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SERVICE DATE – JUNE 21, 2007

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 35031

FORTRESS INVESTMENT GROUP LLC, ET AL.—CONTROL—FLORIDA EAST COAST
RAILWAY, LLC

Decided: June 12, 2007

AGENCY: Surface Transportation Board.

ACTION: Decision No. 2 in STB Finance Docket No. 35031; Notice of Acceptance of Application; Issuance of Procedural Schedule.

SUMMARY: The Surface Transportation Board (Board) is accepting for consideration the application filed May 22, 2007, by Fortress Investment Group LLC, on behalf of certain private equity funds managed by it and its affiliates (Fortress); Iron Horse Acquisition Holding LLC, a Delaware limited liability company and affiliate of Fortress (Iron Horse); NEWCO, a Delaware limited liability company and affiliate of Fortress; RailAmerica, Inc. (RailAmerica); and Florida East Coast Industries, Inc. (FECI) and its wholly owned subsidiary, Florida East Coast Railway, LLC (FECR). The application seeks Board approval under 49 U.S.C. 11321-26 of the acquisition and control of FECR by NEWCO (and, indirectly, by Fortress). This proposal is referred to as the Transaction, and Fortress, Iron Horse, NEWCO, RailAmerica, FECI, and FECR are referred to collectively as applicants.

Also on May 22, 2007, applicants submitted a petition for revocation of class exemptions pursuant to 49 U.S.C. 10502(d), asking the Board to revoke the class exemptions set forth in 49 CFR 1180.2(d)(2) and 1180.2(d)(3) with respect to the Transaction.

The Board finds that the Transaction is a “minor transaction” under 49 CFR 1180.2(c) and revokes the class exemptions that would otherwise have applied. The Board adopts a procedural schedule for consideration of the application, under which the Board’s final decision would be issued on September 28, 2007.

DATES: The effective date of this decision is **June 21, 2007**. Any person who wishes to participate in this proceeding as a party of record (POR) must file, no later than **July 5, 2007**, a notice of intent to participate. All comments, protests, requests for conditions, and any other evidence and argument in opposition to the application, including filings by the U.S. Department of Justice (DOJ) and the U.S. Department of Transportation (DOT), must be filed by **July 30, 2007**. Responses to comments, protests, requests for conditions, and other opposition, and rebuttal in support of the application must be filed by **August 14, 2007**. If a public hearing or

oral argument is held, it will be held on a date to be determined by the Board. The Board will issue its final decision on **September 28, 2007**. For further information respecting dates, see Appendix A (Procedural Schedule).

ADDRESSES: Any filing submitted in this proceeding must be submitted **either** via the Board's e-filing format **or** in the traditional paper format. Any person using e-filing should attach a document and otherwise comply with the instructions found on the Board's website at "www.stb.dot.gov" at the "E-FILING" link. Any person submitting a filing in the traditional paper format should send an original and 10 paper copies of the filing (and also an electronic version) to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each filing in this proceeding must be sent (and may be sent by e-mail only if service by e-mail is acceptable to the recipient) to each of the following: (1) Secretary of Transportation, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) Attorney General of the United States, c/o Assistant Attorney General, Antitrust Division, Room 3109, Department of Justice, Washington, DC 20530; (3) Terence M. Hynes (representing Fortress, Iron Horse, NEWCO, and RailAmerica), Sidley Austin LLP, 1501 K Street, N.W., Washington, DC 20005; (4) Heidi J. Eddins (representing FECI and FECR), 10151 Deerwood Park Boulevard, Building 100, Suite 360, Jacksonville, FL 32256; and (5) any other person designated as a POR on the service list notice (as explained below, the service list notice will be issued as soon after July 5, 2007, as practicable).

FOR FURTHER INFORMATION CONTACT: Julia M. Farr, (202) 245-0359. [Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Fortress, through its management of certain private equity funds, controls RailAmerica and (indirectly) RailAmerica's rail carrier subsidiaries. Fortress acquired control of RailAmerica in February 2007, pursuant to a Verified Notice of Exemption. See Fortress Investment Group LLC, et al.—Control Exemption—Rail America, Inc., et al., STB Finance Docket No. 34972 (STB served Dec. 22, 2006).

RailAmerica is a short line and regional rail service provider that currently owns and operates, through its freight railroad subsidiaries, approximately 7,800 miles of rail lines in the United States and Canada. RailAmerica's 30 United States freight railroad subsidiaries operate 41 railroads in the United States. RailAmerica also operates four railroads in Canada through three Canadian subsidiaries. (RailAmerica's 30 U.S. freight railroad subsidiaries are referred to collectively herein as the RailAmerica Railroads.) One of the RailAmerica Railroads, the Central Oregon & Pacific Railroad, Inc. (CORP), is a Class II carrier. The other RailAmerica Railroads, all of which are Class III carriers, include Alabama & Gulf Coast Railway L.L.C. (AGR), Arizona & California Railroad Company (ARZC), Bauxite & Northern Railway Company (BXN), California Northern Railroad Company (CFNR), Cascade and Columbia River Railroad Company (CSCD), The Central Railroad Company of Indiana (CIND), Central Railroad Company of Indianapolis (CERA), Connecticut Southern Railroad, Inc. (CSO), Dallas, Garland & Northeastern Railroad, Inc (DGNO), Eastern Alabama Railway (EARY), Huron & Eastern Railway Company, Inc. (HESR), Indiana & Ohio Railway Company (IORY), Indiana Southern Railroad, Inc (ISKR), Kiamichi Railroad L.L.C. (KRR), Kyle Railroad Company

(KYLE), Massena Terminal Railroad Company (MSTR), Mid-Michigan Railroad, Inc. (MMRR), Missouri & Northern Arkansas Railroad Company, Inc (MNA), New England Central Railroad, Inc. (NECR), North Carolina & Virginia Railroad Company, Inc (NCVA), Otter Tail Valley Railroad Company (OTVR), Point Comfort and Northern Railway Company (PCNR), Puget Sound & Pacific Railroad Company (PSAP), Rockdale, Sandow & Southern Railroad Company (RSSR), San Diego & Imperial Valley Railroad Company, Inc. (SDIV), San Joaquin Valley Railroad Company (SJVR), South Carolina Central Railroad Company, Inc. (SCRF), Toledo, Peoria & Western Railway Corporation (TPW), and Ventura County Railroad Company (VCRR). RailAmerica's Canadian freight railroads include Cape Breton & Central Nova Scotia (CBNS), Goderich-Exeter Railway (GEXR), Ottawa Valley Railway (OVR), and Southern Ontario Railway (SOR).

Only one of the RailAmerica Railroads, AGR, owns or operates a rail line in Florida. AGR's line extends south from Kimbrough, AL, to Pensacola, FL. AGR does not serve the east coast of Florida, nor does it serve any point in common with FECR.

Iron Horse is a Delaware limited liability company owned by certain private equity funds controlled by Fortress. Iron Horse controls Iron Horse Acquisition Sub, Inc. (Iron Horse Sub), a Florida corporation created for purposes of the proposed transaction. NEWCO is a Delaware limited liability company owned by certain private equity funds controlled by Fortress. The proposed transaction will be carried out through a merger of Iron Horse Sub into FECI, and the subsequent transfer of FECR's limited liability company interests to NEWCO. Upon consummation of the proposed transaction, FECR will be a wholly owned subsidiary of NEWCO.

FECI, a holding company incorporated in 2006, is engaged in the real estate and railroad businesses. FECI's real estate business is conducted through certain affiliated companies known as Flagler Development Group (Flagler). Flagler is engaged in the acquisition, entitlement, development, management, construction, leasing, operation, and sale of real estate in Florida.

FECR, another affiliate of FECI, owns and operates a Class II regional railroad located entirely within Florida. FECR's main line extends for 351 miles between Jacksonville and Miami, FL. In addition to this main line track, FECR owns and operates approximately 268 miles of branch, switching, and other secondary track, and 167 miles of yard track. FECR also operates nine major terminal facilities along its lines, including Bowden Yard in Jacksonville, which also serves as FECR's primary point of interchange with CSX Transportation, Inc. (CSXT) and Norfolk Southern Railway Company (NS). In connection with a haulage agreement with NS, FECR also serves an approximately 100-acre facility owned by NS near Titusville, FL, which is currently used for automobile distribution.

The primary commodities handled by FECR include intermodal trailers and containers, aggregates, vehicles, food, paper, and lumber. Intermodal traffic accounts for approximately 45% of FECR's total revenues, and carload traffic (primarily aggregates) generates approximately 53% of total revenues. In 2006, FECR transported approximately 212,000 carloads and 322,000 intermodal units. FECR's revenues from freight-related operations in 2006 were approximately \$264 million.

Through its interchange connections with both NS and CSXT at Jacksonville, FECR offers its customers interline rail service to points beyond FECR's service territory. FECR has also forged marketing alliances with connecting carriers to offer daily express intermodal service to South Florida from Atlanta, Chicago, New York/New Jersey and Baltimore. In conjunction with its affiliate, FEC Highway Services, Inc. (FECHS), FECR offers drayage services throughout the Southeast via terminals in Atlanta, Jacksonville, Fort Pierce, Fort Lauderdale and Miami.

The Transaction for which the applicants seek approval involves the acquisition of FECI (and, as a result, FECR) by Fortress. The transaction would be carried out through a merger of Iron Horse Sub into FECI. Upon consummation of the merger, FECI would become a wholly owned subsidiary of Iron Horse and an affiliate of Fortress. FECI would be a privately held company and its common stock would no longer be publicly traded. Shareholders of FECI would receive cash consideration of \$62.50 for each outstanding share of FECI's common stock, and a special dividend of \$21.50 per share to be paid by FECI prior to the merger. The total value of the transaction, including the refinancing of existing FECI debt and the special dividend, is approximately \$3.5 billion. The closing of the proposed transaction is subject to a number of conditions precedent, including receipt of certain regulatory approvals, an affirmative vote of the holders of a majority of the outstanding shares of FECI, and other customary conditions.

Immediately upon consummation of the merger, all of the limited liability company interests of FECR would be placed into an independent voting trust pending approval of the proposed transaction by the Board.¹ On or after the effective date of a final order of the Board authorizing the proposed transaction, the voting trust would be terminated, FECR's interests would be transferred to NEWCO, and FECR would become a wholly owned subsidiary of NEWCO (and controlled indirectly by Fortress). The shares of FECHS, which provides drayage and ancillary services in conjunction with FECR rail service, would also be transferred by FECI to NEWCO, and FECHS would become a wholly owned subsidiary of NEWCO. Applicants may allocate other assets to NEWCO or FECI to align all of FECI's current transportation-related activities within NEWCO and real estate business within FECI following the transaction.

Financial Arrangements. The consideration for the acquisition of FECI's shares would be paid in cash. No new railroad securities would be issued, nor would FECR or RailAmerica assume any additional debt in connection with the proposed transaction (although FECR may guarantee debt obligations incurred by its parent). Iron Horse and NEWCO would incur certain debt obligations in connection with the overall acquisition of FECI by Fortress.

Passenger Service Impacts. The Transaction would have no impact on commuter or passenger operations because there are no commuter or passenger services operated over the lines of FECR or RailAmerica.

¹ Pursuant to 49 CFR 1013.3, applicants state that they will submit their proposed Voting Trust Agreement to the Board for review prior to consummating the merger.

Discontinuances/Abandonments. Applicants have no plans to abandon any of FECR's lines, or to eliminate any existing rail facilities, in connection with the Transaction.

Public Interest Considerations. Applicants contend that the Transaction will have no adverse competitive effects, noting that FECR and RailAmerica Railroads do not compete in the same markets, nor serve any common points or rail corridors. Only one of the RailAmerica Railroads, AGR, owns or operates a rail line that extends into Florida. AGR's line runs south from Kimbrough, AL, to Pensacola, FL. AGR does not serve any point in common with FECR. Thus, applicants state that no shipper will experience a reduction in the number of rail competitive options available to it as a result of the Transaction.

Applicants state that the Transaction would further the public interest in meeting significant transportation needs in a number of ways. First, applicants state that ownership by Fortress is expected to enable FECR to obtain capital at a lower cost than it can today. Applicants note that this would enhance FECR's financial capability to make prudent capital investments in response to future growth in demand for rail services.

Second, applicants note that the Transaction presents opportunities to enhance the efficiency of both FECR and the RailAmerica Railroads, by applying the "best practices" of each in the other railroads' operations. According to applicants, in 2006, FECR's operating ratio was 70.6%, making it one of the most efficient railroads in the United States. Applicants state that a significant reason for FECR's performance is its focus on asset utilization and, in particular, implementation of operating strategies that optimize locomotive turns, increase average train speed, reduce dwell time, and produce reliable scheduled train service. Applicants would seek opportunities to implement FECR's "best practices" on the RailAmerica Railroads, and would likewise explore the possibility of further improving FECR's operations by adopting "best practices" currently employed by RailAmerica. Applicants state that this would contribute to greater efficiency in the operations of all of the rail carriers in the Fortress family.

Third, applicants assert that both FECR and RailAmerica would be able to take advantage of Fortress' purchasing power in acquiring locomotives, rolling stock, track maintenance equipment, and vehicles, rail, and other materials and supplies, insurance, and fuel.

Time Schedule for Consummation. If the conditions precedent to closing of the merger transaction are satisfied, applicants intend to consummate the Transaction during the 3rd Quarter of 2007. If this application has not been approved by the Board as of the date when all other conditions precedent to closing of the merger transaction have been satisfied, all of the limited liability company interests of FECR will be placed into an independent voting trust pending approval of the proposed transaction by the Board, in order to avoid unlawful control of FECR in violation of 49 U.S.C. § 11323.

Environmental Impacts. Applicants contend that no environmental documentation is required because there would be no operational changes that would exceed the thresholds established in 49 CFR 1105.7(e)(4) or (5), and there would be no action that would normally require environmental documentation. Applicants therefore assert that the Transaction does not require environmental documentation under 49 CFR 1105.6(b)(4).

Historic Preservation Impacts. Applicants contend that a historic report is not required because the Transaction involves the common control of FECR and the RailAmerica Railroads through stock ownership, which will not substantially change the level of maintenance of rail property. Applicants state that they do not plan to make substantial changes in FECR's day-to-day operations, nor do they plan to abandon or discontinue service on any of FECR's lines, to eliminate any existing rail facilities, or to dispose of or alter properties subject to STB jurisdiction that are 50 years or older.

Labor Impacts. Applicants do not anticipate that any employees of FECR, RailAmerica or the RailAmerica Railroads will be adversely affected by the proposed transaction. Applicants state that any carrier employees who are adversely affected by the proposed transaction will be entitled to the benefits of a fair arrangement in accordance with the requirements of 49 U.S.C. 11326. New York Dock Ry.—Control—Brooklyn Eastern District Terminal, 360 I.C.C. 60, aff'd sub nom. New York Dock Ry. v. United States, 609 F.2d 83 (2d Cir. 1979). Applicants have not entered into any employee protection agreements affecting their employees in connection with the proposed transaction.

APPLICATION ACCEPTED. The Board finds that the proposed Transaction would be a "minor transaction" under 49 CFR 1180.2(c), and the Board accepts the application for consideration because it is in substantial compliance with the applicable regulations governing minor transactions. See 49 U.S.C. 11321-26; 49 CFR part 1180. The Board reserves the right to require the filing of supplemental information, if necessary to complete the record.

Because applicants take the position that the Transaction qualifies for the Board's class exemptions at 49 CFR 1180.2(d)(2) and (3), they have asked the Board to revoke the class exemptions that could otherwise be invoked by the applicants and allow applicants instead to pursue formal Board approval through the application process. Under section 10502(b), the Board may revoke an exemption when we find that application of regulation is necessary to carry out the Rail Transportation Policy of 49 U.S.C. 10101. We make such a finding here based on the particular circumstances of this Transaction. Thus, the class exemptions will be revoked as to this transaction to permit the applicants to proceed with seeking Board approval for the Transaction through application.

PUBLIC INSPECTION. The application is available for inspection in the Docket File Reading Room (Room 131) at the offices of the Surface Transportation Board, 395 E Street, S.W., in Washington, DC. In addition, the application may be obtained from Mr. Hynes (representing Fortress, Iron Horse, NEWCO, and RailAmerica) and Ms. Eddins (representing FECI and FECR) at the addresses indicated above.

PROCEDURAL SCHEDULE. The Board has considered applicants' request (filed May 22, 2007) for a procedural schedule, under which the Board would issue its final decision on September 28, 2007, and that decision would become effective on October 29, 2007.

The Board is adopting a procedural schedule that is essentially the same as applicants' proposed procedural schedule. The Board's schedule also provides that any necessary oral argument or public hearing will be held on a date to be determined by the Board.

Under the procedural schedule adopted by the Board: any person who wishes to participate in this proceeding as a POR must file, no later than **July 5, 2007**, a notice of intent to participate; all comments, protests, requests for conditions, and any other evidence and argument in opposition to the application, including filings by DOJ and DOT, must be filed by **July 30, 2007**; and responses to comments, protests, requests for conditions, and other opposition and rebuttal in support of the application must be filed by **August 14, 2007**. As in past proceedings, DOJ and DOT will be allowed to file, on the response due date (here, **August 14**), their comments in response to the comments of other parties, and applicants will be allowed to file (as quickly as possible thereafter) a response to any such comments filed by DOJ and/or DOT. Under this schedule, a public hearing or oral argument may be held on a date to be determined by the Board. The Board will issue its final decision on **September 28, 2007**, and the Board will make any such approval effective on **October 29, 2007**. For further information respecting dates, see Appendix A (Procedural Schedule).

NOTICE OF INTENT TO PARTICIPATE. Any person who wishes to participate in this proceeding as a POR must file with the Board, no later than **July 5, 2007**, a notice of intent to participate, accompanied by a certificate of service indicating that the notice has been properly served on the Secretary of Transportation, the Attorney General of the United States, Mr. Hynes (representing Fortress, Iron Horse, NEWCO, and RailAmerica) and Ms. Eddins (representing FECI and FECR).

If a request is made in the notice of intent to participate to have more than one name added to the service list as a POR representing a particular entity, the extra name will be added to the service list as a "Non-Party." The list will reflect the Board's policy of allowing only one official representative per party to be placed on the service list, as specified in Press Release No. 97-68 dated August 18, 1997, announcing the implementation of the Board's "One Party-One Representative" policy for service lists. Any person designated as a Non-Party will receive copies of Board decisions, orders, and notices but not copies of official filings. Persons seeking to change their status must accompany that request with a written certification that he or she has complied with the service requirements set forth at 49 CFR 1180.4, and any other requirements set forth in this decision.

SERVICE LIST NOTICE. The Board will serve, as soon after **July 5, 2007**, as practicable, a notice containing the official service list (the service-list notice). Each POR will be required to serve upon all other PORs, within 10 days of the service date of the service-list notice, copies of all filings previously submitted by that party (to the extent such filings have not previously been served upon such other parties). Each POR also will be required to file with the Board, within 10 days of the service date of the service-list notice, a certificate of service indicating that the service required by the preceding sentence has been accomplished. Every filing made by a POR after the service date of the service-list notice must have its own certificate of service indicating that all PORs on the service list have been served with a copy of the filing. Members of the United States Congress (MOCs) and Governors (GOVs) are not parties of record

and need not be served with copies of filings, unless any Member or Governor has requested to be, and is designated as, a POR.

COMMENTS, PROTESTS, REQUESTS FOR CONDITIONS, AND OTHER OPPOSITION EVIDENCE AND ARGUMENT, INCLUDING FILINGS BY DOJ AND DOT. All comments, protests, requests for conditions, and any other evidence and argument in opposition to the application, including filings by DOJ and DOT, must be filed by **July 30, 2007**.

Because the Transaction proposed in the application is a minor transaction, no responsive applications will be permitted. See 49 CFR 1180.4(d)(1).

Protesting parties are advised that, if they seek either the denial of the application or the imposition of conditions upon any approval thereof, on the theory that approval (or approval without conditions) would harm competition and/or their ability to provide essential services, they must present substantial evidence in support of their positions. See Lamoille Valley R.R. Co. v. ICC, 711 F.2d 295 (D.C. Cir. 1983).

RESPONSES TO COMMENTS, PROTESTS, REQUESTS FOR CONDITIONS, AND OTHER OPPOSITION; REBUTTAL IN SUPPORT OF THE APPLICATION. Responses to comments, protests, requests for conditions, and other opposition submissions, and rebuttal in support of the application must be filed by **August 15, 2007**.

PUBLIC HEARING/ORAL ARGUMENT. The Board may hold a public hearing or an oral argument in this proceeding on a date to be determined by the Board.

DISCOVERY. Discovery may begin immediately. The parties are encouraged to resolve all discovery matters expeditiously and amicably.

ENVIRONMENTAL MATTERS. The National Environmental Policy Act of 1969 (NEPA) generally requires federal agencies to consider “to the fullest extent possible” environmental consequences “in every recommendation or report on major federal actions significantly affecting the quality of the human environment.” 42 U.S.C. 4332(2)(C). Regulations governing implementation of this broad mandate have been promulgated by the Council on Environmental Quality (CEQ), at 40 CFR 1500-1508, and by the Board, at 49 CFR 1105. The Board’s Section of Environmental Analysis (SEA) is responsible for conducting the environmental review on behalf of the Board, evaluating potential environmental impacts, and recommending environmental mitigation conditions to the Board.

Under the CEQ regulations, for those types of proposed actions for which the environmental effects are ordinarily insignificant, an environmental review need not be conducted under NEPA.² Rather, such activities are covered by a “categorical exclusion.” Absent extraordinary circumstances, once a project is found to fit within a categorical exclusion, no further NEPA procedures are warranted. In its environmental rules, the Board has promulgated various categorical exclusions. As pertinent here, transactions involving an

² 40 CFR 1500.4(p), 1501.4(a)(2), 1508.4.

acquisition of control that would not result in operational changes that exceed certain thresholds normally require no environmental review. 49 CFR 1105.6(c)(2)(i).

The Board's environmental rules also address its responsibilities for historic review and consultation under the National Historic Preservation Act (NHPA). The Board's regulations provide that historic review normally is not required for acquisitions of control where there will be no significant change in operations. 49 CFR 1105.8(b)(1).

Actions such as these that do not trigger the Board's thresholds typically require no environmental review. 49 CFR 1105.6(c)(2), 1105.7(e)(4) and (5). Moreover, even without the categorical exclusion from environmental review provided by Board regulations for acquisitions of control, SEA has concluded that the proposed transaction would not have enough potential for significant impacts to warrant further environmental review under NEPA and the Board's environmental rules.

Finally, SEA agrees with applicants that the proposed action does not require historic review under NHPA, because further approval would be required to abandon any service, and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. 49 CFR 1105.8(b)(1).

FILING/SERVICE REQUIREMENTS. Persons participating in this proceeding may "file" with the Board and "serve" on other parties: a notice of intent to participate (due by **July 5**); a certificate of service indicating service of prior pleadings on persons designated as PORs on the service-list notice (due by the 10th day after the service date of the service-list notice); any comments, protests, requests for conditions, and any other evidence and argument in opposition to the application (due by **July 30**); and any responses to comments, etc., and any rebuttal in support of the application (due by **August 14**).

Filing Requirements. Any document filed in this proceeding must be filed **either** via the Board's e-filing format **or** in the traditional paper format. Any person using e-filing should attach a document and otherwise comply with the instructions found on the Board's website at "www.stb.dot.gov" at the "E-FILING" link. Any person filing a document in the traditional paper format should send an original and 10 paper copies of the document (and also an electronic version) to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001.

Service Requirements. One copy of each document filed in this proceeding must be sent to each of the following (any copy may be sent by e-mail only if service by e-mail is acceptable to the recipient): (1) Secretary of Transportation, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) Attorney General of the United States, c/o Assistant Attorney General, Antitrust Division, Room 3109, Department of Justice, Washington, DC 20530; (3) Terence M. Hynes (representing Fortress, Iron Horse, NEWCO, and RailAmerica), Sidley Austin LLP, 1501 K Street, N.W., Washington, DC 20005; (4) Heidi J. Eddins (representing FECI and FECR), 10151 Deerwood Park Boulevard, Building 100, Suite 360, Jacksonville, FL 32256; and (5) any other person designated as a POR on the service-list notice.

SERVICE OF DECISIONS, ORDERS, AND NOTICES. The Board will serve copies of its decisions, orders, and notices only on those persons who are designated on the official service list as either POR, MOC, or GOV. All other interested persons are encouraged either to secure copies of decisions, orders, and notices via the Board's website at "www.stb.dot.gov" under "E-LIBRARY/Decisions & Notices" or to make advance arrangements with the Board's copy contractor, ASAP Document Solutions (mailing address: Suite 103, 9332 Annapolis Rd., Lanham, MD 20706; e-mail address: asapdc@verizon.net; telephone number: 202-306-4004), to receive copies of decisions, orders, and notices served in this proceeding. ASAP Document Solutions will handle the collection of charges and the mailing and/or faxing of decisions, orders, and notices to persons who request this service.

ACCESS TO FILINGS. An interested person does not need to be on the service list to obtain a copy of the primary application or any other filing made in this proceeding. Under the Board's rules, any document filed with the Board (including applications, pleadings, etc.) shall be promptly furnished to interested persons on request, unless subject to a protective order. 49 CFR 1180.4(a)(3). The primary application and other filings in this proceeding will also be available on the Board's website at "www.stb.dot.gov" under "E-LIBRARY/Filings."

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

It is ordered:

1. The application in STB Finance Docket No. 35031 is accepted for consideration.
2. The class exemptions at 49 CFR 1180.2(d)(2) and (3) are revoked as to the transaction proposed by applicants so that Board approval may be sought under the formal application process.
3. The parties to this proceeding must comply with the procedural schedule adopted by the Board in this proceeding as shown in Appendix A.
4. The parties to this proceeding must comply with the procedural requirements described in this decision.
5. This decision is effective on June 21, 2007.

By the Board, Chairman Nottingham, Vice Chairman Buttrey, and Commissioner Mulvey.

Vernon A. Williams
Secretary

APPENDIX A: PROCEDURAL SCHEDULE

May 22, 2007	Application, Petition to Revoke Class Exemptions, Motion for Protective Order, and Motion to Establish Procedural Schedule filed.
June 6, 2007	Protective order issued.
June 22, 2007	Board notice of acceptance of application published in the <u>Federal Register</u> .
July 5, 2007	Notices of intent to participate in this proceeding due.
July 30, 2007	All comments, protests, requests for conditions, and any other evidence and argument in opposition to the application, including filings of DOJ and DOT, due.
August 14, 2007	Responses to comments, protests, requests for conditions, and other opposition due. Rebuttal in support of the application due.
TBD	A public hearing or oral argument may be held.
September 28, 2007	Date of service of final decision.
October 29, 2007	Effective date of final decision.