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SERVICE DATE - SEPTEMBER 18, 2002

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34246]

K. Earl Durden, Rail Management Corporation, and Rail Partners, L.P.–Continuance in Control Exemption–AN Railway, L.L.C.

K. Earl Durden (Durden), Rail Management Corporation (RMC),¹ and Rail Partners, L.P. (Partners) (collectively, applicants), have filed a verified notice of exemption to continue in control of AN Railway, L.L.C. (ANLLC), upon ANLLC's becoming a rail carrier.

The transaction was expected to be consummated on or after August 30, 2002, the effective date of the exemption (7 days after the notice was filed).

This transaction is related to STB Finance Docket No. 34247, AN Railway, L.L.C.–Lease and Operation Exemption–Apalachicola Northern Railroad Company, where ANLLC seeks to lease and operate a rail line from Apalachicola Northern Railroad Company (ANRR).

At the time they filed this notice, Durden, RMC, and Partners controlled 13 Class III rail carriers located in Alabama, Arizona, Arkansas, Florida, Georgia, Kentucky, North Carolina, Tennessee, Texas, and Wisconsin. They are: Atlantic & Western Railway, L.P.; The

¹ RMC's former corporate name was Rail Management & Consulting Corporation.

Bay Line Railroad, L.L.C.; Copper Basin Railway; East Tennessee Railway, L.P.; Galveston Railroad, L.P.; Georgia Central Railway, L.P.; KWT Railway, Inc.; Little Rock & Western Railway, L.P.; Tomahawk Railway, L.P.; Valdosta Railway, L.P.; Western Kentucky Railway, L.L.C.; Wilmington Terminal Railroad, L.P.; and M&B Railroad, L.L.C. These rail carriers are referred to as the RMC Rail Group.

Applicants state that: (1) the railroads do not connect with each other or any railroad in their corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the 14 railroads with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2). The purpose of the transaction is to enable ANLLC to benefit from Applicants' capital support and overall management and corporate direction and expertise. ANLLC will continue handling freight for customers ANRR previously served, without material changes in the level or quality of transportation service provided.

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 11324-25 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

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 stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34246, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: Kelvin J. Dowd, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, DC 20036.

Board decisions and notices are available on our website at “www.stb.dot.gov.”

Decided: September 11, 2002.

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

Vernon A. Williams

Secretary