

**SURFACE TRANSPORTATION BOARD GRANTS PETITION TO EXEMPT RAILAMERICA'S ACQUISITION OF RAILTEX, INC., AND RAILTEX'S CLASS III RAILROAD SUBSIDIARIES**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has issued a decision granting the petition filed by RailAmerica, Inc. (RailAmerica) and RailTex, Inc. (RailTex) to exempt RailAmerica's acquisition of control of RailTex and RailTex's 17 domestic Class III rail carriers. [FOOTNOTE 1: Those earning no more than \$20 million annually in inflation-adjusted 1991 revenues for three consecutive years.] The Board had provided notice of the petition in November and invited public comments on the proposed acquisition.

The Board's decision noted that the transaction was supported by over 100 customers of RailAmerica and RailTex and that there was no opposition to the proposal. Letters in support of the transaction were also filed by United States Senator Spencer Abraham; U.S. Representatives Robert Wexler and Ray LaHood; a number of state and local government parties; The Burlington Northern and Santa Fe Railway Company; Canadian Pacific Railway Company; CSX Transportation, Inc.; Norfolk Southern Corporation; Union Pacific Railroad Company; and National Railroad Passenger Corporation (Amtrak). The largest rail union, United Transportation Union, also submitted a letter stating that it did not oppose the acquisition.

The Board found that the proposed transaction, which is expected to yield \$10 million in annual cost savings without a substantial change in rail operations or service to shippers, would not result in any competitive harm. Indeed, the Board noted that there were no assertions of harm of any kind in the record.

As stated in the Board's decision, the 12 RailAmerica railroads and 17 RailTex railroads involved in the transaction are all Class III railroads. The railroads operate in 26 States and employ about 1,000 workers. To minimize the period of uncertainty for employees and to permit petitioners and their customers to realize the projected benefits of the transaction as soon as possible, petitioners had asked the Board for approval effective on January 14, 2000. The Board granted petitioners' request and made its approval effective on that date.

The Board's decision was issued today in *RailAmerica, Inc.--Control Exemption--RailTex, Inc.*, STB Finance Docket No. 33813.

A printed copy of today's decision is available for a fee by contacting: **Da-To-Da Office Solutions, Room 210, 1925 K Street, N.W., Washington, DC 20006, telephone (202) 289-4357**. Today's decision is also available for viewing and downloading via the Board's website at **www.stb.dot.gov**.

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