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SERVICE DATE – DECEMBER 2, 2009

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35323]

Pioneer Railcorp–Continuance in Control Exemption–Georgia Southern Railway Co.

Pioneer Railcorp (Pioneer), a noncarrier holding company, has filed a verified notice of exemption to continue in control of Georgia Southern Railway Co. (GASR), upon GASR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35322, Georgia Southern Railway Co.–Lease and Operation Exemption and Operation Exemption–Certain Lines of Georgia Midland Railroad, Inc. and Heart of Georgia Railroad, Inc. In that proceeding, GASR has sought an exemption under 49 CFR 1150.31 pursuant to an agreement with: (1) the Georgia Midland Railroad, Inc. to assume the lease and operation of approximately 51.9 miles of rail line in Peach, Houston, Crawford, Candler, Bulloch, and Screven Counties, GA; and (2) the Heart of Georgia Railroad, Inc. (HOG) to operate, under contract with HOG, approximately 42.4-miles of line currently leased and operated by HOG in Toombs, Treutlen, Emanuel and Jenkins Counties, GA.

The transaction is scheduled to be consummated on December 16, 2009 (the effective date of this exemption).

Pioneer currently controls 16 Class III rail carriers: West Michigan Railroad Co.; Fort Smith Railroad Co.; Shawnee Terminal Railroad Co., Inc.; Mississippi Central Railroad Co.; Alabama & Florida Railway Co., Inc.; Decatur Junction Railway Co.; Vandalia Railroad Company; Keokuk Junction Railway Co.; Keokuk Union Depot Company; Michigan Southern Railroad Company; Elkhart & Western Railroad Co.; Kendallville Terminal Railroad Co.; Pioneer Industrial Railway Co.; The Garden City Western Railway, Inc.; Indiana Southwestern Railway Co.; and Gettysburg & Northern Railroad Co. None of these subsidiaries has operations within the State of Georgia.

Pioneer represents that: (1) the rail lines to be operated by GASR do not connect with any other railroads in the Pioneer corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect these rail lines with any other railroad in the Pioneer corporate family; and (3) the transaction does not involve a Class I rail 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. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified 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 effectiveness of the exemption. Stay petitions must be filed no later than December 9, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35323, 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 Daniel A. LaKemper, 1318 S. Johanson Road, Peoria, IL 61607.

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

Decided: November 24, 2009.

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