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SERVICE DATE – JULY 28, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34900]

Lackawaxen-Honesdale Shippers Association, Inc.—Acquisition of Control

Exemption—Stourbridge Railroad Company, Inc.

Lackawaxen-Honesdale Shippers Association, Inc. (LHSA), has filed a verified notice of exemption to acquire control of Stourbridge Railroad Company, Inc. (Stourbridge), from Mr. Richard D. Robey. Stourbridge is a Class III railroad, providing rail service on the Honesdale Branch, which extends from Lackawaxen, PA, to Honesdale, PA.¹

The transaction was scheduled to be consummated on or after July 7, 2006, the effective date of the exemption (7 days after the exemption was filed).

As a result of this transaction, LHSA will own and control the stock of Stourbridge, which will continue to operate the Honesdale Branch.² LHSA states that it owns no other rail lines or railroads, and therefore, Stourbridge does not connect with any

¹ Stourbridge obtained operating authority for this rail line in Stourbridge Railroad Company, Inc.—Operation Exemption—in Wayne and Pike Counties, PA, Finance Docket No. 31508 (ICC served Jan. 25, 1990).

² LHSA obtained authority to acquire, and the common carrier obligation to serve, the Honesdale Branch from the Pennsylvania Department of Transportation in Lackawaxen-Honesdale Shippers Association, Inc.—Acquisition Exemption—Pennsylvania Department of Transportation, STB Finance Docket No. 34891 (STB served July 13, 2006).

other railroad owned or operated by LHSA. LHSA also states that the acquisition of control of Stourbridge is not part of a series of anticipated transactions that would connect that railroad with any other railroad owned by LHSA. In addition, the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323-25. 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. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

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. 34900, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Richard R. Wilson, Esq., 127 Lexington Avenue, Ste. 100, Altoona, PA 16601.

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Decided: July 19, 2006.

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

Vernon A. Williams

Secretary