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Ms. Cynthia T. Brown  
Chief of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, N.W.  
Washington, DC 20423

**RE: FD 36007, Central Gulf Acquisition Company – Acquisition and  
Operation Exemption -CG Railway, Inc.  
Petition for Waiver of 49 CFR §1150.32(e)**

Dear Ms. Brown:

I am writing on behalf of Central Gulf Acquisition Company (“CGAC”), a noncarrier, in connection with and in support of the above-captioned proceeding. CGAC respectfully requests that the Board partially waive the 60-day labor notice requirements of 49 CFR §1150.32(e) to enable these transactions to be consummated by or before May 4, 2016.

Simultaneous with the filing of this waiver request, CGAC and its corporate parent, West Branch Intermediate Holdings, LLC (“West Branch”), and manager, Continental Rail LLC (“Continental”), are filing two class exemption notices. In FD 36007, CGAC proposes to operate a railroad car ferry service presently provided by CG Railway, Inc. (“CGR”), an existing Class III rail carrier. The transaction also includes the assignment of a Master Agreement providing for the lease of 2,850 feet of track and land on the property of the Alabama State Port Authority at the Port of Mobile, Mobile, AL. As a result of that transaction, CGAC will provide the car ferry service that CGR is presently providing between Mobile, AL, in the United States, and Coatzacoalcos, in the State of Veracruz, in Mexico. In FD 36006, CGAC’s corporate owner, West Branch, and its manager, Continental, seek to continue in control of CGAC and Delta Southern Railroad,

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Inc., an existing Class III short line that West Branch acquired in 2015 (with management by Continental) through a stock acquisition. These properties do not connect.

CGAC seeks this waiver because CGR's annual railroad operating revenues exceed the \$5 million threshold for which 49 CFR §1150.32(e) would normally require that notice to labor be provided 60 days in advance. Upon acquisition, CGAC anticipates that its annual revenues operating revenues will continue to exceed \$5 million.

CGAC files this request because time is of the essence to the Seller, CGR. An expeditious grant of this waiver request will facilitate the preservation of the subject railroad car ferry service that provides the only alternative to the current all land border crossings. Moreover, granting this request will enhance railroad competition by allowing Canadian National Railroad, Norfolk Southern Railway, and CSX Transportation to connect with the Mexican rail system without having to go through the three Class I western carriers that provide an all land Mexican rail access.

CGAC notes that the Board has traditionally granted parties relief from the strict requirements of 49 CFR §1150.32(e) when there will be little or no impact on the affected employees or the financial circumstances of the selling carrier required expedition. *See, e.g., Kansas and Oklahoma Railroad, Inc.-Acquisition Exemption-Rail Line of Union Pacific Railroad Company*, FD 34746 (STB served Sept. 15, 2006)(short line purchasing rail line it has been operating under lease); *Central Maine & Quebec Railway US Inc.-Acquisition and Operation Exemption-Montreal, Maine & Atlantic Railway, LTD*, FD 35805 (STB served March 13, 2014)(labor notice requirement waived in its entirety due to dire circumstances of selling carrier and the possibility of a delay in closing could jeopardize rail service). The Board has also on occasion even accelerated the normal 30 day period between the filing of a notice of exemption under 49 CFR §1150.31 and the effective date to accommodate the business and tax needs of the parties. *See, The Great Lake Port Corporation d/b/a Grand River Railway-Acquisition and Operation Exemption-CSX Transportation, Inc.*, FD 35888 (STB served December

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24, 2014)(the Board reduced the notice period from 30 to 18 days because of tax considerations and need to plan for and undertake needed rehabilitation).

As the labor notice submitted with the acquisition and operation exemption indicates, CGAC's work force will consist just of clerical office employees and persons who will supervise the loading and unloading of the car ferries. Employees of the Terminal Railway Alabama State Docks will continue to load and unload rail cars from the car ferries at Mobile just as they do now for CGR. CGAC will engage the services of a water carrier to operate the car ferries across the Gulf of Mexico.

Nevertheless, CGAC will comply with the spirit of 49 CFR §1150.32(e) by posting public notices of the transaction at the work place of CGR in Mobile . It is attaching a copy of the notice as an exhibit to the class exemption acquisition and operation filing in FD 36007. Neither CGAC nor CGR anticipate that there will be any opposition to either the acquisition and operation transaction or to this labor notice waiver request. Because anyone who might theoretically be affected will have 30 days of notice of the transaction before it is consummated, it does not appear that the purpose behind the notice requirement would be thwarted by the requested waiver.

Accordingly, CGAC requests that the Board partially waive its labor notice requirement under 49 CFR §1150.32(e) to enable these transactions to be consummated by or before May 4, 2016.

Sincerely yours,



John D. Heffner

cc: Mr. John Marino  
Robert Schellig, Esq.