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SERVICE DATE - SEPTEMBER 24, 1998

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33650]

RailAmerica, Inc.--Continuance in Control Exemption--Ventura County Railroad Company

RailAmerica, Inc. (RailAmerica) has filed a verified notice of exemption to continue in control of Ventura County Railroad Company (VCRR), upon VCRR's becoming a Class III railroad.

The transaction was scheduled to be consummated on or shortly after September 1, 1998.

This transaction is related to STB Finance Docket No. 33649, Ventura County Railroad Company--Lease and Operation Exemption--Ventura County Railway Company, wherein VCRR seeks to lease and operate certain rail lines from Ventura County Railway Company (VCRC).¹

RailAmerica currently controls 10 common carrier Class III rail carriers operating in 7 states: the Cascade and Columbia River Railroad Company; the Delaware Valley Railway Company, Inc.; the Huron & Eastern Railway Company, Inc.; Minnesota Northern Railroad, Inc.; the Otter Tail Valley Railroad Company; the Saginaw Valley Railway Company, Inc.; the West Texas & Lubbock Railroad Company, Inc.; the Dakota Rail, Inc.; and the South Central Tennessee Railroad Corp.

¹ VCRR and VCRC have entered into an agreement for VCRR to lease the line and purchase certain assets and equipment from VCRC.

RailAmerica states that: (i) the rail lines operated by VCRR do not connect with any railroad in the corporate family; (ii) the transaction is not part of a series of anticipated transactions that would connect VCRR with any railroad in the corporate family; and (iii) the transaction does not involve a Class I 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. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33650, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Gary Laakso, Esq., RailAmerica, Inc., 301 Yamato Road, Suite 1190A, Boca Raton, FL 33431.

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“WWW.STB.DOT.GOV.”

Decided: September 16, 1998.

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

Vernon A. Williams

Secretary