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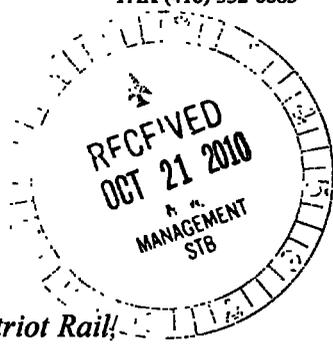
**LAW OFFICES OF
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October 21, 2010

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423



RE: Finance Docket No. 35425, *Tennessee Southern Railroad Company, Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance-in-Control Exemption—Columbia & Cowlitz Railway, LLC, DeQueen and Eastern Railroad, LLC, Golden Triangle Railroad, LLC, Mississippi & Skuna Valley Railroad, LLC, Patriot Woods Railroad, LLC, and Texas, Oklahoma & Eastern Railroad, LLC*

Dear Secretary Williams:

Enclosed for filing are the original and 10 copies of a Verified Notice of Exemption under 49 C.F.R. 1180.2(d)(2), a check covering the ~~\$1,100.00~~ filing fee, and a CD with the WORD and pdf file. _{1,300}

Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger. Thank you for your assistance.

If you have any questions, please call or email me.

Sincerely yours

Louis E. Gitomer
Attorney for: Tennessee Southern Railroad Company, Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.

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Office of Proceedings
OCT 21 2010
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Public Record

Enclosures

FILED
OCT 21 2010

**SURFACE
TRANSPORTATION BOARD**

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TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35425

TENNESSEE SOUTHERN RAILROAD COMPANY, PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP.
-CONTINUANCE-IN-CONTROL EXEMPTION-
COLUMBIA & COWLITZ RAILWAY, LLC, DEQUEEN AND EASTERN RAILROAD, LLC,
GOLDEN TRIANGLE RAILROAD, LLC, MISSISSIPPI & SKUNA VALLEY RAILROAD,
LLC, PATRIOT WOODS RAILROAD, LLC, AND TEXAS, OKLAHOMA & EASTERN
RAILROAD, LLC

VERIFIED NOTICE OF EXEMPTION

FILED

OCT 21 2010

**SURFACE
TRANSPORTATION BOARD**

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250

Attorney for TENNESSEE SOUTHERN
RAILROAD COMPANY,
PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC,
and PATRIOT RAIL CORP.

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OCT 21 2010

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

OCT 21 2010

**Part of
Public Record**

Dated: October 21, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35425

TENNESSEE SOUTHERN RAILROAD COMPANY, PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP.
-CONTINUANCE-IN-CONTROL EXEMPTION-
COLUMBIA & COWLITZ RAILWAY, LLC, DEQUEEN AND EASTERN RAILROAD, LLC,
GOLDEN TRIANGLE RAILROAD, LLC, MISSISSIPPI & SKUNA VALLEY RAILROAD,
LLC, PATRIOT WOODS RAILROAD, LLC, AND TEXAS, OKLAHOMA & EASTERN
RAILROAD, LLC

VERIFIED NOTICE OF EXEMPTION

Tennessee Southern Railroad Company (“TSRR”), Patriot Rail, LLC (“PRL”) and its subsidiaries Patriot Rail Holdings LLC (“PRH”) and Patriot Rail Corp. (“Patriot”), pursuant to 49 C.F.R. §§1180.2(d)(2) and 1180.4(g), file this Verified Notice of Exemption with the Surface Transportation Board (the “Board”) from the prior approval requirements of 49 U.S.C. §§11323-11325. This Verified Notice of Exemption is being filed to permit TSRR, PRL, PRH, and Patriot to continue-in-control of the Columbia & Cowlitz Railway, LLC (“CLC”), DeQueen and Eastern Railroad, LLC (“DQE”), Golden Triangle Railroad, LLC (“GTRA”), Mississippi & Skuna Valley Railroad, LLC (“MSV”), Patriot Woods Railroad, LLC (“PAW”), and Texas, Oklahoma & Eastern Railroad, LLC (“TOE”) once each becomes a rail carrier upon authorization to acquire and operate certain rail lines.

a. **1180.6(a)(1)(i)**. A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

Patriot Rail LLC or its subsidiaries, assigns or affiliates, which include CLC, DQE, GTRA, MSV, PAW, and TOE, (the “Buyers”) entered an Asset Purchase Agreement dated as

of July 21, 2010 (the "Agreement") with Weyerhaeuser NR Company ("Weyerhaeuser"), Columbia & Cowlitz Railway Company ("Old CLC"), DeQueen and Eastern Railroad Company ("Old DQE"), Golden Triangle Railroad Company ("Old GTRA"), Mississippi & Skuna Valley Railroad Company ("Old MSV"), and Texas, Oklahoma & Eastern Railroad Company ("Old TOE") (the "Sellers"). Under the Agreement, Buyers will acquire substantially all of the assets of Old CLC, Old DQE, Old GTRA, Old MSV, and Old TOE, and the railroad assets of the Weyerhaeuser Woods Railroad, a non-carrier operating division of Weyerhaeuser ("Woods RR").

Under the Agreement CLC seeks to acquire and operate the assets of Old CLC¹, DQE seeks to acquire and operate the assets of Old DQE², GTRA seeks to acquire and operate the assets of Old GTRA³, MSV seeks to acquire and operate the assets of Old MSV⁴, TOE seeks to acquire and operate the assets of Old TOE⁵, and PAW seeks to acquire and operate the railroad assets of Woods RR⁶.

¹ See Finance Docket No. 35426, *Columbia & Cowlitz Railway, LLC-Acquisition and Operation Exemption-Columbia & Cowlitz Railway Company*, Notice of Exemption filed September 22, 2010.

² See Finance Docket No. 35427, *DeQueen and Eastern Railroad, LLC- Acquisition and Operation Exemption- DeQueen and Eastern Railroad Company*, Notice of Exemption filed September 22, 2010.

³ See Finance Docket No. 35428, *Golden Triangle Railroad, LLC- Acquisition and Operation Exemption- Golden Triangle Railroad Company*, Notice of Exemption filed September 22, 2010.

⁴ See Finance Docket No. 35429, *Mississippi & Skuna Valley Railroad, LLC- Acquisition and Operation Exemption- Mississippi & Skuna Valley Railroad Company*, Notice of Exemption filed September 22, 2010.

⁵ See Finance Docket No. 35430, *Texas, Oklahoma & Eastern Railroad, LLC- Acquisition and Operation Exemption-Texas, Oklahoma & Eastern Railroad Company*, Notice of Exemption filed September 22, 2010.

⁶ See Finance Docket No. 35431, *Patriot Woods Railroad, LLC- Acquisition and Operation Exemption-Weyerhaeuser NR Company, Weyerhaeuser Woods Railroad Operating Division*, Notice of Exemption filed September 22, 2010.

The instant Notice of Exemption seeks exemption for Patriot Rail, LLC and Patriot Rail Holdings LLC, and Patriot Rail Corp., through Tennessee Southern Railroad Company to continue-in-control of CLC, DQE, GTRA, MSV, PAW, and TOE once they become rail carriers. Although TOE connects to DQE and PAW connects to the CLC, none of the properties being acquired from the Weyerhaeuser railroads connect to railroads already commonly controlled by PRL, PRH, and Patriot. Therefore, the proposed transaction will not allow PRL, PRH, Patriot, and TSRR to string railroads together. The Board has previously applied the notice of exemption under 49 CFR §1180.2(d)(2) to similar situations where the railroad assets or the railroads being acquired connected, but did not connect with the railroads controlled by the party controlling the railroads.⁷

Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp., through Tennessee Southern Railroad Company, all located at One Boca Place, 2255 Glades Road, Suite 342W, Boca Raton, FL 33431, (561) 443-5300, control the non-carriers CLC, DQE, GTRA, MSV, PAW, and TOE.

CLC, DQE, GTRA, MSV, PAW, and TOE will all become Class III carriers and are all located at One Boca Place, 2255 Glades Road, Suite 342W, Boca Raton, FL 33431, (561) 443-5300. CLC is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to acquire and operate over a rail line in southwestern Washington State. DQE is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to acquire and operate over a rail line in southwestern Arkansas. GTRA is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to acquire and operate

⁷ See, e.g. *Genesee & Wyoming Inc.—Control Exemption—Columbus and Greenville Railway Company, The Chattooga and Chickamauga Railway Company, and Luxapalila Valley Railroad, Inc.*, STB Finance Docket No. 35139 (STB served May 15, 2008).

over a rail line in northeastern Mississippi. MSV is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to acquire and operate over a rail line in north central Mississippi. PAW is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to acquire and operate over a rail line in southwestern Washington. TOE is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to acquire and operate over a rail line in eastern Oklahoma.

Upon acquiring the right to operate over the relevant lines, CLC, DQE, GTRA, MSV, PAW, and TOE will become rail carriers. Therefore, PRL, PRH, Patriot, and TSRR have filed this notice of exemption to continue-in-control of CLC, DQE, GTRA, MSV, PAW, and TOE once they become rail carriers. PRL is a non-carrier limited liability company that owns not less than 51% of the equity interests in PRH, which owns 100% of the stock of Patriot. Patriot is a non-carrier holding company that owns 100% of the stock of its current seven railroad subsidiaries, including TSRR, and the non-carrier subsidiaries CLC, DQE, GTRA, MSV, PAW, and TOE.

This is a transaction where CLC, DQE, GTRA, MSV, PAW, and TOE will not connect with any of subsidiary railroads of PRL, PRH, and Patriot, where the acquisition of CLC, DQE, GTRA, MSV, PAW, and TOE is not intended to connect with any railroads in the corporate family of PRL, PRH, and Patriot, and where a Class I carrier is not involved. TSRR is a subsidiary of PRL, PRH, and Patriot and does not control any other railroad subsidiaries. PRL, PRH, Patriot, and TSRR have elected the structure of the transaction so that they can make use of tax benefits from the continuance-in-control of CLC, DQE, GTRA, MSV, PAW, and TOE. The proposed transaction meets the requirements of 49 C.F.R. §1180.2(d)(2).

Patriot is a non-carrier holding company that controls the following seven class III railroads: (1) the Tennessee Southern Railroad Company (“TSRR”), which was acquired in November 2006; (2) Rarus Railway Company (“Rarus”), which was acquired in April 2007;⁸ (3) Utah Central Railway Company (“Utah”), which was acquired in January 3, 2008⁹; (4) Sacramento Valley Railroad, Inc. (“SAVR”), which was acquired in March 2008¹⁰; (5) The Louisiana and North West Railroad Company LLC (“L&NW”), which was acquired in June 2008¹¹; (6) the Temple & Central Texas Railway, Inc. (“TC”), which was acquired in August 2009¹²; and (7) the Piedmont & Northern Railway, Inc. (“P&N”), which was acquired in September 2010¹³. As noted, TSRR does not control any other railroads.

The properties of CLC, DQE, GTRA, MSV, PAW, and TOE and the subsidiaries of PRL, PRH, and Patriot do not connect. The lines of the CLC are located in southwestern Washington State. The lines of the DQE are located in southwestern Arkansas. The lines of the GTRA are located in northeastern Mississippi. The lines of the MSV are located in north central

⁸ *Patriot Rail, LLC and Patriot Rail Corp.—Control Exemption—Rarus Railway Company*, STB Finance Docket No. 35013 (STB served April 11, 2007).

⁹ *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Control Exemption—Utah Central Railway Company*, STB Finance Docket No. 35102 (STB served November 15, 2007).

¹⁰ *Sacramento Valley Railroad, Inc.—Operation Exemption—McClellan Business Park*, STB Finance Docket No. 35117 (STB served February 14, 2008); *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Sacramento Valley Railroad, Inc.*, STB Finance Docket No. 35118 (STB served February 14, 2008).

¹¹ *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Control Exemption—The Louisiana and North West Railroad Company LLC*, STB Finance Docket No. 35138 (STB served May 16, 2008).

¹² *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Control Exemption—Temple & Central Texas Railway, Inc.*, STB Finance Docket No. 35256 (STB served July 15, 2009).

¹³ *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Piedmont & Northern Railway, Inc.*, Docket No. FD 35403 (STB served August 27, 2010). *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Piedmont & Northern Railway, Inc.*, Docket No. FD 35403 (STB served August 27, 2010).

Mississippi. The lines of the PAW are located in southwestern Washington. The lines of the TOE are located in eastern Oklahoma. The lines of the TSRR are located in Tennessee and Alabama. The lines of the Rarus are located in Montana. The lines of the Utah are located in Utah. The lines of the SAVR are located in California. The lines of the L&NW are located in Arkansas and Louisiana. The lines of TC are located in the City of Temple, Bell County, TX. P&N is located in North Carolina.

Counsel to whom questions concerning the transaction can be addressed is: Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou_Gitomer@verizon.net.

b. **1180.6(a)(1)(ii).** The proposed time schedule for consummation of the proposed transaction.

CLC, DQE, GTRA, MSV, PAW, and TOE intend to commence operations over the respective lines on or after December 21, 2010. PRL, PRH, Patriot, and TSRR own the stock of CLC, DQE, GTRA, MSV, PAW, and TOE and will continue-in-control of CLC, DQE, GTRA, MSV, PAW, and TOE upon CLC, DQE, GTRA, MSV, PAW, and TOE commencing operations over the respective lines.

c. **1180.6(a)(1)(iii).** The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The management of PRL, PRH, and Patriot has successfully managed short line railroads for more than a decade. TSRR is a successful short line. The lines to be operated by CLC, DQE, GTRA, MSV, PAW, and TOE are currently operated by subsidiaries of Weyerhaeuser. PRL, PRH, Patriot, and TSRR intend to focus on rail operations and to use their management experience and expertise in operating short line railroads and its financial resources to provide rail freight service to communities and industries who wish to have additional transportation

options, and to create financially viable railroads in CLC, DQE, GTRA, MSV, PAW, and TOE. In addition, as direct subsidiaries of TSRR, CLC, DQE, GTRA, MSV, PAW, and TOE will be able to make use of certain tax benefits.

d. **1180.6(a)(5)**. A list of the State(s) in which any part of the property of each applicant carrier is situated.

TSRR operates in the States of Tennessee and Alabama. Rarus operates in the State of Montana. Utah operates in the State of Utah. SAVR operates in the State of California. L&NW operates in the States of Arkansas and Louisiana. TC operates in the State of Texas. P&N operates in the State of North Carolina. CLC will operate in southwestern Washington State. DQE will operate in southwestern Arkansas. GTRA will operate in northeastern Mississippi. MSV will operate in north central Mississippi. PAW will operate in southwestern Washington. TOW will operate in eastern Oklahoma.

e. **1180.6(a)(6)**. **Map (Exhibit B)**. Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit B at the end of the pleading with colored maps.

f. **1180.6(a)(7)(ii)**. **Agreement (Exhibit A)**. Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.

CLC, DQE, GTRA, MSV, PAW, and TOE, as non-carriers, are controlled by PRL, PRH, Patriot, and TSRR. There is no agreement between CLC, DQE, GTRA, MSV, PAW, and TOE on the one hand, and PRL, PRH, Patriot, and TSRR, on the other.

g. Labor Protection.

TSRR, Rarus, Utah, SAVR, L&NW, TC, P&N are all class III railroads. CLC, DQE, GTRA, MSV, PAW, and TOE will become class III railroads. As such, under 49 U.S.C. §11326(c), labor protection does not apply to this transaction.

h. Environmental and Historical documentation.

This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) and thus neither an Environmental Report nor a Historic Report is required to be filed.

Respectfully submitted,



Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou_Gitomer@verizon.net

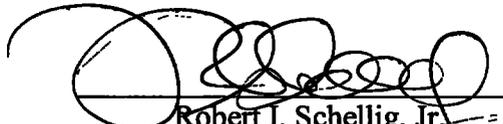
Attorney for TENNESSEE SOUTHERN
RAILROAD COMPANY,
PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC,
and PATRIOT RAIL CORP.

Dated: October 21, 2010

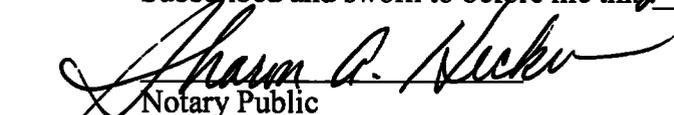
VERIFICATION

State of Florida)
) ss
County of Palm Beach)

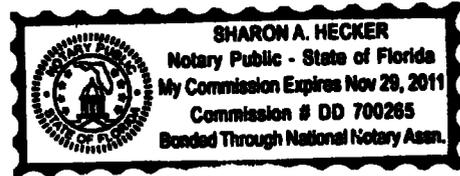
Robert I. Schellig, Jr., being duly sworn, deposes and says that I am Vice President of Law of Patriot Rail Corp., a Delaware corporation, and that he has read the foregoing, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.


Robert I. Schellig, Jr.

Subscribed and sworn to before me this 20th day of October 2010.

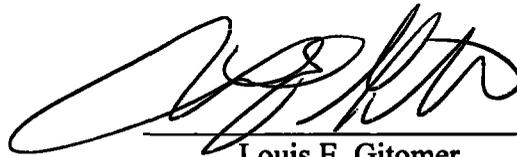

Notary Public

My Commission expires: Nov. 29, 2011



CERTIFICATE OF SERVICE

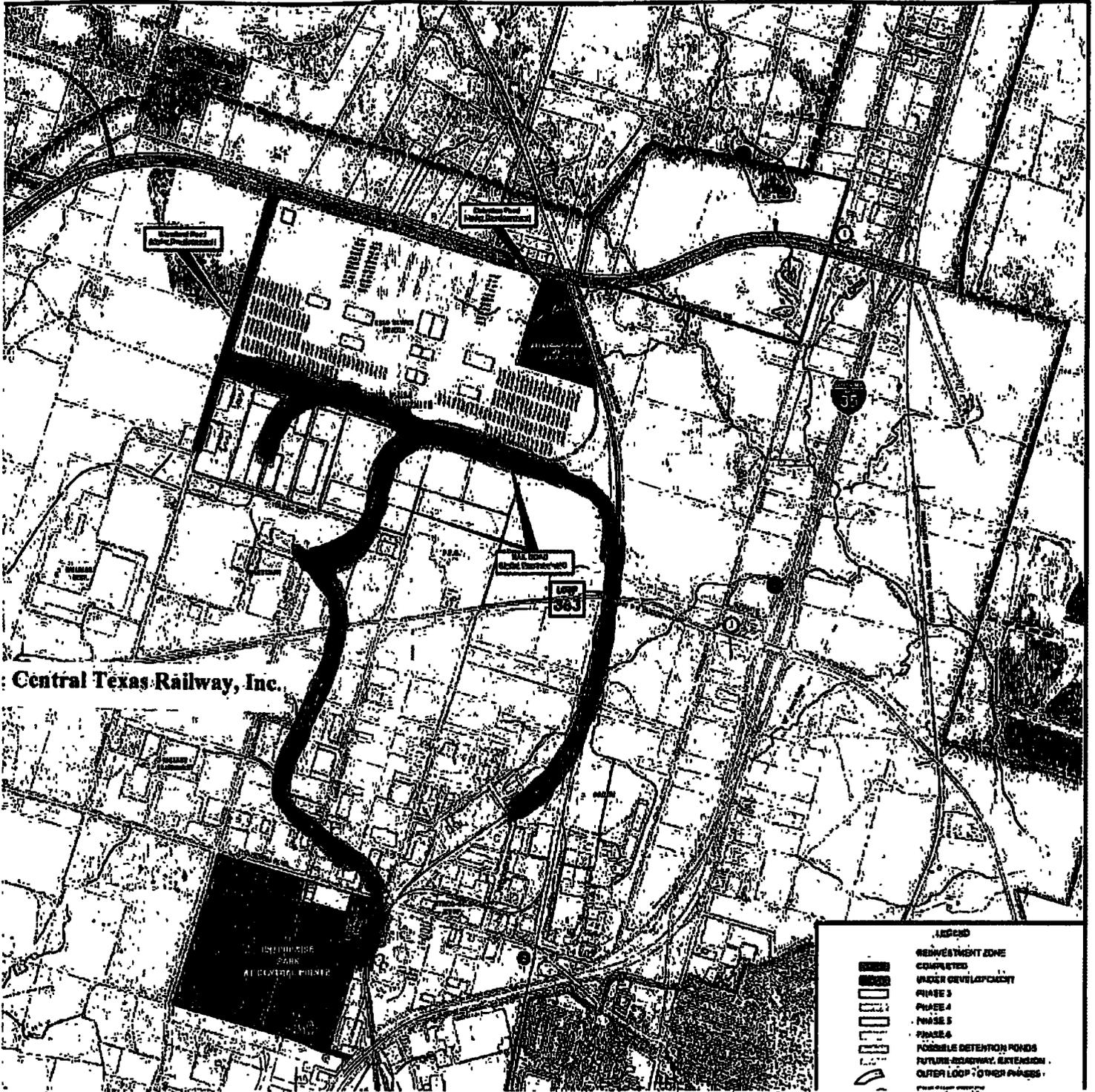
I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35425, *Tennessee Southern Railroad Company, Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.–Continuance-in-Control Exemption–Columbia & Cowlitz Railway, LLC, DeQueen and Eastern Railroad, LLC, Golden Triangle Railroad, LLC, Mississippi & Skuna Valley Railroad, LLC, Patriot Woods Railroad, LLC, and Texas, Oklahoma & Eastern Railroad, LLC* to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and on the Governor, Public Service Commission, and Department of Transportation of the States of Arkansas, Mississippi, Oklahoma, and Washington.



Louis E. Gitomer
October 21, 2010

**EXHIBIT A-AGREEMENT
NONE**

EXHIBIT B—MAPS

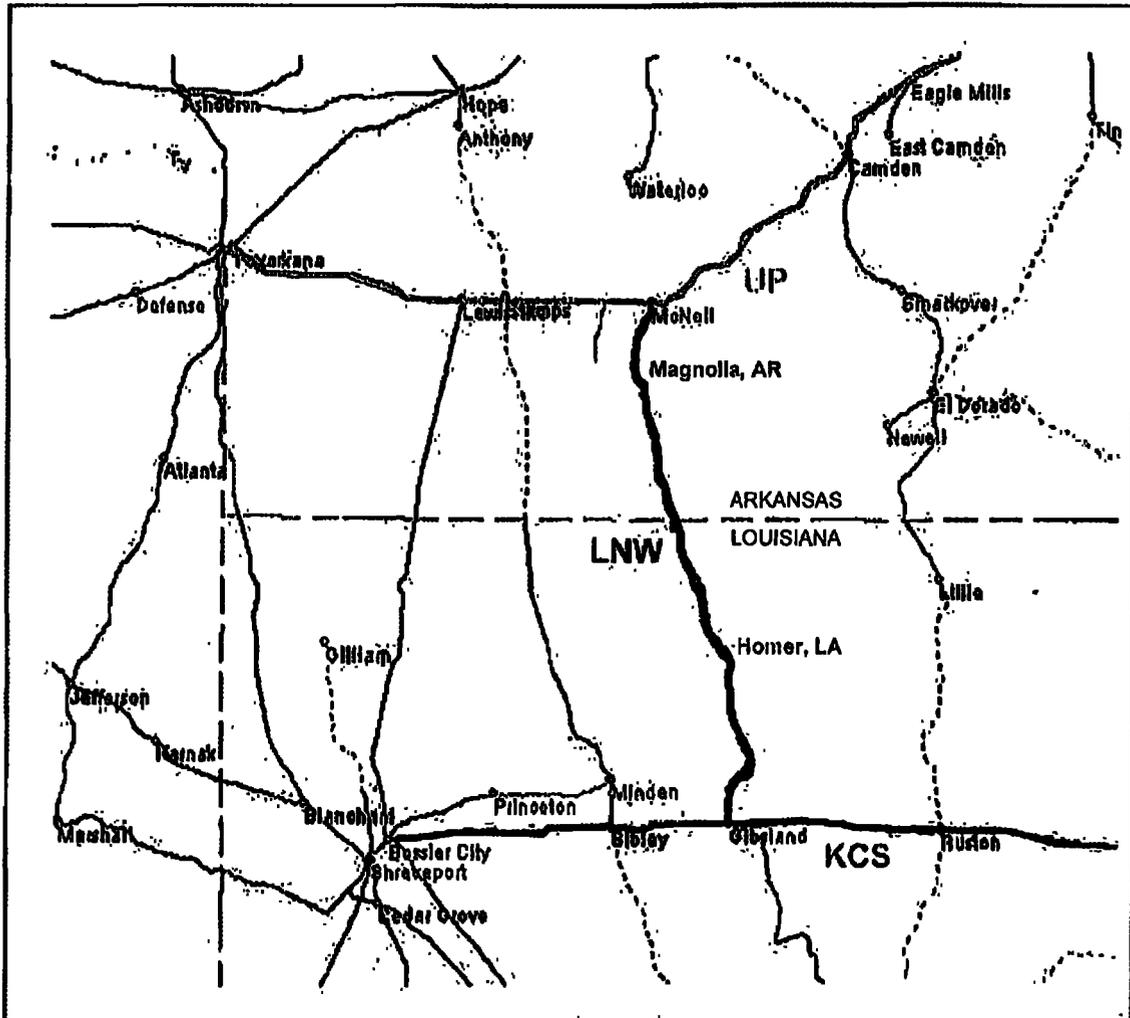


Central Texas Railway, Inc.

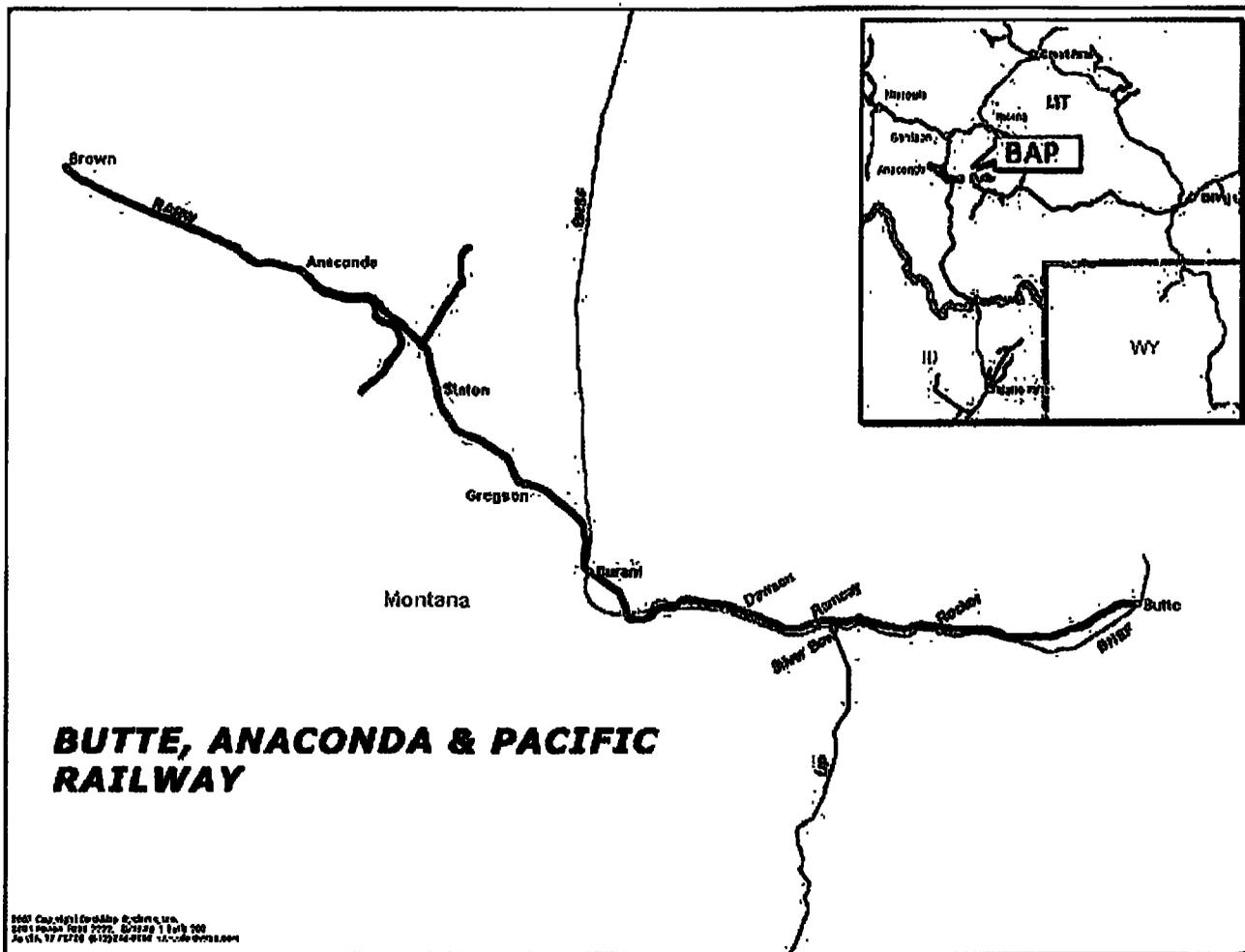
15TH STREET
PARK
AT GUYTON CENTER

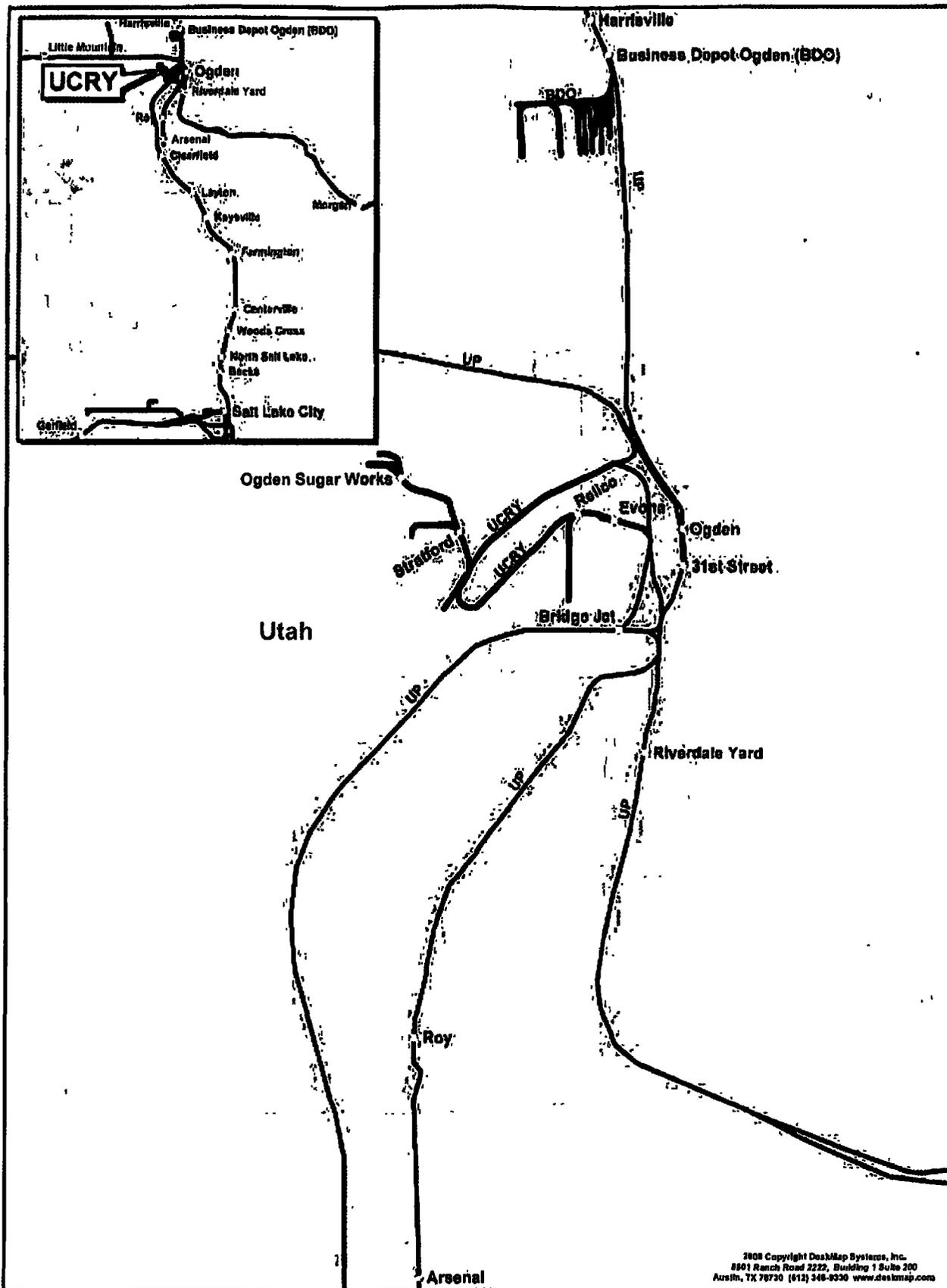
- LEGEND
- REDEVELOPMENT ZONE
 - COMPLETED
 - UNDER DEVELOPMENT
 - PHASE 3
 - PHASE 4
 - PHASE 5
 - PHASE 6
 - POSSIBLE DETENTION PONDS
 - FUTURE ROADWAY EXTENSION
 - OUTER LOOP OTHER PHASES

Louisiana and North West Railroad (LNW) Map

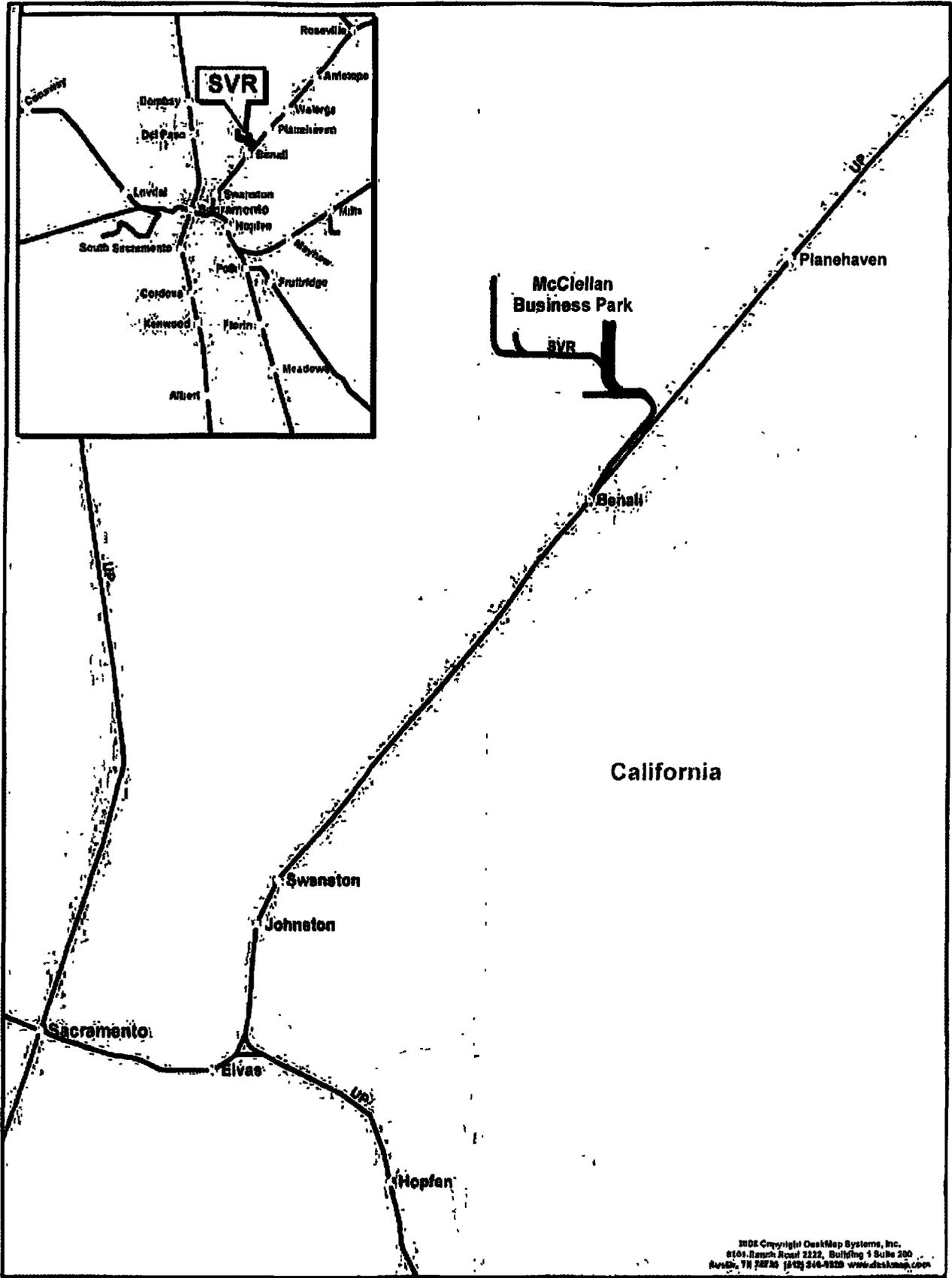


The Louisiana and North West Railroad (LNW) operates 63 miles of owned and leased rail line from Gibsland, Louisiana, to McNeil, Arkansas. The railroad leases 6.8 miles (from Magnolia to McNeil, Arkansas) from the Union Pacific Railroad (UP). LNW interchanges traffic with the UP at McNeil and with Kansas City Southern (KCS) at Gibsland, LA.



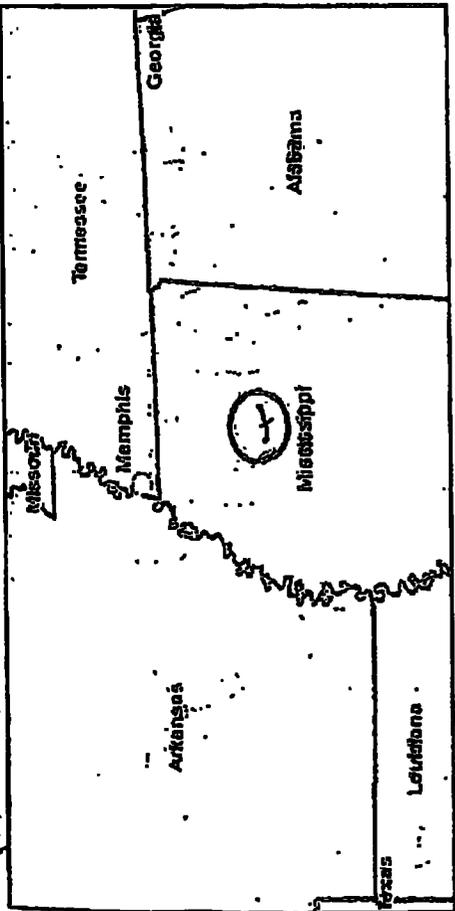


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 Class I Railroads
 WY Railroad



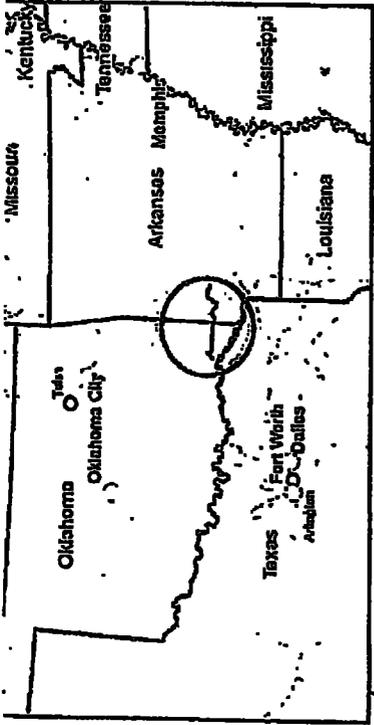
Bruce MS
MP 0.0

MSV Railroad

Bruce Lumber Mill

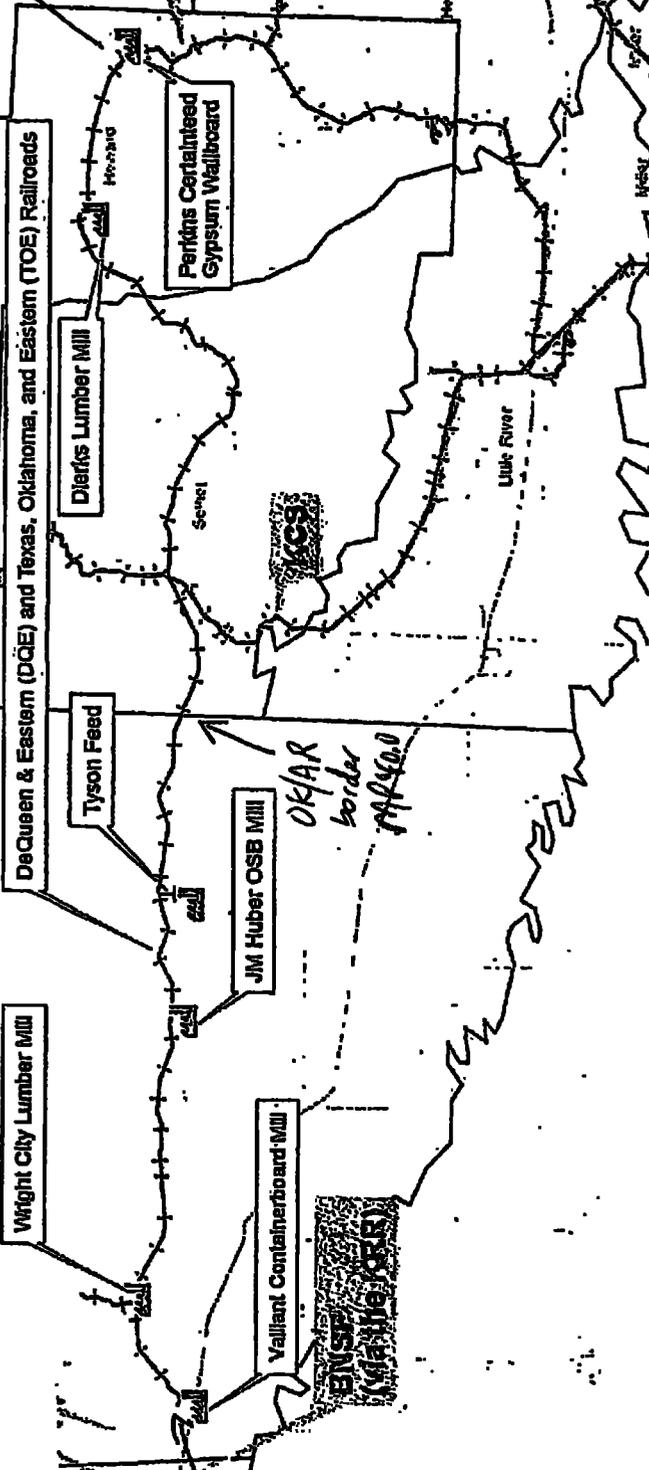
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ON



Class I Railroads
 WY Railroad
 KCS
 PAC
 Missouri
 Arkansas
 Louisiana
 Mississippi
 Tennessee
 Kentucky
 Texas
 Fort Worth
 Dallas
 Memphis
 Oklahoma City

Perkins, AR
 MP 97.0



Valliant, OK
 22 MP 0.0

OK/AR
 border
 MP 40.0

Perkins Certainteed Gypsum Wallboard

Dierks Lumber Mill

Tyson Feed

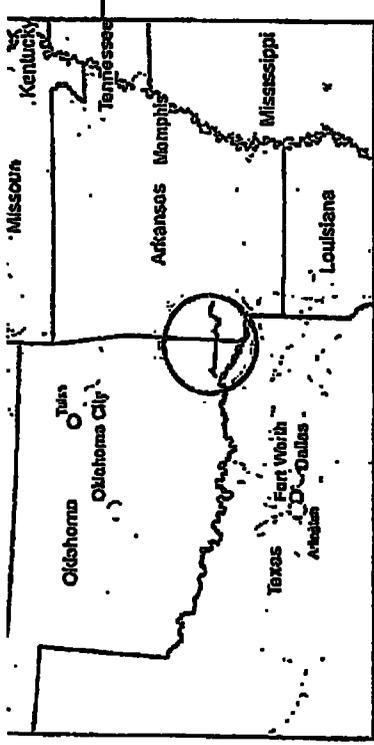
JM Huber OSB Mill

Valliant Containerboard Mill

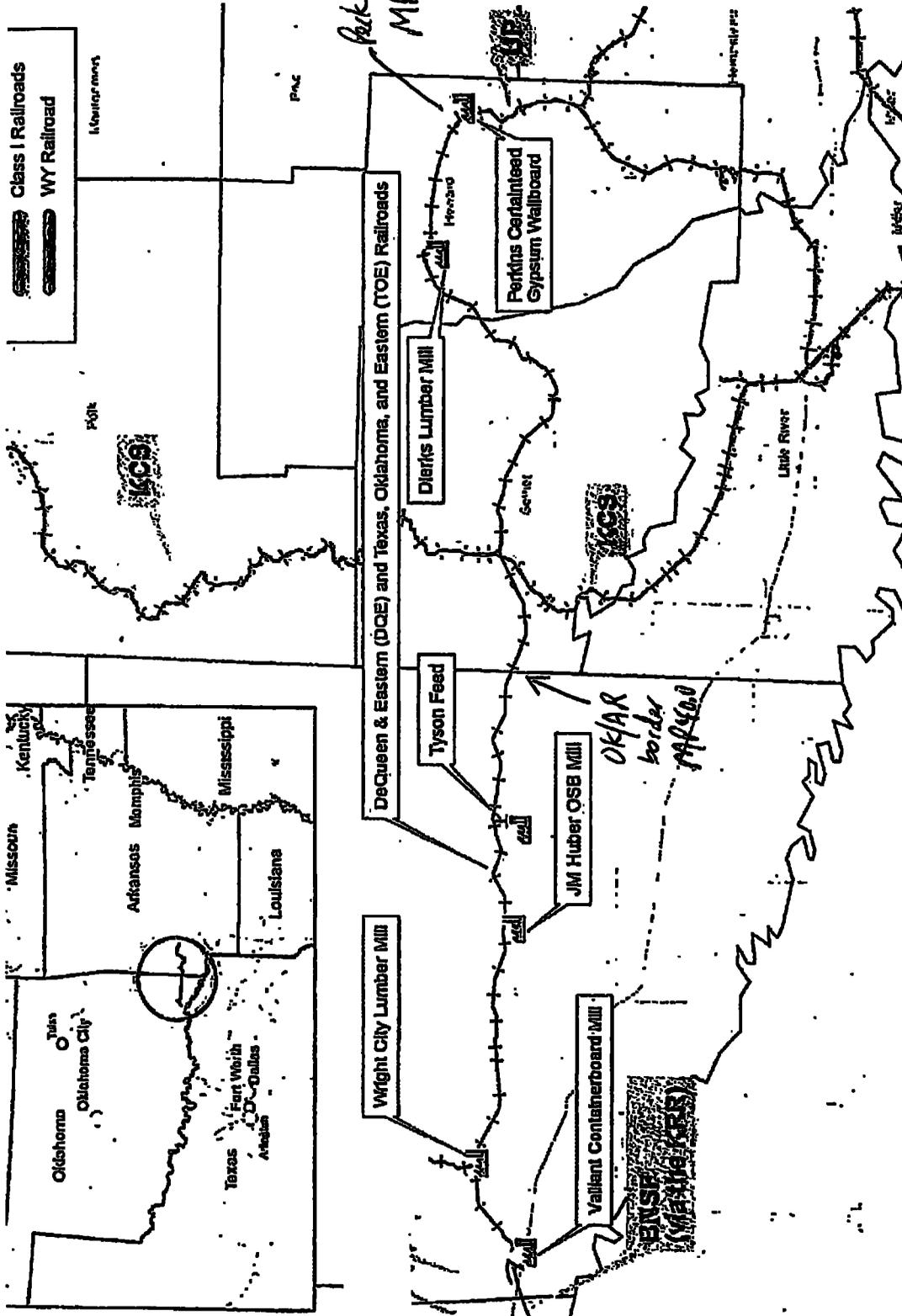
BNSF (Wichita OSB)

Little River

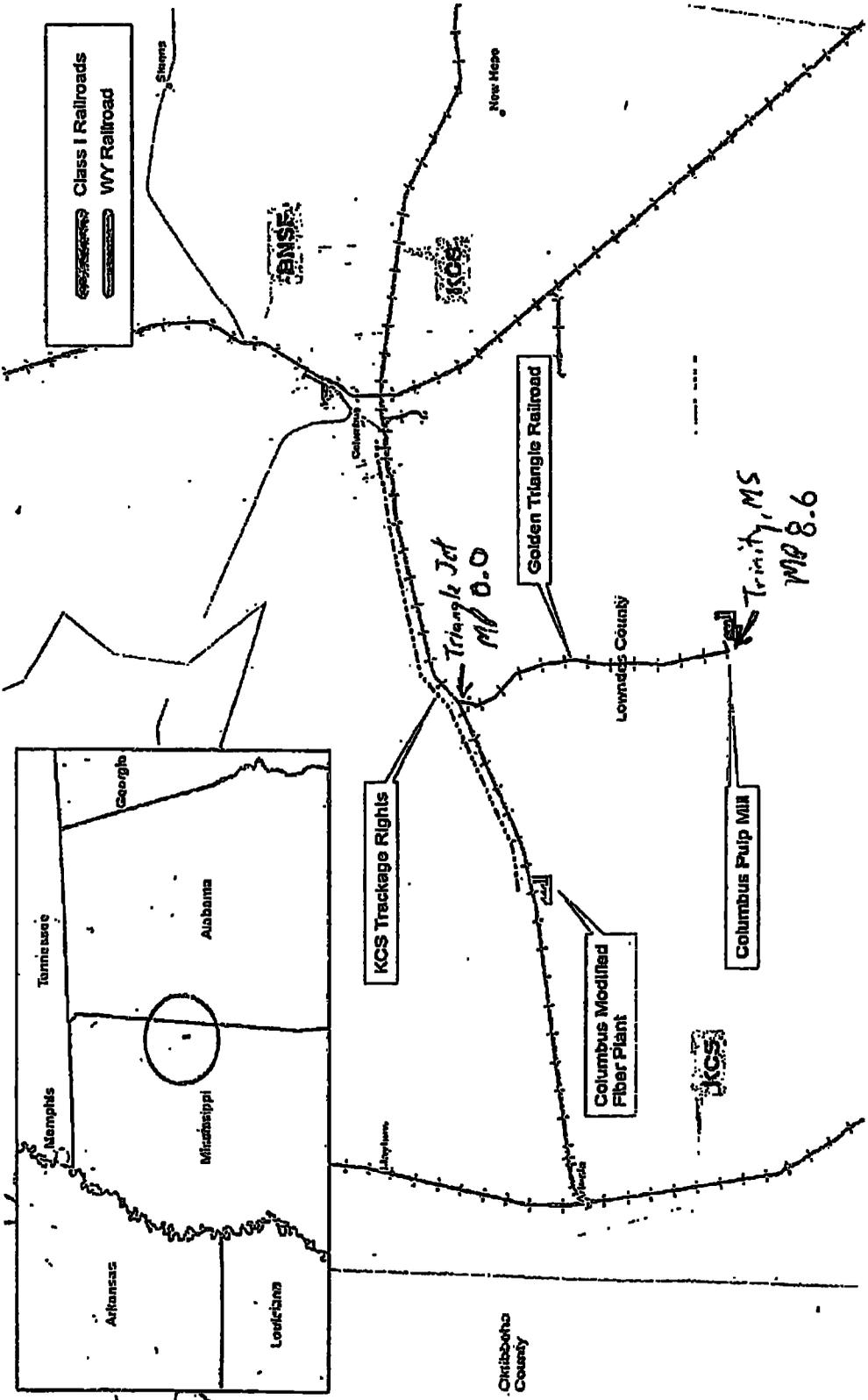
DeQueen & Eastern (DQ&E) and Texas, Oklahoma, and Eastern (TOE) Railroads

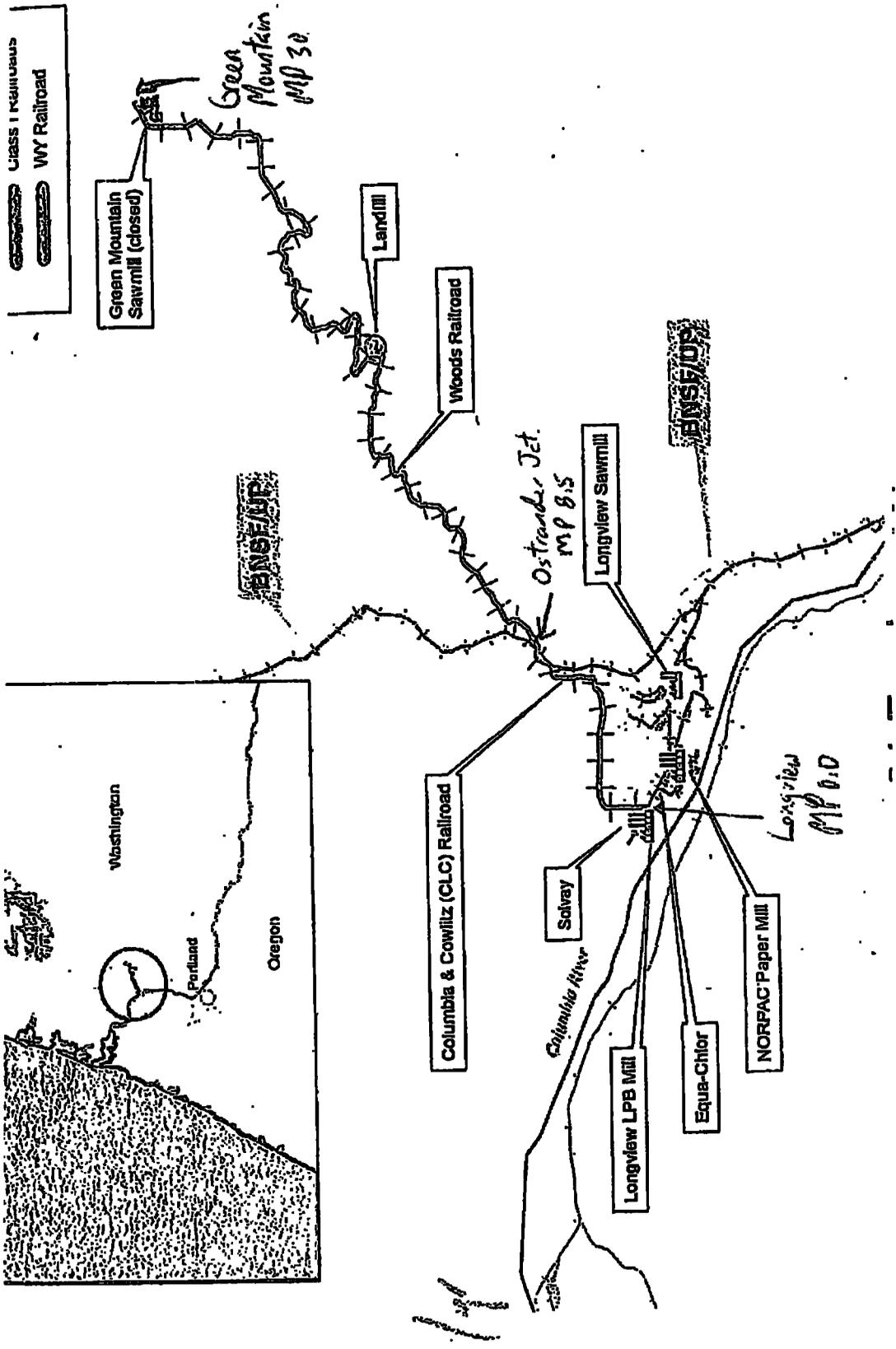


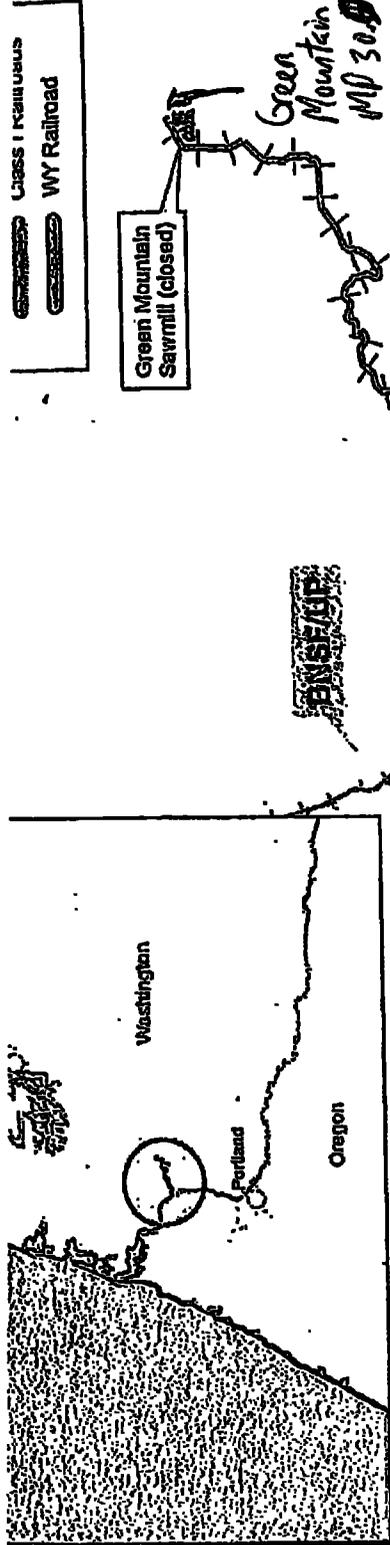
Class I Railroads
 WY Railroad



Valiant, OK
 23 MP 0.0







CLASS I RAILROADS
WY Railroad

Green Mountain Sawmill (closed)

Green Mountain
MP 30.0

Lendmill

Woods Railroad

BNSF/UP

Ostrander Jet.
MP 8.5

Longview Sawmill

BNSF/UP

Columbia & Cowitz (CLC) Railroad

Solvay

Columbia River

Longview LPB Mill

Equia-Chlor

NORPAC Paper Mill

Longview
MP 0.0