

30599

SERVICE DATE - NOVEMBER 8, 1999

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33810]

Wisconsin Chicago Link Ltd.--Lease Exemption--Pennsylvania Lines LLC

Wisconsin Chicago Link Ltd. (WCLL), a noncarrier, has filed a notice of exemption under 49 CFR 1150.31 to lease from Pennsylvania Lines LLC (PRR) approximately 1.9 miles of rail line (the Panhandle Line) of the former Pittsburgh Cincinnati, Chicago & St. Louis Railroad Company (PCC&StL) in Chicago, Cook County, IL.¹ The Panhandle Line extends between (1) a connection with CSX Transportation, Inc. (CSXT) via the Altenheim Subdivision of The Baltimore and Ohio Chicago Terminal Railroad Company at Ogden Junction near Rockwell Street (approximately PCC&StL milepost 309.8), and (2) a point (approximately PCC&StL milepost 307.9) 600 feet north of the north bank of the Chicago Sanitary and Ship Canal, near the Ash Street Interlock. The Panhandle Line is paralleled for its entire length by terminal trackage of other carriers, and connects at its north and south ends with the lines of numerous other railroads.² WCLL will also obtain incidental, overhead trackage rights extending south from PCC&StL milepost 307.9, a distance of approximately 2 miles to present or future connections with rail lines of Norfolk Southern

¹ WCLL states that its revenues will not exceed those that would qualify it as a Class III rail carrier and its revenues are not projected to exceed \$5 million.

² Wisconsin Central Ltd. (WCL), a WCLL affiliate, operates pursuant to overhead trackage rights on the Altenheim Subdivision that will connect with the north end of the Panhandle Line.

Railway Company (NS), Canadian National/Grand Trunk Western Railroad, Inc., Illinois Central Railroad Company, Chicago, Central & Pacific Railroad Company and The Burlington Northern and Santa Fe Railway Company.

The proposed lease of the Panhandle Line was the subject of an October 17, 1997 settlement agreement entered into by (1) Norfolk Southern Corporation and NS, which now control and operate PRR, and (2) Wisconsin Central Transportation Corporation (WCTC) and its then existing carrier affiliates.³ At the time of filing of this notice, the parties were negotiating a definitive lease agreement that would effectuate the intent and purpose of the prior agreement. According to the notice, that lease agreement provides for WCLL's acquisition of a leasehold interest in the Panhandle Line, a portion of the associated right-of-way and certain incidental overhead trackage rights.⁴

WCLL indicates that WCTC will shortly be filing a petition for exemption in a related proceeding in STB Finance Docket No. 33811, Wisconsin Central Transportation Corporation--Continuance in Control Exemption--Wisconsin Chicago Link Ltd., wherein

³ The Panhandle Line was formerly owned by Consolidated Rail Corporation (Conrail). Pursuant to a transaction approved by the Board, and fully consummated by the parties on June 1, 1999, PRR was assigned assets designated to be operated as part of the NS rail system (the PRR-Allocated Assets). See CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company--Control and Operating Leases/Agreements--Conrail Inc. and Consolidated Rail Corporation, STB Finance Docket No. 33888, Decision No. 89 (STB served July 23, 1998).

⁴ According to the notice, the lease agreement further provides that, after five years, WCLL has an option to purchase the Panhandle Line for an amount determined in accordance with provisions of the agreement.

WCTC will seek to continue in control of WCLL⁵ once it leases the Panhandle Line and becomes a carrier.

WCLL further states that the Panhandle Line is currently out of service. WCLL intends to reconstruct the line and add additional capacity. Initially operations on the line will be conducted by NS, CSXT, and WCL pursuant to trackage rights. It is anticipated that CSXT will dispatch a portion of the Panhandle Line.

The transaction was expected to be consummated on or shortly after October 29, 1999.

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. 33810, 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, one copy of each pleading must be served on Janet H. Gilbert, 6250 North River Road, Suite 9000, Rosemont, IL 60018.

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

⁵ Pending a Board decision granting WCTC’s petition for exemption to control WCLL, the stock of WCLL will be placed in an independent voting trust established in accordance with 49 CFR 1013.

STB Finance Docket No. 33810

Decided: November 2, 1999.

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

Vernon A. Williams

Secretary