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SERVICE DATE - OCTOBER 18, 1999

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33804]

Cascade Rail Corp., Inc.—Acquisition of Control Exemption—Minnesota Central Railroad Company

Cascade Rail Corp., Inc. (Cascade), a noncarrier holding company, which currently owns 100% of the common stock of Nobles Rock Railroad, Inc. (NRR), a Class III rail carrier,¹ has filed a verified notice of exemption to acquire control of the Minnesota Central Railroad Company (MCRC), a Class III rail carrier, operating over approximately 146 miles of railroad in the State of Minnesota.

The transaction was expected to be consummated on or after October 8, 1999.²

Cascade states that (i) the rail lines of NRR do not physically connect with MCRC, (ii) there are no plans to acquire additional rail lines for the purpose of making a connection, and (iii) NRR and MCRC are Class III carriers. 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),

¹ NRR operates in the States of Minnesota and South Dakota.

² According to Cascade, it had not yet completed negotiations with MCRC's current owners at the time it filed the notice of exemption with respect to a transaction that would result in transfer of control over MCRC to Cascade.

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. 33804, 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 Robert A. Wimbish, Esq., Rea, Cross & Auchincloss, 1707 L Street, N.W., Suite 570, Washington, DC 20036.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: October 8, 1999.

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

Vernon A. Williams

Secretary