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SERVICE DATE - MAY 15, 1998

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33589]

Gulf & Ohio Railways Holding Co., Inc.—Continuance in Control Exemption—Knoxville & Holston River Railroad Co., Inc.

Gulf & Ohio Railways Holding Co., Inc. has filed a notice of exemption to continue in control of the Knoxville & Holston River Railroad Co., Inc. (KHRR), upon KHRR's becoming a Class III railroad.

The transaction is/was scheduled to be consummated on or after May 7, 1998.

This transaction is related to STB Finance Docket No. 33588, Knoxville & Holston River Railroad Co., Inc.—Acquisition and Operation Exemption—Norfolk Southern Railway Company, wherein KHRR seeks to acquire and operate 2 lines of track and incidental overhead trackage rights from the Norfolk Southern Railway Company.

Applicant controls eight existing Class III railroads: Albany Bridge Company, operating in the State of Georgia; Georgia & Florida Railroad Co., Inc., operating in the States of Georgia and Florida; Gulf & Ohio Railways, Inc.,¹ operating in the State of Mississippi and Georgia; Lexington & Ohio Railroad Co., Inc., operating in the State of Kentucky; Live Oak, Perry & Georgia Railroad Company, Inc., operating in the States of Georgia and Florida; Piedmont & Atlantic Railroad, Inc., operating in the State of North

¹ Gulf & Ohio Railways, Inc., operates in the State of Mississippi under the trade name of Mississippi Delta Railroad and in the State of Georgia under the trade name of Atlantic & Gulf Railroad.

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

Applicant states that: (i) the rail lines to be operated by KHRR do not connect with any railroad in the corporate family; (ii) the transaction is not part of a series of anticipated transactions that would connect KHRR's lines with any railroad in the 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. 33589, 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

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each pleading must be served on Jo A. DeRoche, Esq., Weiner, Brodsky, Sidman & Kider, P.C., 1350 New York Avenue, N.W., Suite 800, Washington, DC 20005-4797.

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

Decided: May 6, 1998.

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

Vernon A. Williams

Secretary