



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35619]

Tennessee Southern Railroad Company, Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Kingman Terminal Railroad, LLC

Tennessee Southern Railroad Company (TSRR), Patriot Rail, LLC (PRL), and its subsidiaries Patriot Rail Holdings LLC (PRH) and Patriot Rail Corp. (Patriot) (collectively, the parties) have filed a verified notice of exemption under 49 CFR 180.2(d)(2) to continue in control of Kingman Terminal Railroad, LLC (KTRR) upon KTRR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in Kingman Terminal Railroad, LLC—Operation Exemption—Kingman Airport Authority, Inc., Docket No. FD 35618, wherein KTRR seeks Board approval to operate over approximately 3 miles of track within the Kingman Airport & Industrial Park, in Mohave County, Ariz.

The parties intend to consummate the transaction on or after May 27, 2012, the effective date of the exemption (30 days after the notice of exemption was filed).

TSRR is a rail carrier. PRL, PRH, and Patriot are noncarriers that control the following 13 Class III rail carriers: TSRR; Rarus Railway Company; Utah Central Railway Company, Sacramento Valley Railroad, Inc.; The Louisiana and North West Railroad Company LLC; Temple & Central Texas Railway, Inc.; Piedmont & Northern

Railway, Inc.; Columbia & Cowlitz Railway, LLC; DeQueen and Eastern Railroad, LLC; Golden Triangle Railroad, LLC; Patriot Woods Railroad, LLC; Texas, Oklahoma & Eastern Railroad, LLC; and Mississippi & Skuna Valley Railroad, LLC.

The parties represent that: (1) the rail line to be operated by KTRR will not connect with any of the subsidiary railroads of TSRR, PRL, PRH, and Patriot; (2) the continuance in control of KTRR is not intended to connect with any railroads in the corporate family of TSRR, PRL, PRH, and Patriot; (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).

The parties state that the purpose of the proposed transaction is to enable PRL, PRH, and Patriot to use their management's experience and expertise in operating short line railroads and their financial resources to provide efficient and effective rail freight service to the Kingman Airport & Industrial Park and to create a financially viable railroad in KTRR.

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 to stay must be filed no later than May 18, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35619, 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 Louis E. Gitomer, Law Offices of Louis E. Gitomer LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

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Decided: May 8, 2012.

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

Raina S. White

Clearance Clerk

[FR Doc. 2012-11443 Filed 05/10/2012 at 8:45 am; Publication Date: 05/11/2012]