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SERVICE DATE – NOVEMBER 28, 2014

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35872]

Everett Railroad Company and Hollidaysburg and Roaring Spring Railroad Company—  
Intra-Corporate Family Transaction Exemption

Everett Railroad Company (Everett) and Hollidaysburg and Roaring Spring Railroad Company (Hollidaysburg) (collectively, Applicants) have jointly filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(3) for a corporate family transaction.

Applicants state that Everett and Hollidaysburg are Class III rail carriers under the control of Alan W. Maples. The transaction involves the merger of Everett and Hollidaysburg, with Everett emerging as the surviving rail carrier.

According to Applicants, the purpose of the transaction is to streamline administration and enhance the financial condition of two railroads that are already largely integrated by consolidating the two into a single company. Applicants state that the proposed merger will eliminate the need for the preparation of separate tax returns for Everett and Hollidaysburg and the need for the two companies to maintain separate corporate records. Applicants state that there also are certain operational and recordkeeping advantages to the transaction.

Unless stayed, the exemption will be effective on December 14, 2014 (30 days after the verified notice was filed). Applicants state that they plan to consummate the proposed transaction on or after December 14, 2014.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 C.F.R. § 1180.2(d)(3). Applicants 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 the transaction involves only 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 exemption. Petitions for stay must be filed no later than December 5, 2014 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35872, 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 Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

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Decided: November 24, 2014.

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