



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36013]

Southern Switching Company—Operation Exemption—Lone Star Railroad, Inc.

Southern Switching Company (SSC), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to operate approximately 3.18 miles of rail line at an industrial park near Big Springs, in Howard County, Tex. (the Line), pursuant to an operating agreement with its sister rail carrier, Lone Star Railroad, Inc. (LSR), the owner of the Line.¹ There are no mileposts on the Line.²

According to SSC, the Line connects with a rail line owned and operated by Union Pacific Railroad Company between Dallas and El Paso, Tex.

SSC states that the agreement regarding the subject line does not involve an interchange commitment. SSC also states that its projected annual revenues as a result of this transaction do not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

¹ LSR is a wholly owned subsidiary of CGX, Inc. (CGX). SSC is a wholly owned subsidiary of Ironhorse Resources, Inc. (Ironhorse), which is a wholly owned subsidiary of CGX. Ironhorse and CGX are holding companies.

² LSR and SSC initially filed a joint petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10901 for LSR to construct, and of § 10902 for SSC to operate, the new 3.18-mile line of railroad. The Board granted the petition as it pertained to construction of the new line but denied it with respect to SSC's operation of the Line because the record did not support the authority requested. That denial was without prejudice to SSC's submitting either a properly supported petition for exemption from § 10902 or a verified notice of exemption pursuant to 49 CFR 1150.41. See Lone Star R.R.—Track Constr. & Operation Exemption—in Howard Cty., Tex., FD 35874 (STB served March 3, 2016). SSC's verified notice here seeks the operating authority that was denied in that case.

The transaction may be consummated on or after April 16, 2016, the effective date of the exemption (30 days after the verified notice of exemption was filed).

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 April 8, 2016 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36013, 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 applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604.

According to SSC, this action is categorically excluded from environmental review under 49 CFR 1105.6(c).

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: March 25, 2016.

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

Kenyatta Clay

Clearance Clerk

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