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**SURFACE
TRANSPORTATION BOARD**

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BY HAND

August 29, 2011

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20324-0001

FILED

AUG 29 2011

**SURFACE
TRANSPORTATION BOARD**

230883

**RE: FD 35550, American Railroad Group Transportation Services, LLC--
Continuance-in-Control Exemption--Coos Bay Railroad Operating
Company, LLC d/b/a Coos Bay Rail Link**

**FD 35551, Coos Bay Railroad Operating Company, LLC d/b/a Coos
Bay Rail Link--Operation Exemption--Line of Railroad Owned by the
Oregon International Port of Coos Bay**

Dear Ms. Brown:

On behalf of applicants American Railroad Group Transportation Services, LLC and Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link, I am submitting the following two exemption notices:

- (1) in FD 35550, a verified notice of exemption pursuant to 49 CFR §1180.2(d)(2) for American Railroad Group Transportation Services, LLC to continue in control of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link, and

(2) in FD 35500, a verified notice of exemption pursuant to 49 CFR §1150.31 for of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link to operate a line of railroad owned by the Oregon International Port of Coos Bay.

I am including with these filings a copy of each document on a computer diskette as well as a check for \$3100 to cover the requisite filing fee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a long horizontal flourish extending to the right.

John D. Heffner

Enclosures

cc: Sandra Brown, Esq.
Mr. Scott Parkinson

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BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 35550

AUG 29 2011

230883

AMERICAN RAILROAD GROUP TRANSPORTATION SERVICES, LLC
-- CONTINUANCE IN CONTROL EXEMPTION --
COOS BAY RAILROAD OPERATING COMPANY, LLC
D/B/A COOS BAY RAIL LINK

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R § 1180.2(d) (2)

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Submitted By:

John D. Heffner
John D. Heffner, PLLC
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Counsel for Petitioner

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SURFACE
TRANSPORTATION BOARD

Dated: August 29, 2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 35550

**AMERICAN RAILROAD GROUP TRANSPORTATION SERVICES, LLC
-- CONTINUANCE IN CONTROL EXEMPTION --
COOS BAY RAILROAD OPERATING COMPANY, LLC
D/B/A COOS BAY RAIL LINK**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R § 1180.2(d) (2)**

Comes now American Railroad Group Transportation Services, LLC, d/b/a ARG Trans (“ARG Trans”) and states as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules (49 C.F.R. § 1180), ARG Trans hereby gives notice of a transaction which qualifies for exemption under § 1180.2(d) (2) of those rules.
2. As relevant here, ARG Trans is a noncarrier short-line railroad holding company.
3. ARG Trans has recently established Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBR”), a limited liability company and a noncarrier, to operate approximately 133 miles of railroad currently owned by the Oregon International Port of Coos Bay (“the Port”).
4. CBR has executed an agreement with the Port to operate the subject 133 miles of trackage on an interim basis sometime early this Fall once the verified

Notice of Exemption submitted in FD 35551 under 49 U.S.C. § 10901 and 49 C.F.R §1150.31 becomes effective. After that, CBR and the Port anticipate negotiating and executing a long-term operating agreement.

5. ARG Trans currently owns 100% of the stock of San Pedro Railroad Operating Company, LLC, d/b/a San Pedro & Southwestern Railroad (“SPROC”), an existing class III short line railroad operating in the State of Arizona.¹

6. The line currently owned and operated by SPROC will not connect with the line to be operated by CBR as they are located over 1000 miles apart in Arizona and Oregon, respectively, and there are no plans to connect these lines.

7. Under §1180.2(d) (2) of the Board’s consolidation rules, certain transactions are automatically exempt from the prior approval requirements for common control. Specifically, §1180.2(d) (2) exempts the acquisition of nonconnecting carriers where (i) the railroads will not connect with each other or any railroad in their corporate family, (ii) the acquisition is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family; and (iii) the transaction does not involve a class I carrier.

¹ San Pedro R.R Operating Co., LLC—Acquisition & Operation Exemption—SWKR Operating Co., FD 34430 (STB served Nov. 21, 2003).

8. In order to claim the § 1180.2(d)(2) exemption, § 1180.4(g) requires the filing of a verified notice of exemption furnishing an indication of the level of labor protection to be imposed and the information requested in §§ 1180.6(a)(1)(i) – (iii), 1180.6(5) – (6), and 1180.6(a)(7)(ii) of those rules. That information is provided as follows:

Summary of Proposed Transaction

49 C.F.R § 1180.6(a) (1) (i)

ARG Trans will acquire the entire ownership interest in CBR. As noted above, CBR is a newly established limited liability company and noncarrier organized by ARG Trans for the purpose of operating the rail line owned by the Port. CBR will resume and provide all common carrier freight service over the line that was formerly provided by the Central Oregon & Pacific Railroad (“CORP”) before that carrier discontinued service and sold the line to the Port.

Applicant’s name, address, and telephone number:

American Railroad Group Transportation Services, LLC
7964 Coronado Rd.,
Tucson, AZ 85750
520-631-1447

Legal counsel to whom questions should be addressed:

John D. Heffner
John D. Heffner, PLLC
1750 K Street, NW
Suite 200
Washington, D.C. 20006
(202) 296-3334

Schedule for consummation

49 C.F.R § 1180.6(a) (1) (ii)

The parties intend to consummate the proposed transaction at least 30 days from the date of this notice, probably around October 1, 2011.

Purpose to be accomplished by the transaction 49 C.F.R § 1180.6(a) (1) (iii)

The purpose of this transaction is for CBR to replace the service previously provided by CORP before that carrier discontinued its service and the Port acquired most of the subject trackage through a feeder line application.² CBR believes that it can provide freight service that is both more economical and more responsive to local needs than the previous operator could. It plans to work closely with the port, local community, and the connecting carriers to develop the freight potential of these lines.

State(s) in which the property of each carrier is situated 49 C.F.R

§ 1180.6(a) (5)

Arizona for SPROC

Oregon for CBR

Map

49 C.F.R § 1180.6(a) (6)

A map depicting these two lines is attached hereto as Exhibit 1.

Copy of Agreement

49 C.F.R § 1180.6(a) (7) (ii)

No agreement covers ARG Trans' control of CBR and SPROC.

² Or. Int'l Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Cent. Or. & Pac. R.R., FD 35160 (STB served Oct. 31, 2008).

Related transaction

Concurrently with this filing, CBR is submitting a verified Notice of Exemption for its operation of the subject line. That notice has been assigned docket number FD 35551.

Other information / Certification

ARG Trans hereby certifies that (1) the lines to be operated by the rail carrier to be controlled pursuant to this notice of exemption do not connect with those of SPROC, (2) the subject acquisition proceeding is not a part of a series of anticipated transactions that would connect these railroads with each other, and (3) the transaction does not involve a class I carrier.

Environmental and historical considerations

This continuance in control proceeding is exempt from environmental review under 49 C.F.R § 1105.6(c) (2) (i) because the proposed action will not cause any operating changes that exceed the thresholds established in 49 C.F.R § 1105.7(e) (4) or (5). In addition, this proceeding is exempt from historic review under 49 C.F.R § 1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are at least 50 years old. Accordingly, no historic report is required.

Labor Protection to be Imposed

Labor protection does not apply to transactions involving only class III railroads. 49 U.S.C. § 11326(c).

Respectfully submitted,



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Suite 200
Washington, D.C. 20006
(202) 296-3334

Counsel for American Railroad Group
Transportation Services, LLC

Dated: August 29, 2011

EXHIBIT 1

Coos Bay Rail Operating Company, LLC

San Pedro Rail Operating Company, LLC



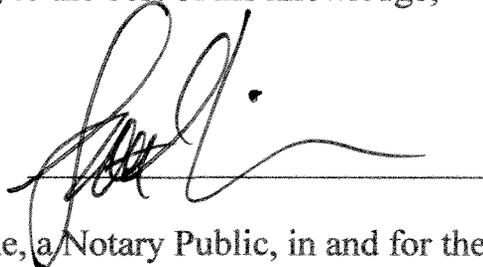
KEY TO ABBREVIATIONS TO RAILROADS

ATSF	Atchison, Topeka and Santa Fe	DH	Delaware and Hudson	MKT	Missouri-Kansas-Texas
BAR	Bangor and Aroostook	DM	Detroit and Mackinac	MP	Missouri Pacific
BM	Boston and Maine	DME	Dakota, Minnesota & Eastern	MSRC	MidSouth
BN	Burlington Northern	DRGW	Denver and Rio Grande Western	NDM	National of Mexico
CC	Chicago, Central & Pacific	DWP	Duluth, Winnipeg and Pacific	NW	Norfolk and Western
CGA	Central of Georgia	FCP	Ferrocarril de Pacifico	OKKT	Oklahoma, Kansas and Texas
CMNW	Chicago, Missouri and Western	FEC	Florida East Coast	OC	Quebec Central
CN	Canadian National	GMSR	Gulf & Mississippi	RFP	Richmond, Fredericksburg and Potomac
CNW	Chicago and North Western	GT	Grand Trunk	SCB	Sonora Baja California
CP	Canadian Pacific	GTW	Grand Trunk Western	SI	Spokane International
CR	Consolidated Rail	IAIS	Iowa Interstate	SLSW	St Louis Southwestern
CRN	Carolina and North-western	ICG	Illinois Central Gulf	SOU	Soo Line
CSXT	CSX Transportation	KCS	Kansas City Southern	SP	Southern Pacific
CV	Central Vermont	LA	Louisiana & Arkansas	TM	Texas Mexican
		LJ	Long Island	UP	Union Pacific
		MEC	Maine Central	WRA	Western Ry of Alabama

VERIFICATION

STATE OF)
)
CITY OF) SS

Scott L. Parkinson, being duly sworn according to law, hereby
deposes and states that he is holds the position of President / Managing
Member with applicant/petitioner (respondent), is authorized to make this
Verification, has read the foregoing document, and knows the facts asserted
therein are true an accurate as stated, to the best of his knowledge,
information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the City of
BENSON in the State of ARIZONA this 23 day of AUGUST.


Notary Public

My commission expires:

