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SERVICE DATE - MAY 14, 1999

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33743]

Pioneer Railcorp--Acquisition of Control Exemption--The Garden City Western Railway, Inc.

Pioneer Railcorp (Pioneer), a noncarrier holding company, has filed a notice of exemption to acquire control of The Garden City Western Railway, Inc. (GCW), a Class III rail carrier, operating in the State of Kansas.¹

The transaction was scheduled to be consummated on or shortly after May 7, 1999.

Pioneer currently controls fourteen existing shortline rail carriers, thirteen directly and one indirectly.²

Pioneer states that: (i) the railroads do not connect with each other; (ii) the transaction is not part of a series of anticipated transactions that would connect the railroads with each other; and (iii) the transaction does not involve a Class I carrier. Therefore, the

¹ See The Garden City CO-OP, Inc.--Acquisition and Operation Exemption--Between Garden City and Wolf, in Finney County, KS, Finance Docket No. 30091 (ICC served Dec. 30, 1982) and The Garden City CO-OP, Inc.--Corporate Family Transaction Exemption--The Garden City Western Railway Co. and The Garden City Northern Railway Co., Finance Docket No. 31861 (ICC served May 8, 1991).

² See Pioneer Railcorp and Wabash & Western Railway Co.--Acquisition of Control Exemption--Michigan Southern Railroad Co., Inc., STB Finance Docket No. 33704 (STB served Jan. 28, 1999).

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. 33743, 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 all pleadings must be served on John D. Heffner, Esq., Rea, Cross & Auchincloss, 1707 L Street, N.W., Suite 570, Washington, DC 20036.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: May 7, 1999.

STB Finance Docket No. 33743

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

Vernon A. Williams

Secretary