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SERVICE DATE – AUGUST 26, 2022

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36635]

Patriot Rail Company LLC, SteelRiver Transport Ventures LLC, Global Diversified Infrastructure Fund (North America) LP, First State Infrastructure Managers (International) Limited, and Mitsubishi UFJ Financial Group, Inc.—Control Exemption—Pioneer Lines, Inc., et al.

Patriot Rail Company LLC (Patriot), SteelRiver Transport Ventures LLC; Global Diversified Infrastructure Fund (North America) LP; First State Infrastructure Managers (International) Limited; and Mitsubishi UFJ Financial Group, Inc. (MUFG) (collectively, Patriot Rail), have filed a verified notice of exemption pursuant to 49 C.F.R.

§ 1180.2(d)(2) to acquire control of 15 Class III rail carriers (the Pioneer Short Lines)¹ controlled by Pioneer Lines, Inc. (Pioneer). Patriot Rail currently controls 16 Class III rail carriers (the Patriot Short Lines) in 14 states.²

¹ The verified notice lists the Pioneer Short Lines as follows: Alabama & Florida Railway Co., Inc.; Decatur Junction Railway Co.; Elkhart & Western Railroad Co.; Fort Smith Railroad Co.; The Garden City Western Railway, Inc.; Georgia Southern Railway Co.; Gettysburg & Northern Railroad Co.; Indiana Southwestern Railway Co.; Kendallville Terminal Railway Co.; Keokuk Junction Railway Co.; Keokuk Union Depot Co.; Michigan Southern Railroad Co.; Mississippi Central Railroad Co.; Pioneer Industrial Railway Co.; and Vandalia Railroad Co.

² The verified notice lists the Patriot Short Lines as follows: Columbia & Cowlitz Railway, LLC; DeQueen and Eastern Railroad, LLC; Georgia Northeastern Railroad Company, LLC; Golden Triangle Railroad, LLC; Kingman Terminal Railroad, LLC; Louisiana and North West Railroad Company, LLC; Merced County Central Valley

The transaction may be consummated on or after September 9, 2022, the effective date of the exemption (30 days after the verified notice was filed).

According to the verified notice, through a Stock Purchase Agreement, Patriot (an indirect holding of MUFG) will acquire a controlling interest in Pioneer, and, consequently, an indirect controlling interest in several Pioneer subsidiaries, including the Pioneer Short Lines.

The verified notice indicates that: (1) none of the Patriot Short Lines connect with any of the Pioneer Short Lines; (2) the transaction is not part of a series of anticipated transactions that would connect any of the Patriot Short Lines or Pioneer Short Lines; and (3) the transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. § 11323 pursuant to 49 C.F.R. § 1180.2(d)(2).

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. However, 49 U.S.C. § 11326(c) does not provide for labor protection for transactions under 49 U.S.C. §§ 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

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

Railroad, L.L.C.; Patriot Woods Railroad, LLC; Rarus Railway, LLC (d/b/a Butte, Anaconda & Pacific Railway Co.); Sacramento Valley Railroad, LLC; Salt Lake Garfield and Western Railway Company; Temple & Central Texas Railway, LLC; Tennessee Southern Railroad LLC; Texas, Oklahoma and Eastern Railroad, LLC; Utah Central Railway Company, LLC; and West Belt Railway LLC.

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 no later than September 2, 2022 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36635, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Patriot Rail's representative, Robert A. Wimbish, Fletcher & Sipple LLC, 29 N. Wacker Drive, Suite 800, Chicago, IL 60606.

According to Patriot Rail, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic reporting requirements under 49 C.F.R. § 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: August 23, 2022.

By the Board, Mai T. Dinh, Director, Office of Proceedings.