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SERVICE DATE – AUGUST 12, 2011

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35543]

Arkansas Shortline Railroads, Inc.—Continuance in Control Exemption—North  
Louisiana & Arkansas Railroad, Inc.

Arkansas Shortline Railroads, Inc. (ASR), a noncarrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of North Louisiana & Arkansas Railroad, Inc. (NLA) upon NLA's becoming a Class III rail carrier.

In Delta Southern Railroad—Abandonment Exemption—in Desha and Chicot Counties, Ark., AB 384 (Sub-No. 3X) (STB served Mar. 25, 2011), Delta Southern Railroad, Inc. (DSR) was authorized to abandon a 24.1-mile line of railroad (the Line) extending between milepost 408.9 at or near McGehee and milepost 433.0 at or near Lake Village, in Desha and Chicot Counties, Ark., subject to environmental and standard employee protective conditions.

Lake Providence Port Commission and ASR as guarantor for its wholly owned subsidiary, NLA, a newly formed noncarrier (collectively, Offerors), jointly filed a timely offer of financial assistance (OFA) under the provisions of 49 U.S.C. § 10904 and 49 C.F.R. § 1152.27 to purchase the entire Line. By a decision served on April 8, 2011, the Board found the Offerors to be financially responsible. By a decision served on

May 19, 2011, the Offerors were authorized to acquire the Line, and NLA was authorized to operate the Line.

ASR currently controls 3 Class III rail carriers: Dardanelle & Russellville Railroad, Inc., Ouachita Railroad, and Camden & Southern Railroad, Inc.

The parties propose to consummate the transaction after the August 26, 2011 effective date of the exemption (30 days after the exemption was filed).

ASR represents that: (1) the rail line to be operated by NLA will not connect with any other lines in their corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or with any other railroad in their 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. Stay petitions must be filed no later than August 19, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35543, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Richard H. Streeter, Law Office of Richard H. Streeter, 5255 Partridge Lane, N.W., Washington, DC 20016.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: August 5, 2011.

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