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SERVICE DATE - JUNE 16, 1998

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33602]

Bethlehem Steel Corporation--Control Exemption--Brandywine Valley Railroad Corporation and Upper Merion and Plymouth Railroad Company

Bethlehem Steel Corporation (BSC), a noncarrier, has filed a notice of exemption to indirectly control two Class III railroads, Brandywine Valley Railroad Corporation (BVRV) and L I Acquisition Corp. (doing business as Upper Merion and Plymouth Railroad Company) (UMP),<sup>1</sup> operating in Pennsylvania, that are currently indirectly controlled by Lukens, Inc. (Lukens), upon the acquisition by BSC of the stock of Lukens.

BSC currently owns all of the outstanding stock of six Class III railroads: Philadelphia, Bethlehem and New England Railroad Company; Steelton & Highspire Railroad Company; Cambria & Indiana Railroad Company; and Conemaugh & Black Lick Railroad Company, operating in Pennsylvania; South Buffalo Railway Company, operating in New York; and, Patapsco & Back Rivers Railroad Company, operating in Maryland. BSC will control BVRV and UMP in common with its other subsidiary railroads through its acquisition of control of BVRV's and UMP's corporate parent Lukens.

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<sup>1</sup> See Lukens, Inc. and Sponsor's Plan Asset Management, Inc.--Continuance in Control Exemption--L I Acquisition Corp., Finance Docket No. 31587, (ICC served Jan. 22, 1990).

BSC intended to acquire control of Lukens on or about May 29, 1998.

BSC states that: (1) these railroads do not connect with each other; (2) the acquisition of control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in its corporate family; and (3) the transaction does not involve a Class I rail carrier. The transaction therefore 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 railroad 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 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. 33602, 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

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be served on: Eric M. Hocky, Gollatz, Griffin & Ewing, P.C., 213 West Miner Street, P. O. Box  
796, West Chester, PA 19381-0796.

Decided: June 9, 1998.

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

Vernon A. Williams

Secretary