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SERVICE DATE - MARCH 28, 2000

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33858]

Pioneer Railcorp—Continuance in Control Exemption—Indiana Southwestern Railway Co.

Pioneer Railcorp (Pioneer), a noncarrier holding company, has filed a notice of exemption to continue in control of Indiana Southwestern Railway Co. (ISW), upon ISW's becoming a carrier.

The transaction was scheduled to be consummated on March 15, 2000.

This transaction is related to STB Finance Docket No. 33859, Indiana Southwestern Railway Co.—Acquisition and Operation Exemption—Evansville Terminal Company, Inc. and AB Rail Investments, Inc., wherein ISW seeks to acquire and operate two connecting lines of railroad currently owned by Evansville Terminal Company Inc. and AB Rail Investments, Inc.

At the time it filed the notice, Pioneer owned and controlled thirteen existing Class III shortline rail carriers: West Michigan Railroad Co., operating in Michigan; Fort Smith Railroad Co., operating in Arkansas; Alabama Railroad Co., operating in Alabama; Mississippi Central Railroad Co., operating in Mississippi and Tennessee; Alabama & Florida Railway Co., Inc., operating in Alabama; Decatur Junction Railway Co., operating in Illinois; Vandalia Railroad Company, operating in Illinois; Keokuk Junction Railway Co., operating in Iowa and Illinois; Michigan Southern Railroad Company, operating in Michigan and Indiana; Shawnee Terminal Railway Company, operating in Illinois; Pioneer Industrial Railway Co., operating in Illinois; Michigan Southern Railroad Co., Inc., operating in Michigan and Indiana; and Garden City Western Railway, Inc., operating in Kansas.

Pioneer states that: (i) the railroads will not connect with each other or any railroad in their corporate family; (ii) the continuance-in-control is not part of a series of anticipated transactions that would connect the fourteen 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 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. 33858, 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 John D. Heffner, 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: March 21, 2000.

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

Vernon A. Williams

Secretary