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SERVICE DATE - MAY 22, 2003

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34344]

ISG Railways, Inc.—Acquisition of Control Exemption—Assets of Keystone Railroad LLC d/b/a Philadelphia, Bethlehem and New England Railroad Company, Conemaugh & Black Lick Railroad Company LLC, Steelton & Highspire Railroad Company LLC, Lake Michigan & Indiana Railroad Company LLC, Brandywine Valley Railroad Company LLC, Upper Merion & Plymouth Railroad Company LLC, Patapsco & Back Rivers Railroad Company LLC, and Cambria and Indiana Railroad, Inc.

ISG Railways, Inc. (ISG Railways),<sup>1</sup> a noncarrier, has filed a verified notice of exemption to acquire, pursuant to an asset purchase agreement, the rail lines and substantially all other assets of Keystone Railroad LLC d/b/a Philadelphia, Bethlehem and New England Railroad Company (Keystone), Conemaugh & Black Lick Railroad Company LLC (CBLR), Steelton & Highspire Railroad Company LLC (SHP), Lake Michigan & Indiana Railroad Company LLC (LMIC), Brandywine Valley Railroad Company LLC (BVRV), Upper Merion & Plymouth Railroad Company LLC (UMP), Patapsco & Back Rivers Railroad Company LLC (PBR), and Cambria and Indiana

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<sup>1</sup> ISG Railways is a wholly owned subsidiary of ISG Acquisition, Inc., which is a wholly owned subsidiary of International Steel Group Inc.

Railroad, Inc. (C&I), all Class III rail carrier subsidiaries of Bethlehem Steel Corporation (Bethlehem), operating in Delaware, Indiana Maryland, and Pennsylvania.<sup>2</sup>

This transaction is related to a simultaneously filed verified notice of exemption in STB Finance Docket No. 34343, International Steel Group Inc.–Continuance in Control Exemption–ISG Railways, Inc., wherein International Steel Group Inc. seeks to continue in control of ISG Railways upon ISG Railways becoming a Class II rail carrier pursuant to this proceeding.

The proposed transaction was scheduled to be consummated on or after April 29, 2003, the effective date of the exemption (7days after the exemption was filed).

ISG Railways states that: (i) the railroads do not connect with each other or any railroad in their corporate family; (ii) 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 their 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

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<sup>2</sup> ISG Railways states that Bethlehem is operating under bankruptcy protection, but Keystone, CBLR, SHP, LMIC, BVRV, UMP, PBR and C&I are not.

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 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. 34344, must be filed with the Surface Transportation Board, 1925 K Street, NW, Washington, DC 20423-0001. In addition, a copy of all pleadings must be served on Kevin M. Sheys, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, NW, - 2nd Floor, Washington, DC 20036.

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

Decided: May 15, 2003.

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

Vernon A. Williams

Secretary