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SERVICE DATE – APRIL 16, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35338]

Winston-Salem Southbound Railway Company—Corporate Family Transaction  
Exemption—High Point, Thomasville & Denton Railroad Company

Winston-Salem Southbound Railway Company (WSSB) and High Point, Thomasville & Denton Railroad Company (HPTD), both Class III rail carriers, have filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(3) for a transaction within a corporate family. Applicants state that HPTD will merge into WSSB, with WSSB being the surviving corporate entity. According to applicants, WSSB controls HPTD and owns 100 percent of HPTD's stock, and Norfolk Southern Railway Company (NSRC) and CSX Transportation, Inc. (CSXT) each owns a 50 percent interest in WSSB.<sup>1</sup> The purpose of the transaction is to simplify the corporate structure of the carriers and to thereby reduce their costs.

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<sup>1</sup> Both WSSB and HPTD are operated as switching carriers for the owners of WSSB--NSRC and CSXT. WSSB owns 88 miles of main line from Winston-Salem, NC to Wadesboro, NC, and connects with: (a) NSRC at Winston-Salem, Whitney, and Lexington, NC, (b) CSXT at Wadesboro, (c) HPTD at High Rock, NC, and (d) Aberdeen, Carolina & Western Railway (ACWR) at Norwood, NC. HPTD owns 34 miles of main line from High Point, NC to High Rock and connects with: (a) WSSB at High Rock, and (b) NSRC at High Point. Applicants state that the proposed transaction will not affect the connection with ACWR, since only WSSB connects with ACWR today.

The exemption will be effective on May 1, 2010.

This is a transaction within a corporate family of the type exempted from prior review and approval under 49 C.F.R. § 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the 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. Section 11326(c), however, does not provide for labor protection for transactions under §§ 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 rail carriers.

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 will be due no later than April 23, 2010 (at least 7 days before the effective date of the exemption).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35338 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 applicants' representatives, Louis E. Gitomer, 600 Baltimore Ave., Suite 301, Towson, MD 21204, and John V. Edwards, Three Commercial Place, Norfolk, VA 23510.

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

Decided: April 13, 2010.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.