

B.C., Canada.<sup>1</sup> The verified notice indicates that the Lines are currently operated by Kettle Falls International Railway LLC (KFR), and that as a result of this transaction, SPN will become a Class III carrier and replace KFR as the Line's exclusive lessee and operator.

This transaction is related to a concurrently filed verified notice of exemption in *Progressive Rail Incorporated—Continuance in Control Exemption—St. Paul & Pacific Northwest Railroad Company*, Docket No. FD 36254, in which Progressive Rail Incorporated seeks to continue in control of SPN upon SPN's becoming a Class III rail carrier.

SPN certifies that the underlying lease and operation agreement does not contain an interchange commitment. SPN also certifies that its projected revenues as a result of this proposed transaction will not exceed those that would result in the creation of a Class II or Class I rail carrier but notes that they will exceed \$5 million. PGR filed the certification of notice to employees required under 49 CFR 1150.42(e) on November 1, 2018. Further, under 49 CFR 1150.32(b), a change in operator requires that notice be given to shippers. SPN certifies that notice of the change in operator was served on all known shippers on the Lines.

The earliest this transaction may be consummated is December 31, 2018, the effective date of the exemption (60 days after the Section 1150.42(e) certification was filed). SPN states that it expects to consummate the underlying transaction on receipt of all regulatory approvals, anticipated to be no later than January 1, 2019.

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 effectiveness of the exemption. Petitions for stay must be filed no later than December 24, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36246, must be filed with the Surface Transportation Board, 395 E Street SW, Washington, DC 20423. In addition, one copy of each pleading must be served on Bradon J. Smith, Fletcher & Sippel LLC,

29 North Wacker Drive, Suite 800, Chicago, Ill. 60606.

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Decided: December 3, 2018.

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

**Jeffrey Herzig,**  
*Clearance Clerk.*

[FR Doc. 2018–26581 Filed 12–6–18; 8:45 am]

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## **SURFACE TRANSPORTATION BOARD**

**[Docket No. FD 36254]**

### **Progressive Rail Incorporated— Continuance in Control Exemption— St. Paul & Pacific Northwest Railroad Company, LLC**

Progressive Rail Incorporated (PGR), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of St. Paul & Pacific Northwest Railroad Company, LLC (SPN), upon SPN's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in *St. Paul & Pacific Northwest Railroad Company, LLC—Change in Operators Exemption—Kettle Falls International Railway LLC*, Docket No. FD 36246. In that proceeding, SPN seeks to assume operations over approximately 83 miles of rail line owned by BNSF Railway Company, that extends north from Chewelah, Wash., to Kettle Falls, Wash., where the line branches; the West Branch continues northwest to West Kettle Falls, Wash., and the East Branch continues northeast across the United States-Canada border at milepost 139.7 and on to Columbia Gardens, B.C., Canada. PGR states that SPN is a new entity established by PGR to lease and operate those lines.

The earliest this transaction may be consummated is December 20, 2018, the effective date of the exemption (30 days after the verified notice was filed). PGR states that it intends to consummate the transaction concurrently with SPN's commencement of operations pursuant to Docket No. FD 36246, on or about January 1, 2019.

PGR will continue in control of SPN upon SPN's becoming a Class III rail carrier, while remaining in control of eight other Class III carriers: Airlake Terminal Railway Company, LLC; Central Midland Railway Company; Iowa Traction Railway Company; Iowa Southern Railway Company; Piedmont & Northern Railroad, LLC; Chicago Junction Railway Company; St. Paul & Pacific Railroad Company, LLC; and

Clackamas Valley Railway Company, LLC.

PGR verifies that: (1) The rail lines do not connect with the lines of PGR or of the lines of any of the other eight Class III rail carriers controlled by PGR; (2) this continuance in control transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. *See* 49 CFR 1180.2(d)(2).

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. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all the carriers involved are Class III carriers.

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 effectiveness of the exemption. Petitions for stay must be filed no later than December 13, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36254, must be filed with the Surface Transportation Board, 395 E Street SW, Washington, DC 20423. In addition, one copy of each pleading must be served on Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, Ill. 60606.

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Decided: December 3, 2018.

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

**Jeffrey Herzig,**  
*Clearance Clerk.*

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<sup>1</sup> SPN clarifies, for Board jurisdictional purposes, that the relevant distance of the East Branch from Chewelah to the international border is approximately 79 miles. It further states that the additional four miles of West Branch track it will lease makes the total to be leased by SPN approximately 83 miles of track.