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CHICAGO, ILLINOIS 60604-1228
TELEPHONE (312) 236-0204
mcfarland@aol.com



THOMAS F. MCFARLAND

August 29, 2018

246293

By UPS overnight mail

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

ENTERED
Office of Proceedings
August 30, 2018
Part of
Public Record

Re: Finance Docket No. 36216, *San Pedro Valley Holdings, LLC -- Acquisition Exemption -- San Pedro and Southwestern Railroad Company in Cochise County, AZ*

Dear Ms. Brown:

Hereby transmitted is the original and 10 copies of a Verified Notice Of Exemption Under 49 C.F.R. § 1150.31 for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$2,000 for the filing fee.

Very truly yours,

Thomas F. McFarland
Attorney for Applicant

TMcf;mg;enc;1817ltrSTB1

FILED
August 30, 2018
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
August 30, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

SAN PEDRO VALLEY HOLDINGS, LLC)
-- ACQUISITION EXEMPTION -- SAN) FINANCE DOCKET
PEDRO AND SOUTHWESTERN) NO. 36216
RAILROAD COMPANY IN COCHISE)
COUNTY, AZ

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31

SAN PEDRO VALLEY HOLDINGS, LLC
1575 North Green Mount Road, Suite 300
P.O. Box 99
O'Fallon, IL 62269

Applicant

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1666
Chicago, IL 60604-1112
(312) 236-0204 (office)
mcfarland@aol.com

Attorney for Applicant

Date Filed: August 30, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

SAN PEDRO VALLEY HOLDINGS, LLC)
-- ACQUISITION EXEMPTION -- SAN) FINANCE DOCKET
PEDRO AND SOUTHWESTERN) NO. 36216
RAILROAD COMPANY IN COCHISE)
COUNTY, AZ

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

Pursuant to the class exemption at 49 C.F.R. § 1150.31, et seq., SAN PEDRO VALLEY HOLDINGS, LLC (SPVH), a noncarrier, hereby provides notice of its class exemption from 49 U.S.C. § 10901 for its acquisition from San Pedro and Southwestern Railroad Company (SPSR), of two rail lines, i.e., (1) from point of connection to Union Pacific Railroad Company (UP) at Milepost No. 1033.25 at or near Benson, AZ and the end of track at Milepost No. 1040.15 at or near St. David, AZ, a distance of 6.9 miles in Cochise County, AZ; and (2) from point of connection to UP at Milepost No. 1074 at or near Willcox, AZ to all tracks at Willcox Yard, a total of 8,281 feet or 1.57 miles in Cochise County, AZ. The Rail Lines total approximately 8.47 miles.

This Notice of Exemption is related to Finance Docket No. 36218, being filed simultaneously, wherein an SPVH affiliate, CGX, Inc. (CGX), is providing notice of its class exemption from 49 U.S.C. § 11323 for its continuance in control of SPVH when SPVH becomes a rail carrier in this Docket.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.43

(a) The full name and address of the applicant;

Applicant is SAN PEDRO VALLEY HOLDINGS, LLC (SPVH), 1575 North Green Mount Road, Suite 300, P.O. Box 99, O'Fallon, IL 62269.

(b) The name, address, and telephone number of the representative of the applicant who should receive correspondence;

Applicant's representative is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1666, Chicago, IL 60604-1228, ph (312) 236-0204, mcfarland@aol.com.

(c) A statement that an agreement has been reached or details about when an agreement will be reached;

An agreement has been reached between SPVH and SPSR for SPVH to acquire the Rail Lines.

(d) The operator of the property;

The operator of the property will be San Pedro Valley Railroad, LLC (SPVR).

(e) A brief summary of the proposed transaction, including:

(1) The name and address of the railroad transferring the subject operating authority,

The entity transferring the rail line to SPVH is San Pedro and Southwestern Railroad Company, 796 East Country Club Drive, P.O. Box 1420, Benson, AZ 85602.

(2) The proposed time schedule for consummation of the transaction,

The transaction will be consummated no sooner than the 30th day after filing of this notice.

(3) The mile-posts of the subject property, including any branch lines, and

The Rail Lines extend (1) from point of connection to Union Pacific Railroad Company (UP) at Milepost No. 1033.25 at or near Benson, AZ and the end of track at Milepost No. 1040.15 at or near St. David, AZ, a distance of 6.9 miles in Cochise County, AZ; and (2) from point of connection to UP at Milepost No. 1074 at or near Willcox, AZ to all tracks at Willcox Yard, a distance of 1.57 miles in Cochise County, AZ.

(4) The total route miles being acquired;

A total of approximately 8.47 miles of rail line will be acquired.

(f) A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and States; and

Attached to this notice as Appendix 1 are maps on which the Rail Lines are shown.

(g) A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier.

Attached to this notice as Appendix 2 is a verification that SPVH's projected revenues do not exceed those that would qualify it as a Class III rail carrier.

VERIFICATION

The verification attached to this notice as Appendix 2 includes a verification of all facts contained in this notice.

REVENUES LESS THAN \$5 MILLION PER YEAR

The verification attached as Appendix 2 includes a verification that the projected revenues of SPVH will not exceed \$5 million per year.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

Pursuant to 49 C.F.R. § 1105.6(c)(2), no environmental documentation or report is required for the proposed transaction. Pursuant to 49 C.F.R. § 1105.8(b)(2), no historic documentation or report is required for the proposed transaction.

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10902(d), no labor protection is required for the proposed transaction.

CAPTION SUMMARY

Attached to this notice as Appendix 3 is a caption summary required by 49 C.F.R. § 1150.34.

LAND GRANT RIGHT-OF-WAY

Applicant is not aware of any land grant right-of-way in the Rail Line.

NO INTERCHANGE COMMITMENTS

The proposed transaction does not involve any interchange commitments.

CONCLUSION

WHEREFORE, the Board should publish notice of the exemption in the *Federal Register* within 16 days of its filing.

Respectfully submitted,

SAN PEDRO VALLEY HOLDINGS, LLC
1575 North Green Mount Road, Suite 300
P.O. Box 99
O'Fallon, IL 62269

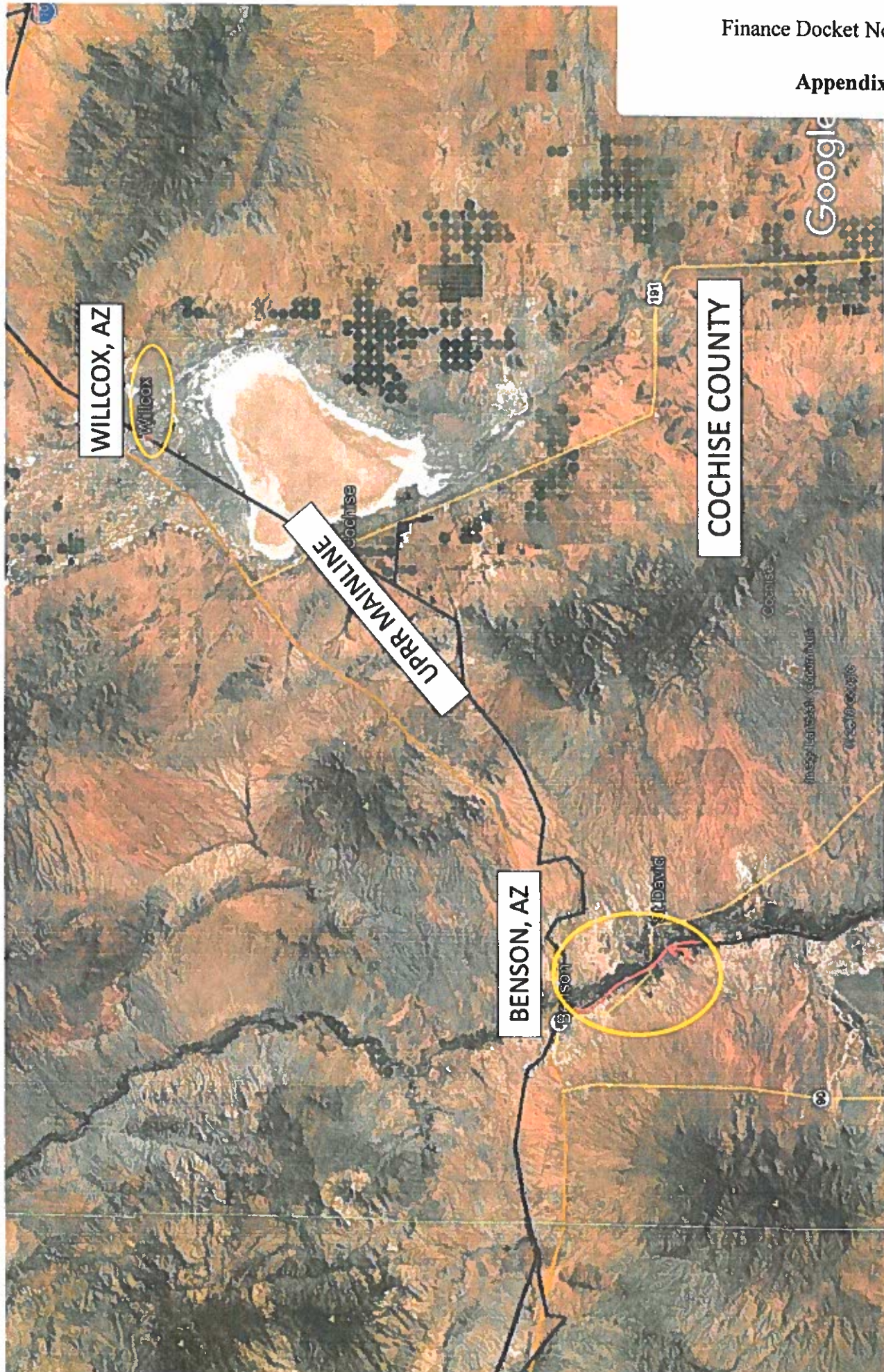
Applicant

Thomas F. McFarland

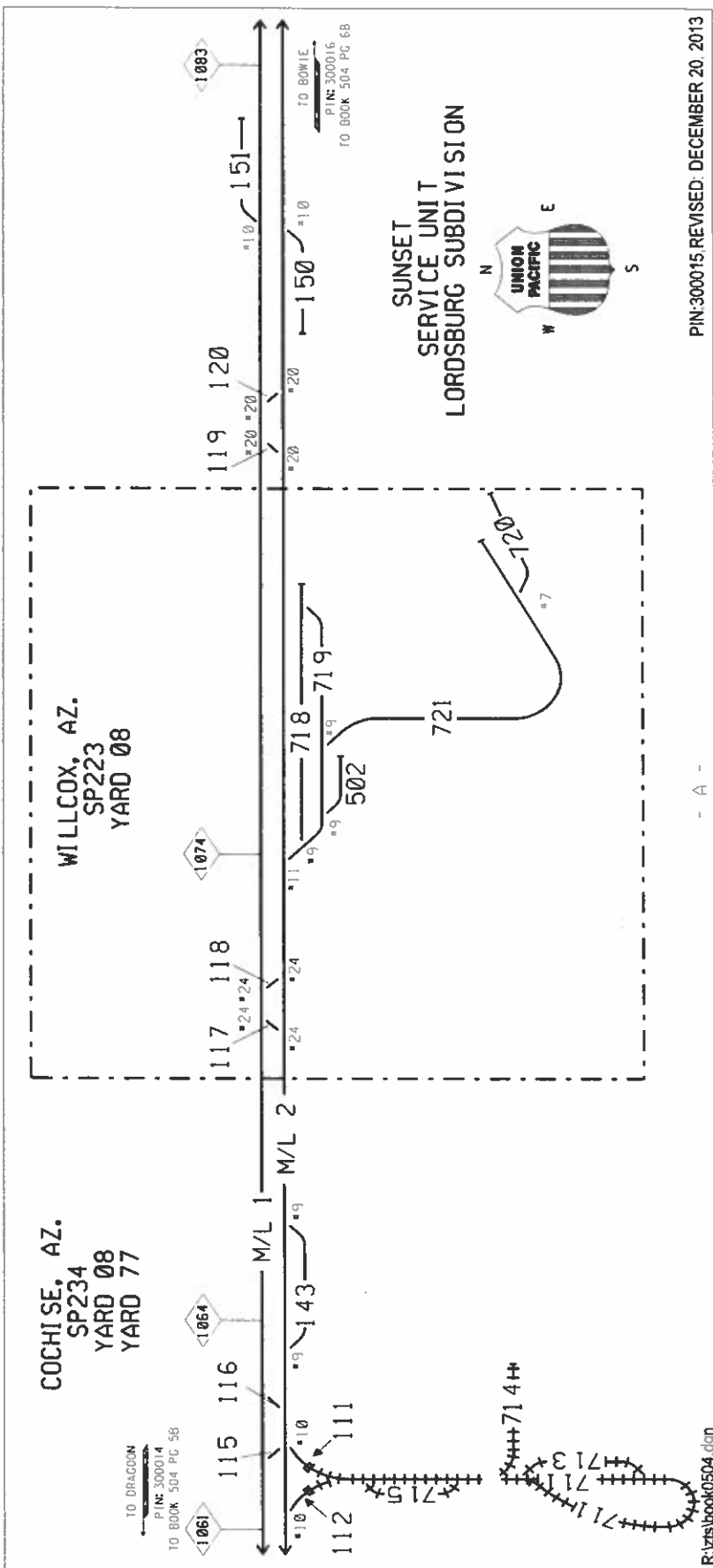
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Attorney for Applicant

Date Filed: August 30, 2018



ZTS TRK. NO. NAME	CONTRACT NO.	ZTS TRK. NO. NAME	CONTRACT NO.	ZTS TRK. NO. NAME	CONTRACT NO.
COCHISE, AZ. 111 AEP EAST LEG WYE 112 AEP WEST LEG WYE 143 COCHISE SETOUT (TEAM TRK) 711 AEP BALLOON TRACK 713 ARI ZONA ELECTRIC POWER 714 BORAL MATERIALS TECH INC 715 ARI ZONA ELECTRIC MITE	YARD 08 S031844 S031844 270034 S031844 S031844 248669 S031844	WILLCOX, AZ. 502 SAN PEDRO & SOUTHWESTERN 718 SAN PEDRO & SOUTHWESTERN 719 SAN PEDRO & SOUTHWESTERN 720 SAN PEDRO & SOUTHWESTERN 721 SAN PEDRO & SOUTHWESTERN	YARD 08 2334-66 2334-66 2334-66 2334-66 2334-66	RASO, AZ. 150 RASO SOUTH SET-OUT TRACK 151 RASO NORTH SET-OUT TRACK	YARD 08
COCHISE, AZ. 115 X-OVER MP 1061.22 116 X-OVER MP 1061.39	YARD 77	WILLCOX, AZ. 117 X-OVER MP 1061.22 118 X-OVER MP 1061.39	YARD 77 FUTURE FUTURE	RASO, AZ. 119 XOVER MP 1081.12 120 XOVER MP 1081.25	YARD 77 FUTURE FUTURE



PIN:300015 REVISED: DECEMBER 20, 2013

VERIFICATION

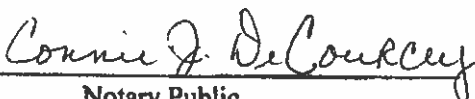
MATTHEW CUNDIFF, being duly sworn, states that he is an authorized representative of San Pedro Valley Holdings, LLC (SPVH); that he has read the foregoing Notice of Exemption; that the projected annual revenue of the rail lines being acquired by SPVH does not exceed \$5 million; that SPVH's projected revenues as a result of the proposed acquisition will not result in the creation of a Class I or Class II rail carrier; that the proposed acquisition does not involve any interchange commitment as defined in 49 C.F.R. § 1150.43(h); and that all allegations of fact contained in SPVH's Notice of Exemption are true and correct.



MATTHEW CUNDIFF

STATE OF ILLINOIS)
) SS:
COUNTY OF ST. CLAIR)

SUBSCRIBED and SWORN to before me
this 29th day of August, 2018.



Notary Public

My Commission expires: 10-6-2020



Appendix 3

CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

(Finance Docket No. 36216)

**SAN PEDRO VALLEY HOLDINGS, LLC -- ACQUISITION EXEMPTION -- SAN
PEDRO AND SOUTHWESTERN RAILROAD COMPANY IN COCHISE COUNTY, AZ**

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Any comments must be filed with the Board and must be served on applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1666, Chicago, IL 60604-1228, ph (312) 236-0204, mcfarland@aol.com.

This notice of exemption is filed under 49 C.F.R. § 1150.31. 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.

(SEAL)

By the Board