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SERVICE DATE – SEPTEMBER 25, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35292]

Pinsly Railroad Company–Control Exemption–The Prescott and Northwestern Railroad Company

Pinsly Railroad Company (PRC), a noncarrier, has filed a verified notice of exemption to obtain control of The Prescott and Northwestern Railroad Company (PNW), a Class III rail carrier, through the purchase of all PNW's stock from Potlatch Land & Lumber, LLC (PLL).<sup>1</sup> PRC currently controls five Class III railroads: Pioneer Valley Railroad Company, Inc. (PVR), which operates in Massachusetts; Florida Central Railroad Company, Inc. (FCR), Florida Midland Railroad Company, Inc. (FMR), and Florida Northern Railroad Company, Inc. (FNR), each of which operates in Florida; and Arkansas Midland Railroad Company, Inc. (AKMD), which operates in Arkansas. PRC states that it executed a Stock Purchase Agreement with PLL on September 4, 2009, to acquire all of PNW's stock and assume control of PNW.<sup>2</sup>

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<sup>1</sup> PRC has also concurrently filed a motion for protective order pursuant to 49 CFR 1104.14(b) to allow PRC to file the unredacted Stock Purchase Agreement under seal. That motion will be addressed in a separate decision.

<sup>2</sup> The Stock Purchase Agreement also covers PRC's acquisition of another Class III rail line. For that acquisition, PRC has filed a verified petition for exemption in Pinsly Railroad Company–Control Exemption–Warren & Saline River Railroad Company, STB Finance Docket No. 35293. The petition will be addressed in a separate decision.

The transaction is scheduled to be consummated simultaneously with the transaction filed in STB Finance Docket No. 35293 no later than December 31, 2009, unless the transaction in STB Finance Docket No. 35293 is not finalized by that date. In that event, this transaction will be consummated separately on or after the date that this notice becomes effective (which will occur on October 9, 2009).

Applicant states that: (i) the rail line involved in this transaction does not connect with any rail lines of the PVR, FCR, FMR, FNR, AKMD or any other railroad now controlled by applicant; (ii) the acquisition of control of PNW is not part of a series of anticipated transactions that would connect any of the railroads with each other or with any railroad in their corporate family; and (iii) this 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 rail 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 October 2, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35292, 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 Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at  
“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: September 22, 2009.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Anne K. Quinlan  
Acting Secretary