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SERVICE DATE – MARCH 13, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35224]

Elgin, Joliet & Eastern Railway Company—Intra-Corporate Family Lease Exemption—
Illinois Central Railroad Company

Elgin, Joliet & Eastern Railway Company (EJ&E), a Class II rail common carrier, filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family lease of a line of railroad of Illinois Central Railroad Company (IC), a Class I rail common carrier, in Will County, IL.¹ Pursuant to the lease agreement entered into by EJ&E and IC, EJ&E will lease from IC a line of rail from milepost 41.0 to milepost 39.43, near Plaines, IL, a distance of approximately 1.57 miles. IC will retain its right to use the line to serve any future industries on the line and to access IC's other rail operations in the Joliet, IL area.

The transaction is scheduled to be consummated on or shortly after March 29, 2009, the effective date of the exemption.

The purpose of the transaction is to allow EJ&E to store and spot railroad cars delivered to a local power company and thereby increase operating efficiency.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). EJ&E states that the

¹ EJ&E and IC are wholly owned indirect subsidiaries of Canadian National Railway Corporation (CN).

transaction will not result in adverse changes in service levels, significant operational changes, or any change in the competitive balance between IC/EJ&E and carriers outside the CN corporate family.

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. As a condition to the use of this exemption, any employees adversely affected by this transaction will be protected by the conditions set forth in Norfolk and Western Ry. Co.—Trackage Rights—BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.—Lease and Operate, 360 I.C.C 653 (1980).

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. Petitions for stay must be filed no later than March 20, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35224, must be filed with the Surface Transportation Board, 395 E Street, N.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.”

Decided: March 4, 2009.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.

Anne K. Quinlan

Acting Secretary