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SERVICE DATE – JANUARY 5, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34805]

Ispat Inland Holding Inc. (U.S.)—Acquisition of Control Exemption—ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Co., and ISG Cleveland Works Railway Co.

Ispat Inland Holding Inc. (U.S.) (Ispat), a noncarrier, has filed a verified notice of exemption to acquire control of the following three railroads: (1) ISG Railways, Inc. (ISGR); (2) ISG South Chicago & Indiana Harbor Railway Co. (ISG/SCIH); and (3) ISG Cleveland Works Railway Co. (ISG/CWRC) (collectively, ISG Railroads). ISG/SCIH and ISG/CWRC are Class III railroads and ISGR is a Class II railroad, operating in Maryland, Delaware, Indiana, Pennsylvania, Illinois, and Ohio.

The transaction was scheduled to be consummated on or after December 22, 2005, the effective date of the exemption (7 days after the exemption was filed).

Ispat states that this is a corporate family transaction that does not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. As a result of this transaction, Ispat will acquire control of ISG Railroads, pursuant to a corporate restructuring by Mittal Steel Company N.V. (Mittal Steel). Mittal Steel indirectly

controls both Ispat and ISG Railroads.<sup>1</sup> Ispat will also acquire Mittal Steel USA ISG, Inc. (Mittal/ISG), which controls the ISG Railroads.<sup>2</sup> Ispat and Mittal/ISG are indirect subsidiaries of Mittal Steel. Mittal/ISG will continue to be an indirect subsidiary of Mittal Steel. 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. Because this transaction involves the control of one Class II carrier and two Class III carriers, this grant will be made subject to labor protection requirements of 49 U.S.C. 11326(b).

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. 34805, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on

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<sup>1</sup> Mittal Steel acquired control of ISG Railroads from the International Steel Group Inc. (ISG), in Mittal Steel N.V.—Acquisition of Control Exemption—ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Co., and ISG Cleveland Works Railway Co., STB Finance Docket No. 34650 (STB served May 3, 2005).

<sup>2</sup> Through a corporate name change, ISG has become Mittal/ISG.

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DC 20036.

Board decisions and notices are available on our website at  
[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).

Decided: December 23, 2005.

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

Vernon A. Williams

Secretary