

28707

SERVICE DATE - DECEMBER 30, 1997

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33517]

North American Railnet, Inc.--Continuance in Control Exemption--Illinois Railnet, Inc.

North American Railnet, Inc. (Railnet) has filed a notice of exemption to continue in control of the Illinois Railnet, Inc. (IR), upon IR's becoming a Class III railroad.

The earliest the transaction could be consummated was December 9, 1997, the effective date of the exemption (7 days after the exemption was filed).

This transaction is related to STB Finance Docket No. 33516, Illinois Railnet, Inc.--Acquisition and Operation Exemption--The Burlington Northern and Santa Fe Railway, wherein IR seeks to acquire and operate a rail line from The Burlington Northern and Santa Fe Railway.

Applicant controls one existing Class III railroad: Nebraska , Kansas , & Colorado Railnet, Inc., operating in the States of Kansas, Nebraska , and Colorado .

Applicant states that: (i) the rail lines to be operated by IR do not connect with any railroad in the corporate family; (ii) the transaction is not part of a series of anticipated transactions that would connect IR's lines with any railroad in the corporate family; and (iii) 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).

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. 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 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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33517, 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 John D. Heffner, Rea, Cross & Auchincloss, 1920 N Street, N.W., Suite 420 , Washington , DC 20036 .

Decided: December 16, 1997 .

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

Vernon A. Williams

Secretary