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SERVICE DATE – LATE RELEASE NOVEMBER 15, 2010

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 35425

TENNESSEE SOUTHERN RAILROAD COMPANY, PATRIOT RAIL, LLC, PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP.—CONTINUANCE IN CONTROL EXEMPTION—COLUMBIA & COWLITZ RAILWAY, LLC, DEQUEEN AND EASTERN RAILROAD, LLC, GOLDEN TRIANGLE RAILROAD, LLC, MISSISSIPPI & SKUNA VALLEY RAILROAD, LLC, PATRIOT WOODS RAILROAD, LLC, AND TEXAS, OKLAHOMA & EASTERN RAILROAD, LLC

MOTION FOR PROTECTIVE ORDER

Decided: November 15, 2010

By motion filed on October 27, 2010, Patriot Rail, LLC and Patriot Rail Holdings LLC, and their wholly owned subsidiaries Patriot Rail Corp. and Tennessee Southern Railroad Company (collectively, Patriot) seek a protective order under 49 C.F.R. § 1104.14 to protect the highly confidential and commercially sensitive information contained in the unredacted Asset Purchase Agreement (Agreement) between Patriot and Weyerhaeuser NR Company and its subsidiaries Columbia & Cowlitz Railway Company (CLC), DeQueen and Eastern Railroad Company (DQE), Golden Triangle Railroad Company (GTRA), Mississippi & Skuna Valley Railroad Company (MSV), and Texas, Oklahoma & Eastern Railroad Company (TOE) submitted under seal in this proceeding. Concurrently, Patriot has filed a notice of exemption under 49 C.F.R. § 1180.2(d)(2) for Patriot to continue in control of Columbia & Cowlitz Railway, LLC, DeQueen and Eastern Railroad, LLC, Golden Triangle Railroad, LLC, Mississippi & Skuna Valley Railroad, LLC, Patriot Woods Railroad, LLC, and Texas, Oklahoma & Eastern Railroad, LLC, upon their becoming Class III rail carriers.

On November 4, 2010, Patriot filed a request to amend its motion for protective order, asking that the Board not require Patriot to file a redacted version of the document.<sup>1</sup> Patriot states that the Agreement is 816 pages and that it would be an extremely burdensome and lengthy task to review the Agreement and redact the confidential and commercially sensitive material. Patriot further states that filing a redacted version of the Agreement would serve no purpose since any person seeking to review the Agreement would want to review an unredacted version, which they can do by complying with the requirements of the terms of the proposed protective order.

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<sup>1</sup> In the same filing, Patriot filed a petition for waiver of the requirements of 49 C.F.R. § 1104.3(a) that would require it to file an original and 10 copies of the Agreement in paper form. The petition for waiver will be handled in a separate decision.

Good cause exists to grant the motion for protective order. Patriot submits that a protective order is necessary because the Agreement contains highly confidential and commercially sensitive information that could harm the parties if those terms were made public. The motion conforms with the Board's rules at 49 C.F.R. § 1104.14 governing protective orders to maintain the confidentiality of materials submitted to the Board. Issuance of the protective order will ensure that confidential information will be used solely for this proceeding and not for other purposes. Accordingly, the motion for protective order will be granted, and the Agreement shall be subject to the Protective Order and Undertakings, as set forth in the Appendix to this decision.<sup>2</sup>

Patriot's request for waiver of the requirement to file a redacted version of the Agreement is reasonable under the circumstances, and will also be granted. The Board notes that the Agreement has been designated Highly Confidential by Patriot, and that, pursuant to the order Patriot has sought, the class of individuals who may view highly confidential material is limited. If a person who is not qualified to view highly confidential material wishes to see the document, Patriot may have to prepare a redacted version.

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The motion for a protective order is granted, and the Protective Order and Undertakings in the Appendix to this decision are adopted.
2. Patriot's request for waiver of the requirement to file a redacted version of the Agreement is granted, as discussed above.
3. The unredacted Agreement submitted in Docket No. 35425 will be kept under seal by the Board and not placed in the public docket or otherwise disclosed to the public unless the appropriate attached Undertaking is executed and the terms of the Protective Order are followed, or unless otherwise ordered by the Board.
4. This decision is effective on the service date.

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

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<sup>2</sup> A proposed protective order and undertakings were included with the motion.

**APPENDIX**

**PROTECTIVE ORDER**

1. For purposes of this Protective Order:

(a) “Confidential Documents” means documents and other tangible materials containing or reflecting Confidential Information.

(b) “Confidential Information” means traffic data (including but not limited to waybills, abstracts, study movement sheets, and any documents or computer tapes containing data derived from waybills, abstracts, study movement sheets, or other data bases, and cost workpapers); the identification of shippers and receivers in conjunction with shipper-specific or other traffic data; the confidential terms of contracts with shippers; confidential financial and cost data; and other confidential or proprietary business or personal information.

(c) “Designated Material” means any documents designated or stamped as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL” in accordance with paragraphs 3 or 4 of this Protective Order, and any Confidential Information contained in such materials.

(d) These “Proceedings” consist of Docket No. FD 35425, any related proceedings before the Surface Transportation Board (Board), and any judicial review proceedings arising from Docket No. FD 35425 or from any related proceedings before the Board.

2. Personnel of Patriot Rail, LLC and Patriot Rail Holdings LLC, and their wholly owned subsidiaries Patriot Rail Corp., and Tennessee Southern Railroad Company (collectively referred to as Patriot), and Weyerhaeuser NR Company and its subsidiaries Columbia & Cowlitz Railway Company, DeQueen and Eastern Railroad Company, Golden Triangle Railroad Company, Mississippi & Skuna Valley Railroad Company, and Texas, Oklahoma & Eastern Railroad Company, the parties involved in this matter and their affiliates (collectively, the parties), including outside consultants and attorneys for Patriot or parties (representatives), may exchange Confidential Information for the purpose of participating in the Proceeding, but not for any other business, commercial, or other competitive purpose.

3. If any party to these Proceedings determines that any part of a discovery request or response of a transcript of a deposition or hearing, or of a pleading or other paper filed or served in these Proceedings contains Confidential Information or consists of Confidential Documents, then that party may designate and stamp such Confidential Information and Confidential Documents as “CONFIDENTIAL.” Any information or documents designated or stamped as “CONFIDENTIAL” shall be handled as provided for hereinafter, except that no prohibition in any subsequent paragraph is applicable to an exchange of information pursuant to paragraph 2 of this Protective Order.

4. Any party producing material in discovery to another party to these Proceedings, or submitting material in pleadings or other documents filed or served, may in good faith designate and stamp particular Confidential Information, such as material containing shipper-specific rate or cost data or other competitively sensitive or proprietary information, as “HIGHLY CONFIDENTIAL.” Any information or documents so designated or stamped shall be handled as provided hereinafter, except that no prohibition in any subsequent paragraph is applicable to an exchange of information pursuant to paragraph 2 of this Protective Order.

5. Information and documents designated or stamped as “CONFIDENTIAL” may not be disclosed in any way, directly or indirectly, or to any person or entity except to an employee, counsel, consultant, or agent of a party to these Proceedings, or an employee of such counsel, consultant, or agent, who, before receiving access to such information or documents, has been given and has read a copy of this Protective Order and has agreed to be bound by its terms by signing a confidentiality undertaking substantially in the form set forth at Exhibit A to this Order and providing a copy of the confidentiality undertaking to counsel for Patriot.

6. Information and documents designated or stamped as “HIGHLY CONFIDENTIAL” may not be disclosed in any way, directly or indirectly, to any employee of a party to these Proceedings, or to any other person or entity except to an outside counsel or outside consultant to a party to these Proceedings, or to an employee of such outside counsel or outside consultant, who, before receiving access to such information or documents, has been given and has read a copy of this Protective Order and has agreed to be bound by its terms by signing a confidentiality undertaking substantially in the form set forth at Exhibit B to this Order and providing a copy of the confidentiality undertaking to counsel for Patriot.

7. Any party to these Proceedings may challenge the designation by any other party of information or documents as “CONFIDENTIAL” or as “HIGHLY CONFIDENTIAL” by filing a motion with the Board or with an administrative law judge or other officer to whom authority has been lawfully delegated by the Board to adjudicate such challenge(s).

8. Designated Material may not be used for any purposes other than these Proceedings, including without limitation any business, commercial, strategic, or competitive purpose.

9. Any party who receives Designated Material in discovery shall destroy such materials and any notes or documents reflecting such materials (other than file copies of pleadings or other documents filed with the Board and retained by outside counsel for a party to these Proceedings) at the later of: (1) such time as the party receiving the materials withdraws from these Proceedings; or (2) the completion of these Proceedings, including any petitions for reconsideration, appeals, or remands.

10. No party may include Designated Material in any pleading, brief, discovery request or response, or other documents submitted to the Board, unless the pleadings or other document is submitted under seal, in a package clearly marked on the outside as “Confidential Materials

Subject to Protective Order.” See 49 C.F.R. § 1104.14. All pleadings and other documents so submitted shall be kept confidential by the Board and shall not be placed in the public docket in these Proceedings except by order of the Board or of an administrative law judge or other officer in the exercise of authority lawfully delegated by the Board.

11. No party may include Designated Material in any pleadings, brief, discovery request or response, or other document submitted to any forum other than the Board in these Proceedings unless: (1) the pleading or other document is submitted under seal in accordance with a protective order that requires the pleading or other document to be kept confidential by that tribunal and not be placed in the public docket in the proceeding; or (2) the pleading or other document is submitted in a sealed package clearly marked, “Confidential Materials Subject to Request for Protective Order,” and is accompanied by a motion to that tribunal requesting issuance of a protective order that would require the pleading or other document be kept confidential and not be placed in the public docket in that proceeding, and requesting that if the motion for protective order is not issued by that tribunal, the pleading or other document be returned to the filing party.

12. No party may present or otherwise use any Designated Material at a Board hearing in these Proceedings, unless that party has previously submitted, under seal, all proposed exhibits and other documents containing or reflecting such Designated Material to the Board, to an administrative law judge or to another officer to whom relevant authority has been lawfully delegated by the Board, and has accompanied such submission with a written request that the Board, administrative law judge or other officer: (a) restrict attendance at the hearing during any discussion of such Designated Material; and (b) restrict access to any portion of the record or briefs reflecting discussion of such Designated Material in accordance with this Protective Order.

13. If any party intends to use any Designated Material in the course of any deposition in these Proceedings, that party shall so advise counsel for the party producing the Designated Material, counsel for the deponent, and all other counsel attending the deposition. Attendance at any portion of the deposition at which any Designated Material is used or discussed shall be restricted to persons who may review that material under the terms of this Protective Order. All portions of deposition transcripts or exhibits that consist of, refer to, or otherwise disclose Designated Material shall be filed under seal and be otherwise handled as provided in paragraph 10 of this Protective Order.

14. To the extent that materials reflecting Confidential Information are produced by a party in these Proceedings, and are held and/or used by the receiving person in compliance with paragraphs 1, 2, 3, or 4 above, such production, disclosure, holding, and use of the materials and of the data that the materials contain are deemed essential for the disposition of this and any related proceedings and will not be deemed a violation of 49 U.S.C. § 11904 or of any other relevant provision of the ICC Termination Act of 1995.

15. All parties executing a Confidential or Highly Confidential undertaking shall serve a copy upon the party providing the information.

16. All parties must comply with all of the provisions of this Protective Order unless the Board or an administrative law judge or other officer exercising authority lawfully delegated by the Board determines that good cause has been shown warranting suspension of any of the provisions herein.

17. Nothing in this Protective Order restricts the right of any party to disclose voluntarily any Confidential Information originated by that party, or to disclose voluntarily any Confidential Documents originated by that party, if such Confidential Information or Confidential Documents do not contain or reflect any Confidential Information originated by any other party.

**Exhibit A**

**UNDERTAKING  
CONFIDENTIAL MATERIAL**

I, \_\_\_\_\_, have read the Protective Order served on November 15, 2010, governing the production of Confidential Documents in Docket No. FD 35425, understand the same, and agree to be bound by its terms. I agree not to use or to permit the use of any confidential data or information obtained pursuant to this Undertaking, or to use or to permit the use of any techniques disclosed or information learned as a result of receiving such data or information, for any purpose other than the preparation and presentation of evidence and argument in Docket No. FD 35425 or any judicial review proceedings arising therefrom. I further agree not to disclose any confidential data or information obtained under this Protective Order to any person who is not also bound by the terms of the Protective Order and who has not executed an Undertaking in the form hereof. At the conclusion of this proceeding and any judicial review proceeding arising therefrom, I will promptly destroy any copies of such designated documents obtained or made by me or by any outside counsel or outside consultants working with me, provided, however, that outside counsel (but not outside consultants) may retain file copies of its work product and of pleadings and evidence filed with the Board, and in-house counsel may retain file copies of all pleadings and evidence containing confidential material it received during the course of this proceeding. I further understand that a party may retain its own confidential material.

I understand and agree that money damages would not be a sufficient remedy for breach of this Undertaking and that a party which asserts the confidential interest shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. I further agree to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Undertaking but shall be in addition to all remedies available at law or equity.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

**Exhibit B**

**UNDERTAKING  
HIGHLY CONFIDENTIAL MATERIAL**

As outside [counsel] [consultant] for \_\_\_\_\_, for which I am acting in this proceeding, I have read the Protective Order served November 15, 2010, governing the production of Confidential Documents in Docket No. FD 35425, understand the same, and agree to be bound by its terms. I also understand and agree, as a condition precedent to my receiving, reviewing, or using copies of any documents designated “HIGHLY CONFIDENTIAL,” that I will limit my use of those documents and the information they contain to the preparation and presentation of evidence and argument in Docket No. FD 35425 and any judicial review proceeding arising therefrom, that I will take all necessary steps to ensure that said documents and information will be kept on a confidential basis by any outside counsel or outside consultants working with me, that under no circumstances will I permit access to said documents or information by personnel of my client, its subsidiaries, affiliates, or owners, except as otherwise provided in the Protective Order, and that at the conclusion of this proceeding and any judicial review proceeding arising therefrom, I will promptly destroy any copies of such designated documents obtained or made by me or by any outside counsel or outside consultants working with me, provided, however, that outside counsel (but not outside consultants) may retain file copies of its work and of any pleadings and evidence filed with the Board. I further understand that I must destroy all notes or other documents containing such Highly Confidential information received from any other party in compliance with the terms of the Protective Order. Under no circumstances will I permit access to documents designated “HIGHLY CONFIDENTIAL” by, or disclose any information contained therein to, any persons or entities for which I am not acting in this proceeding.

I understand and agree that money damages would not be a sufficient remedy for breach of this Undertaking and that a party which asserts the confidential interest shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. I further agree to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Undertaking but shall be in addition to all remedies available at law or equity.

Signed: \_\_\_\_\_  
OUTSIDE [COUNSEL] [CONSULTANT]

Dated: \_\_\_\_\_