

the states in which they operate, see the notice of exemption filed on December 27, 2012, in this proceeding. Watco Holdings also states that it controls Watco Railroad, which directly controls Merger Sub.

The transaction may be consummated on or after January 26, 2013 (30 days after the notice of exemption was filed).

Applicants represent that: (1) The lines to be acquired by Merger Sub do not connect with any railroads in the corporate family; (2) the transaction is not a part of a series of anticipated transactions that would connect the lines with other railroads in the corporate family; and (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 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 Class II rail carrier and one or more Class III rail carriers, the transaction is subject to the labor protection 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. Stay petitions must be filed no later than January 18, 2013 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35699, 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 Karl Morell, Ball Janik, LLP, 655 15th Street NW., Suite 225, Washington, DC 20005.

Board decisions and notices are available on our Web site at "[www.stb.dot.gov](http://www.stb.dot.gov)."

Decided: January 7, 2013.

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

**Jeffrey Herzig,**  
Clearance Clerk.

[FR Doc. 2013-00442 Filed 1-10-13; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35708]

#### Koch Industries, Inc.—Acquisition of Control Exemption—Texas South-Eastern Railroad Company

Koch Industries, Inc. (Koch), a noncarrier, has filed a verified notice of exemption to acquire indirect control of Texas South-Eastern Railroad Co. (TSE), a Class III rail carrier.

Koch states that the transaction is part of an agreement in which Georgia-Pacific Building Products, an indirect wholly owned subsidiary of Koch, is purchasing from International Paper Company certain assets used in connection with, and certain equity interest relating to, Temple-Inland, Inc.'s building products business. Koch intends to consummate the transaction on or shortly after February 1, 2013 (the effective date of the exemption is January 26, 2013, 30 days after the verified notice was filed).

Koch currently controls directly or indirectly four other Class III rail carriers in the states of Mississippi, Kansas, and Texas: Blue Rapids Railway Company, LLC; KM Railways, LLC; Old Augusta Railroad, LLC; and Moscow Camden and San Augustine Railroad, LLC.

Koch states that: (1) The rail line does not connect with any railroads owned or controlled by Koch; (2) this transaction is not part of a series of anticipated transactions that would connect any of the railroads controlled by Koch with TSE; and (3) the transaction does not involve a Class I railroad. Therefore, the transaction is 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. 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. Stay petitions must be filed no later than January 18, 2013 (at

least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35708, must be filed with the Surface Transportation Board, 395 E Street SW., Washington, DC 20423-0001. In addition, a copy must be served on David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Ave. NW., Washington, DC 20036.

Board decisions and notices are available on our Web site at [www.stb.dot.gov](http://www.stb.dot.gov).

Decided: January 8, 2013.

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

**Jeffrey Herzig,**  
Clearance Clerk.

[FR Doc. 2013-00443 Filed 1-10-13; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35704]

#### Carload Express, Inc.—Continuance in Control Exemption—Ohio Terminal Railway Company

Carload Express, Inc. (CEI) has filed a verified notice of exemption pursuant to 49 CFR 1180.2(d)(2) to continue in control of Ohio Terminal Railway Company (OTRC), upon OTRC's becoming a Class III rail carrier. OTRC is a wholly owned, corporate subsidiary of CEI.

This transaction is related to a concurrently filed verified notice of exemption in *Ohio Terminal Railway Company—Operation Exemption—Hannibal Real Estate, LLC*, Docket No. FD 35703, wherein OTRC seeks Board approval to operate a 12.2-mile line, known as the Omal Secondary Track, from milepost 60.5 at or near Powhatan Point, to milepost 72.7 at or near Hannibal, in Monroe County, Ohio.

CEI intends to consummate the transaction on January 27, 2013 (the effective date of this notice).

CEI currently controls three Class III rail carriers: Allegheny Valley Railroad Company, Southwest Pennsylvania Railroad Company, and Camp Chase Railroad Company. The three Class III rail carriers operate rail lines in Pennsylvania and Ohio.

CEI certifies that: (1) The rail lines to be operated by OTRC do not connect with any other railroads in the CEI corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines to be operated by