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SERVICE DATE - JULY 14, 1998

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33625]

North American RailNet, Inc.--Continuance in Control Exemption--Mississippi & Tennessee RailNet, Inc.

North American RailNet, Inc. (NARN), has filed a verified notice of exemption to continue in control of Mississippi & Tennessee RailNet, Inc. (MTRN), upon MTRN becoming a Class III railroad.

The transaction was scheduled to be consummated on or shortly after June 26, 1998.

This transaction is related to STB Finance Docket No. 33624, Mississippi & Tennessee RailNet, Inc.--Acquisition and Operation Exemption--The Kansas City Southern Railway Company, wherein MTRN seeks to acquire and operate a rail line from The Kansas City Southern Railway Company.

NARN controls three existing Class III railroads: Nebraska, Kansas & Colorado RailNet, Inc., operating in Nebraska, Kansas, and Colorado; Illinois RailNet, Inc., operating in Illinois; and Camas Prairie RailNet, Inc., operating in Mississippi and Tennessee.

NARN states that: (i) the rail lines operated by MTRN do not connect with any railroad in the corporate family; (ii) the transaction is not part of a series of anticipated transactions that would connect MTRN's lines with any railroad in the corporate family; and (iii) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 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. Section 11326(c), however, does not provide for labor protection for transactions under sections 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 at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33625, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Robert A. Wimbish, Esq., Rea, Cross, & Auchincloss, 1707 L Street, N.W., Suite 570, Washington, DC 20036.

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

Decided: July 6, 1998.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary