DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35202]

Canadian Pacific Railway Company, Soo Line Holding Company, and Dakota, Minnesota & Eastern Railroad Corporation, et al.—Corporate Family Transaction—Iowa, Chicago & Eastern Railroad Corporation

Canadian Pacific Railway Company (CPR), Soo Line Holding Company (Soo Holding), Dakota, Minnesota & Eastern Railroad Corporation (DM&E), and Iowa, Chicago & Eastern Railroad Corporation (IC&E) have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family transaction. DM&E currently has one wholly owned direct subsidiary, Cedar American Rail Holdings, Inc. (Cedar American), a noncarrier. Cedar American has two wholly owned subsidiaries: IC&E and Wyoming Dakota Railroad Properties, Inc. (Wyoming Dakota), a noncarrier. The transaction involves the merger of Cedar American and IC&E with and into DM&E, with DM&E being the surviving corporation. Upon completion of the transaction, Cedar American and IC&E would cease to exist, with Wyoming Dakota becoming a direct subsidiary of DM&E. DM&E will continue to be a direct subsidiary of Soo Holding and a “sister” corporation of Soo Line Railroad Company.

The transaction is scheduled to be consummated as soon as practicable after December 26, 2008, the effective date of the exemption.

The purpose of the transaction is to simplify the corporate structure of CPR's U.S. carrier subsidiaries, following the acquisition of control of DM&E and IC&E by Soo Holding (and, indirectly, by CPR). The elimination of IC&E and Cedar American as separate corporate entities will streamline DM&E's corporate structure, reduce administration expenses, and improve the overall efficiency of DM&E.

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 any change in the competitive status quo 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. As a condition to the use of this exemption, any employees adversely affected by this transaction will be protected by the conditions set forth in New York Dock Ry.—Control—Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

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. Petitions for stay must be filed no later than December 19, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35202, must be filed with the Surface Transportation Board, 395 E Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Terence M. Hynes, Sidley Austin LLP, 1501 K Street, N.W., Washington, DC 20005.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: December 9, 2008.

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

Anne K. Quinlan

Acting Secretary