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SERVICE DATE – AUGUST 27, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35403]

Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Piedmont & Northern Railway, Inc.

Patriot Rail, LLC (PRL) and its subsidiaries, Patriot Rail Holdings LLC (PRH) and Patriot Rail Corp. (Patriot), have jointly filed a verified notice of exemption to continue in control of Piedmont & Northern Railway, Inc. (P&N), upon P&N's becoming a Class III rail carrier.¹

This transaction is related to the verified notice of exemption filed in Docket No. FD 35402, Piedmont & Northern Railway, Inc.—Operation Exemption—North Carolina Department of Transportation, in which P&N seeks an exemption under 49 C.F.R. § 1150.31 to operate over approximately 13.04 miles of rail line owned by the North Carolina Department of Transportation, between Mt. Holly (milepost SFC 11.39) and Gastonia (milepost SFC 23.0), including the Belmont spur between Mt. Holly (milepost SFC 13.6/SFF 0.13) and Belmont (milepost SFF 1.56), in Gaston County, N.C.

The transaction is scheduled to be consummated on or after September 11, 2010 (30 days after the notice of exemption was filed).

¹ PRL is a noncarrier limited liability company that owns not less than 51% of the equity interests in PRH. PRH owns 100% of the stock of Patriot. Patriot is a noncarrier holding company that owns 100% of the stock of six railroad subsidiaries and P&N.

Patriot currently controls the following six Class III rail carriers: Tennessee Southern Railroad Company, Rarus Railway Company, Utah Central Railway Company, Sacramento Valley Railroad, Inc., The Louisiana and North West Railroad Company LLC, and Temple & Central Texas Railway, Inc.

The parties state that: (1) the rail line to be operated by P&N does not connect with any other railroads in the corporate family; (2) the transaction is not part of a series of anticipated transactions that would connect this rail line with any other railroad in the 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 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 effectiveness of the exemption. Petitions for stay must be filed no later than September 3, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35403, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, D.C. 20423-0001. In addition, one copy of each pleading must be served on Louis E. Gitomer, 600 Baltimore Ave., Suite 301, Towson, Md. 21204.

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Decided: August 26, 2010.

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