The MG Principals will retain the Class B Common Units of TransRail, thereby retaining a 30% interest in TransRail, though they will not retain control or the power to control W&C.

Fortress’ noncarrier affiliate, RR Acquisition, currently owns about 60% of the publicly traded shares and controls the noncarrier RailAmerica, which directly controls the noncarrier Palm Beach, which directly controls the noncarrier RTC.


Further, Fortress, on behalf of other equity funds managed by it and its affiliates, directly controls the noncarrier FEC Rail LLC, which directly controls FEC Rail Corp., which directly controls Florida East Coast Railway, LLC, a Class II rail carrier.

RailAmerica et al. states that: (1) W&C does not connect with any of RailAmerica’s subsidiary railroads; (2) the proposed transaction is not part of a series of anticipated transactions to connect W&C and any of RailAmerica’s subsidiary railroads; and (3) the proposed transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323 pursuant to 49 CFR 1180.2(d)(2).

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. Because the transaction involves the control of one or more Class III rail carriers and one Class II rail carrier, the transaction is subject to the labor protective requirements of 49 U.S.C. 11326(b) and Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad, 2 S.T.B. 218 (1997).

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 by March 30, 2012 (at least seven days before the exemption becomes effective). An original and ten copies of all pleadings, referring to Docket No. FD 35605 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 Avenue, Suite 301, Towson, MD 21204.

Board decisions and notices are available on our Web site at www.stb.dot.gov.


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

Raina S. White, Clearance Clerk.

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. EP 290 (Sub-No. 5) (2012–2)]

Quarterly Rail Cost Adjustment Factor

AGENCY: Surface Transportation Board, Department of Transportation.

ACTION: Approval of rail cost adjustment factor.
DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35602]

Indiana Southern Railroad, LLC—Temporary Trackage Rights Exemption—Norfolk Southern Railway Company

Norfolk Southern Railway Company (NSR), pursuant to a written trackage rights agreement (Agreement), has agreed to grant overhead temporary trackage rights to Indiana Southern Railroad, LLC (ISR) over NSR’s line of railroad between Oakland City Junction, Ind. (milepost 0.8 E) and Enosville, Ind. (milepost 4.8 E), a distance of approximately 4 miles.¹

The transaction may be consummated on or after April 8, 2012, the effective date of the exemption (30 days after the verified notice of exemption was filed).² The temporary trackage rights are scheduled to expire on December 31, 2012. The purpose of the temporary trackage rights is to bridge loaded and empty coal trains between trackage at Log Creek Mine at Enosville and ISR’s tracks at Oakland City Junction for further movement over ISR’s line to Indiana Power and Light’s generating plant at Petersburg, Ind.

As a condition to this exemption, any employees affected by the acquisition of the temporary trackage rights will be protected by the conditions imposed in Norfolk & Western Railway—Trackage Rights—Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified in Mendocino Coast Railway, Inc.—Lease & Operate—California Western Railroad, 360 I.C.C. 653 (1980), and any employees affected by the discontinuance of those trackage rights will be protected by the conditions set out in Oregon Short Line Railroad & The Union Pacific Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

This notice is filed under 49 CFR 1180.2(d)(8). If it 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 transaction. Petitions for stay must be filed no later than March 30, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35602, 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 John W. Humes, Jr., Senior Counsel, Rail America, Inc., 7411 Fullerton Street, Jacksonville, FL 32256.

Board decisions and notices are available on our Web site at www.stb.dot.gov.


By the Board.

Rachel D. Campbell,
Director, Office of Proceedings.

Jeffrey Herzig,
Clearance Clerk.

¹ Accompanying a redacted version of Agreement between NSR and ISR was filed with the notice of exemption. ISR simultaneously filed a motion for protective order for approval to file under seal the unredacted version of the Agreement. That motion will be addressed in a separate decision.

² Accompanying its verified notice of exemption, ISR also filed a request to waive the requirement at 49 CFR 1180.4(g)(1) that the verified notice be filed at least 30 days before the transaction is consummated. In a separate decision served today, the Board is denying that request.