

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36006]

West Branch Intermediate Holdings, LLC and Continental Rail, LLC—Continuance in Control Exemption—Central Gulf Acquisition Company

West Branch Intermediate Holdings, LLC (West Branch) and Continental Rail, LLC (Continental), both noncarriers, have filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Central Gulf Acquisition Company (CGAC) upon CGAC's becoming a Class III rail carrier.<sup>1</sup>

This transaction is related to (1) a concurrently filed verified notice of exemption in Central Gulf Acquisition Co.—Acquisition & Operation Exemption—CG Railway, Inc., Docket No. FD 36007, wherein CGAC seeks Board approval to acquire CG Railway, Inc., a Class III rail carrier, from International Shipholding Corporation, and provide an intermodal rail/water service between Mobile, Ala., and Coatzacoalcos, Veracruz, Mexico, utilizing charters of railroad car ferries equipped with tracks.<sup>2</sup>

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<sup>1</sup> The parties state that: (1) West Branch is a limited liability company, formed for the purpose of acquiring shortline railroads; (2) Continental is a limited liability company, formed for the purpose of managing and operating shortline railroads; and (3) West Branch's wholly owned subsidiary, Delta Southern Railroad, Inc. (DSR), is an existing Class III rail carrier. West Branch states that it acquired the stock of DSR from its former owners in a transaction outside of the Board's jurisdiction.

<sup>2</sup> In Docket No. FD 36007, CGAC also filed a petition to waive the 60-day labor notice requirements of 49 C.F.R. § 1150.32(e) in order for the acquisition and operation transaction to be consummated on or before the scheduled consummation date. The notice and petition for waiver in FD 36007 will be addressed in a separate decision.

The transaction in this proceeding may be consummated on or after May 4, 2016, the effective date of the exemption (30 days after the verified notice of exemption was filed).

West Branch and Continental certify that: (1) the rail lines to be operated by CGAC do not connect with any other railroads in the corporate family; (2) the transaction is not part of a series of anticipated transactions that would connect these rail lines with each other or any railroad in their 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 §§ 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 April 27, 2016 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36006, 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 John D. Heffner, Strasburger & Price, LLP, 1025 Connecticut Ave., N.W., Suite 717, Washington, DC 20036.

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“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: April 15, 2016.

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