

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings
October 22, 2019
Part of
Public Record

STB Docket No. AB-1277X

SAVAGE DAVENPORT RAILROAD COMPANY
— DISCONTINUANCE OF SERVICE EXEMPTION —
IN SCOTT COUNTY, IA

SAVAGE DAVENPORT RAILROAD COMPANY'S
VERIFIED REPLY TO STERILITE'S REQUEST FOR STAY,
AND REPORT TO THE BOARD ON DEVELOPMENTS

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Date: October 22, 2019

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Savage Davenport Railroad Company (“**SDR**”) hereby provides additional information to the Board in reply to Sterilite Corporation’s request for stay filed October 9, 2019. This additional information should allay Sterilite’s concerns about SDR’s service discontinuance. The Board should deny Sterilite’s request for a stay of the effectiveness of the Board’s decision.

The Board’s decision in this proceeding,¹ served September 30, 2019, allows SDR to discontinue its service on a 2.8-mile rail line near Davenport, Iowa owned by the City of Davenport (the “Line”), because the exemption standards of 49 U.S.C. § 10502 are satisfied. When those standards are satisfied, section 10502 states that the Board “shall” exempt the transaction – in this case, SDR’s discontinuance of rail service on the City-owned Line – from regulation, as the Board has done in this case. The Board’s decision allowing SDR to discontinue service becomes effective on October 30, 2019.

¹ *Savage Davenport Railroad Company – Discontinuance of Service Exemption – in Scott County, Iowa, No. AB-1277X* (STB served Sep. 30, 2019).

In its October 9 submission, Sterilite, the sole customer on the Line, expresses concerns about losing rail service. However, SDR wishes to advise the Board that on October 15, 2019, SDR and the City signed a written lease extension agreement under which SDR will maintain service on the Line through December 31, 2019, in consideration for certain financial support. This service commitment through the end of the year will give the City additional time to work on locating an alternative rail service provider for the Line. SDR has communicated with Sterilite to make Sterilite aware of SDR's commitment to maintain rail service on the Line through the end of 2019.

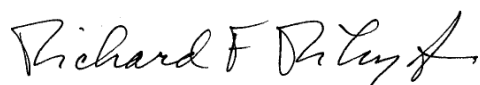
SDR's commitment to maintain service through year-end should resolve Sterilite's reasonable concerns. SDR emphasizes that nothing in Sterilite's submission contradicts the Board's findings in its September 30 Decision that SDR satisfies the exemption standards of section 10502, and hence that SDR must be allowed to discontinue this financially unsustainable rail service. Sterilite acknowledges (submission at 3) that it does not "inherently oppose" SDR's service discontinuance, but wishes for some accommodation. SDR's service commitment through December 31, 2019 provides reasonable accommodation to Sterilite.

CONCLUSION

For the foregoing reasons, the Board should not stay its Decision in this proceeding served September 30, 2019. The Decision should be allowed to become effective on October 30, 2019 according to its terms.

Respectfully submitted,

Savage Davenport Railroad Company



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Davenport Railroad Company*

Dated: October 22, 2019

VERIFICATION

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

Don Alexander, being duly sworn, deposes and says that he is the officer of Savage Enterprises, LLC responsible for its subsidiary Savage Davenport Railroad Company; that he has read the foregoing Verified Reply to Request for Stay and Report to the Board in STB Docket AB-1277X; and that the facts set forth therein are true and correct to the best of his knowledge and belief.



Don Alexander
Executive Vice President and Group Leader,
Rail & Transload Solutions
Savage Enterprises, LLC

Subscribed and sworn to before me this 21st day of October, 2019 by Don Alexander.


Notary Public

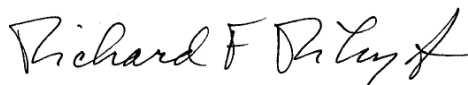


CERTIFICATE OF SERVICE

I certify that on the 22nd day of October, 2019, copies of the foregoing document were served upon the following parties by email delivery pursuant to 49 C.F.R. § 1104.12(a):

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