



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36193]

Chicago Junction Railway Company, LLC—Change in Operators Exemption Including Interchange Commitment—Chicago Terminal Railroad Company

Chicago Junction Railway Company, LLC (CJR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to assume operations over approximately 25 miles of rail line owned by Union Pacific Railroad Company (UP) located in the Centex Industrial Park and 11,500 feet of track in the adjacent Elk Grove Yard in Elk Grove Village, Ill. (the Lines). The Lines originate at the west end of UP's approximate 800-foot Elk Grove Lead track extending from its Milwaukee Subdivision at milepost 7.8.

The verified notice indicates that the Lines are currently operated by Chicago Terminal Railroad Company (CTR) and that, as a result of this transaction, CJR will become a Class III carrier and replace CTR as the Lines' operator. CJR states that CTR's current operations on the Lines are governed by an agreement between UP and CTR that will be terminated as of May 31, 2018, and that CTR is ceasing its operation of the Lines pursuant to that termination and does not object to the proposed change in operators. CJR further states that it and UP have agreed to enter into a lease agreement providing for CJR's lease and operation of, and provision of rail common carrier service on, the Lines. CJR states that it is a newly formed, noncarrier subsidiary of Progressive Rail Incorporated

(PGR). According to CJR, PGR is a Class III rail carrier that controls five other Class III rail carriers that operate in the Upper Midwest and North Carolina.

This transaction is related to a concurrently filed verified notice of exemption in Progressive Rail Inc.—Continuance in Control Exemption—Chicago Junction Railway, Docket No. FD 36194, in which PGR seeks to continue in control of CJR upon CJR's becoming a Class III rail carrier.

As required by 49 CFR 1150.33(h), CJR has disclosed in its verified notice that the lease agreement between CJR and UP contains an interchange commitment with respect to the lease payments by CJR to UP and that the agreement affects an interchange point with the Soo Line Railroad Company, d/b/a Canadian Pacific Railway, at Elk Grove Village.¹ CJR has provided additional information regarding the interchange commitment as required by section 1150.33(h).

CJR certifies that its projected annual revenues as a result of this transaction will not exceed those that would result in the creation of a Class II or Class I rail carrier and further certifies that its projected annual revenues will not exceed \$5 million. Under 49 CFR 1150.32(b), a change in operator requires that notice be given to shippers. CJR certifies that notice of the change in operator was served on the shippers on the Lines.

The earliest this transaction may be consummated is June 1, 2018, the effective date of the exemption.

¹ On May 9, 2018, CJR supplemented its verified notice of exemption to clarify the interchange point.

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than May 25, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36193, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Audrey L. Brodrick, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

According to CJR, this action is exempt from environmental reporting requirements under 49 CFR 1105.6(c).

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Decided: May 15, 2018.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Jeffrey Herzig

Clearance Clerk

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