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

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Office of Proceedings
May 24, 2012
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Public Record

Re: ***SteelRiver Infrastructure Partners LP-Control Exemption-Patriot Rail Corp.,
STB FD No. 35622***

Dear Ms. Brown:

I am writing to respond to the claim made by Louis Gitomer, counsel for Patriot Rail Corp., in his May 23, 2012 letter to you, that Sierra Railroad Company and Sierra Northern Railway (collectively, "Sierra") have deliberately sought to delay this proceeding. The facts show just the opposite.

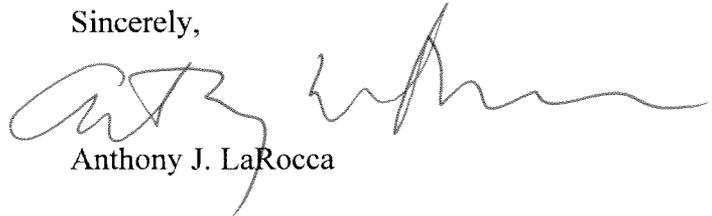
On May 18, 2012, the Board issued the Protective Order originally proposed by Patriot and instructed Patriot to make available to Sierra under the Protective Order an unredacted copy of the Stock Purchase Agreement ("SPA") between Patriot Funding LLC and Patriot Rail Holdings LLC. Patriot subsequently made it clear that it did not intend to comply with the Board's instruction. Instead, Patriot decided that it no longer agreed with its original proposal for access to Confidential Information in this proceeding, and it filed on May 21, 2012 a motion to modify the recently issued Protective Order (the same Protective Order that Patriot had previously asked the Board to enter) with a new set of restrictions on access to Confidential Information. When Sierra objected to the newly proposed restrictions on access, Patriot proposed yet another approach to confidentiality – its third confidentiality proposal in this proceeding – which is set out in its May 23, 2012 letter to Ms. Brown.

It is now almost a week after the Board instructed Patriot to make available to Sierra an unredacted copy of the SPA – and a week closer to the deadline for filing a request to stay the transfer of control – and because of Patriot's shifting positions on confidentiality Sierra still does not know whether it will receive access to the unredacted SPA or what terms will eventually govern access to Confidential or Highly Confidential Information. The delay in resolving the confidentiality issue is definitely not the fault of Sierra.

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While Sierra has not yet seen the redacted version of the SPA that Patriot filed with its May 23, 2012 letter to Ms. Brown, the description of the redactions that Patriot has proposed – “highly sensitive [dollar] amounts and bank account information” – may be a reasonable basis for creating a confidential version of the SPA that can be disclosed to Sierra’s executive management under the Protective Order. But the Board would still need to modify the Protective Order to allow Sierra’s outside counsel to have access to the Highly Confidential Information that has been redacted from the confidential version. Moreover, as Sierra explained in its May 22, 2012 pleading, in light of the rapidly approaching deadline for seeking a stay of the proposed transfer of control, the dispute over access to the SPA has made a short housekeeping stay necessary.

Sincerely,



Anthony J. LaRocca

Counsel for Sierra Railroad Company &
Sierra Northern Railway

cc: Ahren Tryon, Esq.
Louis E. Gitomer, Esq.