

**DEPARTMENT OF TRANSPORTATION****Surface Transportation Board****[STB Finance Docket No. 34199]****CFNR Operating Company, Inc.—  
Acquisition and Operation  
Exemption—ParkSierra Corp.**

CFNR Operating Company, Inc. (CFNR), a noncarrier, has filed a notice of exemption under 49 CFR 1150.31 to acquire and operate approximately 248.5 miles of rail lines in California. Specifically, CFNR will: (1) Succeed to ParkSierra Corporation's (ParkSierra)<sup>1</sup> lease rights and operate over the lines owned by Union Pacific Railroad Company (UP) consisting of (a) the Schellville Branch, between Suisun, milepost 48.97 at the east leg of the wye and milepost 48.93 at the west leg of the wye, and milepost 63.40 at Lombard, (b) the Napa Branch, between milepost 62.00 at Lombard and milepost 67.50 at Rocktram, (c) the Vallejo Branch, between milepost 61.80 at Napa Jct., and milepost 68.90 at Vallejo, (d) the West Valley Line, between Davis, milepost 75.66 at the east leg of the wye and milepost 75.58 at the west leg of the wye, and Tehema, milepost 186.37 at the east leg of the wye toward Portland and milepost 186.33 at the west leg of the wye toward Roseville, (e) the Hamilton Branch, between milepost 180.40 at Wyo, and milepost 169.00 at Hamilton, (f) the Los Banos Branch, between milepost 83.00 at Tracy, and milepost 140.07 at Los Banos, and (g) the Vineburg Lead, between milepost NWP 40.38 near Schellville and the end

<sup>1</sup> On January 8, 2002, RailAmerica, Inc. (RailAmerica), acquired control of ParkSierra. See *RailAmerica, Inc.—Control Exemption—ParkSierra Acquisition Corp. and ParkSierra Corp.*, STB Finance Docket No. 34100 (STB served Dec. 20, 2001). ParkSierra has three operating divisions: Arizona & California Railroad Company Limited Partnership; California Northern Railroad Company, L.P.; and Puget Sound & Pacific Railroad. RailAmerica has determined that the three operating divisions of ParkSierra should be operated as separate corporations, eliminating the need for ParkSierra as a consolidated holding company. To accomplish that goal, this transaction and two other notices of exemption under 49 CFR 1150.31 were filed on April 23, 2002, one for each of the operating divisions. The applicants are: ARZC Operating Company, Inc. (ARZC), CFNR; and PSAP Operating Company, Inc. (PSAP). The related proceedings are: STB Finance Docket No. 34198, *ARZC Operating Company, Inc.—Acquisition and Operation Exemption—ParkSierra Corp.*, and STB Finance Docket No. 34200, *PSAP Operating Company, Inc.—Acquisition and Operation Exemption—ParkSierra Corp.* In addition, a notice of exemption under 49 CFR 1180.2(d)(3) was filed on April 23, 2002, in STB Finance Docket No. 34197, *RailAmerica, Inc., et al.—Corporate Family Reorganization Exemption*, wherein ParkSierra will be merged into CFNR, and ARZC, CFNR, and PSAP will become direct railroad subsidiaries of RailAmerica.

of the line, formerly NWP milepost 44.25, a distance of approximately 210 miles; and (2) acquire ParkSierra's right to operate under trackage rights (a) over a portion of UP's (i) Sacramento Line between milepost 75.4 at Davis, and milepost 47.8 at Suisun-Fairfield, (ii) West Valley Line between milepost 75.58 and milepost 75.4 at Davis, and (iii) Schellville Branch between milepost 48.97 and milepost 47.8, a distance of approximately 28 miles; and (b) over a line of the North Coast Railroad Authority from milepost 62.0, at or near Lombard to milepost 72.5, near Schellville, a distance of approximately 10.5 miles.

Once CFNR becomes a carrier, its revenues are expected to exceed \$5 million per year. "If the projected annual revenue of the carrier to be created by a transaction under this exemption exceeds \$5 million, applicant must, at least 60 days before the exemption becomes effective, post a notice of intent to undertake the proposed transaction at the workplace of the employees on the affected line(s) and serve a copy of the notice on the national offices of the labor unions with employees on the affected line(s), setting forth the types and numbers of jobs expected to be available, the terms of employment and principles of employee selection, and the lines that are to be transferred, and certify to the Board that it has done so." 49 CFR 1150.32(e). CFNR filed a request on April 22, 2002, for waiver of the requirements of 49 CFR 1150.32(e) to permit the exemption to become effective without providing the 60-day advance notice. Finding no adverse impact on the personnel of ParkSierra, by decision served on May 14, 2002, the Board granted CFNR's request and waived the requirements of 49 CFR 1150.32(e). The transaction was expected to be consummated as of April 30, 2002, or the date the related waiver request was granted, whichever was later. The waiver decision had the effect of making the exemption in this proceeding effective on May 14, 2002.

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34199 must be filed with the Surface Transportation Board, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must

be served on Louis E. Gitomer, Esq., Ball Janik LLP, 1455 F Street, NW., Suite 225, Washington, DC 20005.

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

Decided: May 16, 2002.

By the Board, David M. Konschnik,  
Director, Office of Proceedings.

**Vernon A. Williams,**  
*Secretary.*

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**DEPARTMENT OF TRANSPORTATION****Surface Transportation Board****[STB Finance Docket No. 34197]****RailAmerica, Inc., ARZC Operating  
Company, Inc., CFNR Operating  
Company, Inc., and PSAP Operating  
Company, Inc.—Corporate Family  
Reorganization Exemption**

RailAmerica, Inc. (RailAmerica), and its subsidiaries, ARZC Operating Company, Inc. (ARZC), CFNR Operating Company, Inc. (CFNR), and PSAP Operating Company, Inc. (PSAP) (collectively, applicants), are making certain changes to their corporate structure and have filed a verified notice of the transaction under the Board's intracorporate family class exemption.<sup>1</sup>

RailAmerica directly controls Palm Beach Rail Holding, Inc. (Palm Beach), which directly controls RailAmerica Transportation Corp. (RTC), which directly controls ParkSierra. RailAmerica and Palm Beach will continue to control RTC, which in turn

<sup>1</sup> On January 8, 2002, RailAmerica acquired control of ParkSierra Corporation (ParkSierra). See *RailAmerica, Inc.—Control Exemption—ParkSierra Acquisition Corp. and ParkSierra Corp.*, STB Finance Docket No. 34100 (STB served Dec. 20, 2001). ParkSierra has three operating divisions: Arizona & California Railroad Company Limited Partnership; California Northern Railroad Company, L.P.; and Puget Sound & Pacific Railroad. RailAmerica has determined that the three operating divisions of ParkSierra should be operated as separate corporations, eliminating the need for ParkSierra as a consolidated holding company. To accomplish that goal, this transaction and three notices of exemption under 49 CFR 1150.31 were filed on April 23, 2002, one for each of the operating divisions. The applicants are ARZC, CFNR, and PSAP. The related proceedings are: STB Finance Docket No. 34198, *ARZC Operating Company, Inc.—Acquisition and Operation Exemption—ParkSierra Corp.*, STB Finance Docket No. 34199, *CFNR Operating Company, Inc.—Acquisition and Operation Exemption—ParkSierra Corp.*, and STB Finance Docket No. 34200, *PSAP Operating Company, Inc.—Acquisition and Operation Exemption—ParkSierra Corp.* Also, three separate requests for waiver of the 60-day labor notice requirements under 49 CFR 1150.32(e) were filed in those dockets on April 22, 2002.