

short branch lines, none of the Fox System lines will connect to any other railroad owned or controlled by Watco Holdings. (*Id.* at 10.) Most of Fox System's lines are branch lines that connect to the WCL system and, with the exception of certain lines located in northern Wisconsin, do not connect to each other. (*Id.*)

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Because the transaction involves one Class II and one or more Class III rail carriers, the exemption will be made subject to the labor protection requirements of 49 U.S.C. 11326(b) and *Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad*, 2 S.T.B. 218 (1997).

The continuance in control portion of the transaction is exempt from environmental reporting requirements under 49 CFR 1105.6(c)(1)(i) because it would not result in any significant change in carrier operations. Similarly, the continuance in control component of the transaction is exempt from the historic reporting requirements under 49 CFR 1105.8(b)(3) because it would not substantially change the level of maintenance of railroad properties.

The continuance in control exemption in Docket No. FD 36506 will be effective on December 31, 2021, and petitions to stay will be due by December 27, 2021. Petitions to reopen also will be due by December 27, 2021.

**Conclusions.** For the reasons discussed above, the Board will allow the exemptions to become effective and the sales to Grand Elk and Fox System to proceed.

*It is ordered:*

1. All filings to date are accepted into the record.

2. The requests for revocation or stay in Docket Nos. FD 36503 and FD 36504 are denied.

3. Under 49 U.S.C. 10502, the Board exempts from the prior approval requirements of 49 U.S.C. 11323–25 the continued control of Fox System by Watco Holdings once Fox System becomes a rail carrier. The exemption is subject to the employee protective conditions in *Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad*, 2 S.T.B. 218 (1997).

4. Notice of the exemptions in Docket Nos. FD 36503, FD 36504, FD 36505, and FD 36506 will be published in the **Federal Register**.

5. The exemptions in Docket Nos. FD 36503, FD 36504, FD 36505, and FD 36506 will become effective on December 31, 2021. Petitions for stay must be filed by December 27, 2021.

Petitions to reopen also must be filed by December 27, 2021.

6. This decision is effective on its service date.

Decided: December 17, 2021.

By the Board, Board Members Fuchs, Oberman, Primus, and Schultz.

**Kenyatta Clay,**

*Clearance Clerk.*

[FR Doc. 2021–27903 Filed 12–22–21; 8:45 am]

**BILLING CODE 4915–01–P**

## **SURFACE TRANSPORTATION BOARD**

**[Docket No. FD 36503]**

### **Grand Elk Railroad, Inc.—Acquisition Exemption—Lines of Wisconsin Central Ltd. in the State of Michigan**

Grand Elk Railroad, Inc. (Grand Elk),<sup>1</sup> a Class III carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to acquire 142.64 miles of rail lines owned by Wisconsin Central Ltd. (WCL) in Michigan, consisting of 95.38 miles of active line and 47.26 miles of line over which WCL previously discontinued service (the Lines). Specifically, the Lines consist of (1) the Newberry Subdivision between Trout Lake, Mich., at milepost 27.5 and Munising Jct., Mich., at milepost 117.0, and between Munising Jct. at milepost 5.88 and Munising, Mich., at milepost 0.0, a total of 95.38 active route miles, and (2) the portion of the White Pine Subdivision located in Michigan between White Pine, Mich., at milepost 254.6 and the Michigan/Wisconsin border at milepost 302.36, a total of 47.26 miles that have been inactive since 2015.<sup>2</sup>

Grand Elk's acquisition is part of a larger transaction pursuant to which, in addition to Grand Elk's acquisition, (1) Fox Valley & Lake Superior Rail System, L.L.C. (Fox System), a newly created noncarrier subsidiary of Watco Holdings, would acquire from WCL approximately 328.52 miles of active rail lines and 180.75 miles of rail line over which WCL had discontinued service, all in the State of Wisconsin;<sup>3</sup>

<sup>1</sup> Grand Elk is an indirectly controlled subsidiary of Watco Holdings, Inc. (Watco Holdings), a noncarrier Delaware limited liability holding company.

<sup>2</sup> In 2015, WCL discontinued service over the White Pine Subdivision, including the portion extending into Wisconsin. See *Wis. Cent. Ltd.—Discontinuance of Serv. Exemption—in Ashland & Iron Cntys., Wis., & Gogebic & Ontonagon Cntys., Mich.*, AB 303 (Sub-No. 45X) (STB served Dec. 3, 2014) and notice of consummation filed on January 9, 2015.

<sup>3</sup> See *Fox Valley & Lake Superior Rail Sys., L.L.C.—Acquis. & Operation Exemption—Lines of Wis. Cent. Ltd. in the State of Wis.*, Docket No. FD 36504. Additionally, to continue in control of Fox

and (2) Fox System would transfer three segments of those lines, totaling approximately 42 miles, to Wisconsin & Southern Railroad, L.L.C. (WSOR), a Class II subsidiary of Watco Holdings.<sup>4</sup>

The effective date of the exemptions sought in Docket Nos. FD 36503, FD 36504, and FD 36505 was tolled to consider questions raised and solicit additional information. See *Grand Elk R.R.—Acquis. Exemption—Lines of Wis. Cent. Ltd. in the State of Mich.*, FD 36503 et al. (STB served Apr. 27, 2021). In a decision served on December 20, 2021, the Board held that the exemptions in Docket Nos. FD 36503, FD 36504, and FD 36505 could proceed and granted the petition for exemption sought in Docket No. FD 36506. See *Grand Elk R.R.—Acquis. Exemption—Lines of Wis. Cent. Ltd. in the State of Mich.*, FD 36503 et al. (STB served Dec. 20, 2021).

Grand Elk certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier. Pursuant to 49 CFR 1150.42(e), which applies “[i]f the projected annual revenue of the rail lines to be acquired or operated, together with the acquiring carrier's projected annual revenue, exceeds \$5 million,” Grand Elk certified on April 1, 2021, that notice of the transaction was posted at the workplaces of current WCL employees on the Lines and was being served on the national offices of the labor unions for those employees.

Grand Elk further certifies that the proposed transaction does not involve, and the purchase agreement does not include, any provision or agreement that would limit future interchange with a third-party connecting carrier.

The transaction may be consummated on or after December 31, 2021, the effective date of the exemption.

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 to stay must be filed no later than December 27, 2021.

All pleadings, referring to Docket No. FD 36503, should be filed with the Surface Transportation Board via e-filing on the Board's website. In

System once it becomes a carrier, Watco Holdings filed a petition for exemption in *Watco Holdings, Inc.—Continuance in Control Exemption—Fox Valley & Lake Superior Rail System, L.L.C.*, Docket No. FD 36506.

<sup>4</sup> See *Watco Holdings, Inc.—Exemption for Intra-Corp. Family Transaction—Fox Valley & Lake Superior Rail Sys., L.L.C.*, Docket No. FD 36505.

addition, a copy of each pleading must be served on Grand Elk's representative: David F. Rifkind, Stinson, LLP, 1775 Pennsylvania Avenue NW, Suite 800, Washington, DC 20006-4605.

According to Grand Elk, this action is categorically excluded from environmental review under 49 CCFR 1105.6(c) and historic preservation reporting under 49 CFR 1105.8(b).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: December 20, 2021.

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

**Eden Besera,**  
Clearance Clerk.

[FR Doc. 2021-27909 Filed 12-22-21; 8:45 am]

BILLING CODE 4915-01-P

## SURFACE TRANSPORTATION BOARD

[Docket No. FD 36505]

### **Watco Holdings, Inc.—Exemption for Intra-Corporate Family Transaction—Fox Valley & Lake Superior Rail System, L.L.C. and Wisconsin & Southern Railroad, L.L.C.**

Watco Holdings, Inc. (Watco Holdings), has filed a verified notice of exemption for an intra-corporate family transaction under 49 CFR 1180.2(d)(3) for the benefit of Fox Valley & Lake Superior Rail System, L.L.C. (Fox System), a Watco Holdings affiliate that is currently a noncarrier, and Wisconsin & Southern Railroad, L.L.C. (WSOR), a Class II carrier also controlled by Watco Holdings. Through this exemption, Fox System would transfer the following rail lines to WSOR for WSOR to operate as part of its system: (1) The Eden Spur from Eden, Wis. (milepost 138.7) to Fond du Lac, Wis. (milepost 146.04), a distance of approximately 7.34 miles; (2) the West Bend Subdivision from Granville, Wis. (milepost 99.5) to West Bend, Wis. (milepost 114.42), a distance of approximately 14.92 miles; and (3) the Saukville Subdivision from Mill (North Milwaukee), Wis. (milepost 95.18) to Saukville, Wis. (milepost 114.8), a distance of approximately 19.62 miles.

This intra-corporate family transaction is part of a larger transaction involving Watco Holdings, Fox System, and Grand Elk Railroad, Inc. (Grand Elk), a Class III carrier also controlled by Watco Holdings, in which Fox System and Grand Elk would acquire several hundred miles of rail lines in Wisconsin and Michigan, respectively, from Wisconsin Central Ltd. (WCL).<sup>1</sup> The

verified notice states that once Fox System consummates its acquisition of WCL lines contemplated in Docket No. FD 36504 (which lines include the Eden Spur, West Bend Subdivision, and Saukville Subdivision) and Watco Holdings obtains the authority to continue in control of Fox System pursuant to the exemption sought in Docket No. FD 36506, Fox System and WSOR expect to enter into an agreement for the transfer of the Eden Spur, West Bend Subdivision, and Saukville Subdivision from Fox System to WSOR.

The effective date of the exemptions sought in Docket Nos. FD 36503, FD 36504, and FD 36505 was tolled to consider questions raised and solicit additional information. *See Grand Elk R.R.—Acquis. Exemption—Lines of Wis. Cent. Ltd. in the State of Mich.*, FD 36503 et al. (STB served Apr. 27, 2021). In a decision served on December 20, 2021, the Board held that the exemptions in Docket Nos. FD 36503, FD 36504, and FD 36505 could proceed and granted the petition for exemption sought in Docket No. FD 36506. *See Grand Elk R.R.—Acquis. Exemption—Lines of Wis. Cent. Ltd. in the State of Mich.*, FD 36503 et al. (STB served Dec. 20, 2021).

The verified notice states that the proposed transaction does not impose or involve any interchange commitment by or affecting the parties, nor are any of the transferred rail lines subject to any agreement that imposes an interchange commitment.

Unless stayed, the exemption will be effective on December 31, 2021.

The verified notice states that the proposed transaction is within Watco Holdings' corporate family and will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. *See* 49 CFR 1180.2(d)(3).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Because the transaction involves one Class II rail carrier and one or more Class III rail carriers, the transaction is subject to the labor protection requirements of 49 U.S.C.

*Wis. Cent. Ltd. in the State of Wis.*, Docket No. FD 36504; *Grand Elk R.R.—Acquis. Exemption—Lines of Wis. Cent. Ltd. in the State of Mich.*, Docket No. FD 36503. To continue in control of Fox System once Fox System becomes a carrier, Watco Holdings filed a petition for exemption in *Watco Holdings, Inc.—Continuance in Control Exemption—Fox Valley & Lake Superior Rail System, L.L.C.*, Docket No. FD 36506.

11326(b) and *Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad*, 2 S.T.B. 218 (1997).

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 December 27, 2021.

All pleadings, referring to Docket No. FD 36505, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on Watco Holdings' representative: David F. Rifkind, Stinson, LLP, 1775 Pennsylvania Avenue NW, Suite 800, Washington, DC 20006-4605.

According to Watco Holdings, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and historic preservation reporting under 49 CFR 1105.8(b).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: December 20, 2021.

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

**Jeffrey Herzig,**  
Clearance Clerk.

[FR Doc. 2021-27989 Filed 12-22-21; 8:45 am]

BILLING CODE 4915-01-P

## SURFACE TRANSPORTATION BOARD

[Docket No. FD 36565]

### **LVR Railroad LLC—Acquisition and Operation Exemption—Landisville Railroad, LLC**

LVR Railroad LLC (LVR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from Landisville Railroad, LLC (Landisville), and operate a rail line located between approximately milepost 30.77, at the connection with Norfolk Southern Railway Company on the Harrisburg Line, owned by National Railroad Passenger Corporation (Amtrak), and approximately milepost 32.69, at the end of the track, north of Stony Battery Road, in West Hempfield, Lancaster County, Pa. (the Line).

The verified notice states that LVR and Landisville will shortly execute a purchase agreement under which LVR will purchase the Line from Landisville. LVR states that it intends to provide common carrier service over the Line upon consummation of the proposed transaction.

<sup>1</sup> *See Fox Valley & Lake Superior Rail Sys., L.L.C.—Acquis. & Operation Exemption—Lines of*