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SERVICE DATE - APRIL 7, 2000

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33856]

Court Hammond, et al.—Continuance in Control Exemption—Colorado Central Railroad Company and Colorado, Kansas & Pacific Railway Company

Court Hammond and James Sanders¹ (Hammond Group), who previously controlled Yreka Western Railroad Company (YWRR) and Rocky Mountain Railway and Mining Museum (RMRMM),² have filed a verified notice of exemption to continue in control of Colorado Central Railroad Company (CCRR) and Colorado, Kansas & Pacific Railway Company (CKPR), upon their becoming rail carriers.

CCRC is a new short line railroad that will become a Class III rail carrier when it consummates the authority granted to it in Colorado Central Railroad Company--Operation Exemption--Yreka Western Railroad Company, STB Finance Docket No. 33849 (STB served Feb. 23, 2000).³ CKPR will become a Class III rail carrier upon consummation of the transaction

¹ Court Hammond and James Sanders are the controlling shareholders, officers and directors of Colorado Central Railroad Company, Yreka Western Railroad Company, Rocky Mountain Railway and Mining Museum, and Colorado, Kansas & Pacific Railway Company.

² RMRMM is a noncarrier holding company which controls 100% of the stock of YWRR but does not itself provide any common carrier rail freight service.

³ The Hammond Group reports that it intended for CCRC to commence providing common carrier service over YWRR's line on or about March 27, 2000. YWRR will continue to own the line, to have a residual common carrier obligation on the line, and to provide excursion rail passenger service.

covered by the simultaneously filed notice of exemption in STB Finance Docket No. 33857, Colorado, Kansas & Pacific Railway Company—Lease, Operation, and Future Purchase Exemption—Colorado Department of Transportation, wherein CKPR will lease and initiate common carrier operations over an abandoned line of railroad.

The transaction was expected to be consummated on March 29, 2000.

The Hammond Group states that: (i) the railroads will not connect with each other or any railroad in their corporate family; (ii) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their 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. 33856, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit,

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1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John D. Heffner, Esq., Rea, Cross & Auchincloss, 1707 L Street, N.W., Suite 570, Washington, DC 20036.

Decided: March 31, 2000.

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

Vernon A. Williams

Secretary