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SERVICE DATE – SEPTEMBER 14, 2011

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35550]

American Railroad Group Transportation Services, LLC d/b/a ARG Trans—Continuance in Control Exemption—Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link

American Railroad Group Transportation Services, LLC d/b/a ARG Trans (ARG Trans), a noncarrier, has filed a verified notice of exemption under 49 C.F.R.

§ 1180.2(d)(2) to continue in control of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (CBR), upon CBR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in Docket No. FD 35551, Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link—Operation Exemption—Oregon International Port of Coos Bay, wherein CBR seeks Board approval to operate approximately 133 miles of railroad in Oregon currently owned by the Oregon International Port of Coos Bay.

ARG Trans states that it currently owns 100% of the stock of San Pedro Railroad Operating Company, LLC, d/b/a San Pedro & Southwestern Railroad (SPROC), an existing Class III rail carrier operating in the state of Arizona.

The parties intend to consummate the transaction on or around October 1, 2011, after the exemption becomes effective on September 28, 2011 (30 days after the notice of exemption was filed).

ARG Trans represents that: (1) the rail line to be operated by CBR will not connect with those of SPROC; (2) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or with any other 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. Petitions to stay must be filed no later than September 21, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35550, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington,

D.C. 20423-0001. In addition, a copy of each pleading must be served on John D. Heffner, 1750 K St., N.W., Suite 200, Washington, DC 20006.

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Decided: September 9, 2011.

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