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SERVICE DATE – AUGUST 7, 2015

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35945]

Regional Rail Holdings, LLC—Acquisition of Control Exemption—Regional Rail, LLC

Regional Rail Holdings, LLC (Regional Holdings), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to acquire control of Regional Rail, LLC (Regional Rail), a holding company for three Class III rail carriers, East Penn Railroad, LLC, Middletown & New Jersey Railroad, LLC, and Tyburn Railroad LLC.

The transaction is expected to be consummated on or after August 22, 2015, the effective date of the exemption.¹

Applicants state that: (i) the railroads will not connect with each other or any railroad in their corporate family; (ii) the subject acquisition of control 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

¹ In its verified notice, Regional Holdings requests expedited consideration to minimize potential disruption to its business as a result of the change in majority ownership due to its acquisition of Regional Rail. However, to permit the exemption to become effective before the scheduled 30-day consummation date, a party must file a separate petition for partial waiver of 49 C.F.R. § 1150.32(b), including its supporting rationale, which would be decided by the entire Board. See The Great Lake Port Corp. d/b/a Grand River Ry.—Acquis. & Operation Exemption—CSX Transp., Inc., FD 35888 (STB served Dec. 24, 2014).

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 §§ 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

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. Petitions to stay must be filed no later than August 15, 2015 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings referring to Docket No. FD 35945, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Mary Anne Mason, Crowell & Moring LLP, 1001 Pennsylvania Ave., N.W., Washington, DC 20004.

Board decisions and notices are available on our website at WWW.STB.DOT.GOV.

Decided: August 4, 2015.

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