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March 8, 2002

BY HAND

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 34128, *RailAmerica, Inc.—Control Exemption—New StatesRail Holdings, Inc. and Alabama & Gulf Coast Railway L.L.C.*
Finance Docket No. 34129, *RailAmerica, Inc.—Control Exemption—StatesRail Acquisition Corp. and StatesRail, Inc.*

Dear Secretary Williams:

Enclosed are the original and 10 copies of page five of the Petition to Reopen filed March 1, 2002 in the above-entitled proceeding, which was omitted from the filing.

Please time and date stamp the extra copy of this letter and page 5 and return it to our messenger. Thank you for your assistance. If you have any questions, please call or email me.

Sincerely yours,

Louis E. Gitomer
Attorney for RailAmerica, Inc.

Enclosures

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Decision relied upon the assumption that RailAmerica would control ParkSierra (thereby controlling two Class II railroads) at the time it acquired control of Alabama & Gulf and the StatesRail Railroads, it was in error. Circumstances changed between the time the notices were filed with the Board and the transactions were closed. RailAmerica contends that the Board should adopt the conclusion it reached in *South Central Florida* at 3 here.

... has shown that the Board's notice of exemption that relied on erroneous information in the verified notice of exemption in imposing labor protection contained material error. Under 49 U.S.C. 11326(b), labor protection for this transaction is limited to one year of severance pay unless the parties agree to other terms. Based on the record now before us, there seems to have been no agreement on terms other than those established by the statute. Under these circumstances, we have no authority to impose terms beyond those in the statute and we erred in doing so. We will grant the petition to reopen.

