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July 7, 2022  
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BEFORE THE  
SURFACE TRANSPORTATION BOARD

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FD 36627

TGS CEDAR PORT RAILROAD LLC  
— OPERATION EXEMPTION —  
IN CHAMBERS COUNTY, TEX.

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**VERIFIED NOTICE OF EXEMPTION OF  
TGS CEDAR PORT RAILROAD LLC  
PURSUANT TO 49 C.F.R. PART 1150, SUBPART D**

Robert A. Wimbish  
Bradon J. Smith  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 800  
Chicago, Illinois 60606-3208  
(312) 252-1500

**ATTORNEYS FOR TGS CEDAR PORT  
RAILROAD LLC**

FILED  
July 7, 2022  
SURFACE  
TRANSPORTATION BOARD

Dated: July 7, 2022

FEE RECEIVED  
July 7, 2022  
SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
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FD 36627

TGS CEDAR PORT RAILROAD LLC  
— OPERATION EXEMPTION —  
TRACK IN CHAMBERS COUNTY, TEX.

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**VERIFIED NOTICE OF EXEMPTION OF  
TGS CEDAR PORT RAILROAD LLC  
PURSUANT TO 49 C.F.R. PART 1150, SUBPART D**

TGS Cedar Port Railroad LLC (“TGSC”), a non-carrier, files the present notice of exemption pursuant to 49 C.F.R. Part 1150 subpart D (the “Notice”) for purposes of initiating railroad common carrier service over certain railroad track as described later in this notice (the “Track”) in Chambers County, Texas. The Track is (currently) unregulated private industrial track owned by a TGSC affiliate, TGS Cedar Port Partners LP (“TGSLP”), also a non-carrier (and one that will remain a non-carrier upon effectuation of the transaction that this the subject of this proceeding).<sup>1</sup> TGSLP and TGSC are both controlled by Trans-Global Solutions, Inc. (“TGSI”).<sup>2</sup> Based on projected revenues, TGSC expects to be a Class III rail carrier.<sup>3</sup>

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<sup>1</sup> TGSLP requires no authority to own the subject track as a non-carrier where TGSC (an affiliated entity) seeks authorization to operate the Track as common carrier. *See, e.g., Merced County Central Valley Railroad, LLC – Lease and Operation Exemption – Track in Merced County, Cal.*, FD 36589 (STB served June 10, 2022); *Charlotte Western Railroad, LLC – Change in Operator Exemption – Piedmont & Northern Railroad, LLC*, FD 36592 (STB served Mar. 16, 2022); *Verdigris Southern Railroad, L.L.C. – Lease and Operation Exemption – Track in Rogers County, Okla.*, FD 36571 (STB served Jan. 21, 2022).

<sup>2</sup> With the filing of this Notice, TGSI is filing a notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of TGSC and another, existing (but long-inactive) railroad common carrier, Austin Area Terminal Railroad, Inc. *See Trans-Global Solutions, Inc. – Continuance in Control Exemption – TGS Cedar Port Railroad LLC*, FD 36628.

<sup>3</sup> *Indexing the Annual Operating Revenues of Railroads*, EP 748 (STB served Jul. 6, 2021), 2.

Per 49 C.F.R. § 1150.33, TGSC submits the following information:

**Name and Address of Applicant: 49 C.F.R. § 1150.33(a)**

The full name and address of the applicant is:

TGS Cedar Port Railroad LLC  
1735 W. Cardinal Dr.  
Beaumont, Texas 77705

**Applicant's Representative: 49 C.F.R. § 1150.33(b)**

Correspondence regarding this transaction should be sent to TGSC's representative:

Robert A. Wimbish  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 800  
Chicago, Illinois 60606-3208  
(312) 252-1504

**Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)**

TGSLP (the owner of the Track) and TGSC have reached an agreement pursuant to which TGSC will acquire the right to conduct railroad common carrier service on the Track.

**Operation of the Property: 49 C.F.R. § 1150.33(d)**

TGSC will offer common carrier service on the Track on or after the effective date of this exemption. The service will constitute the entirety of TGSC's railroad operations, and, as such, the Board has jurisdiction over the proposed common carrier operation under *Effingham Railroad Company – Petition for Declaratory Order – Construction at Effingham, Ill.*, 2 STB 606, 607 (1997); and *Effingham Railroad Company – Operation Exemption – Line Owned by Agracel*, FD 33468 (STB served Sep. 24, 1997), 1 *aff'd United Transp. Union v. United States*, 183 F.3d 606, 614 (7<sup>th</sup> Cir. 1999).

**Summary of the Transaction: 49 C.F.R. § 1150.33(e)**

The Track begins at a point of connection at milepost 5.22 with the Cedar Bayou Industrial Lead (a line owned by Union Pacific Railroad Company (“UP”) and operated over by UP and BNSF Railway Company (“BNSF”)) and extends southward approximately 1.28 miles to milepost 6.5 (as measured from the southern end of the Cedar Bayou Industrial Lead). The Track connects to ancillary trackage (an assortment of yard, industrial and siding track) within the TGS Cedar Port Industrial Park (the “Park”).

The Track is part of the aforementioned Park (owned by TGSLP) that, historically, had been part of a vast United States Steel (USS) complex at Baytown, Texas. The Track (and the network of additional ancillary track within the Park) were part of the USS complex, and have been operated in non-common carrier private switching service by TGSI under an agreement with TGSLP. The USS facility (both during and after USS ownership and operation) had been competitively served by the Southern Pacific Transportation Company (“SP”) and the Missouri Pacific Railroad Company (each merged at separate times thereafter into UP). The station at which the Park is located – Baytown, Texas – was an acknowledged 2-to-1 point by the merging parties in the *UP/SP* proceeding.<sup>4</sup> Accordingly, the Park has long enjoyed competitive railroad service, post-*UP/SP*, from both UP and BNSF, a service arrangement that will continue, albeit under different service circumstances within the Park going forward.

More recently, TGSI and TGSLP have determined that the Park and its various customers would benefit from the provision of railroad common carrier service via TGSC to and from its connecting interline carriers, BNSF and UP. Accordingly, TGSI has created TGSC to –

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<sup>4</sup> *Union Pac. Corp. – Control & Merger – S. Pac. Rail Corp.* (“*UP/SP*”), 1 S.T.B. 233, 241 (1996).

(a) provide common carrier service within the Park in place of TGSI's current private switching, and (b) negotiate appropriate interline relationships, without restriction, with all connecting railroads. To that end, TGSI will agree with TGSLP to terminate TGSI's private switching services at the Park to facilitate an arrangement under which TGSLP will extend to TGSC the right to conduct railroad common carrier operations at that location.

On or after the effective date of the subject class exemption, TGSC intends to begin common carrier service over the Track, at which time the Track (and all TGSC-owned ancillary trackage appurtenant thereto) will come within the Board's jurisdiction.<sup>5</sup>

**Map: 49 C.F.R. § 1150.33(f)**

Attached as Exhibit A is a map showing the Track and the surrounding area.

**Certificate of Compliance: 49 C.F.R. § 1150.33(g)**

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B.

**Interchange Commitments: 49 C.F.R. § 1150.33(h)**

TGSC is not contractually limited in its ability to interchange of traffic with any third-party connecting carrier. See Exhibit B.

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<sup>5</sup> See, e.g., *Wheeling & Lake Erie Railway Company – Operation Exemption – Valley Line in Harrison and Jefferson Counties, Ohio*, FD 36010 (STB served Sep. 8, 2016) (“*Wheeling*”); *Arkansas Midland Railroad Company, Inc. – Operation Exemption – In Jacksonville, AR*, FD 35152 (STB served Sep. 12, 2008).

**Advance Notice: 49 C.F.R. § 1150.32(e)**

TGSC anticipates its annual revenue will exceed \$5 million. Yet as there are no common carrier operations on the Track, there are no “rail freight employees” to whom TGSC must give notice, and no such notice would be required here.<sup>6</sup> Even so, TGSC does not contemplate the displacement of any TGSI private switching service employees, each of which TGSC intends to extend an offer to continue as employees of TGSC.

**Environmental and Historic Preservation Data: 49 C.F.R. § 1105**

The proposed operation of the Track is exempt from environmental reporting requirements under 49 C.F.R. § 1105.6(c)(1)(i). TGSC’s proposed common carrier operations will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

The proposed operation of the Track also is exempt from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b)(1). TGSC intends to convert private switching operations on the Track (currently performed by TGSI) to common carriage.

**Caption Summary: 49 C.F.R. § 1150.34**

Attached as Exhibit C is the prescribed caption summary.

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<sup>6</sup> See *Acquisition of Rail Lines under 49 U.S.C. 10901 and 10902 – Advance Notice of Proposed Transactions*, 2 STB 592, 602 (1997) (the purpose of the regulation is to benefit “rail freight employees”); and *see, e.g., Wheeling; R.J. Corman Railroad Company/Memphis Line – Operation Exemption – Line in Montgomery and Stewart Counties, TN*, FD 33841 (STB served Jan. 18, 2000).

Respectfully submitted,

By: /s/ *R. A. Wimbish*

Robert A. Wimbish  
Bradon J. Smith  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 800  
Chicago, Illinois 60606-3208  
(312) 252-1500

**ATTORNEYS FOR TGS CEDAR PORT  
RAILROAD LLC.**

Dated: July 7, 2022

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**FD \_\_\_\_\_**

**TGS CEDAR PORT RAILROAD LLC  
— OPERATION EXEMPTION —  
TRACK IN CHAMBERS COUNTY, TEX.**

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**EXHIBIT A**

**MAP**



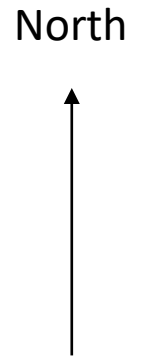


UPRR (BNSF Joint Access)  
Cedar Bayou Industrial Lead

MP 5.22

MP 5.22 Begin TGS Cedar Port RR Main Line  
(Track 801)

MP 6.5 End TGS Cedar Port RR Main Line  
(Track 801)



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**EXHIBIT B**

**CERTIFICATION**

**CERTIFICATION**

I, William F. Scott II, certify under penalty of perjury that – (a) the projected annual rail revenue of TGS Cedar Port Railroad LLC (“TGSC”) will not result in the creation of a Class II or Class I rail carrier under the provisions of 49 C.F.R. § 1201 (11); and (b) TGSC will not be contractually limited in its ability to interchange of traffic with any third-party connecting carrier.

*William F. Scott II*

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William F. Scott II  
Manager  
TGS Cedar Port Railroad LLC

Dated: July 7, 2022

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**EXHIBIT C**

**FEDERAL REGISTER NOTICE**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

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— OPERATION EXEMPTION —  
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---

TGS Cedar Port Railroad LLC (“TGSC”), a non-carrier, has filed a Verified Notice of Exemption under 49 C.F.R. § 1150.31 to initiate common carrier operations over certain currently-private track (the “Track”) in Chambers County, Texas beginning at a point of connection at milepost 5.22 with the Cedar Bayou Industrial Lead (a line owned by Union Pacific Railroad Company (“UP”) and operated over by UP and BNSF Railway Company (“BNSF”)) and extending southward approximately 1.28 miles to milepost 6.5 (as measured from the southern end of the Cedar Bayou Industrial Lead), a total distance of roughly 1.28 route miles.

TGSC expects to begin common carrier operations over the Track on or after August 6, 2022.

Comments must be filed with the Board and served on:

Robert A. Wimbish  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 800  
Chicago, Illinois 60606-3208  
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.31. If this 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 transaction.

Dated: July \_\_, 2022

By the Board

**VERIFICATION**

I, William F. Scott II, hereby verify under penalty of perjury that – (a) I am the Manager of TGS Cedar Port Railroad LLC (“TGSC”); (b) I have read the foregoing Notice of Exemption; (c) I know the facts asserted therein; the same are true as stated to the best of my knowledge, information, and belief; and (d) I am authorized to offer this verification on behalf of TGSC.

*William F. Scott II*

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William F. Scott II  
Manager, TGS Cedar Port Railroad LLC

Dated: July 7, 2022