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SERVICE DATE – MAY 15, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35139]

Genesee & Wyoming Inc.—Control Exemption—Columbus and Greenville Railway Company, The Chattooga and Chickamauga Railway Company, and Luxapalila Valley Railroad, Inc.

Genesee & Wyoming Inc. (GWI), a noncarrier holding company, has filed a verified notice of exemption to permit GWI to acquire indirect control of Columbus and Greenville Railway Company, The Chattooga and Chickamauga Railway Company, and Luxapalila Valley Railroad, Inc. (collectively, CAGY Railroads) pursuant to a Stock Purchase and Merger Agreement (Stock Purchase Agreement).¹ CAGY Industries, Inc. (CAGY Industries) is a noncarrier holding company that directly controls the three Class III CAGY Railroads. According to GWI, CAGY Acquisition Co. (CAGY Acquisition), a noncarrier wholly owned subsidiary of GWI, CAGY Industries, and certain stockholders of CAGY Industries have entered into a Stock Purchase Agreement whereby CAGY Acquisition will obtain at least 90% of the outstanding capital stock of CAGY Industries and then merge with and into CAGY Industries. As a result, CAGY Acquisition will cease to exist and CAGY Industries will continue as the surviving corporation whose sole

¹ The full version of the agreement, as required by 49 CFR 1180.6(a)(7)(ii), was concurrently filed under seal along with a motion for protective order. The request for a protective order is being addressed in a separate decision.

stockholder will be GWI. Accordingly, upon consummation of the proposed stock purchase and merger transaction, GWI will acquire direct control of CAGY Industries and indirect control of the three CAGY Railroads.

GWI directly or indirectly controls Buffalo & Pittsburgh Railroad, Inc., a Class II rail carrier, and 25 Class III rail carriers. Also, GWI controls additional rail carriers with two of its wholly owned subsidiaries that are noncarrier holding companies: RP Acquisition Company One (RP1) and RP Acquisition Company Two (RP2). GWI, along with RP1 and RP2, control one Class II rail carrier and a total of 13 Class III rail carriers.²

The transaction will be consummated on or after May 29, 2008 (the effective date of this exemption).

GWI represents and warrants that: (1) the CAGY Railroads do not connect with the rail lines of any existing rail carrier controlled by GWI; (2) the transaction is not part of a series of anticipated transactions that would connect the CAGY Railroads with any of the railroads in the GWI 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 interests of its employees.

² The members of the GWI family of railroads own and/or operate rail property located in Alabama, Arkansas, Colorado, Florida, Georgia, Illinois, Kentucky, Louisiana, Maine, Maryland, Mississippi, New Hampshire, New York, North Carolina, Oregon, Pennsylvania, Tennessee, Texas, Utah, Vermont, Virginia, and Wisconsin.

Because the transaction involves the control of at least one Class II and one or more Class III carriers, the exemption is subject to the labor protection requirements of 49 U.S.C. 11326(b).

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 effectiveness of the exemption. Petitions for stay must be filed no later than May 22, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35139, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of all pleadings must be served on Kevin M. Sheys, Kirkpatrick & Lockhart Preston Gates Ellis LLP, 1601 K Street, N.W., Washington, DC 20006.

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Decided: May 8, 2008.

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

Anne K. Quinlan

Acting Secretary