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SERVICE DATE - FEBRUARY 16, 2001

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34004]

Canadian Pacific Railway Company and Napierville Junction Railway

Company—Corporate Family Transaction Exemption—St. Lawrence & Hudson Railway

Company Limited

Canadian Pacific Railway Company (CPR) and Napierville Junction Railway Company (NJR)¹ (collectively applicants) have filed a verified notice of exemption under 49 CFR 1180.2(d)(3) to absorb the St. Lawrence & Hudson Railway Company Limited (St. L & H) and the assets it holds back into CPR, its parent corporation.² The United States assets of St. L & H rail to be absorbed into CPR are described as follows:³

(1) St. L & H's interest in CNCP-Niagara Detroit, an Ontario partnership, which owns all of the stock of Detroit River Tunnel Company (DRTC) and Niagara River Bridge Company (NRBC). St. L & H held trackage rights from DRTC and NRBC:

(a) through the Detroit River Tunnel (a railway tunnel connecting Detroit, MI, and

¹ NJR is a wholly owned subsidiary of CPR.

² St. L & H was created in 1996 as a wholly owned subsidiary of CPR. See Canadian Pacific Limited, Canadian Pacific Railway Company, and Napierville Junction Railroad Company—Corporate Family Transaction Exemption—St. Lawrence & Hudson Railway Company Limited, STB Finance Docket No. 33136 (STB served Oct. 9, 1996).

³ Applicants state that the rail assets to be transferred in STB Finance Docket No. 34004 are identical to those covered by the transaction in STB Finance Docket No. 33136.

Windsor, Ontario, Canada) in the U.S. from the international border (mid-tunnel at milepost 226.3) to the end of the connecting track at milepost 228.2, in Detroit, a distance of approximately 2 miles; and (b) over the Suspension Bridge (a railway bridge between Niagara Falls, Ontario, Canada, and Niagara Falls, NY) in the U.S. between the international border (milepost 0.2) and the end of the access track at milepost 0.0, in Niagara Falls, a distance of 0.2 miles. The trackage rights also include short segments of connecting track at both the Detroit River Tunnel and the Suspension Bridge.

(2) St. L & H's leasehold interest in the rail properties of the NJR⁴ consisting of a 1.1-mile segment of track on the U.S. side of the international border near Rouses Point, NY, where NJR connects with the lines of the Delaware and Hudson Railway Company, Inc., a wholly owned subsidiary of CPR.

(3) St. L & H's incidental overhead trackage rights to reach connections with U.S. carriers in the Detroit terminal area as follows: (a) former Consolidated Rail Corporation (Conrail) trackage between the end of the Detroit River Tunnel connecting track (Conrail milepost 2.02 Main Line) and Conrail milepost 9.3, Detroit Line, including the Delray Interlocking, at milepost 5.3, Detroit Line, and between milepost 2.02 and milepost 3.1, Mackinaw Branch, a total distance of approximately 8.4 miles; (b) former Norfolk and Western Railway Company (NW) line between the Delray Interlocking (NW milepost 4.4) and Oakwood Yard (NW milepost 8.87), a distance of approximately 4.47 miles; and

⁴ Applicants note that NJR was a party to the STB Finance Docket No. 33136 proceeding when it granted the leasehold interest to St. L & H. Applicants further note that, other than NJR's role as the lessor of the trackage, NJR is not involved in the STB Finance Docket No. 34004 transaction.

(c) the CSX Transportation, Inc. (CSXT) line between Delray Interlocking (CSXT milepost 4.5) and Rougemere Yard (CSXT milepost 6.6), a distance of approximately 2.1 miles.

The verified notice states that the transaction was consummated on January 1, 2001. The earliest the transaction could have been consummated was February 7, 2001, the effective date of the exemption (7 days after the exemption was filed).⁵

The transaction is part of a corporate reorganization designed to dissolve St. L & H and to absorb its properties and operations into CPR. This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). As described, the transaction will not result in adverse changes in service levels, operational changes, or a change in the competitive balance with carriers outside the applicants' corporate family.

Applicants state that there will be no change in operations as a result of this transaction, and they do not anticipate that any labor impacts will occur within the United States. 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. Applicants state that they recognize the Board's obligation to impose employee protective conditions pursuant to 49 U.S.C. 11326(a) for the benefit of their U.S. railroad

⁵ Pursuant to 49 CFR 1180.4, to qualify for an exemption under 49 CFR 1180.2(d), a railroad must file a verified notice of the transaction with the Board at least one week before the transaction is consummated.

employees, and that they agree to imposition of the conditions imposed in New York Dock Ry.–Control–Brooklyn Eastern Dist., 360 I.C.C. 60 (1979) (New York Docket).

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. 34004, 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 Diane Gerth, Esq., Leonard, Street and Deinard, 150 South Fifth Street, Minneapolis, MN 55402.

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

Decided: February 9, 2001.

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

Vernon A. Williams

Secretary