

42564

SERVICE DATE – AUGUST 10, 2012

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35636]

Pecos Valley Permian Railroad, L.L.C. d/b/a Pecos Valley Southern Railway Company—
Lease Exemption—Pecos Valley Southern Railway Company

Pecos Valley Permian Railroad, L.L.C. d/b/a Pecos Valley Southern Railway Company (PVR), a noncarrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.31 to lease from the Pecos Valley Southern Railway Company (PVS) and operate 24 miles of rail line located between milepost 0.0 at Pecos, Tex., and milepost 24.0, north of Saragosa, Tex.

This transaction is related to a concurrently filed verified notice of exemption in Watto Holdings, Inc.—Continuance in Control Exemption—Pecos Valley Permian Railroad, L.L.C. d/b/a Pecos Valley Southern Railway, Docket No. FD 35637, wherein Watco Holdings, Inc., seeks Board approval to continue in control of PVR upon PVR's becoming a Class III rail carrier.

As a result of this transaction, PVR will provide common carrier rail service over the rail lines owned by PVS between Pecos and Saragosa. PVR states that the lease agreement between PVS and PVR will not contain any interchange commitments.

PVR certifies that its projected annual revenues as a result of this transaction will not result in PVR's becoming a Class II or Class I rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

The transaction is expected to be consummated on or after August 26, 2012, the effective date of the exemption (30 days after the notice of exemption was filed).

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 by August 17, 2012 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35636, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karl Morell, Ball Janik LLP, 655 Fifteenth Street, N.W., Suite 225, Washington, DC 20005.

Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Decided: August 6, 2012.

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