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SERVICE DATE - MAY 22, 2003

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34343]

International Steel Group Inc.–Continuance in Control Exemption–ISG Railways, Inc.

International Steel Group Inc. (ISG), a noncarrier, has filed a verified notice of exemption to continue in control of ISG Railways, Inc. (ISG Railways),¹ upon ISG Railways becoming a Class II rail carrier.

This transaction is related to a simultaneously filed verified notice of exemption in STB Finance Docket No. 34344, ISG Railways, Inc.–Acquisition of Control Exemption–Assets of Keystone Railroad LLC d/b/a Philadelphia, Bethlehem and New England Railroad Company, Conemaugh & Black Lick Railroad Company LLC, Steelton & Highspire Railroad Company LLC, Lake Michigan & Indiana Railroad Company LLC, Brandywine Valley Railroad Company LLC, Upper Merion & Plymouth Railroad Company LLC, Patapsco & Back Rivers Railroad Company LLC, and Cambria and Indiana Railroad, Inc., wherein ISG Railways seeks to acquire the rail lines and substantially all other assets of Keystone Railroad LLC d/b/a Philadelphia, Bethlehem and New England Railroad Company, Conemaugh & Black Lick Railroad Company LLC, Steelton & Highspire Railroad Company LLC, Lake Michigan & Indiana Railroad

¹ ISG Railways, is a wholly owned subsidiary of ISG Acquisition, Inc., which is a wholly owned subsidiary of ISG.

Company LLC, Brandywine Valley Railroad Company LLC, Upper Merion & Plymouth Railroad Company LLC, Patapsco & Back Rivers Railroad Company LLC, and Cambria and Indiana Railroad, Inc., all Class III rail carrier subsidiaries of Bethlehem Steel Corporation.

The proposed transaction was scheduled to be consummated on or after April 29, 2003, the effective date of the exemption (7 days after the exemption was filed).

ISG currently indirectly controls two existing Class III railroads: ISG South Chicago & Indiana Harbor Railway Company, operating in Illinois and Indiana, and ISG Cleveland Works Railway Company, operating in Ohio.²

ISG states that: (1) the rail lines to be acquired by ISG Railways will not connect with the rail lines of any existing rail carrier in the ISG corporate family; (2) this control transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) this control transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval of 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. Because the transaction involves at least one Class II and one or more Class III rail carriers, the exemption is subject to labor protection requirements of 49 U.S.C. 11326(b).

² See International Steel Group, Inc.-Continuance in Control Exemption- ISG South Chicago & Indiana Harbor Railway Company and ISG Cleveland Works Railway Company, STB Finance Docket No. 34201 (STB served May 19, 2002).

If the verified 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. 34343, must be filed with the Surface Transportation Board, 1925 K Street, NW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Kevin M. Sheys, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, NW, - 2nd Floor, Washington, DC 20036.

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

Decided: May 15, 2003.

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

Vernon A. Williams

Secretary