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SERVICE DATE - DECEMBER 1, 1997

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33511]

Emons Transportation Group, Inc.--Continuance in Control Exemption--Penn Eastern Rail Lines, Inc.

Emons Transportation Group, Inc. (Emons), has filed a notice of exemption to continue in control of Penn Eastern Rail Lines, Inc. (PERL), upon PERL's becoming a Class III railroad.

The transaction was expected to be consummated on or about November 20, 1997, the effective date of the exemption.

This transaction is related to STB Finance Docket No. 33512, Penn Eastern Rail Lines, Inc.-Acquisition and Operation Exemption--Lines of Lancaster Northern Railway, Inc., Chester Valley Railway, Inc., East Penn Railways, Inc., and Bristol Industrial Terminal Railway, Inc., wherein PERL seeks to acquire and operate certain rail lines from Lancaster Northern Railway, Inc., Chester Valley Railway, Inc., East Penn Railways, Inc., and Bristol Industrial Terminal Railway, Inc.

Emons controls through stock ownership three other Class III rail carriers:

Maryland and Pennsylvania Railroad Company, operating 26 miles of rail line between York and Hanover, PA; Yorkrail, Inc., operating approximately 16 miles of rail line between York and Porters Sideling, PA; and, St. Lawrence & Atlantic Railroad Company, operating between Portland, ME, and the Canadian border at Norton, VT.

Emons states that: (1) PERL will not connect with any of the other railroads in its corporate

family; (2) the continuance in control is not part of a series of anticipated transactions that would connect PERL with any other railroad in its corporate family; and (3) the transaction does not involve a Class I railroad. The transaction therefore 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 railroad carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

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. 33511, 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

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be served on: Kevin M. Sheys, Oppenheimer Wolff & Donnelly, 1020 Nineteenth Street, N.W.,
Suite 400, Washington, DC 20036.

Decided: November 21, 1997.

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

Vernon A. Williams

Secretary