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SERVICE DATE - SEPTEMBER 5, 2012

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 35630

WISCONSIN CENTRAL LTD.—INTRA-CORPORATE FAMILY MERGER EXEMPTION—
ELGIN, JOLIET AND EASTERN RAILWAY COMPANY

Digest:¹ The Board finds that the exempted transaction in this proceeding will not impact the obligations of parties in a separate proceeding.

Decided: August 30, 2012

On May 23, 2012, Wisconsin Central Ltd. (WCL), Wisconsin Central Transportation Corporation (WCTC), and Elgin, Joliet and Eastern Railway Company (EJ&E) (collectively, applicants) jointly filed a verified notice of exemption (verified notice) under 49 C.F.R. § 1180.2(d)(3) for an intra-corporate family transaction that ultimately would allow EJ&E to be merged with and into WCL (intra-corporate merger). Notice of the exemption was served and published in the Federal Register on June 8, 2012 (77 Fed. Reg. 34,125). The exemption became effective on June 22, 2012.

Applicant WCL is a direct subsidiary of WCTC, which is a direct subsidiary of Grand Trunk Corporation (GTC). EJ&E is another direct subsidiary of GTC. GTC is a direct subsidiary of Canadian National Railway Company (CN). Under the proposed intra-corporate merger, WCL is to be merged into its immediate parent, WCTC, and WCTC, the surviving entity, will be renamed Wisconsin Central Ltd. EJ&E then will be merged with and into the newly renamed WCL (formerly WCTC), with WCL as the surviving corporation.²

In their verified notice, applicants state that, following the intra-corporate merger, the Board would retain full jurisdiction over GTC and CN and that GTC and CN would remain fully subject to the conditions imposed in Canadian National Railway—Control—EJ&E West Co., FD 35087 (STB served Dec. 24, 2008) (approving the acquisition of control by CN and GTC of EJ&E) (Control Decision). Applicants further state that, to the extent that the Control Decision

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

² The verified notice indicates that the merger of WCL into WCTC and the concurrent name change of WCTC to WCL are expected to occur on September 30, 2012, and that, subject to negotiation or (if necessary) arbitration of labor implementing agreements, consummation of the proposed merger of EJ&E with and into WCL would occur on December 31, 2012.

imposed on EJ&E obligations distinct from CN or GTC, WCL would inherit those obligations upon completion of the intra-corporate merger.

On June 22, 2012, the Village of Barrington, Ill. (Barrington) filed a comment requesting that the Board “formally acknowledge such commitments” made by applicants in their verified notice. Applicants have not objected or otherwise responded to Barrington’s request.

We find, as applicants stated in their verified notice, that the intra-corporate merger, if consummated, will have no effect on the obligations of parties to comply with the conditions imposed in Docket No. FD 35087. The Board will retain full jurisdiction over CN, GTC, and WCL. GTC and CN will remain fully subject to the conditions imposed in the Control Decision. To the extent that the Control Decision imposed on EJ&E obligations distinct from CN or GTC, WCL will inherit those obligations upon completion of the intra-corporate merger.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Upon consummation of the proposed intra-corporate merger, CN, GTC, and WCL will remain subject to the conditions imposed in Docket No. 35087, as acknowledged in applicants’ verified notice. To the extent that the Control Decision imposed on EJ&E obligations distinct from CN or GTC, WCL will inherit those obligations upon completion of the intra-corporate merger.

2. This decision is effective on its service date.

By the Board, Chairman Elliott, Vice Chairman Mulvey, and Commissioner Begeman.