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SERVICE DATE - JULY 6, 2000

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33890]

The International Paper Company—Acquisition of Control Exemption—Moscow, Camden & San Augustine Railroad and Angelina & Neches River Railroad Company

The International Paper Company (IP), a noncarrier, has filed a notice of exemption to acquire control, through stock purchase, of Moscow, Camden & San Augustine Railroad (MCSA) and Angelina and Neches River Railroad Company (ANR) (collectively rail lines), Class III railroads, operating in the State of Texas.<sup>1</sup>

While IP states that the transaction was consummated on or about June 16, 2000, the exemption will not be effective until June 30, 2000 (7 days after the notice of exemption was filed).

IP states that: (i) the rail lines do not connect; (ii) the transaction is not part of a series of anticipated transactions that would connect these railroads with each other or with any other railroad in their corporate family; and (iii) the transaction does not involve

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<sup>1</sup> IP's acquisition of control of MCSA and ANR was accomplished through an Agreement and Plan of Merger dated May 12, 2000, through which IP acquired over 90% of the outstanding common stock of the Champion International Corporation (Champion). Both prior and subsequent to the acquisition, Champion owned 100% of the stock of MCSA and 50% of the stock of ANR.

IP currently owns the Longview, Portland & Northern Railway Company, which operates in the State of Oregon.

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. 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. 33890, 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

each pleading must be served on Edward D. Greenberg, Esq., Galland, Kharasch, Greenberg, Fellman & Swirsky, P.C., Canal Square, 1054 Thirty-First Street, N.W., Suite 200, Washington, DC 20007.

Decided: June 27, 2000.

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

Vernon A. Williams

Secretary