

38768

SERVICE DATE – FEBRUARY 14, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35118]

Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Sacramento Valley Railroad, Inc.

Patriot Rail, LLC (PRL) and its subsidiaries, Patriot Rail Holdings LLC (PRH), and Patriot Rail Corp. (PRC) (collectively, Patriot), all noncarriers, jointly have filed a verified notice of exemption to continue in control of Sacramento Valley Railroad, Inc. (SAVR), upon SAVR's becoming a Class III rail carrier.<sup>1</sup>

This transaction is related to the concurrently filed verified notice of exemption in STB Finance Docket No. 35117, Sacramento Valley Railroad, Inc.—Operation Exemption—McClellan Business Park LLC. In that proceeding, SAVR seeks an exemption under 49 CFR 1150.31 to operate 7 miles of unmarked rail line owned by McClellan Business Park LLC, in Sacramento County, CA.

The transaction is scheduled to be consummated on or after March 1, 2008, and hence after the February 28, 2008 effective date of the exemption.

Patriot currently controls three other Class III rail carriers: Tennessee Southern Railroad Company, Rarus Railroad Company, and Utah Central Railway Company.

---

<sup>1</sup> PRL owns 51% of the equity interests in PRH. PRH owns 100% of the stock of PRC. By letter filed on February 6, 2008, Patriot clarifies that SAVR is directly controlled by PRC.

Patriot states that: (1) the rail lines to be operated by SAVR do not connect with any other railroads in the Patriot corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect these rail lines with any other railroad in the Patriot 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 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 section 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. Petitions for stay must be filed no later than February 21, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35118, 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 Louis E. Gitomer, Esq., 600 Baltimore Ave., Suite 301, Towson, MD 21204.

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

Decided: February 7, 2008.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Anne K. Quinlan

Acting Secretary