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LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005
www.balljanik.com
TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

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lgitomer@balljanik.com
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June 20, 2003

BY HAND

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

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**SURFACE
TRANSPORTATION BOARD**

34352

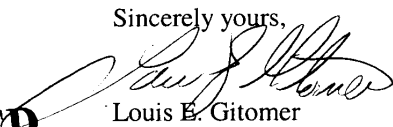
Re: Finance Docket No. ~~34351~~ 34352, *RailAmerica, Inc., et al.—Continuance in Control
Exemption—San Luis & Rio Grande Railroad Company*

Dear Secretary Williams:

Enclosed are the original and 10 copies of a Notice of Exemption, a \$1,000 filing fee under 49 CFR 1002.2(f)(39)(iv), three 3.5-inch diskettes with the file Notice.doc, and 20 additional copies of the maps in Exhibit A.

Please time and date stamp the extra copy of this letter and pleading 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.

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**SURFACE
TRANSPORTATION BOARD**

Enclosures

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BEFORE THE

**SURFACE
TRANSPORTATION BOARD**

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34352

RAILAMERICA, INC., ET AL.—CONTINUANCE IN CONTROL EXEMPTION—
SAN LUIS & RIO GRANDE RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION

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**SURFACE
TRANSPORTATION BOARD**

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
RailAmerica, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorneys for: RailAmerica, Inc. et al.

Dated: June 20, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34351

RAILAMERICA, INC., ET AL.—CONTINUANCE IN CONTROL EXEMPTION—
SAN LUIS & RIO GRANDE RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION

RailAmerica, Inc. ("RailAmerica"), Palm Beach Rail Holding, Inc. (Palm Beach), and RailAmerica Transportation Corp. (RTC), pursuant to 49 C.F.R. §§ 1180.2(d)(2) and 1180.4(g), file this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 11323 with the Surface Transportation Board (the "Board"). This Verified Notice of Exemption is being filed to permit RailAmerica, Palm Beach, and RTC to continue in control of the San Luis & Rio Grande Railroad Company ("SLRG") once it becomes a rail carrier upon the acquisition of a rail line in Colorado from the Union Pacific Railroad Company ("UP").

a. **1180.6(a)(1)(i).** A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

RailAmerica directly controls Palm Beach, which in turn directly controls RTC, all three located at 5300 Broken Sound Boulevard N.W., Second Floor, Boca Raton, FL 33487, (561) 994-6015. RTC directly controls SLRG, located at 601 State Street, Alamosa, CO 81101, 719-587-0516.

SLRG is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. § 1150.31, et seq., to acquire and operate the following lines from UP: (1) from near Derrick, CO,

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milepost 299.30, to near Walsenburg, CO, milepost 175.00, the Alamosa Subdivision, and (2) between Alamosa, CO, milepost 251.7, and Antonito, CO, milepost 281.78, the Antonito Subdivision, a total distance of approximately 149.38 miles (the “Acquired Line”).¹ UP is also granting SLRG incidental trackage rights in the vicinity of Walsenburg between milepost 180.00 and milepost 175.00 (the “Trackage Rights Line”). The Acquired Line and the Trackage Rights Line are jointly referred to as the “Line.” Finance Docket No. 34350, *San Luis & Rio Grande Railroad Company—Acquisition and Operation Exemption—Union Pacific Railroad Company*.

Upon acquiring the Line, SLRG will become a rail carrier. Therefore, RailAmerica, Palm Beach and RTC have filed this notice of exemption to continue in control of SLRG once it becomes a rail carrier.

This is a transaction where SLRG will not connect with any of RailAmerica’s railroad subsidiaries, where the acquisition of SLRG is not intended to connect with any railroads in RailAmerica’s corporate family, and where a class I carrier is not involved. It meets the requirements of 49 C.F.R. § 1180.2(d)(2)(2).

One of the railroads controlled by RailAmerica is a Class II railroad and the other 33 are Class III railroads. The Line to be acquired by SLRG is described above. The properties of SLRG and RailAmerica’s subsidiaries do not connect. The easternmost point of SLRG will be approximately five miles west of Walsenburg, CO, which is located in southern Colorado. The closest line of any RailAmerica subsidiary railroad is at the western end of the Kyle Railroad Company (“Kyle”) at Limon, CO in eastern Colorado. Walsenburg and Limon are about 260 miles apart by rail.

¹ At this time, the 29.3-mile portion of the Line between Monte Vista, milepost 270.0 and Derrick, milepost 299.30, is inactive.

Counsel to whom questions concerning the transaction can be addressed are: Gary A. Laakso, Esq., Vice President Regulatory Counsel, RailAmerica, Inc., 5300 Broken Sound Boulevard N.W., Boca Raton, FL 33487, (561) 994-6015, and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, D.C. 20005, (202) 638-3307.

b. **1180.6(a)(1)(ii).** The proposed time schedule for consummation of the proposed transaction.

RailAmerica, Palm Beach and RTC intend to continue in control of SLRG on or after June 30, 2003.

c. **1180.6(a)(1)(iii).** The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The continuance of control of SLRG by RailAmerica, Palm Beach, and RTC is intended to operate the Line as a Class III railroad with the efficiencies and economies available through the RailAmerica structure.

d. **1180.6(a)(5).** A list of the State(s) in which any part of the property of each applicant carrier is situated.

SLRG operates in the state of Colorado. RailAmerica's railroad subsidiaries operate in the states of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Texas, Vermont, Virginia, and Washington.

e. **1180.6(a)(6). Map (Exhibit 1).** Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the

transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit 1. Exhibit 1 contains color maps. To comply with the Board's rules, it has been placed at the back of this pleading.

f. **1180.6(a)(7)(ii). Agreement (Exhibit 2).** Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.

RailAmerica, et al., already control SLRG. No additional agreement is contemplated or necessary for RailAmerica, et al., to continue in control of SLRG once SLRG becomes a railroad.

g. **Labor Protection.**

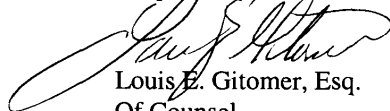
Under 49 U.S.C. § 11326(b), labor protection will be provided in accordance with *Wisconsin Central Ltd.—Acquisition Exem.—Union Pac. RR*, 2 S.T.B. 218 (1997).

h. **Environmental and Historical documentation.**

This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) and thus neither an Environmental Assessment nor a Historic Report is required to be filed.

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
RailAmerica, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Respectfully submitted,



Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorneys for: RailAmerica, Inc., et al.

Dated: June 20, 2003

CERTIFICATION

State of Florida)
)ss
County of Palm Beach)

Larry W. Bush, being duly sworn, deposes and says that he is Vice President and Treasurer of RailAmerica, Inc., and that he has read the foregoing, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.

Larry W Bush
Larry W. Bush

Subscribed and sworn to before me this 19th day of June, 2003.

Kristin Dunlap
Notary Public

My Commission expires: 12-27-05

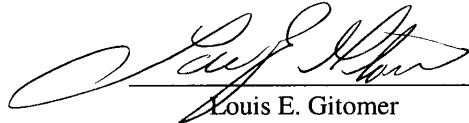
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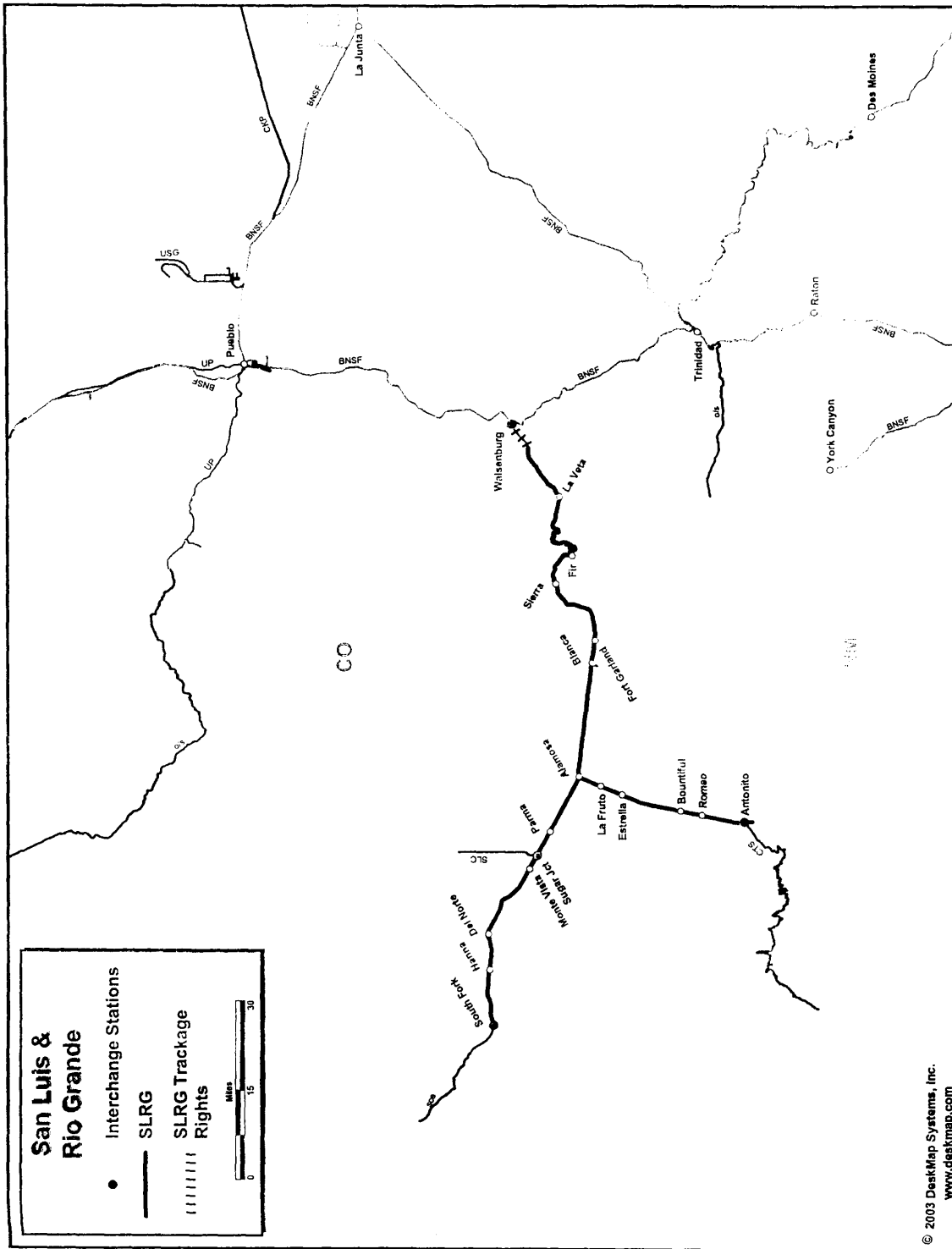
Kristin Dunlap
My Commission DD067667
Expires December 27, 2005

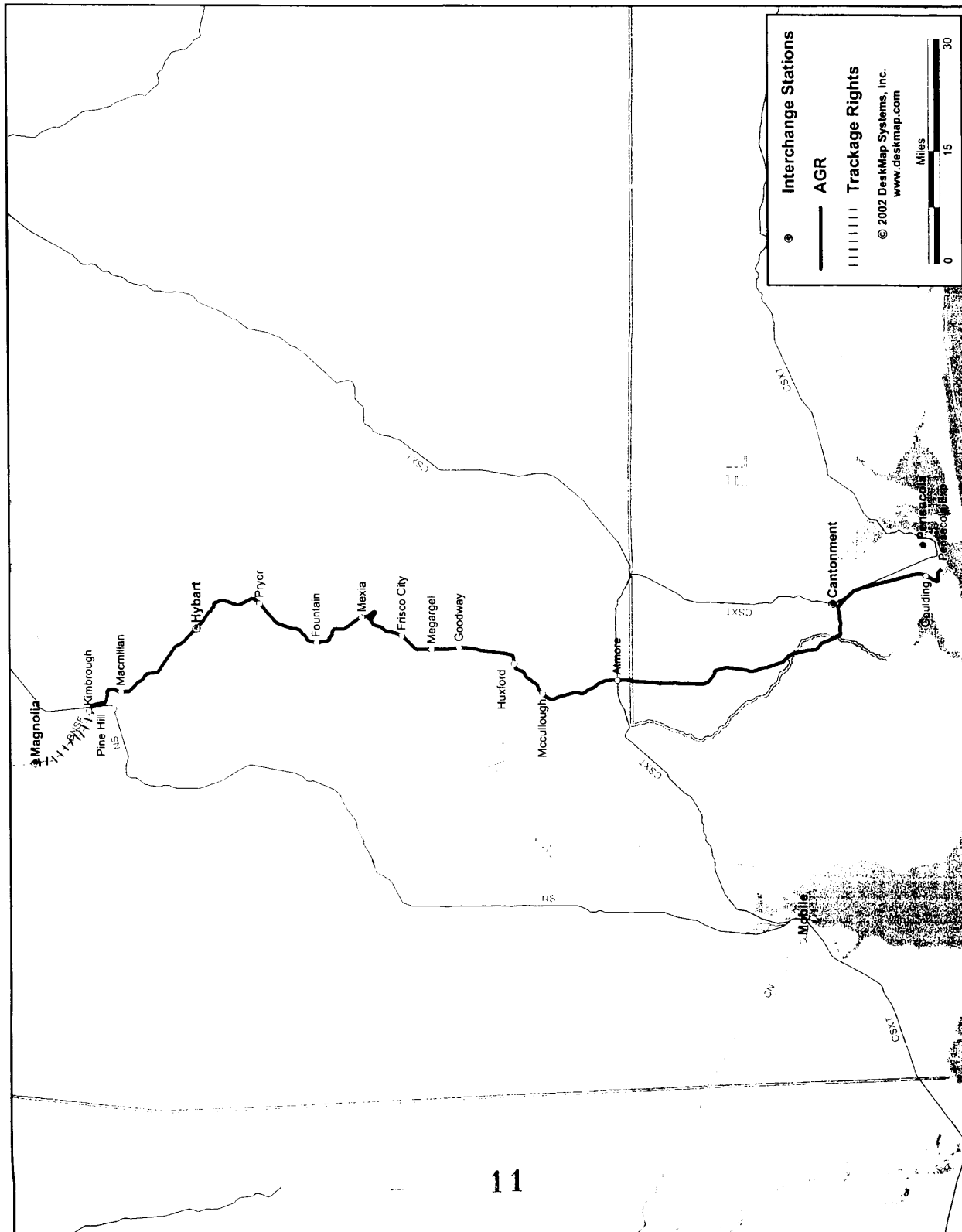
CERTIFICATE OF SERVICE

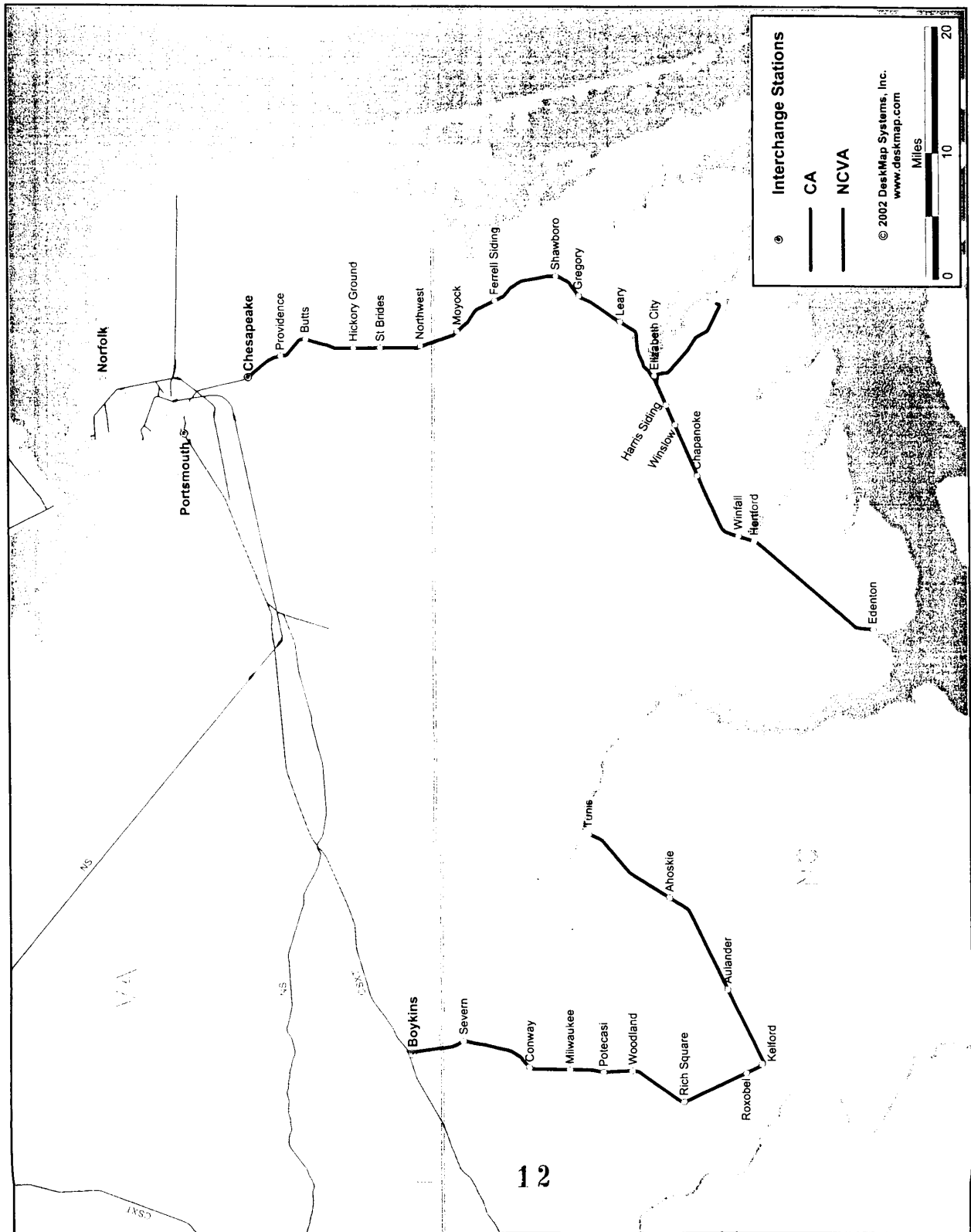
I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 34351, *RailAmerica, Inc. et al.—Continuance in Control Exemption—San Luis & Rio Grande Railroad Company*, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the States of Florida and Colorado.

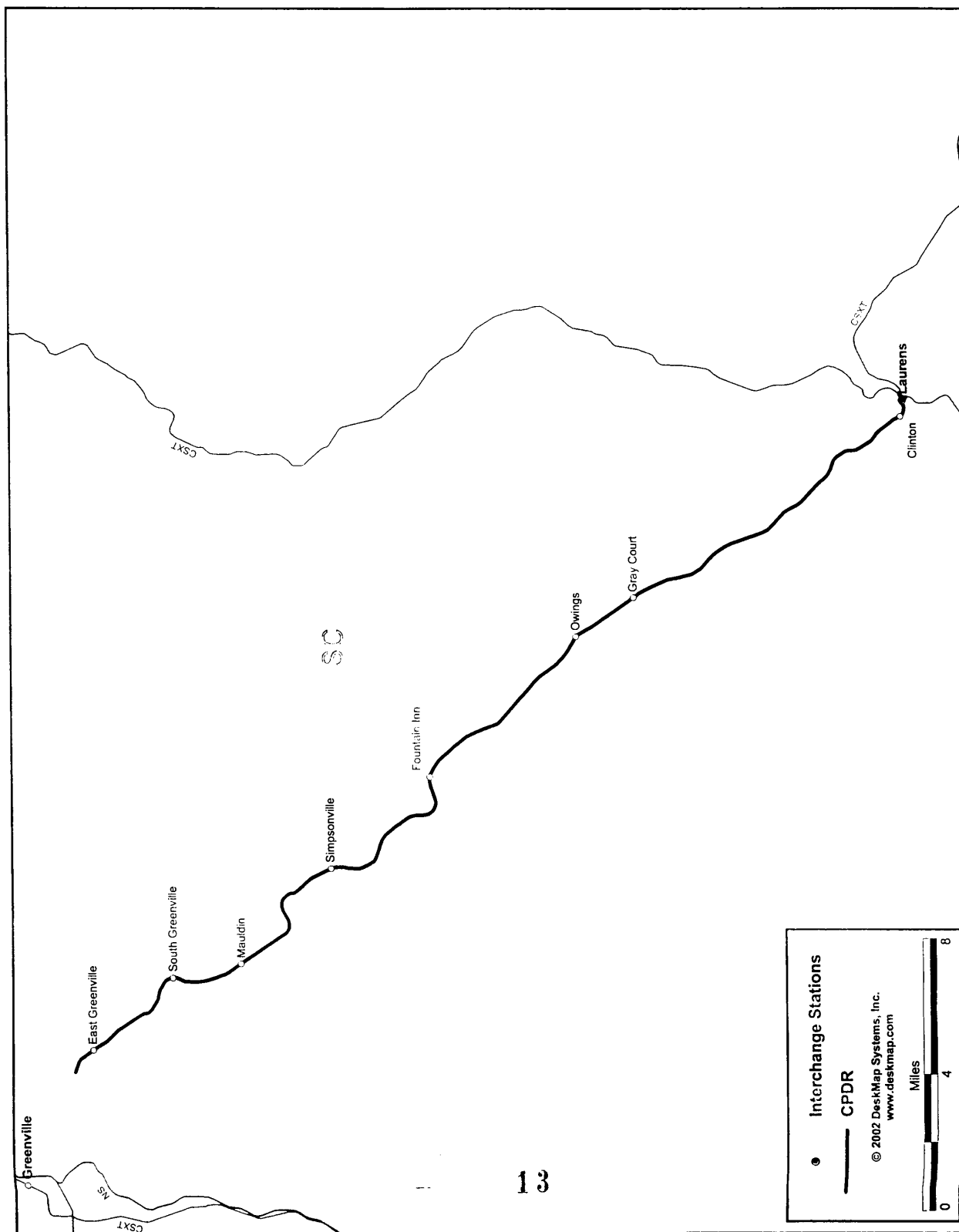


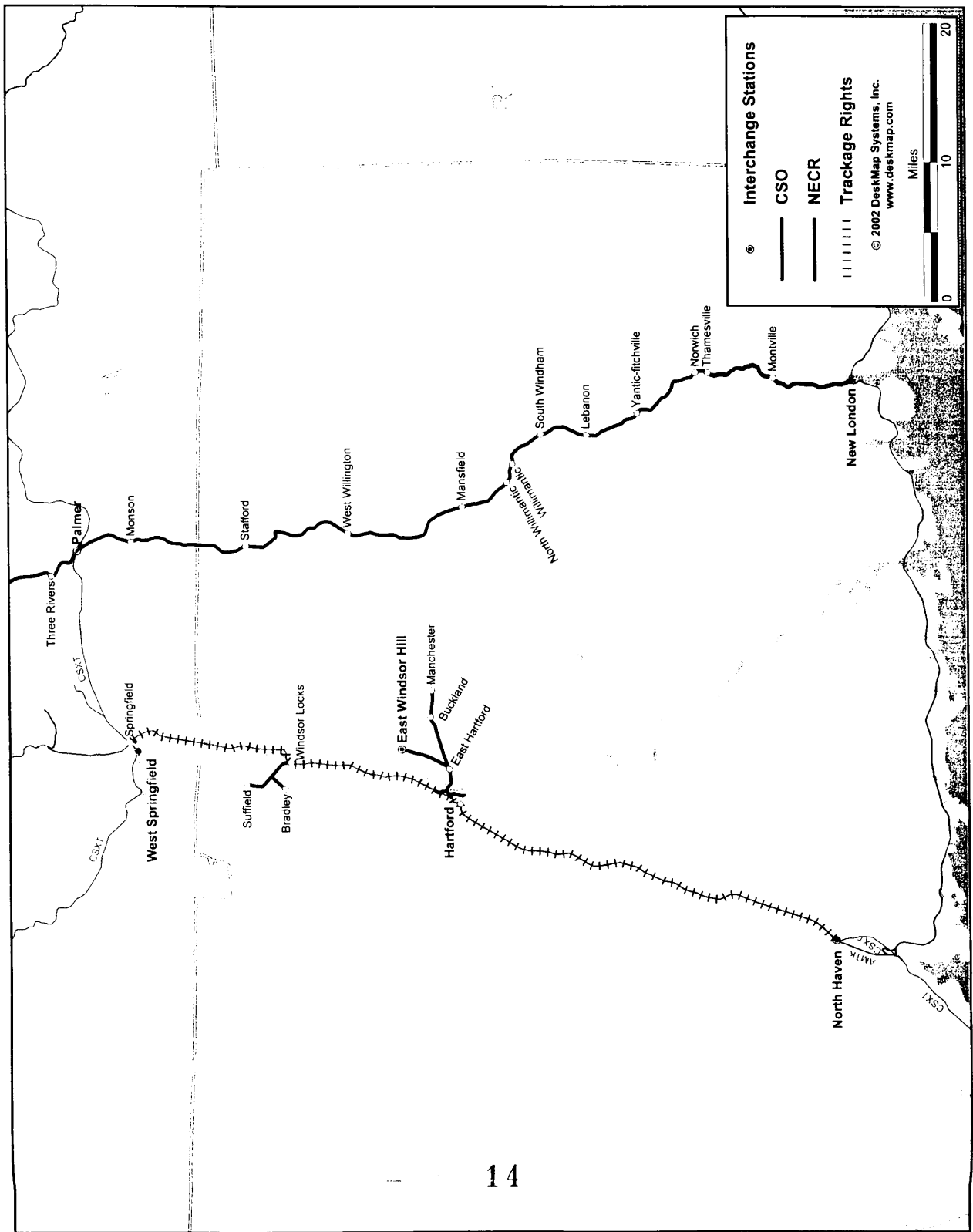
Louis E. Gitomer
June 20, 2003

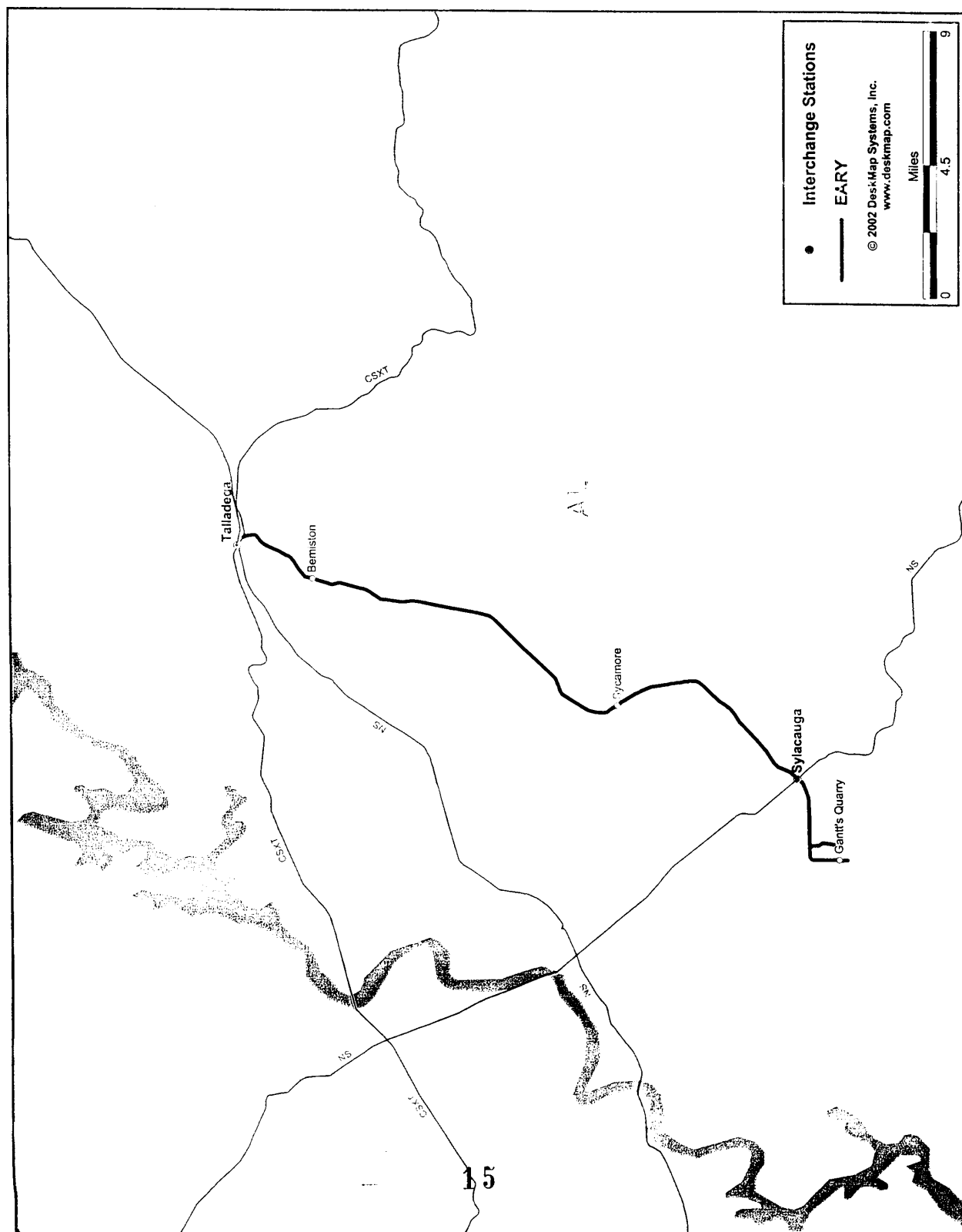


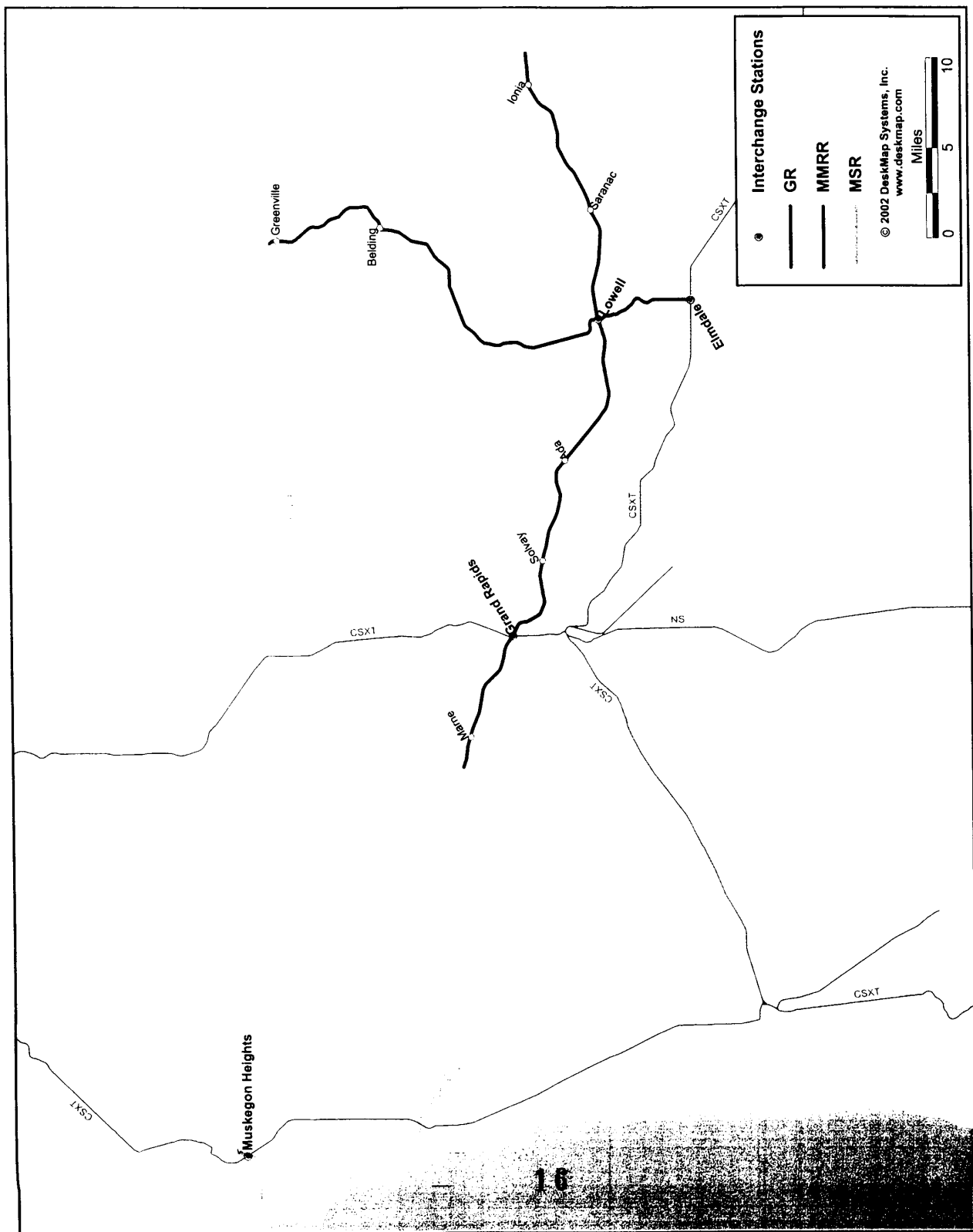


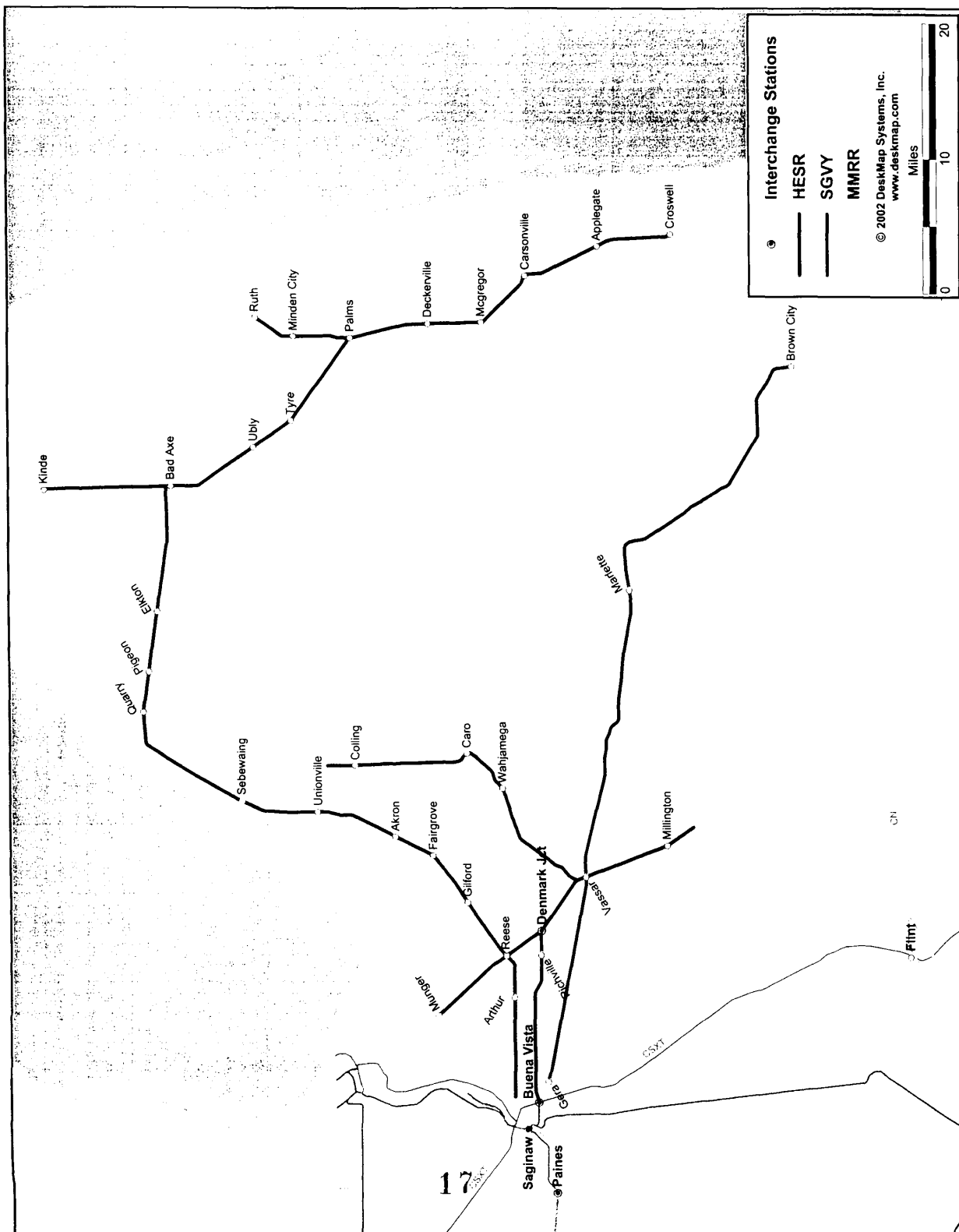


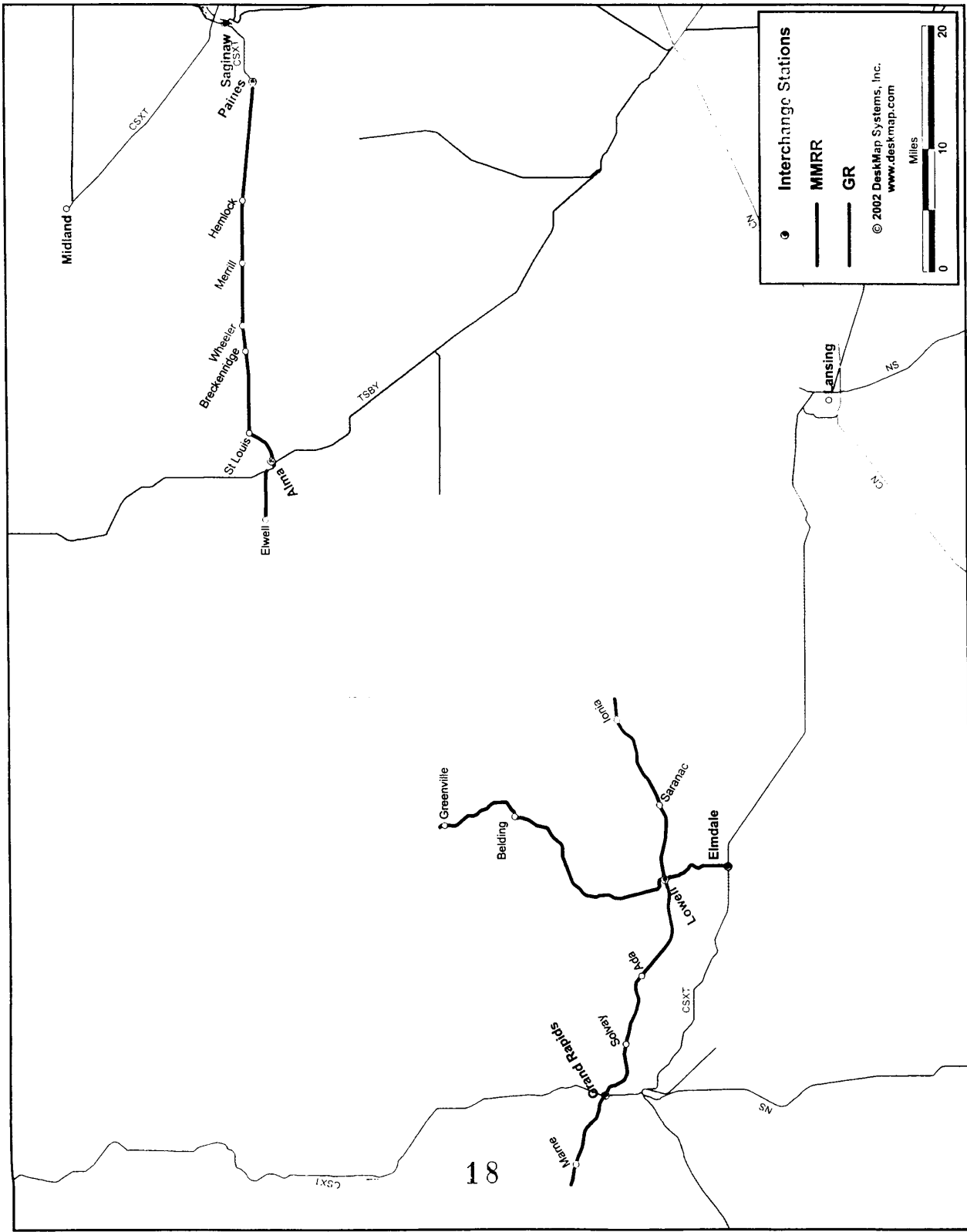


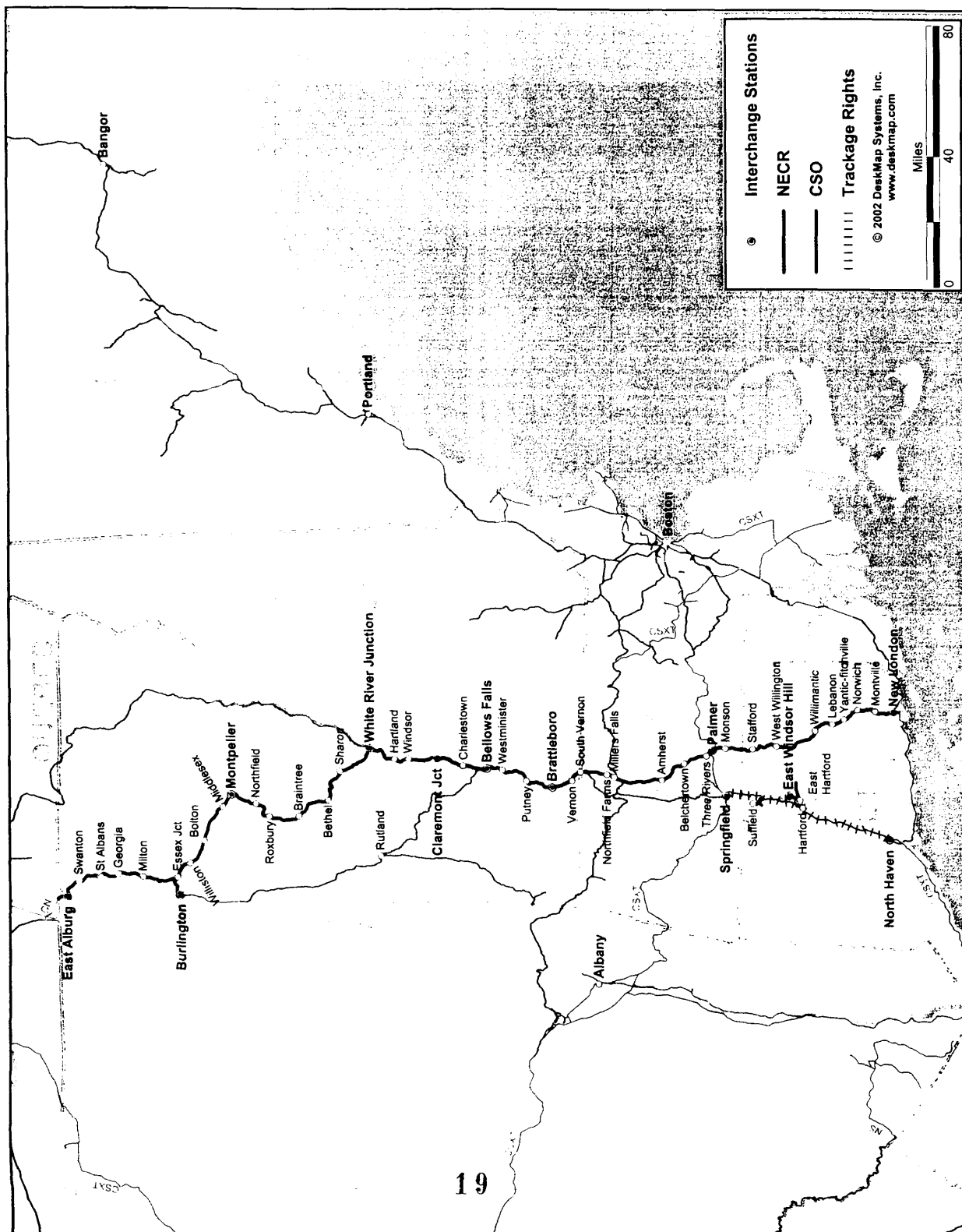


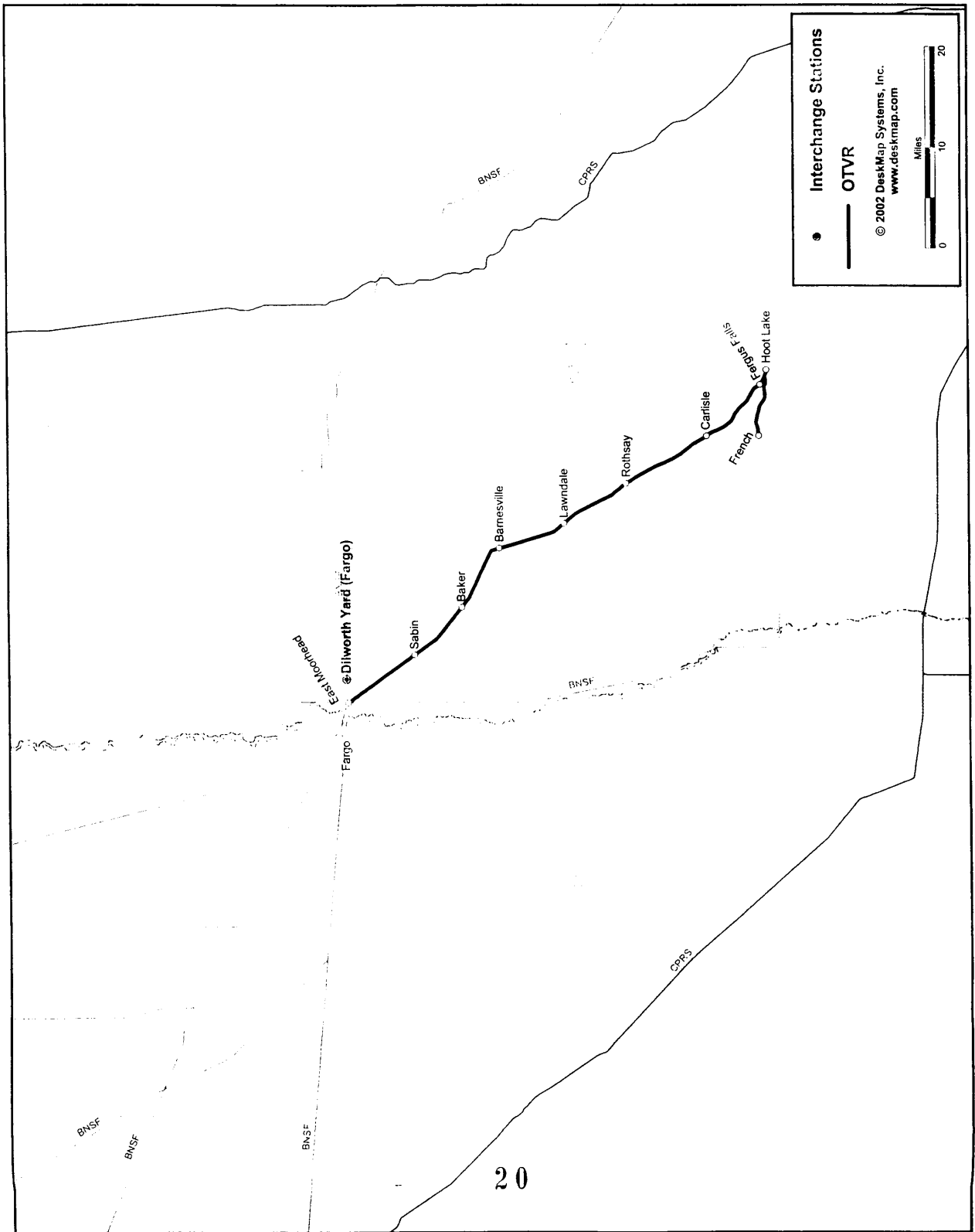


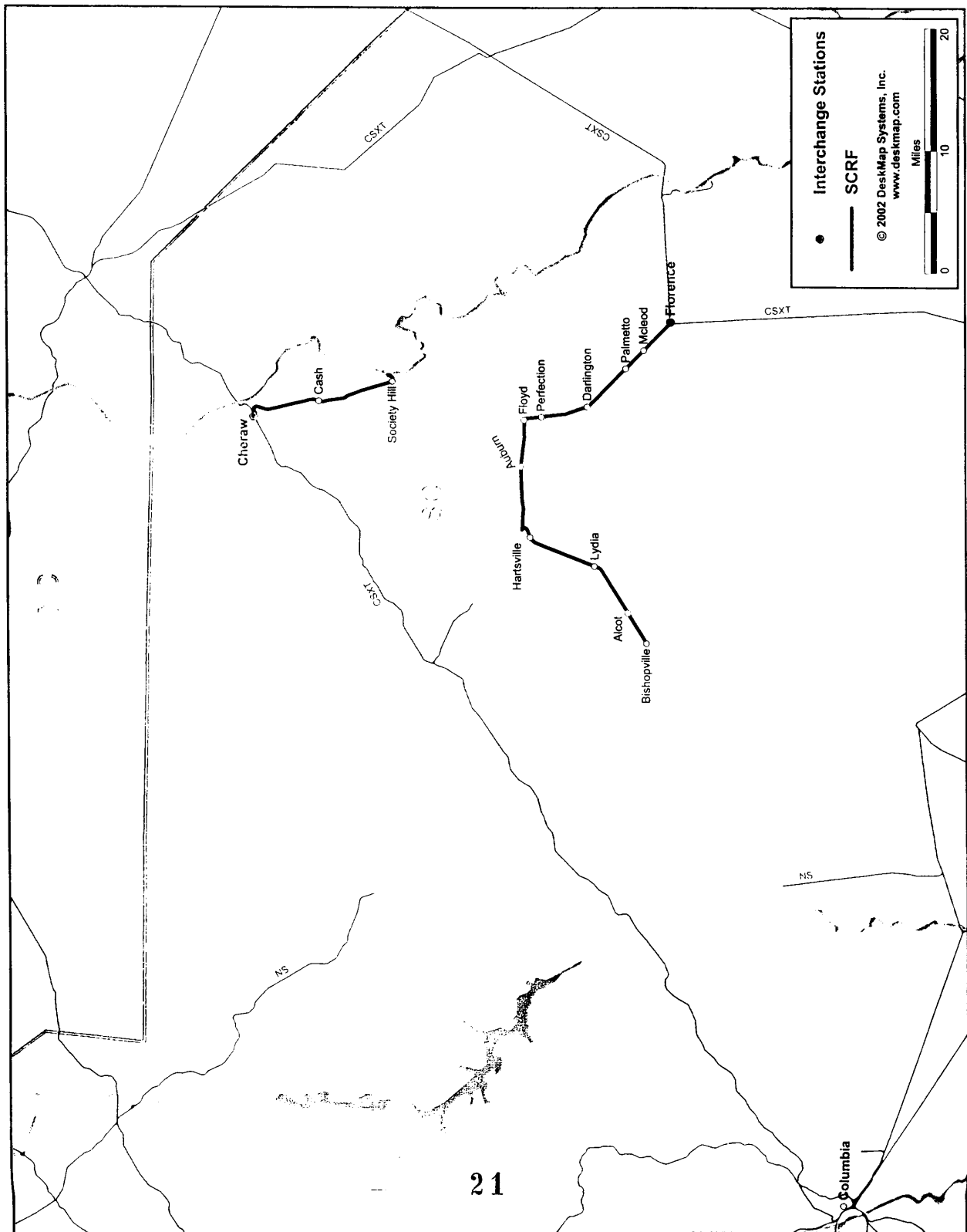


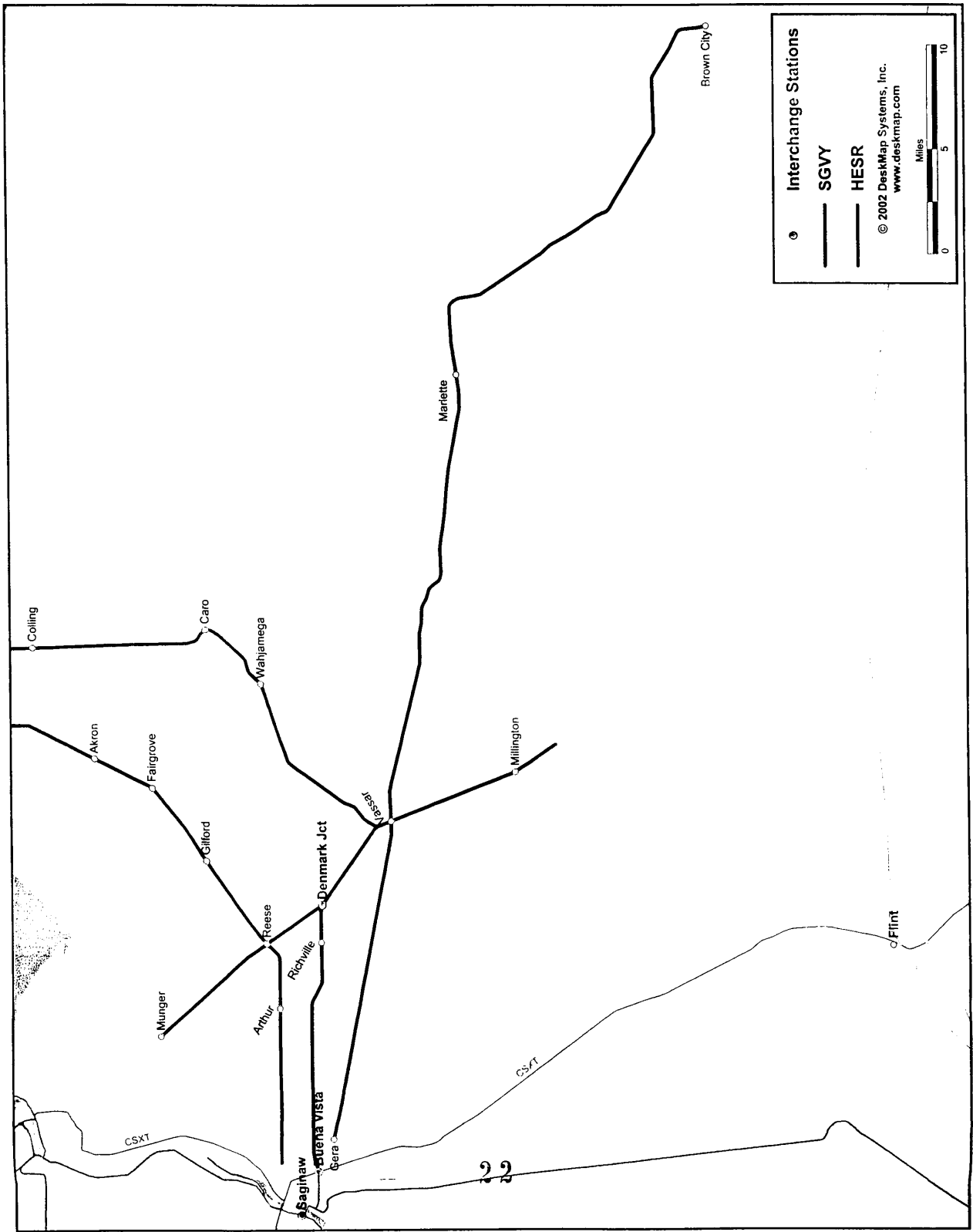


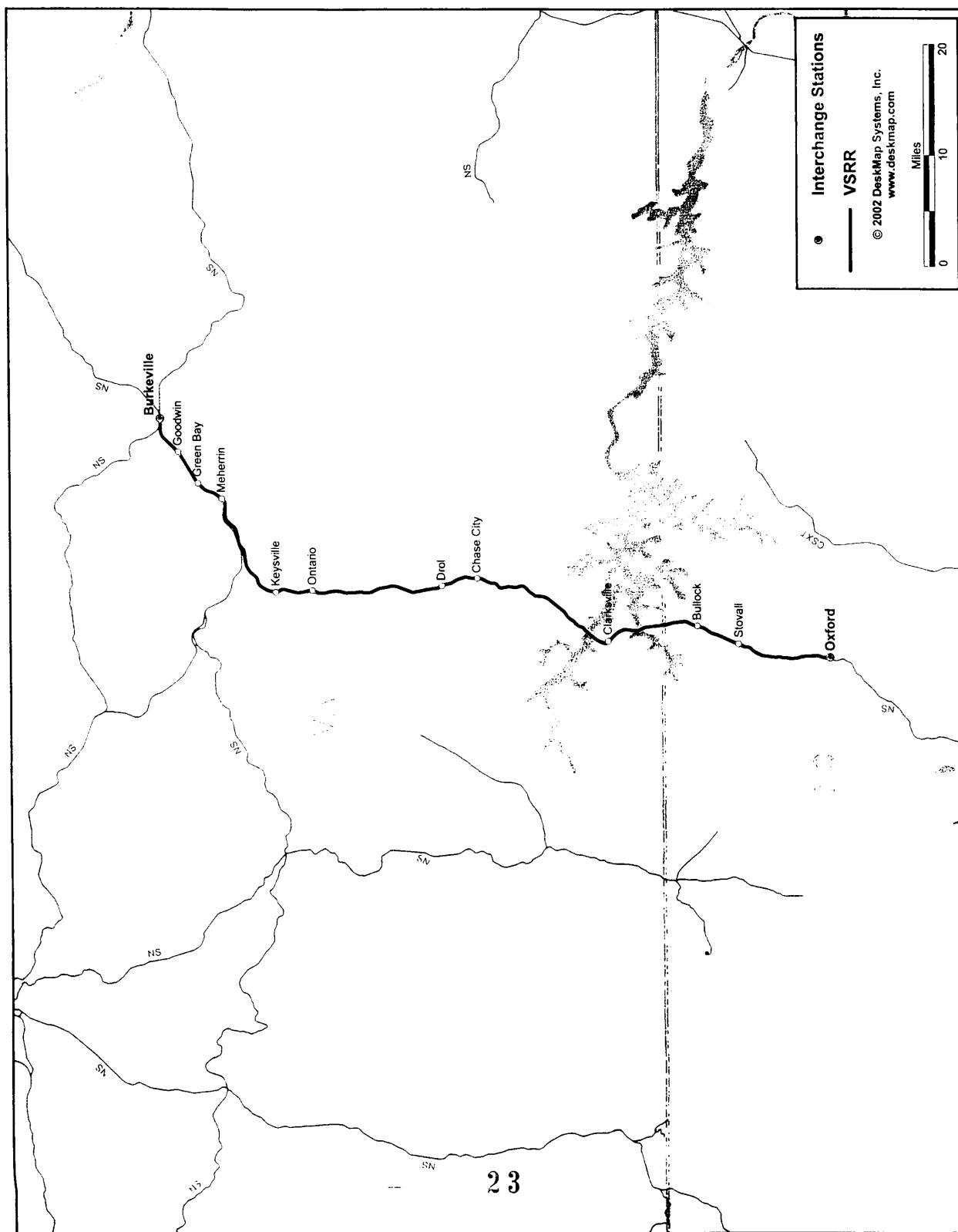


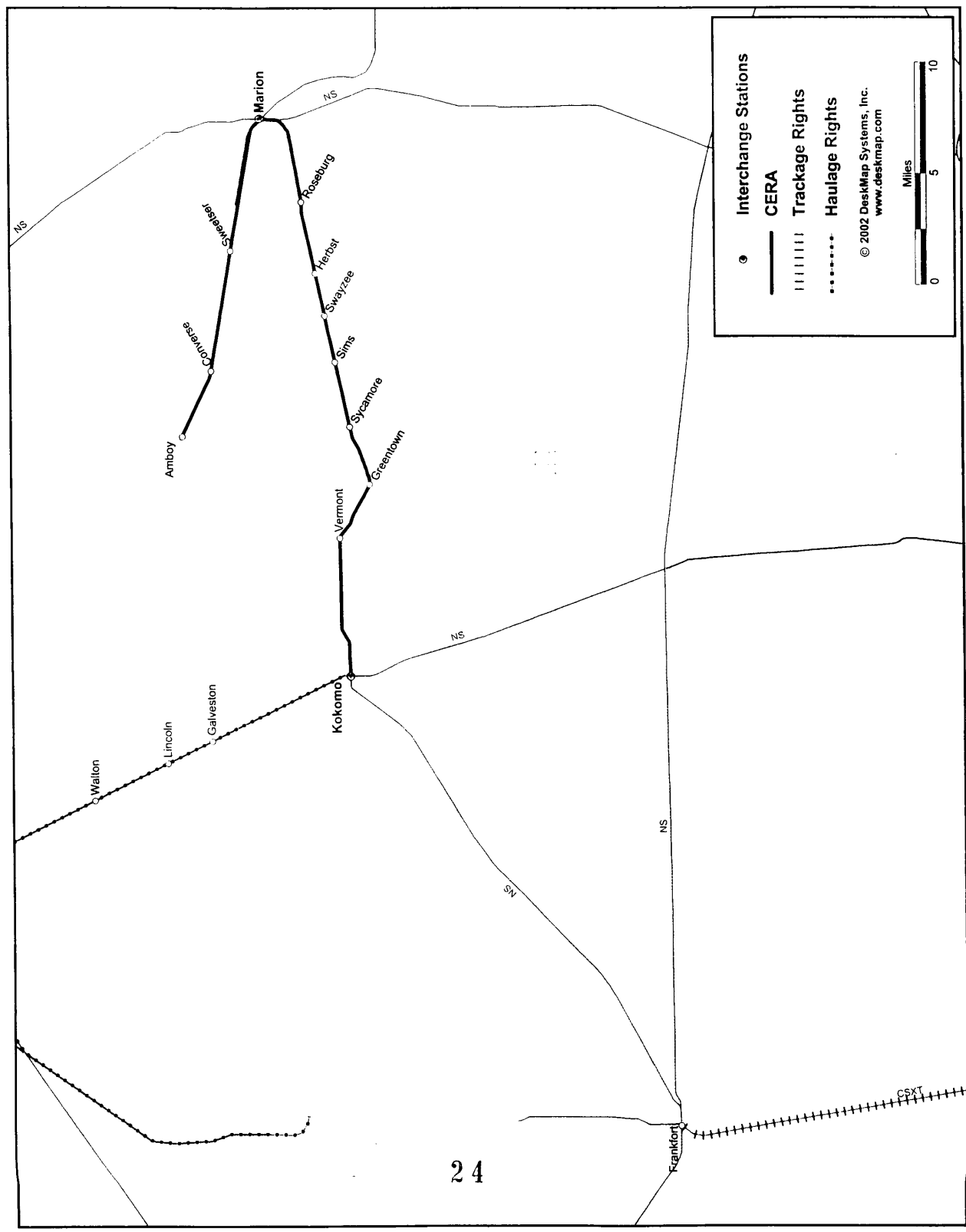


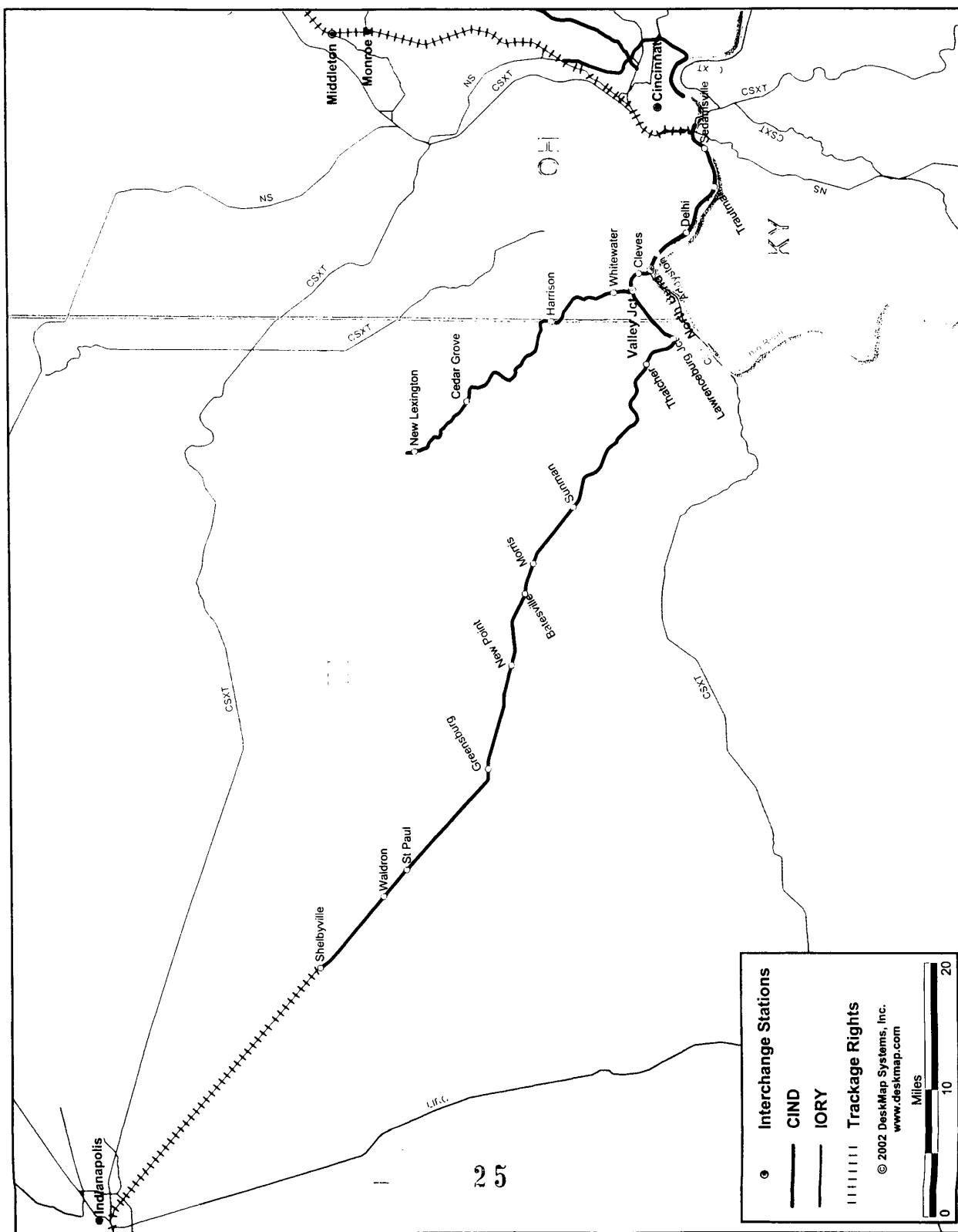


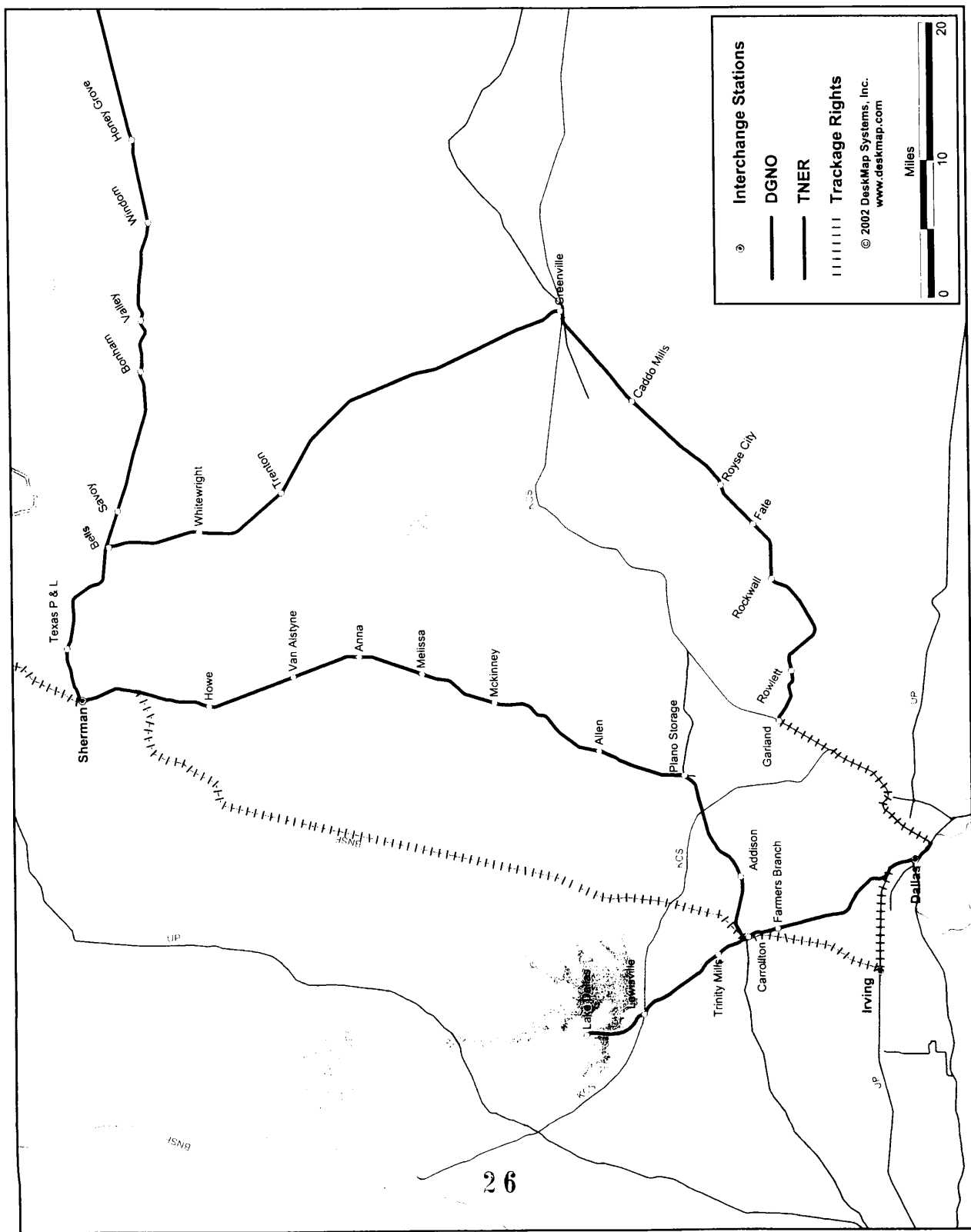


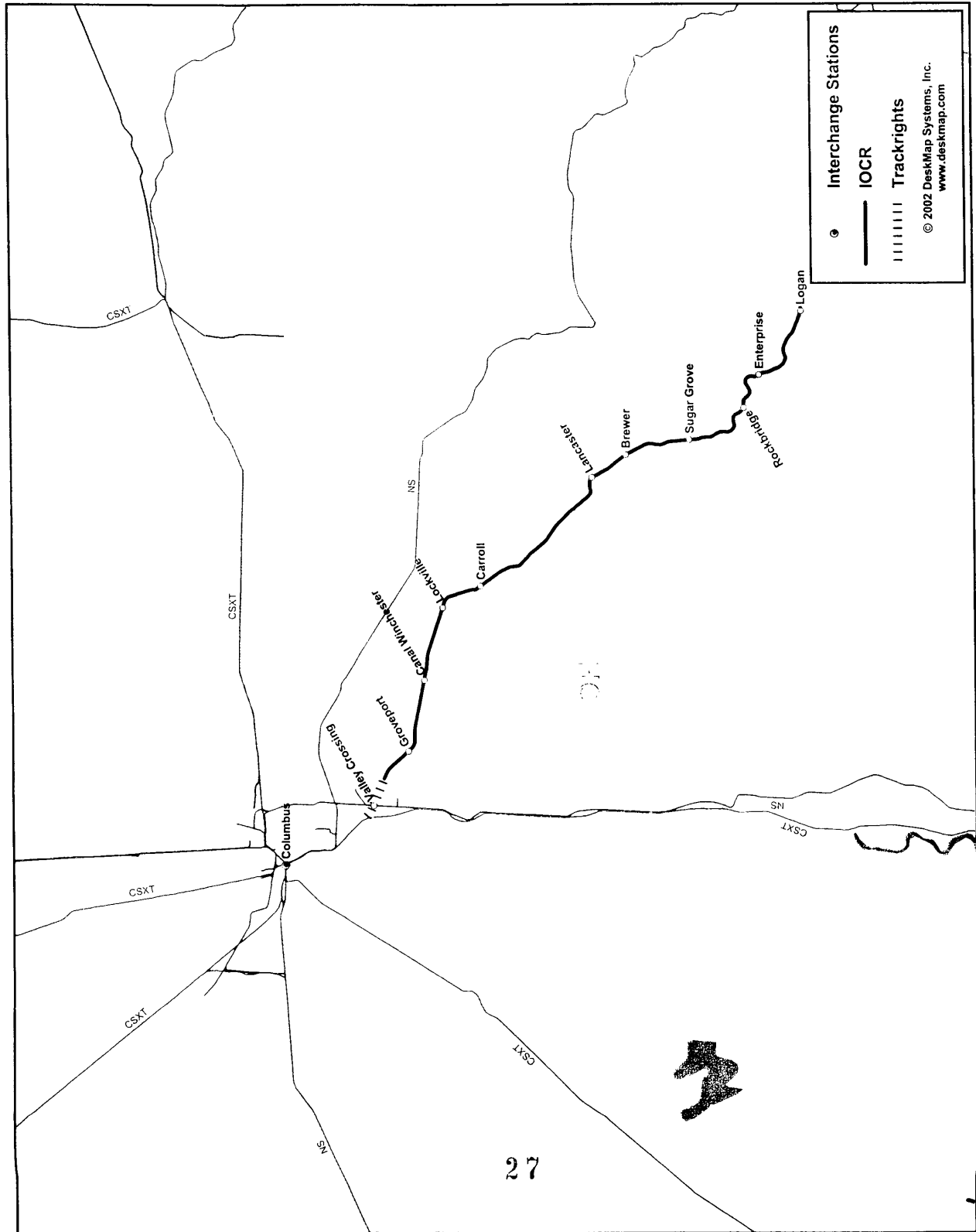


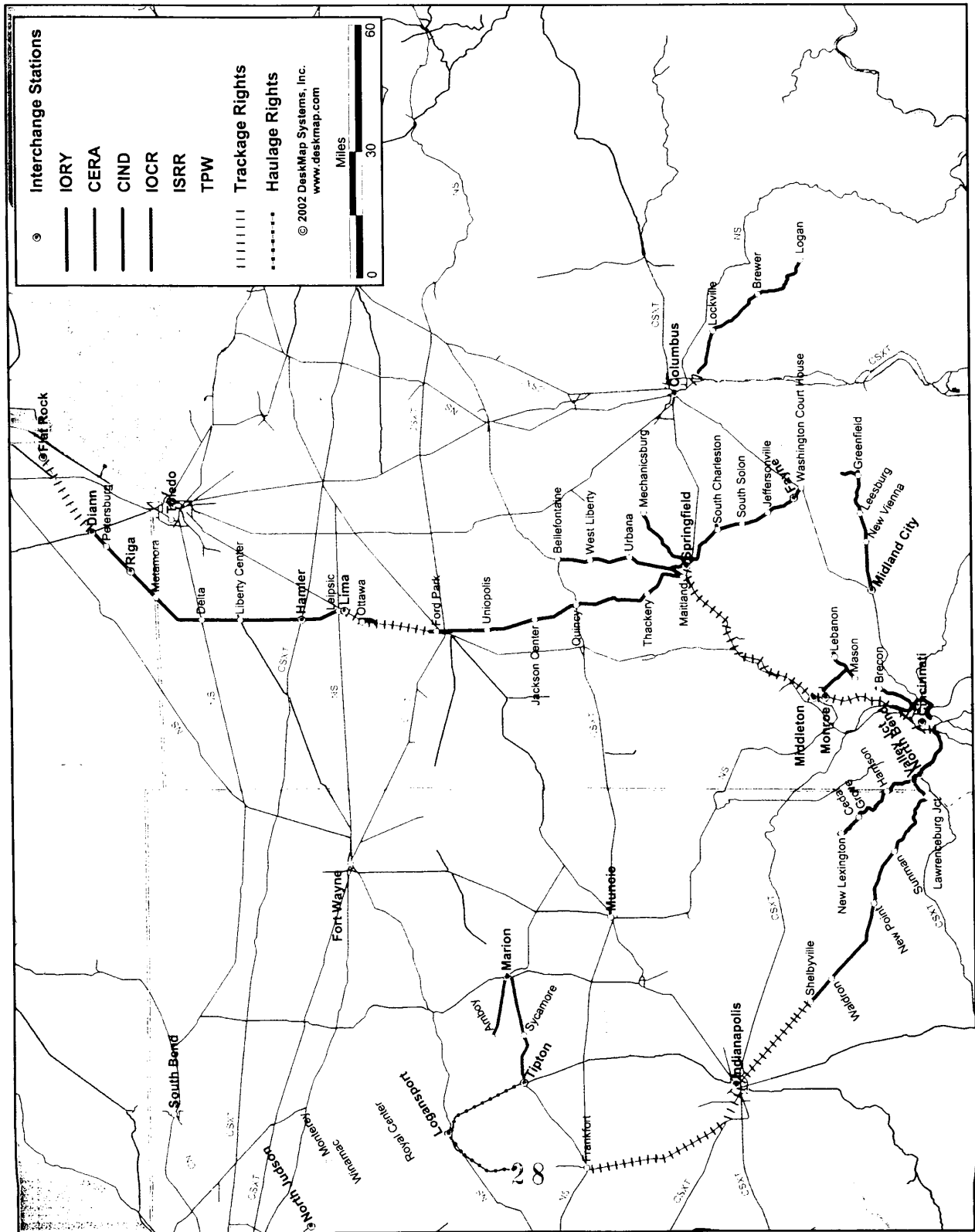


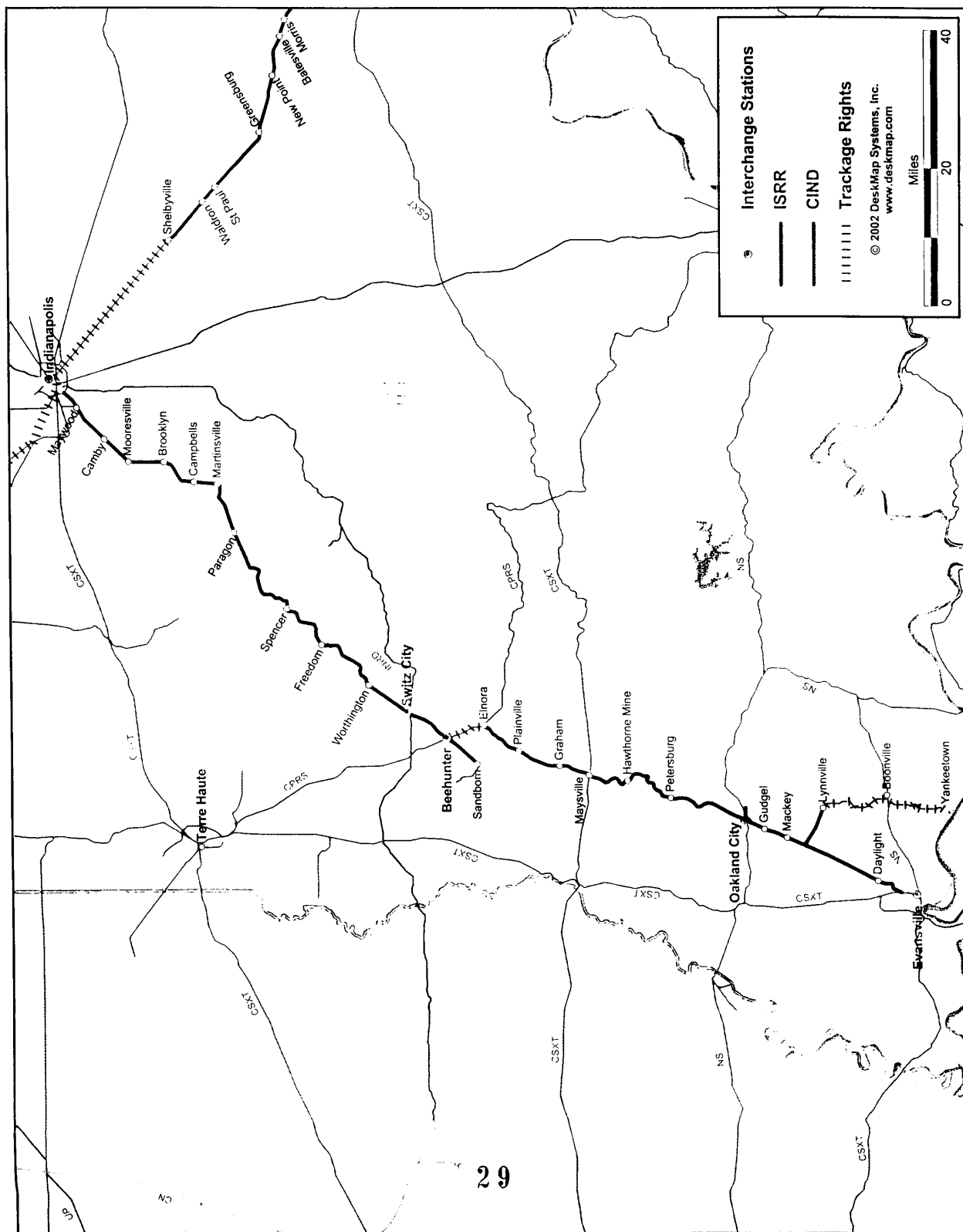


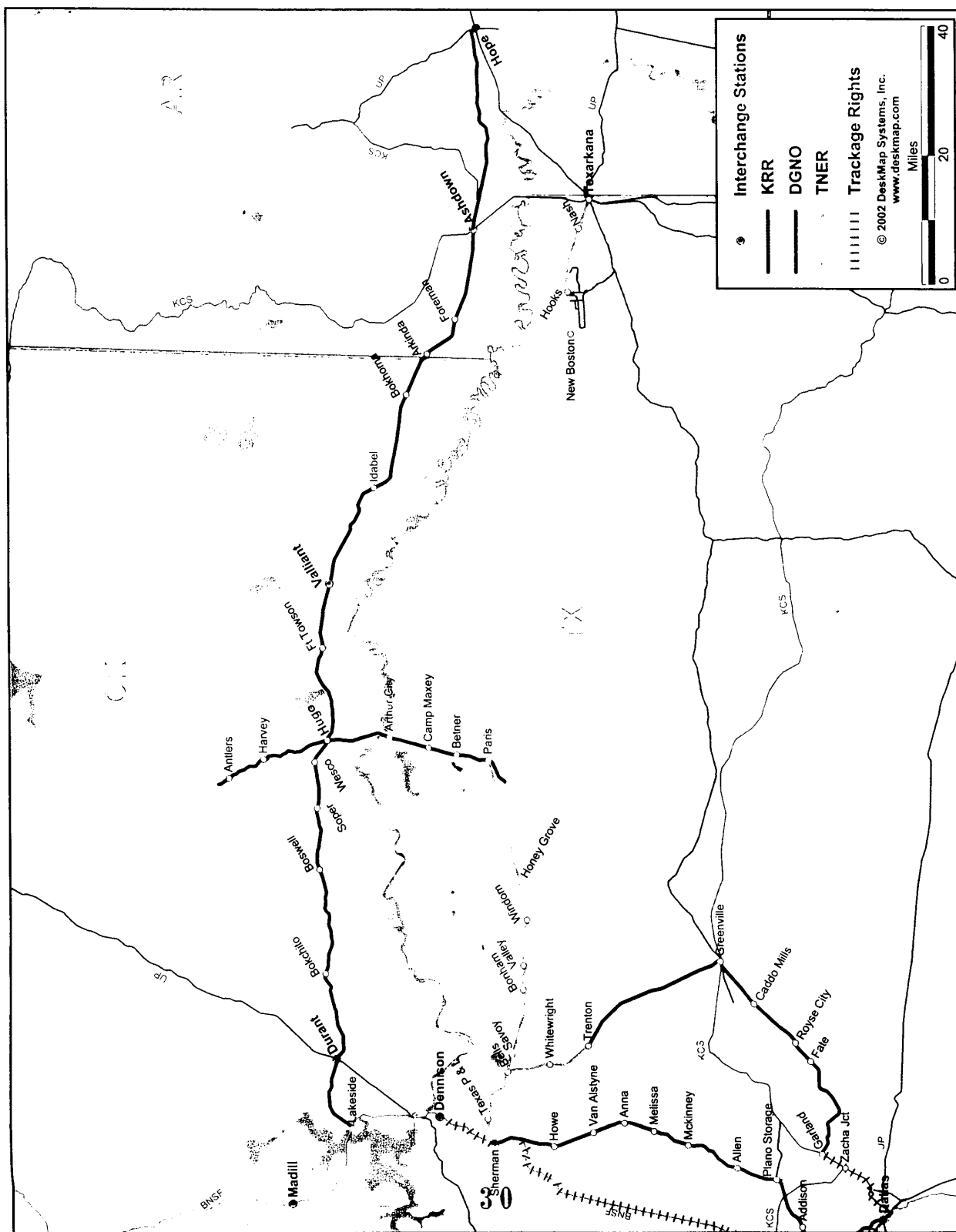


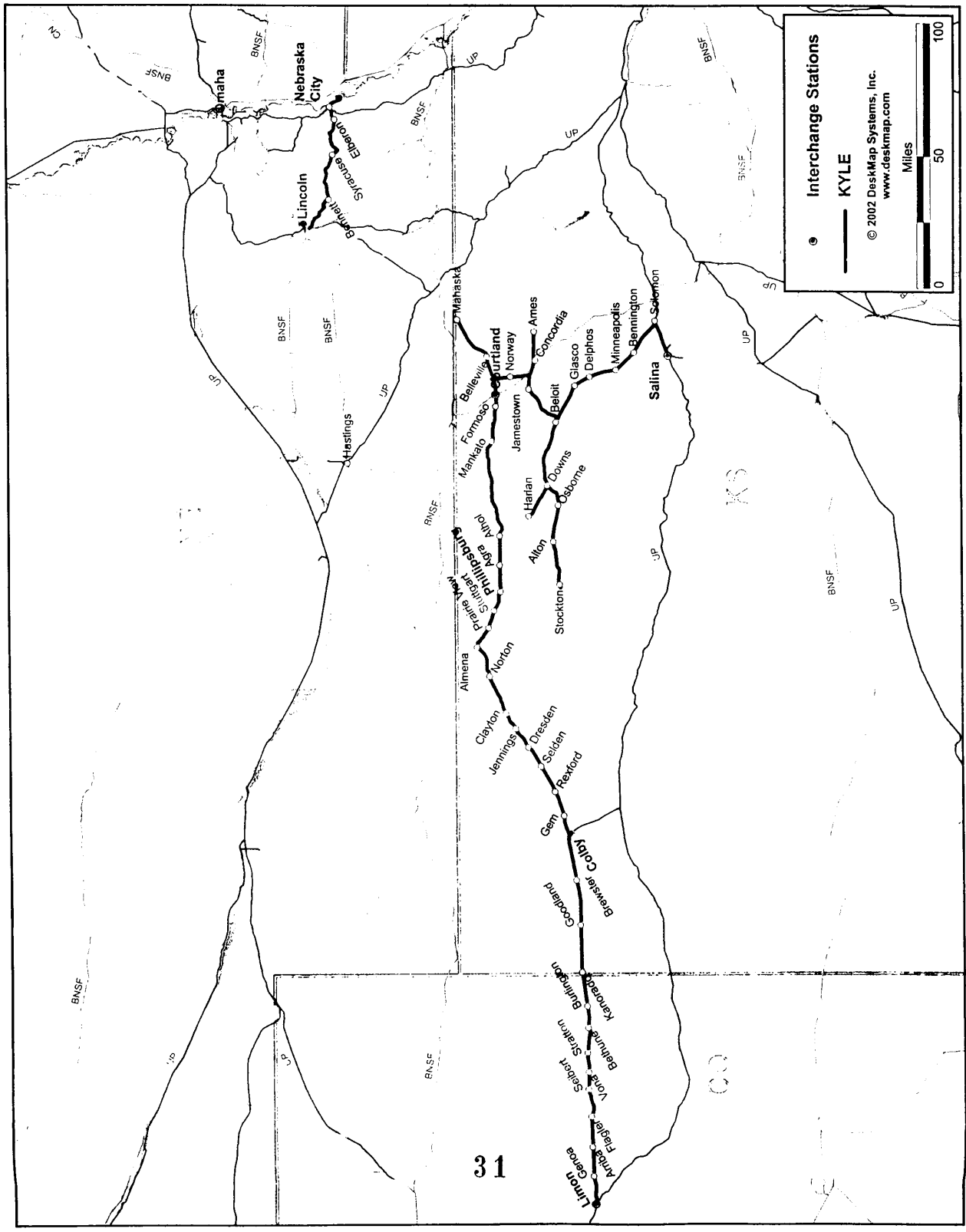












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