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SERVICE DATE - AUGUST 19, 1998

DO

FR-4915-00

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33641]

Gulf & Ohio Railways Holding Co., Inc.--Continuance in Control Exemption--Laurinburg & Southern Railroad Co., Inc.

Gulf & Ohio Railways Holding Co., Inc. (GORH), a noncarrier, has filed a notice of exemption to continue in control of Laurinburg & Southern Railroad Co., Inc. (L&S), upon L&S becoming a Class III railroad.

The transaction was scheduled to be consummated on or shortly before July 30, 1998.

This proceeding is related to STB Finance Docket No. 33640, Laurinburg & Southern Railroad Co., Inc.--Acquisition and Operation Exemption--Line of L&S Holding Company, wherein L&S seeks to acquire and operate a rail line from L&S Holding Company.

In addition to L&S, GORH controls nine existing Class III railroads: Albany Bridge Company, operating in Georgia; Georgia & Florida Railroad Co., Inc., operating in Georgia and Florida; Gulf & Ohio Railways, Inc., operating in Mississippi and Georgia; Knoxville & Holston River Railroad Co., Inc., operating in Tennessee; Lexington & Ohio Railroad Co., operating in Kentucky; Live Oak, Perry & Georgia Railroad Company, Inc., operating in Georgia and Florida; Piedmont & Atlantic Railroad, Inc., operating in North Carolina;

Rocky Mount & Western Railroad Co., Inc., operating in North Carolina; and Wiregrass Central Railroad Company, Inc., operating in Alabama.¹

Applicant states that: (1) the railroads do not connect with each other or any railroad in their corporate family; (ii) the acquisition of control is not part of a series of anticipated transactions that would connect the ten railroads with each other or any railroad in their corporate family; and (iii) 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. 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. 33641 must be filed with the Surface Transportation Board, Office of the Secretary, Case

¹ H. Peter Claussen and Linda C. Claussen, who wholly own GORH also own and control H&S Railroad, Inc., which operates in Alabama.

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Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Mark H. Sidman, Weiner, Brodsky, Sidman & Kider, P.C., 1350 New York Avenue, N.W., Suite 800, Washington, DC 20005-4797

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“WWW.STB.DOT.GOV.”

Decided: August 12, 1998.

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

Vernon A. Williams.

Secretary