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SERVICE DATE - MAY 15, 1998

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33592]

Providence and Worcester Railroad Company—Corporate Family Transaction

Exemption—Connecticut Central Railroad Company

Providence and Worcester Railroad Company (P&W) and Connecticut Central Railroad Company (CCCL),¹ Class III railroads, have jointly filed a verified notice of exemption. The exempt transaction is a merger of CCCL into P&W.

The earliest the transaction can be consummated is May 12, 1998, the effective date of the exemption (7 days after the notice of exemption was filed).

The proposed merger is intended to provide more efficient service to shippers. Moreover, because of P&W's multiple connections to other carriers, it can provide customers on CCCL's lines with price and source competition not previously enjoyed by them.

This is a transaction within a corporate family of the type specifically exempted

¹ CCCL is a wholly owned subsidiary of P&W. CCCL operates in the State of Connecticut, and P&W operates in the States of Connecticut, Massachusetts, Rhode Island and New York.

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 petition to reopen will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33592, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a

copy of each pleading must be served on Heidi J. Eddins, Esq., Providence and Worcester Railroad Company, 75 Hammond Street, Worcester, MA 01610.

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Decided: May 8, 1998.

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

Vernon A. Williams

Secretary