

in Arizona, New Mexico, and Texas. Applicants indicate that 38 percent of Industrial's revenues are derived from charter and sightseeing services and 51 percent of its revenues come from contracted transit and shuttle work. The remaining 11 percent of Industrial's revenues, according to Applicants, come from scheduled regular-route operations and related package express service and vehicle maintenance and repair services for third parties.

Under the proposed transaction, Applicants seek permission for AHI (and for Celerity Partners and Celerity Holdings indirectly) to acquire 100 percent control of Calco through purchase of its stock from Mr. Hotard, of Coaches through purchase of its stock from Hotard Travel, and of Industrial through purchase of its stock from Mr. Wigley and Wigley Trusts. Applicants state that the acquisition would be structured through a series of stock purchase agreements (SPAs), to be executed by and between the Applicants and the selling shareholders of each of the Three Carriers, and that Mr. Hotard and Mr. Wigley would become minority shareholders in AHI. The parties state that they anticipate that the SPAs will be executed during April 2012.<sup>2</sup>

Under 49 U.S.C. 14303(b), the Board must approve and authorize a motor carrier of passengers transaction it finds consistent with the public interest, taking into consideration at least: (1) The effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees. Applicants submitted information, as required by 49 CFR 1182.2, including the information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), and a statement that the 12-month aggregate gross operating revenues of the Three Carriers exceeded \$2 million.

Applicants state that the proposed transaction will have no significant impact on the adequacy of transportation services available to the public, because Applicants do not intend to change substantially the physical operations historically conducted by the Three Carriers. Rather, Applicants anticipate enhancing operations of the Three Carriers by implementing vehicle sharing arrangements, by providing coordinated driver training and safety management services, and by centralizing various management support functions. With

respect to fixed charges, Applicants state that their control of the Three Carriers would generate economies of scale that would reduce a variety of unit costs and that, with its increased market position, Applicants would be able to access financing on more favorable terms. In addition to better interest rates, Applicants expect that the Three Carriers would be able to enhance modestly their volume purchasing power, thus reducing insurance premiums and achieve deeper volume discounts for equipment and fuel. According to Applicants, the transaction would have a positive impact on employee interests, as the economies and efficiencies resulting from the proposed transaction would directly benefit the Three Carriers' employees by maintaining job security and retaining or expanding the volume of available work.

Applicants further note that the acquisition would have no adverse impact on competition, namely because Industrial competes in a geographic market that does not significantly overlap the geographic market in which Calco and Coaches compete. Applicants also state that the Three Carriers face significant competition in both commuter and shuttle services under contract, as well as charter or leisure transportation in motor coaches. Additional information, including a copy of the application, may be obtained from Applicants' representative.

On the basis of the application, the Board finds that the proposed acquisition of control is consistent with the public interest and should be tentatively approved and authorized. If any opposing comments are timely filed, this finding will be vacated automatically, and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR 1182.6(c). If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action.

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

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

*It is ordered:*

1. The proposed transaction is approved and authorized, subject to the filing of opposing comments.

2. If opposing comments are timely filed, the findings made in this notice will be deemed as having been vacated.

3. This notice will be effective June 25, 2012, unless opposing comments are timely filed by June 25, 2012.

4. A copy of this decision will be served on: (1) U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue SE., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue NW., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue SE., Washington, DC 20590.

Decided: May 3, 2012.

By the Board, Chairman Elliott, Vice Chairman Mulvey, and Commissioner Begeman.

**Derrick A. Gardner,**  
*Clearance Clerk.*

[FR Doc. 2012-11389 Filed 5-10-12; 8:45 am]

**BILLING CODE 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;

<sup>2</sup>We note that Applicants may not exercise control over the Three Carriers until Board approval and authorization are effective.

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 CFR 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 SW., 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.

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

Decided: May 8, 2012.

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

**Raina S. White,**  
*Clearance Clerk.*

[FR Doc. 2012-11443 Filed 5-10-12; 8:45 am]

**BILLING CODE 4915-01-P**

## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35620]

#### **Columbus & Chattahoochee Railroad, Inc.—Lease and Operation Exemption—Norfolk Southern Railway Company**

Columbus & Chattahoochee Railroad, Inc. (CCR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease from Norfolk Southern Railway Company (NSR) and operate 25.50 miles of rail line consisting of two segments: (1) Between milepost S 292.8 near Girard, Ala., and milepost S 303.9 near Nuckols, Ala., a distance of 11.10 miles; and (2) between milepost NU 0 near Nuckols and milepost NU 14.4 near Mahrt, Ala., a distance of 14.40 miles (collectively, the line). This transaction is related to a concurrently filed petition for exemption in *Genesee & Wyoming Inc.—Continuance in Control Exemption—Columbus & Chattahoochee Railroad, Inc.*, Docket No. FD 35621, in which Genesee & Wyoming Inc. (GWI), a noncarrier, seeks Board approval to continue in control of CCR upon CCR's becoming a Class III carrier.

As a result of this transaction, and pursuant to a lease agreement dated April 26, 2012, CCR will provide freight rail service over the line, connecting with and interchanging traffic with NSR at NSR's Columbus Yard in Columbus, Ga. The line will connect indirectly with Georgia Southwestern Railroad, Inc. (GSWR), a Class III carrier also controlled by GWI, at Columbus Yard. CCR states that there are no interchange commitments to NSR as part of this transaction.

CCR states that it plans to commence operations on July 1, 2012, more than 30 days after the filing of the notice of exemption.

CCR 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. Because CCR's projected annual revenues after the transaction will exceed \$5 million, CCR certified to the Board on April 30, 2012, that it had complied with the requirements of 49 CFR 1150.32(e) by providing notice to employees and their

labor unions on the affected 25.50 miles of rail line. Under 49 CFR 1150.32(e), this exemption cannot become effective until 60 days after the date notice was provided, which would be June 29, 2012.

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 for stay must be filed no later than June 22, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35620, 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 Eric M. Hocky, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

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

Decided: May 8, 2012.

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

**Derrick A. Gardner,**  
*Clearance Clerk.*

[FR Doc. 2012-11411 Filed 5-10-12; 8:45 am]

**BILLING CODE 4915-01-P**

## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35618]

#### **Kingman Terminal Railroad, LLC—Operation Exemption—Kingman Airport Authority, Inc.**

Kingman Terminal Railroad, LLC (KTRR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to operate over approximately 3 miles of track<sup>1</sup> within the Kingman Airport & Industrial Park, in Mohave County, Ariz. (the Line).<sup>2</sup> According to KTRR, the Line has been operated as excepted track by BNSF Railway Company (BNSF). KTRR states that BNSF is voluntarily terminating its switching operation on the Line. KTRR

<sup>1</sup> KTRR states that there are no mileposts on the Line.

<sup>2</sup> KTRR has filed a copy of the Railroad Lease and Operating Agreement that KTRR has entered into with the Kingman Airport Authority, Inc., a noncarrier. See *Anthony Macrie—Continuance in Control Exemption—N.J. Seashore Lines, Inc.*, FD 35296, slip op. at 3-4 (STB served Aug. 31, 2010).