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SERVICE DATE – OCTOBER 15, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35414]

Gulf & Ohio Railways Holding Co., Inc., H. Peter Claussen and Linda C. Claussen—
Continuance in Control Exemption—Lancaster & Chester Railroad, LLC

Gulf & Ohio Railways Holding Co., Inc. (G&O), H. Peter Claussen and Linda C. Claussen (the Claussens), noncarriers, have filed a verified notice of exemption to continue in control of Lancaster & Chester Railroad, LLC (L&C Railroad) upon L&C Railroad's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in Docket No. FD 35413, Lancaster & Chester Railroad, LLC—Acquisition and Operation Exemption—Line of Lancaster & Chester Railway Company. In that proceeding, L&C Railroad seeks an exemption under 49 C.F.R. § 1150.31 to acquire and operate approximately 62 miles of rail line owned by Lancaster & Chester Railway Company between (1) Chester and Lancaster, S.C., and (2) Kershaw and Catawba, S.C.

The transaction may be consummated on or after October 31, 2010 (the effective date of the exemption).

The Claussens own a controlling share of voting stock of G&O. G&O, in turn, wholly owns the following Class III rail carriers: (a) Conecuh Valley Railroad Co., Inc., which operates in Alabama; (b) Knoxville & Holston River Railroad Co., Inc., which

operates in east Tennessee; (c) Laurinburg & Southern Railroad Co., Inc., which operates in North Carolina; (d) Piedmont & Atlantic Railroad, Inc., which operates in northwestern North Carolina under the trade name of Yadkin Valley Railroad; (e) Rocky Mount & Western Railroad Co., Inc., which operates in central North Carolina under the trade name of Nash County Railroad; (f) Three Notch Railroad Co., Inc., which operates in Alabama; and (g) Wiregrass Central Railroad Company, Inc., which operates in southeast Alabama.

The parties represent that: (1) the rail lines to be acquired by L&C Railroad do not connect with any other railroad in the corporate family; (2) the transaction is not part of a series of anticipated transactions that would connect the rail lines with any other railroad in the corporate family; 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 C.F.R. § 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 of the carriers involved are Class III carriers.

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. Stay petitions must be filed no later than October 22, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35414, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, D.C. 20423-0001. In addition, one copy of each pleading must be served on Troy W. Garris, 2904 Corporate Cir., Flower Mound, Tex. 75028.

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Decided: October 7, 2010.

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