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SERVICE DATE – FEBRUARY 16, 2007

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34991]

Koch Industries, Inc.—Continuance in Control Exemption—Moscow Camden and San Augustine Railroad LLC

Koch Industries, Inc. (Koch Industries), a noncarrier, has filed a verified notice of exemption to indirectly continue in control of Moscow Camden and San Augustine Railroad LLC (MCSA), upon MCSA's becoming a Class III rail carrier.¹

The transaction is scheduled to be consummated after the effectiveness of the exemption, and no earlier than March 2, 2007.

The transaction is related to STB Finance Docket No. 34990, Moscow Camden and San Augustine Railroad LLC—Acquisition and Operation Exemption—Assets of Moscow, Camden & San Augustine Railroad, wherein Moscow Camden and San Augustine Railroad LLC seeks to acquire and operate the assets of Moscow, Camden & San Augustine Railroad.² Upon the effectiveness of that exemption, MCSA will become an indirect wholly owned rail carrier subsidiary of Koch Industries.

¹ Simultaneously with this filing, Koch Industries filed a motion for a protective order. The motion is being addressed in a separate Board decision.

² Pursuant to an agreement dated December 21, 2006, between International Paper Company (International Paper), Georgia-Pacific Corporation (now Georgia-Pacific LLC) (Georgia-Pacific), and subsidiaries Georgia-Pacific Wood Products South LLC (Georgia-Pacific South) and Georgia-Pacific Holdings LLC, Georgia-Pacific South has

Koch Industries currently controls three other Class III rail carriers: Gloster Southern Railroad Company LLC (GSR), Blue Rapids Railway Company LLC (BRR), and Old Augusta Railroad, LLC (OAR).³ GSR operates an approximately 35-mile rail line between Gloster, MS, and Slaughter, LA, where it connects with Canadian National Railway. GSR's direct parent is Georgia-Pacific Wood Products LLC, which is an indirect wholly owned subsidiary of Georgia-Pacific. BRR operates an approximately 10-mile rail line between Marysville and Bestwall, KS, connecting at the Marysville end to Union Pacific Railroad Company. BRR's direct parent is Georgia-Pacific Gypsum LLC, which is an indirect wholly owned subsidiary of Georgia-Pacific. OAR operates an approximately 2.5-mile line between the Leaf River Pulp Mill in New Augusta, MS, and an interchange with Canadian National Railway in Mississippi. OAR's direct parent is GP Cellulose, LLC, which is an affiliate of Georgia-Pacific.

Koch Industries states that: (i) the railroads will not connect with each other or any railroads within its corporate family, (ii) the transaction is not a part of a series of

agreed to purchase International Paper's integrated plywood plant and lumber mill complex at Camden, TX. As part of the agreement, Georgia-Pacific South has also agreed to purchase the assets of Moscow, Camden & San Augustine Railroad, a 6.9-mile short line connecting International Paper's Camden complex with a line of Union Pacific Railroad Company at Moscow, TX. Prior to the closing of the transaction, Georgia-Pacific South will assign its right to acquire the assets of the Moscow, Camden & San Augustine Railroad to MCSA, which is expected to be formed as a Delaware limited liability company and to acquire and operate those assets.

³ See Old Augusta Railroad, LLC—Acquisition and Operation Exemption—Assets of Old Augusta Railroad Company, STB Finance Docket No. 34493 (STB served Apr. 21, 2004); and Koch Forest Products, Inc. and Koch Industries, Inc.—Acquisition of Control Exemption—Gloster Southern Railroad Company and Blue Rapids Railway Company, STB Finance Docket No. 34784 (STB served Dec. 28, 2005).

anticipated transactions that would connect any of these railroads with one another or any other railroad, and (iii) the transaction does not involve a Class I railroad. 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 transaction. Petitions for stay must be filed no later than February 23, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34991, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on David H. Coburn, 1330 Connecticut Ave., N.W., Washington, DC 20036.

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Decided: February 6, 2007.

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

Vernon A. Williams

Secretary