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SERVICE DATE - MAY 29, 2002

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34201]

International Steel Group, Inc. — Continuance in Control Exemption — ISG South Chicago & Indiana Harbor Railway Company and ISG Cleveland Works Railway Company

International Steel Group, Inc. (ISG), a noncarrier, has filed a verified notice of exemption to continue in control of ISG South Chicago & Indiana Harbor Railway Company (SCIH)¹ and ISG Cleveland Works Railway Company (CWRO),² upon CWRO's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 34182, ISG Cleveland Works Railway Company — Acquisition and Operation Exemption — Rail Lines of The Cuyahoga Valley Railway Company and River Terminal Railway Company, wherein CWRO seeks to acquire the railroad lines and trackage rights of The Cuyahoga Valley Railway Company and River Terminal Railway Company, Class

¹ SCIH, a Class III rail carrier, is a wholly owned subsidiary of ISG Indiana Harbor Inc., which is a wholly owned subsidiary of ISG. SCIH operates over lines located in Illinois and Indiana.

² ISG indirectly controls CWRO, a noncarrier at the time of the filing of the verified notice. CWRO is a wholly owned subsidiary of ISG Cleveland Inc., which is a wholly owned subsidiary of ISG.

III rail carrier subsidiaries of LTV Steel Company, Inc. The railroad lines are located in Cuyahoga County, OH, south of Cleveland.

The transaction was expected to be consummated when the transaction covered by STB Finance Docket No. 34182 was consummated.³

ISG states that: (i) the properties of SCIH and CWRO will not connect with each other or any railroads in their corporate family; (ii) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines of the two railroads with each other or any railroads 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.

³ The exemption in STB Finance Docket No. 34182 became effective on May 15, 2002, when the Board denied a petition to revoke the exemption and lifted the stay of the effectiveness of the exemption. The stay had been issued to allow orderly consideration of the parties' arguments.

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. 34201, must be filed with the Surface Transportation Board, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Kevin M. Sheys, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, Second Floor, Washington, DC 20036.

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“WWW.STB.DOT.GOV.”

Decided: May 22, 2002.

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

Vernon A. Williams

Secretary