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SERVICE DATE – MARCH 25, 2016

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36009]

Gulf & Ohio Railways, Inc., H. Peter Claussen and Linda C. Claussen—Continuance in Control Exemption—North Carolina & Atlantic Railroad Co., Inc.

Gulf & Ohio Railways, Inc. (G&O), and H. Peter Claussen and Linda C. Claussen (the Claussens) (collectively, Applicants) have jointly filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of North Carolina & Atlantic Railroad Co., Inc. (NCAR), upon NCAR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in North Carolina & Atlantic Railroad Co., Inc.—Lease & Operation Exemption—North Carolina Department of Transportation, Docket No. FD 36008, wherein NCAR seeks Board approval under 49 C.F.R. § 1150.31 to lease from the North Carolina Department of Transportation, and to operate, approximately 5.7 miles of rail line, referred to as the Global Transpark rail corridor, between milepost GTP-0.0 (connection to the North Carolina Railroad Company track) and milepost GTP-5.7 (at the NC Global Transpark) at Kinston, in Lenoir County, N.C.

Applicants expect to consummate the proposed transaction on or after April 8, 2016, the effective date of the exemption (30 days after the verified notice of exemption was filed).

According to Applicants, the Claussens own a controlling share of voting stock of G&O. G&O, in turn, wholly owns four Class III rail carriers operating in three states: (a) Knoxville & Holston River Railroad Co., Inc., operating in Tennessee; (b) Lancaster & Chester Railroad, LLC, operating in South Carolina; (c) Laurinburg & Southern Railroad Co., Inc., operating in North Carolina; and (d) Piedmont & Atlantic Railroad Co., Inc., d/b/a Yadkin Valley Railroad, operating in North Carolina.

Applicants certify that: (1) the rail lines to be operated by NCAR do not connect with any other railroads operated by the carriers in the Applicants' corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines to be operated by NCAR with any other railroad in Applicants' corporate family; 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 C.F.R. § 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 §§ 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 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 effectiveness

of the exemption. Stay petitions must be filed no later than April 1, 2016 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36009, 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, Rose-Michele Nardi, Transport Counsel PC, 1701 Pennsylvania Ave., N.W., Suite 300, Washington, DC 20006.

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Decided: March 21, 2016.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.