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SERVICE DATE – DECEMBER 21, 2006

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34961]

Indiana Boxcar Corporation—Continuance in Control Exemption—Youngstown & Southeastern Railway Company

Indiana Boxcar Corporation (applicant) has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of Youngstown & Southeastern Railway Company (Y&S), upon Y&S's becoming a Class III rail carrier.

The transaction was scheduled to be consummated on November 29, 2006.

This transaction is related to the concurrently filed verified notices of exemption: STB Finance Docket No. 34934, Eastern States Railroad, LLC—Acquisition Exemption—Central Columbiana & Pennsylvania Railway, Inc. and Columbiana County Port Authority, wherein Eastern States Railroad, LLC (ESR) seeks to acquire the lease and operating rights of approximately 35.7 miles of rail line owned by the Columbiana County Port Authority (CCPA), and to receive permanent assignment of CCPA's and the Central Columbiana & Pennsylvania Railroad's operating rights to approximately 3 miles of track running east of milepost 0.0 in Youngstown, OH; and STB Finance Docket No. 34962, Youngstown & Southeastern Railway Company—Lease and Operation Exemption—Lines of Eastern States Railroad, LLC, wherein Y&S seeks to sublease

and/or operate the 38.7 miles of line being acquired by ESR in STB Finance Docket No. 34934.

Applicant is a noncarrier that currently controls three Class III rail carriers: Vermilion Valley Railroad Company, Inc. (VVR), the Chesapeake & Indiana Railroad Company, Inc. (CIR), and Tishomingo Railroad Company, Incorporated (TRR).

Applicant states that: (1) the rail lines operated by VVR, CIR, and TRR do not connect with the rail line being acquired by lease and operated by Y&S; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail line being acquired by lease and operated by Y&S with applicant's rail lines or with those of any other railroad within applicant's corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).¹ The purpose of the transaction is to continue rail service on a light-density line being acquired by ESR through purchase, lease, and operating rights agreement.

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 section 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board

¹ Pursuant to 49 CFR 1180.6(a)(7)(ii), applicant is required to submit "a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction." Applicant states in its notice that a copy of an agreement is not yet available, but that it will submit a copy of the executed agreement as soon as it is available.

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

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 automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34961, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John D. Heffner, John D. Heffner, PLLC, 1920 N Street, N.W., Suite 800, Washington, DC 20036.

Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Decided: December 14, 2006.

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

Vernon A. Williams

Secretary