

**DEPARTMENT OF TRANSPORTATION****Surface Transportation Board**

[Docket No. FD 35449]

**Tennessee Southern Railroad Company, Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Corporate Family Transaction Exemption—Sacramento Valley Railroad, LLC and Piedmont & Northern Railway, LLC**

Tennessee Southern Railroad Company (TSRR), Patriot Rail, LLC (PRL) and its subsidiaries, Patriot Rail Holdings LLC (PRH) and Patriot Rail Corp. (Patriot) (collectively parties) have filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for a transaction within a corporate family. PRL proposes to restructure its corporate family by converting two of its subsidiaries from corporations into limited liability companies: (1) Sacramento Valley Railroad, Inc. (SAVRC) will become Sacramento Valley Railroad, LLC (SAVRLLC), and (2) Piedmont & Northern Railway, Inc. (PNRC) will become Piedmont & Northern Railway, LLC (PNRLLC).

PRL directly controls noncarrier PRH, which in turn directly controls noncarrier Patriot. Patriot directly controls the following class III railroads: (1) TSRR; (2) Rarus Railway Company; (3) Utah Central Railway Company; (4) SAVRC; (5) Louisiana and North West Railroad Company LLC; (6) Temple & Central Texas Railway, Inc.; and (7) PNRC. TSRR does not control any railroads.<sup>1</sup> However, after SAVRC and PNRC are converted to SAVRLLC and PNRLLC, direct control of SAVRLLC and PNRLLC will be transferred from Patriot to TSRR. PRL, PRH, and Patriot will indirectly control SAVRLLC and PNRLLC through TSRR. The proposed transaction will allow PRL and the corporate family to make use of certain tax benefits as a result of the restructuring, without affecting operations or service.

The exemption will be effective on December 22, 2010.

This is a transaction within a corporate family of the type exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state

<sup>1</sup> On October 21, 2010, the parties filed a notice of exemption to continue in control of six railroads once they acquired certain rail assets from Weyerhaeuser N R Company and its railroad subsidiaries. See Docket No. FD 35425, *Tenn. S. R.R.—Continuance in Control Exemption—Columbia & Cowlitz Ry.* Notice of the exemption was served on November 12, 2010, and published in the **Federal Register** on November 16, 2010. Closing of this transaction is scheduled for December 21, 2010 (75 FR 70076–77).

that the transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the corporate family.

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 rail carriers.

If the 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. Petitions for stay will be due no later than December 15, 2010 (at least 7 days before the effective date of the exemption).

An original and 10 copies of all pleadings, referring to Docket No. FD 35449 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 parties' representative, Louis E. Gitomer, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

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

Decided: December 2, 2010.

By the Board.

**Rachel D. Campbell,**

*Director, Office of Proceedings.*

**Jeffrey Herzig,**

*Clearance Clerk.*

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**BILLING CODE 4915–01–P**

**DEPARTMENT OF THE TREASURY****Office of Foreign Assets Control****Designation of Three Individuals Pursuant to Executive Order 13224**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Notice.

**SUMMARY:** The Treasury Department's Office of Foreign Assets Control ("OFAC") is publishing the names of three newly-designated individuals whose property and interests in property are blocked pursuant to

Executive Order 13224 of September 23, 2001, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism."

**DATES:** The designations by the Director of OFAC of the individuals identified in this notice, pursuant to Executive Order 13224, are effective on December 2, 2010.

**FOR FURTHER INFORMATION CONTACT:** Assistant Director, Compliance Outreach & Implementation, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, *tel.*: 202–622–2490.

**SUPPLEMENTARY INFORMATION:****Electronic and Facsimile Availability**

This document and additional information concerning OFAC are available from OFAC's Web site (<http://www.treas.gov/ofac>) or via facsimile through a 24-hour fax-on-demand service, *tel.*: 202–622–0077.

**Background**

On September 23, 2001, the President issued Executive Order 13224 (the "Order") pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701–1706, and the United Nations Participation Act of 1945, 22 U.S.C. 287c. In the Order, the President declared a national emergency to address grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the September 11, 2001 terrorist attacks in New York, Pennsylvania, and at the Pentagon. The Order imposes economic sanctions on persons who have committed, pose a significant risk of committing, or support acts of terrorism. The President identified in the Annex to the Order, as amended by Executive Order 13268 of July 2, 2002, 13 individuals and 16 entities as subject to the economic sanctions. The Order was further amended by Executive Order 13284 of January 23, 2003, to reflect the creation of the Department of Homeland Security.

Section 1 of the Order blocks, with certain exceptions, all property and interests in property that are in or hereafter come within the United States or the possession or control of United States persons, of: (1) Foreign persons listed in the Annex to the Order; (2) foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of the Department of Homeland Security and the Attorney General, to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of