

approximately 15.04 miles of rail line between milepost 374.96 at or near Troy, and the end of the line at approximately milepost 390.00 at or near Goshen, in Pike County, Ala.<sup>1</sup>

This transaction is related to 3 concurrently filed verified notices of exemption, as follows: Docket No. FD 35486, *RailAmerica, Inc., Palm Beach Holdings, Inc., RailAmerica Transportation Corp., RailTex, Inc., Fortress Investment Group, LLC, and RR Acquisition Holding, LLC—Continuance in Control Exemption—Conecuh Valley Railway, LLC, Three Notch Railway, LLC, and Wiregrass Central Railway, LLC*, in which RailAmerica and its subsidiaries seek to continue in control of CVR, Three Notch Railway, LLC, and Wiregrass Central Railway, LLC, upon those noncarriers' becoming Class III rail carriers; Docket No. FD 35488, *Three Notch Railway, LLC—Acquisition and Operation Exemption—Three Notch Railroad Co., Inc.*, wherein Three Notch Railway, LLC (TNRW) seeks to acquire and operate approximately 34 miles of rail line extending between approximately right-of-way station 22+57 at the interchange point with CSX Transportation, Inc., in Georgiana, Ala., and milepost 581.3 at Andalusia, Ala.;<sup>2</sup> and Docket No. FD 35489, *Wiregrass Central Railway, LLC—Acquisition and Operation Exemption—Wiregrass Central Railroad Company, Inc.*, wherein Wiregrass Central Railway, LLC seeks to acquire and operate approximately 21.2 miles of rail line between milepost 800.00 at Waterford and milepost 821.2 near Newton, in Coffee and Dale Counties, Ala.

The parties intend to consummate the transaction on or after May 8, 2011.

CVR certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

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 April 29, 2011 (at

least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35487, must be filed with the Surface Transportation Board, 395 E Street, SW., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E. Gitomer, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

Board decisions and notices are available on our Web site at <http://www.stb.dot.gov>.

Decided: April 18, 2011.

By the Board.

**Rachel D. Campbell,**

*Director, Office of Proceedings.*

**Jeffrey Herzig,**

*Clearance Clerk.*

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35486]

**RailAmerica, Inc., Palm Beach Holdings, Inc., RailAmerica Transportation Corp., RailTex, Inc., Fortress Investment Group, LLC, and RR Acquisition Holding, LLC—Continuance in Control Exemption—Conecuh Valley Railway, LLC, Three Notch Railway, LLC, and Wiregrass Central Railway, LLC**

RailAmerica, Inc. (RailAmerica),<sup>1</sup> Palm Beach Holdings, Inc. (Palm Beach), RailAmerica Transportation Corp. (RTC), RailTex, Inc. (RailTex), Fortress Investment Group, LLC (Fortress), and RR Acquisition Holding,

<sup>1</sup> RailAmerica controls the following Class III railroads: Alabama & Gulf Coast Railway, LLC, Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Delphos Terminal Railroad Company, Inc., Eastern Alabama Railway, LLC, Huron & Eastern Railway Company, Inc., Indiana & Ohio Railway Company, Indiana Southern Railroad, LLC, Kiamichi Railroad Company, LLC, Kyle Railroad Company, The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., North Carolina & Virginia Railroad Company, LLC, Otter Tail Valley Railroad Company, Inc., Point Comfort & Northern Railway Company, Puget Sound & Pacific Railroad, Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Co., South Carolina Central Railroad Company, LLC, Toledo, Peoria & Western Railway Corporation, and Ventura County Railroad Corp.

LLC (RR Acquisition) (collectively, RailAmerica, *et al.*), have filed a verified notice of exemption to continue in control, through RTC, of Conecuh Valley Railway, LLC (CVR), Three Notch Railway, LLC (TNRW), and Wiregrass Central Railway, LLC (WCR) upon those noncarriers' becoming Class III rail carriers.<sup>2</sup>

This transaction is related to 3 concurrently filed verified notices of exemption, as follows: Docket No. FD 35487, *Conecuh Valley Railway, LLC—Acquisition and Operation Exemption—Conecuh Valley Railroad Co., Inc.*, wherein CVR seeks to acquire and operate approximately 15.04 miles of rail line between milepost 374.96 at or near Troy, and the end of the line at approximately milepost 390.00 at or near Goshen, in Pike County, Ala.; Docket No. FD 35488, *Three Notch Railway, LLC—Acquisition and Operation Exemption—Three Notch Railroad Co., Inc.*, wherein TNRW seeks to acquire and operate approximately 34 miles of rail line extending between approximately right-of-way station 22+57 at the interchange point with CSX Transportation, Inc. (CSXT), in Georgiana, Ala., and milepost 581.3 at Andalusia, Ala.;<sup>3</sup> and Docket No. FD 35489, *Wiregrass Central Railway, LLC—Acquisition and Operation Exemption—Wiregrass Central Railroad Company, Inc.*, wherein WCR seeks to acquire and operate approximately 21.2 miles of rail line between milepost 800.00 at Waterford and milepost 821.2 near Newton, in Coffee and Dale Counties, Ala.

The parties intend to consummate the transaction on or after May 8, 2011.

RailAmerica *et al.*, entered into an Asset Purchase Agreement dated April 8, 2011, with Conecuh Valley Railroad Co., Inc. (COEH), Three Notch Railroad Co., Inc. (TNHR), Wiregrass Central Railroad Company, Inc. (WGCR), and Gulf & Ohio Railways, Inc. (G&O),<sup>4</sup> to acquire substantially all of the assets of COEH, TNHR, and WGCR.

Fortress's noncarrier affiliate, RR Acquisition, currently owns 55% of the publicly traded shares of, and controls, noncarrier RailAmerica. The latter directly controls noncarrier Palm Beach, which directly controls RTC. Further, Fortress, on behalf of certain other equity funds managed by it and its affiliates, directly controls noncarrier

<sup>2</sup> RailAmerica *et al.*, through RTC, owns 100 percent of CVR, TNRW, and WCR.

<sup>3</sup> TNRW will also be assigned the selling carrier's agreement with Andalusia & Conecuh Railroad Company to lease and operate a rail line in Andalusia.

<sup>4</sup> G&O is the corporate parent of COEH, TNHR, and WGCR.

<sup>1</sup> CVR is acquiring the line from COEH as part of a transaction whereby newly created noncarrier subsidiaries of RailAmerica Transportation Corp., are acquiring the rail assets of certain subsidiaries of Gulf & Ohio Railways, Inc.

<sup>2</sup> TNRW will also be assigned the selling carrier's agreement with the Andalusia & Conecuh Valley Railroad Company to lease and operate a rail line at Andalusia.

FECR Rail LLC, which directly controls FEC Rail Corp. (CORP), which directly controls Florida East Coast Railway, LLC (FEC). CORP and FEC are Class II rail carriers.

The parties represent that: (1) CVR, TNRW, and WCR will not connect with any railroads in the corporate family of RailAmerica, *et al.*; (2) the transaction is not part of a series of anticipated transactions that would connect the rail lines operated by CVR, TNRW, or WCR with any railroads in the corporate family of RailAmerica, *et al.*; and (3) the transaction does not involve a Class I carrier.

Further, the parties state that: (1) The management of RailAmerica has successfully managed short line railroads for more than a decade; (2) RailAmerica intends to focus on rail operations and to use its 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 (3) RailAmerica intends to create financially viable railroads in CVR, TNRW, and WCR.

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. As a condition to the use of this exemption, any employees adversely affected by this transaction will be protected by the conditions set forth in *New York Dock Railway—Control—Brooklyn Eastern District Terminal*, 360 I.C.C. 60 (1979).

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 April 29, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35486, must be filed with the Surface Transportation Board, 395 E Street, SW., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

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Decided: April 18, 2011.

By the Board.

**Rachel D. Campbell,**

*Director, Office of Proceedings.*

**Jeffrey Herzig,**

*Clearance Clerk.*

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35476]

#### **Wisconsin Central Ltd.—Intra-Corporate Family Merger Exemption—Duluth, Missabe and Iron Range Railway Company and Duluth, Winnipeg and Pacific Railway Company**

Wisconsin Central Ltd. (WCL), Duluth, Missabe and Iron Range Railway Company (DMIR) and Duluth, Winnipeg and Pacific Railway Company (DWP) have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family transaction. WCL is an indirect subsidiary of Grand Trunk Corporation (GTC), a holding company for the U.S. rail subsidiaries of the Canadian National Railway Company (CNR) and a direct subsidiary of CNR.<sup>1</sup> In *Canadian National Railway—Control—Wisconsin Central Transportation*, 5 S.T.B. 890 (2001) (CNR/WC), CNR and GTC acquired control of WCL and other related rail carriers.<sup>2</sup>

DMIR also is an indirect subsidiary of GTC. DMIR Holdings Corp. (DMIR Holdings) is the parent company of DMIR, which in turn, is owned by GTC. Applicants state that, prior to the merger transaction proposed in this notice, DMIR will be merged into DMIR Holdings, with DMIR Holdings as the surviving entity and immediately renamed as DMIR. CNR and GTC acquired control of DMIR and other related rail carriers<sup>3</sup> in *Canadian National Railway—Control—Duluth, Missabe and Iron Range Railway*, 7 S.T.B. 526 (2004). CNR has controlled

<sup>1</sup> Wisconsin Central Transportation Corporation (WCTC), the parent company of WCL, currently is indirectly owned by GTC.

<sup>2</sup> At the time of the 2001 CNR/WC transaction, the WCTC family of rail carriers also included Fox Valley & Western Ltd. (FVW), Sault Ste. Marie Bridge Company (SSMB) and Wisconsin Chicago Link Ltd. (WCCL). FVW has since been dissolved into WCL. *Wis. Cent. Transp., Wis. Cent. Ltd. and Fox Valley & W. Ltd.—Intracorporate Family Transaction Exemption*, FD 34296 (STB served Jan. 22, 2003). Applicants state that SSMB and WCCL remain in existence as rail carriers but are not part of this merger transaction.

<sup>3</sup> Bessemer and Lake Erie Railroad Company and The Pittsburgh & Conneaut Dock Company.

DWP for a number of years and currently does so through GTC as well.

Applicants point out that the rail lines of WCL, DMIR and DWP connect at the Twin Ports of Duluth, Minn. and Superior, Wis., where all three rail carriers currently operate. Together, they form an important through route between the Chicago terminal and Canada.

Pursuant to an agreement and plan of merger by the applicants (consented to by GTC and WCTC), DMIR and DWP will merge with and into WCL, with WCL being the surviving corporation. According to applicants, the consolidated entity will continue all existing operations of WCL, DMIR, and DWP, but with a unified workforce, enhanced efficiencies, and elimination of interchanges in the Twin Ports.

The transaction is scheduled to be consummated no sooner than May 8, 2011, the effective date of the exemption. Applicants state that they will first negotiate or, if necessary, arbitrate implementing agreements with the operating crafts on WCL, DMIR and DWP.

The purpose of the transaction is to simplify the corporate structure and reduce overhead costs and duplication by combining the three separate rail carrier corporations. The transaction also will eliminate interchange movements in the Twin Ports area and will enhance the overall efficiency of the merged railroads.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or any change in the competitive balance with carriers outside the corporate family.

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. As a condition to the use of this exemption, any employees adversely affected by this transaction will be protected by the conditions set forth in *New York Dock Railway—Control—Brooklyn Eastern District Terminal*, 360 I.C.C. 60 (1979).

If the 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 for stay must be filed no later than April 29, 2011 (at