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SERVICE DATE – JANUARY 30, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35214]

Shawnee Terminal Railroad Co.—Corporate Family Exemption—Alabama Railroad Co., and Alabama & Florida Railway Co., Inc.

Shawnee Terminal Railroad Co. (STR), Alabama Railroad Co. (ALAB), and Alabama & Florida Railway Co., Inc. (A&F), have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for a transaction within a corporate family. The transaction involves the consolidation of ALAB, A&F, and STR, with STR as the surviving corporate entity. Under an agreement and plan of consolidation, STR will own all of the assets of ALAB and A&F, and STR will be responsible for all debts, liabilities, and obligations of ALAB and A&F.

The transaction is expected to be consummated on or after February 15, 2009 (30 days after the exemption was filed).

STR, ALAB, and A&F are affiliated Class III rail carriers, all of which are controlled by noncarrier holding company, Pioneer Railcorp (Pioneer). STR operates approximately 2.5 miles of rail line in Illinois. ALAB operates approximately 60 miles of rail line in Alabama. A&F operates approximately 43 miles of rail line in Alabama.

The purpose of the transaction is to simplify Pioneer's corporate structure and reduce overhead costs and duplication by eliminating two corporations while retaining

the same assets to serve customers. The transaction will also streamline accounting functions within the Pioneer corporate family. Although ALAB and A&F will cease to exist as separate corporate entities, STR will operate the respective rail properties under the trade name the Alabama Railroad, while retaining the ALAB and A&F reporting marks assigned by the Association of American Railroads.

This is a transaction within a corporate family of the type exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the Pioneer corporate family.

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. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III rail carriers.

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. Petitions for stay will be due no later than February 6, 2009 (at least 7 days before the effective date of the exemption).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35214, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on applicants' representatives, Robert A. Wimbish, 2401 Pennsylvania Ave., N.W., Suite 300, Washington, DC 20037, and Daniel A. LaKemper, 1318 S. Johanson Road, Peoria, IL 61607.

Board decisions and notices are available on our website at  
“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: January 22, 2009.

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

Anne K. Quinlan

Acting Secretary