

38022

SERVICE DATE – MAY 25, 2007

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35027]

United States Steel Corporation–Acquisition of Control Exemption–Texas & Northern
Railway Company

United States Steel Corporation (USS), a noncarrier,¹ has filed a verified notice of exemption to acquire from Lone Star Technologies, Inc. (LST), control of Texas & Northern Railway Company (T&NR), a Class III rail carrier, operating in Texas. According to USS, USS and LST have entered into an agreement and plan of merger, submitted to the Board, for USS to control certain subsidiaries of LST, including Lone Star Steel Company, LP (LSS).² USS states that by this agreement with LST, USS will indirectly control T&NR and through Transtar, continue to control six common carriers.

The transaction will be consummated on or about June 14, 2007.

The parties represent and warrant that: (1) T&NR does not connect with any of the Transtar railroads; (2) the acquisition and continuance in control is not part of a series of anticipated transactions that would connect the T&NR with any of the railroads in the

¹ USS controls Transtar Inc. (Transtar), a noncarrier holding company, which owns one Class II carrier, the Elgin, Joliet, and Eastern Railway Company, and the following five Class III carriers: Birmingham Southern Railroad Company; Delray Connecting Railroad Company; The Lake Terminal Railroad Company; McKeesport Connecting Railroad Company; and Union Railroad Company.

² T&NR is a wholly owned subsidiary of LSS that provides rail services for LSS and others.

Transtar 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).

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. Because the transaction involves the control of one Class II and one or more Class III carriers, the exemption is subject to the labor protection requirements of 49 U.S.C. 11326(b).

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. 35027, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of all pleadings must be served on Brian M. McShea, United States Steel Corporation, 600 Grant Street, Room 1500, Pittsburgh, PA 15219-2800; John A. Vuono, Vuono & Gray, LLC, 2310 Grant Building, Pittsburgh, PA 15219; and Robert F. Spears, Texas & Northern Railway Company, Lone Star Technologies, Inc., 15660 N. Dallas Parkway, Suite 500, Dallas, TX 75248.

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

Decided: May 18, 2007.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.

Vernon A. Williams

Secretary