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SERVICE DATE – JULY 5, 2007

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35051]

Progressive Rail Inc.—Acquisition of Control Exemption—Central Midland Railway
Company

Progressive Rail Inc. (PRI), a Class III rail carrier,¹ has filed a verified notice of exemption to acquire control of Central Midland Railway Company (CMR), also a Class III rail carrier, pursuant to a stock purchase agreement.² CMR currently leases and operates a rail line of Missouri Central Railway Co., and a rail line of Union Pacific Railroad Company.³

The transaction is scheduled to be consummated on or about July 19, 2007.

PRI represents that: (1) the involved railroads do not connect with each other or with other railroads in their corporate families; (2) the transaction is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad

¹ PRI owns rail property interests in the States of Minnesota, Wisconsin and Iowa.

² A redacted version of the stock purchase agreement between CMR and PRI was filed with the notice of exemption. 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.

³ Both rail lines are located in the State of Missouri.

in their corporate families; and (3) the transaction does not involve a Class I rail carrier.⁴ 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 section 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

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. 35051, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Michael J. Barron, Jr., Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

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

⁴ In addition to its verified notice of exemption, PRI submitted a facsimile letter dated June 21, 2007, confirming that the qualifications at (i) and (ii) of 49 CFR 1180.2(d)(2) had been met.

Decided: June 26, 2007.

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

Vernon A. Williams

Secretary