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SERVICE DATE - JANUARY 23, 1997

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33335]

Reading Blue Mountain and Northern Railroad Company--
Corporate Family Transaction Exemption--East Mahanoy &
Hazleton Railroad Company

Reading Blue Mountain and Northern Railroad Company
(RBMN) and East Mahanoy & Hazleton Railroad Company (EMHR),¹
Class III railroads, have jointly filed a verified notice of
exemption. The exempt transaction is a merger of EMHR into
RBMN.

The earliest the transaction could be consummated was
January 9, 1997, the effective date of the exemption (7 days
after the exemption was filed).

EMHR is currently not handling any traffic. If traffic
becomes available and operations are resumed on the EMHR
lines, RBMN represents that it will be able to handle such

¹ RBMN and EMHR are wholly owned by Andrew M. Muller, Jr. RBMN owns and operates approximately 235 miles of rail line in the Commonwealth of Pennsylvania. EMHR owns and operates approximately 10 miles of rail line in the Commonwealth of Pennsylvania. The lines of RBMN and EMHR connect through overhead trackage rights over lines owned by Consolidated Rail Corporation.

operations. The merger will reduce administrative expenses associated with managing two corporate entities.

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

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petition to reopen will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33335, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1201 Constitution Avenue, N.W., Washington, DC 20423. In addition, a copy of each pleading must be served on Eric M. Hocky, Esq., Gollatz, Griffin & Ewing, P.C., 213 West Miner Street, P.O. Box 796, West Chester, PA 19381-0796.

Decided: January 15, 1997.

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

Vernon A. Williams

Secretary