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SERVICE DATE – MARCH 10, 2011

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35473]

Columbia & Cowlitz Railway, LLC—Corporate Family Transaction Exemption—Patriot Woods Railroad, LLC

Columbia & Cowlitz Railway, LLC (CLC) and Patriot Woods Railroad, LLC (Woods), have filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(3) for a transaction within a corporate family. CLC seeks to lease and operate all of Woods' lines of railroad consisting of approximately 22 miles of spur rail line between the connection with CLC at milepost 8.5 (Ostrander Junction) and milepost 30.5 (Green Mountain), including auxiliary and temporary storage tracks, in Cowlitz County, Wash. CLC and Woods are Class III rail carriers and are wholly owned subsidiaries of Tennessee Southern Railroad Company (TSRR).¹ The transaction is intended to result in more efficient and lower cost operations.

The exemption will be effective on March 24, 2011.

This is a transaction within a corporate family of the type exempted from prior review and approval under 49 C.F.R. § 1180.2(d)(3). The parties state that the

¹ See Tenn. S. R.R.—Continuance in Control Exemption—Columbia & Cowlitz Ry., Docket No. FD 35425 (served Nov. 12, 2010). Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp. indirectly control CLC and Woods through TSRR.

transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the corporate family.

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 rail carriers.

If the 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 will be due no later than March 17, 2011 (at least 7 days before the effective date of the exemption).

An original and 10 copies of all pleadings, referring to Docket No. FD 35473 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 applicants' representative, 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.

Decided: March 4, 2011.

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