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SERVICE DATE - MAY 20, 1997

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33383]

Illinois Central Corporation and Illinois Central Railroad Company—Corporate Family
Transaction Exemption

Illinois Central Corporation, a noncarrier holding company (IC Corp.) and Illinois Central Railroad Company (ICR), a Class I rail carrier,¹ have jointly filed a verified notice of exemption. IC Corp. has formed a new subsidiary in the State of Illinois known as the IC Railroad Acquisition Company (ICAC). ICR will be merged into ICAC, with ICAC as the surviving entity.

The transaction is to be consummated on or after May 14, 1997.² The transaction will allow the reincorporation of ICR in the State of Illinois and will more closely align ICR's corporate structure with its existing business and operations.

The creation of the new subsidiary ICAC and the merger of ICR into ICAC are transactions within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not

¹ ICR, a Delaware corporation, is a wholly owned subsidiary of IC Corp. ICR controls and operates the Waterloo Railway Company (WLO), a Class III rail carrier, and also owns non-controlling stock interests in 5 switching and terminal railroads.

² Upon consummation, ICAC will become a wholly owned rail carrier subsidiary of IC Corp and the parent of WLO. In addition, ICAC will be renamed Illinois Central Railroad Company

result in changes in service levels, operational changes, or a change in the competitive balance with carriers outside the corporate family.

As a condition to this exemption, any employees adversely affected by the transaction will be protected under *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979).

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to reopen will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33383, 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 be served on Myles L. Tobin, Esq., Illinois Central Railroad Company, 455 North Cityfront Plaza Drive, Chicago, IL 60611-5504

Decided: May 13, 1997.

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

Vernon A. Williams

Secretary