

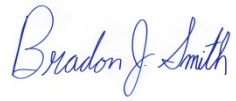
Under 49 C.F.R. § 1105.6(c)(2), this transaction is exempt from environmental reporting requirements because it will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), the transaction—which intended is for the purpose of continued rail operations—is exempt from historic preservation reporting requirements. Separate Surface Transportation Board approval would be required to discontinue any service, and 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. § 1150.42(a)

A caption summary in appropriate form is attached as Exhibit D to this Notice.

Respectfully submitted,



Bradon J. Smith
Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR PALOUSE RIVER &
COULEE RAILROAD, L.L.C**

Dated: February 25, 2021

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

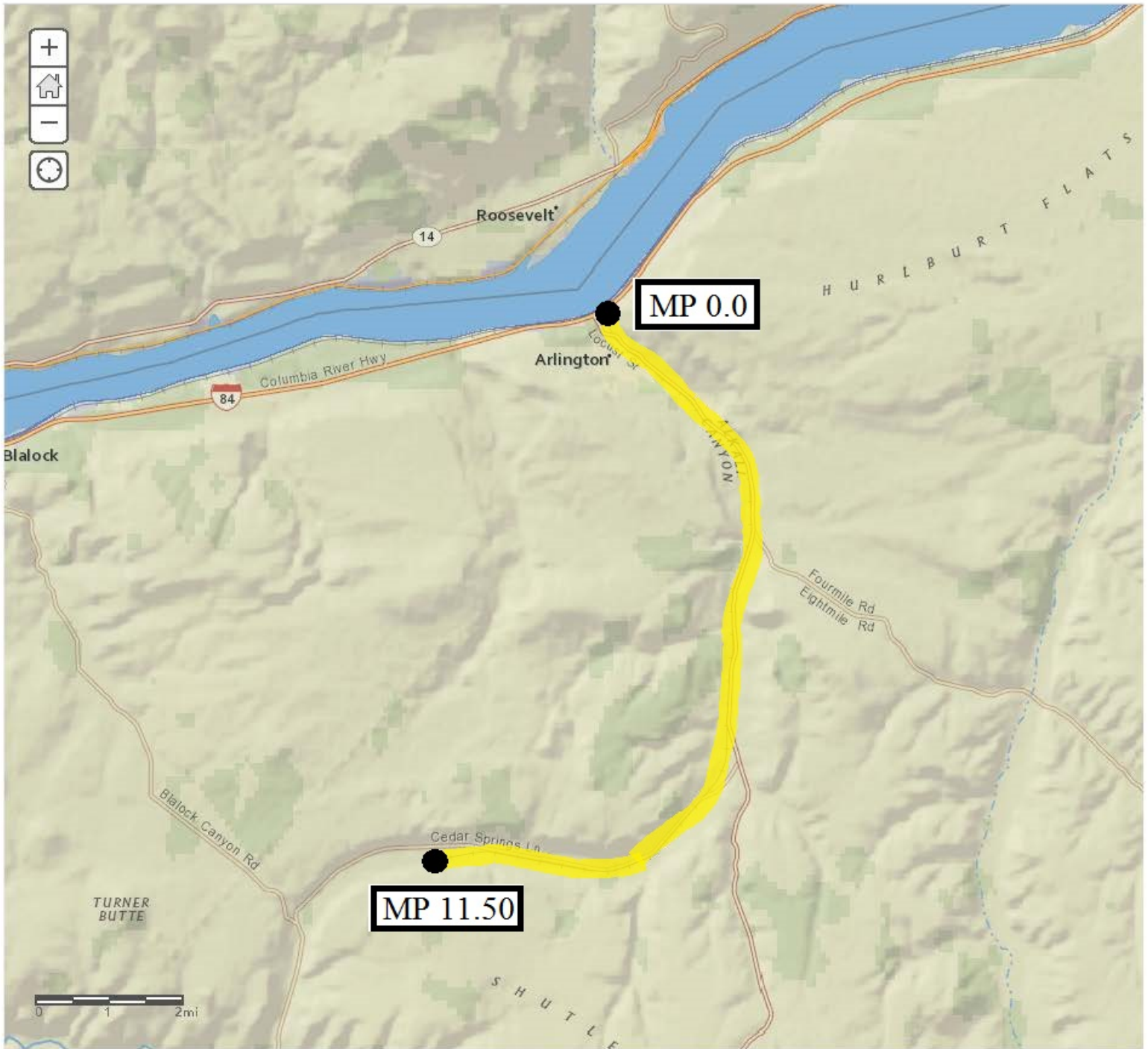
FD 36479

**PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY**

EXHIBIT A

MAP

FD-36479
Exhibit A



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36479

**PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY**

CONFIDENTIAL EXHIBIT B

TRANSACTION DOCUMENTS

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36479

**PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY**

CONFIDENTIAL EXHIBIT B

TRANSACTION DOCUMENTS

(LEASE EXTENSION IS A SEPARATE FILE)

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36479

**PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY**

EXHIBIT C

NOTICE TO CUSTOMER

VIA EMAIL

February 25, 2021

Robert M. Jones
Senior District Manager
Waste Management
18177 Cedar Springs Lane
Arlington, OR 97812
rjones40@wm.com

Re: **FD 36479**
Palouse River & Coulee Railroad, L.L.C. — Lease Exemption with
Interchange Commitment — Union Pacific Railroad Company

Dear Sir:

Palouse River & Coulee Railroad, L.L.C. (“PRCC”) has filed a Notice of Exemption (the “Notice”) with the Surface Transportation Board (“STB”) to extend its lease from Union Pacific Railroad Company (“UP”) of the “Condon Subdivision” between milepost 0.0 at Arlington, Oregon and milepost 11.50 at Gilliam, Oregon, a distance of approximately 11.5 miles. PRCC will continue providing rail service to your facility on this line.

We are providing you with this information in keeping with STB shipper notice requirements. You are not required to respond or to this letter or otherwise participate in the STB proceeding. If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,

Bradon J. Smith
Attorney for Palouse River & Coulee Railroad,
L.L.C.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36479

**PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
UNION PACIFIC RAILROAD COMPANY**

EXHIBIT D

FEDERAL REGISTER NOTICE

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

PALOUSE RIVER & COULEE CITY RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT—
UNION PACIFIC RAILROAD COMPANY

Palouse River & Coulee Railroad, L.L.C., (“PRCC”) a carrier, has filed a notice of exemption (the “Notice”) to extend its lease from Union Pacific Railroad Company (“UP”) of a line of railroad known as the “Condon Subdivision” between Milepost 0.0 at Arlington, Oregon, and Milepost 11.50 at Gilliam, Oregon, a distance of approximately 11.5 miles.

Comments must be filed with the Board and served on:

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

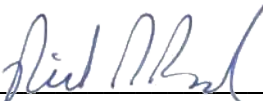
The notice is filed under 49 C.F.R. § 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

CERTIFICATION AND VERIFICATION

Rick D. Baden hereby certifies and verifies under penalty of perjury as follows:

1. I am the Executive Vice President and Chief Financial Officer of the Palouse River & Coulee Railroad, L.L.C. ("PCRR").
2. The annual rail revenues of PCRR will not result in PCRR becoming Class I or II rail carrier under the thresholds set forth at 49 C.F.R. § 1201 (1-1).
3. I have read the foregoing Notice of Exemption and know that the facts stated herein are true.

Dated: February 25, 2021



Rick D. Baden