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SERVICE DATE – JULY 15, 2009

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35256]

Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Temple & Central Texas Railway, Inc.

Patriot Rail, LLC (PRL) and its subsidiaries Patriot Rail Holdings LLC (PRH) and Patriot Rail Corp. (Patriot), have filed a verified notice of exemption to continue in control of Temple & Central Texas Railway, Inc. (TC), upon TC's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption for TC to operate about 7.7 miles of unmarked rail line owned by the City of Temple, in Bell County, TX. See STB Finance Docket No. 35255, Temple & Central Texas Railway, Inc.—Operation Exemption—City of Temple, TX.

The parties intend to consummate the transaction on or after August 1, 2009.

PRL is a noncarrier limited liability company that owns not less than 51 percent of the equity interests in PRH, which owns 100 percent of the stock of Patriot. Patriot is a noncarrier holding company that owns 100 percent of the stock of TC and 5 Class III railroad subsidiaries: Tennessee Southern Railroad Company (TSRR), Rarus Railway Company (Rarus), Utah Central Railway Company (Utah), Sacramento Valley Railroad, Inc. (SAVR), and The Louisiana and North West Railroad Company (L&NW).

PRL, PRH, and Patriot state that each has successfully managed short line railroads for more than a decade and that they intend to use that experience and expertise and their purchasing power to effect operating efficiencies for TC, to improve service to shippers, and to make TC a financially viable railroad.

The parties represent that: (1) the rail line to be operated by TC does 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 the rail lines with any other railroad in the corporate family;<sup>1</sup> 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 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

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<sup>1</sup> TSRR's lines are located in Tennessee and Alabama, Rarus' lines are located in Montana, Utah's lines are located in Utah, SAVR's lines are located in California, and L&NW's lines are located in Arkansas and Louisiana.

effectiveness of the exemption. Stay petitions must be filed no later than July 22, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35256, 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, 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: July 9, 2009.

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

Anne K. Quinlan

Acting Secretary