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SERVICE DATE - DECEMBER 13, 1999

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33815]

Maryland and Pennsylvania Railroad Company and Yorkrail, Inc.—Intracorporate Family

Transaction Exemption

Emons Transportation Group, Inc. (Emons), Emons Railroad Group, Inc. (Emons Rail), Maryland and Pennsylvania Railroad Company (MPA), Yorkrail, Inc. (YKR), Maryland and Pennsylvania Railroad, LLC (M&P LLC) and Yorkrail, LLC (Yorkrail LLC) have filed a verified notice of exemption. The exempt transaction involves the merger of MPA and YKR into the newly formed York Railway Company (York), with York as the successor corporation.<sup>1</sup> Certain physical assets of MPA and YKR will be transferred to, respectively, M&P LLC and Yorkrail LLC, two newly formed limited liability companies.<sup>2</sup>

The transaction was expected to be consummated on December 1, 1999.

The merger of MPA and YKR is intended to simplify Emons' corporate structure, streamline accounting, finance and management functions, and facilitate improvements in the operational

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<sup>1</sup> MPA and YKR are two connecting Class III carriers operating in the State of Pennsylvania. York will be a wholly owned subsidiary of Emons Rail, which in turn is a wholly owned subsidiary of Emons. York will assume all rail operations of MPA and YKR.

<sup>2</sup> M&P LLC and Yorkrail LLC will be controlled exclusively by York. M&P LLC and Yorkrail LLC will not conduct rail operations but will assume common carrier status by virtue of their ownership of the underlying rail assets that York will operate.

efficiency of Emons' rail holdings. The creation of M&P LLC and Yorkrail LLC will preserve certain favorable financing and funding arrangements available to Emons.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

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 reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to reopen will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33815, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit,

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1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Thomas J. Litwiler, Esq., Oppenheimer Wolff Donnelly (Illinois), Two Prudential Plaza, 45th Floor, 180 North Stetson Avenue, Chicago, IL 60601-6710.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: December 6, 1999.

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

Vernon A. Williams

Secretary