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SERVICE DATE - MARCH 20, 1998

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33564]

TNW Corporation—Continuance in Control Exemption—Texas Rock Crusher Railway Company

TNW Corporation (TNW), a noncarrier shortline railroad holding company, has filed a notice of exemption to continue in control of Texas Rock Crusher Railway Company (TXRC), upon TXRC's becoming a carrier. TNW owns all of the outstanding stock of TXRC.

The earliest the transaction could be consummated was March 6, 1998, the effective date of the exemption (7 days after the notice of exemption was filed).

This transaction is related to STB Finance Docket No. 33563, Texas Rock Crusher Railway Company—Acquisition and Operation Exemption—The Burlington Northern and Santa Fe Railway Company, wherein TXRC seeks to acquire and operate two adjacent but disconnected lines from The Burlington Northern and Santa Fe Railway Company.

TNW owns and controls three existing Class III rail carriers: Texas North Western Railway Company, operating in the State of Texas; Texas, Gonzales & Northern Railway Company, operating in the State of Texas; and Nebraska Northeastern Railway Company, operating in the State of Nebraska.

TNW 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 four 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. 33564, must be filed with the Surface Transportation Board, Office of the Secretary, Case

STB Finance Docket No. 33564

Control Unit, 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.

Decided: March 12, 1998.

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

Vernon A. Williams

Secretary