

continues to find its exemption process appropriate to the statutory and regulatory requirements.

Issued on: March 4, 2005.

**Rose A. McMurray,**

*Associate Administrator, Policy and Program Development.*

[FR Doc. 05-4844 Filed 3-10-05; 8:45 am]

**BILLING CODE 4910-EX-P**

## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 34654]

#### **Watco Companies, Inc.—Continuance in Control Exemption—Appalachian & Ohio Railroad, Inc.**

Watco Companies, Inc. (Watco), has filed a verified notice of exemption to continue in control of Appalachian & Ohio Railroad, Inc. (AO), upon AO's becoming a Class III rail carrier.

The transaction is scheduled to be consummated on or shortly after March 25, 2005.

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 34653, *Appalachian & Ohio Railroad, Inc.—Lease and Operation Exemption—CSX Transportation, Inc.*, wherein AO seeks to acquire by lease from CSX Transportation, Inc. (CSXT) and operate approximately 158.22 miles of rail lines in the State of West Virginia.<sup>1</sup>

Watco, a Kansas corporation, is a noncarrier that currently controls 10 Class III rail carriers: South Kansas and Oklahoma Railroad Company (SKO), Palouse River & Coulee City Railroad, Inc. (PRCC), Timber Rock Railroad, Inc. (TIBR), Stillwater Central Railroad (SLWC), Eastern Idaho Railroad, Inc. (EIRR), Kansas & Oklahoma Railroad, Inc. (K&O), Pennsylvania Southwestern Railroad, Inc. (PSWR), Great Northwest Railroad, Inc. (GNR), Kaw River Railroad, Inc. (KRR), and Mission Mountain Railroad, Inc. (MMT).

Applicant states that: (1) The rail lines operated by SKO, PRCC, TIBR, SLWC, EIRR, K&O, PSWR, GNR, KRR, and

MMT do not connect with the rail lines being leased by AO; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines being acquired by AO with any railroad in the Watco corporate family; and (3) neither AO nor any of the carriers controlled by Watco are Class I rail carriers. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2). The purpose of the transaction is to reduce overhead expenses, coordinate billing, maintenance, mechanical and personnel policies and practices of applicant's rail carrier subsidiaries, thereby improving the overall efficiency of rail service provided by the 11 railroads.

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 sections 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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34654, must be filed with the Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karl Morell, Of Counsel, Ball Janik LLP, 1455 F Street, NW., Suite 225, Washington, DC 20005.

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

Decided: March 7, 2005.

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

**Vernon A. Williams,**

*Secretary.*

[FR Doc. 05-4834 Filed 3-10-05; 8:45 am]

**BILLING CODE 4915-01-P**

## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 34653]

#### **Appalachian & Ohio Railroad, Inc.—Lease and Operation Exemption—CSX Transportation, Inc.**

Appalachian & Ohio Railroad, Inc. (AO), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease, from CSX Transportation, Inc. (CSXT), and operate approximately 158.22 miles of rail line extending between: (1) milepost BUC 0.0, at Berkeley Run Jct., WV, and milepost BUC 119.0, at Cowen, WV; (2) milepost BUN 0.0, at Berryburg Jct., WV, and milepost BUN 4.0, at the Sentinel Mine near Berryburg Jct.; (3) milepost BUO 0.0, at Century Jct., WV, and milepost BUO 5.05, at the Century Mine, near Century Jct.; (4) milepost BUJ 0.0, at Buckhannon, WV, and milepost BUJ 1.65, near Buckhannon; (5) milepost BUF 0.0, at Burnsville, WV, and milepost BUF 6.2, at Gilmer, WV; (6) milepost BUR 0.0, at Cowen, and milepost BUR 1.0, near Cowen; (7) milepost BUH 0.0, at Hampton Jct., WV, and milepost BUH 17.0, at Alexander, WV; and (8) milepost BTF 0.0, at Island Creek Jct., WV, and milepost BTF 4.32, near Island Creek Jct.

AO certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier. However, because its projected annual revenues will exceed \$5 million, AO also certifies that it has complied with the posting and service requirements of 49 CFR 1150.32(e). In accordance with that section, the transaction cannot be consummated before March 22, 2005, the effective date of the exemption. The transaction is scheduled to be consummated on or shortly after March 25, 2005.

This transaction is related to STB Finance Docket No. 34654, *Watco Companies, Inc.—Continuance in Control Exemption—Appalachian & Ohio Railroad, Inc.*, wherein Watco Companies, Inc., has concurrently filed a verified notice of exemption to continue in control of AO upon its becoming a carrier.

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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34653, must be filed with

<sup>1</sup> The rail lines being leased are between: (1) Milepost BUC 0.0, at Berkeley Run Jct., WV, and milepost BUC 119.0, at Cowen, WV; (2) milepost BUN 0.0, at Berryburg Jct., WV, and milepost BUN 4.0, at the Sentinel Mine near Berryburg Jct.; (3) milepost BUO 0.0, at Century Jct., WV, and milepost BUO 5.05, at the Century Mine, near Century Jct.; (4) milepost BUJ 0.0, at Buckhannon, WV, and milepost BUJ 1.65, near Buckhannon; (5) milepost BUF 0.0, at Burnsville, WV, and milepost BUF 6.2, at Gilmer, WV; (6) milepost BUR 0.0, at Cowen, and milepost BUR 1.0, near Cowen; (7) milepost BUH 0.0, at Hampton Jct., WV, and milepost BUH 17.0, at Alexander, WV; and (8) milepost BTF 0.0, at Island Creek Jct., WV, and milepost BTF 4.32, near Island Creek Jct.