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SERVICE DATE – SEPTEMBER 14, 2006

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34898]

Michael R. Root and Albany & Eastern Railroad Company—Continuance in Control
Exemption—Iron Bull Railroad Company LLC

Michael R. Root, a noncarrier, and Albany & Eastern Railroad Company (AERC), a Class III rail carrier, have filed a verified notice of exemption to continue in control of Iron Bull Railroad Company LLC (IBR), upon IBR's becoming a rail carrier.¹

The transaction was expected to be consummated on or after August 25, 2006 (7 days after the amended notice was filed).

This transaction is related to notices of exemption in: (1) STB Finance Docket No. 34896, PIC Railroad LLC—Lease and Operation Exemption—Union Pacific Railroad Company, wherein PIC Railroad LLC (PICR) seeks to lease from Union Pacific Railroad Company and operate a rail line known as the Comstock Subdivision in Iron County, UT; and (2) STB Finance Docket No. 34897, Iron Bull Railroad Company LLC—Operation Exemption—PIC Railroad LLC, wherein Iron Bull Railroad Company LLC, pursuant to the same regulations and statute, will operate the line.

¹ IBR will become a Class III carrier as a result of the transaction in STB Finance Docket No. 34897. Mr. Root currently controls AERC, a Class III rail carrier. AERC in turn controls IBR. Consequently, Mr. Root will control AERC directly and IBR indirectly. AERC will control IBR directly.

Mr. Root and AERC state that: (1) the railroads do not connect with each other or any railroad in their corporate family; (2) the continuance in 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 (3) 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 interest 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. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified 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. 34898, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112.

Board decisions and notice are available on our website at
“WWW.STB.DOT.GOV.”

Decided: September 8, 2006.

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

Vernon A. Williams

Secretary