

FINANCE DOCKET No. 11084
MOOSIC MOUNTAIN & CARBONDALE RAILROAD
COMPANY ACQUISITION

Submitted March 2, 1936. Decided March 21, 1936

Acquisition by the Moosic Mountain & Carbondale Railroad Company of the properties of the Grassy Island Railroad Company approved and authorized.

Paca Oberlin for applicant.

REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS MEYER, PORTER, AND MAHAFFIE

BY DIVISION 4:

The Moosic Mountain and Carbondale Railroad Company, on January 27, 1936, applied under section 5 (4) of the Interstate Commerce Act, as amended, for authority to purchase the properties of The Grassy Island Railroad Company. A hearing has been had. No representations have been made by any State authority, and no objection to the application has been offered.

The Grassy Island and the applicant were incorporated under the laws of Pennsylvania. The Erie Railroad Company (Erie) owns the entire capital stock of the applicant. The capital stock of the Grassy Island, consisting of 100 shares of the par value of \$100 each, is owned by the Erie Land & Improvement Company, a wholly owned subsidiary of the Erie.

The railroad of the Grassy Island extends from a connection with the Winton branch of the Delaware, Lackawanna & Western Railroad westerly about 2,209 feet to a connection with the tracks of the Delaware & Hudson and tracks leading to the Sterrick Creek breaker, all in Winton Borough, Lackawanna County, Pa. It crosses and connects with the applicant's line, which, in turn, connects with lines of subsidiary companies of the Erie. The properties of the applicant and the Grassy Island have been operated by the Erie, without executed lease or agreement, since about 1908. The Delaware, Lackawanna & Western has also been operating over the Grassy Island since about 1900. The Grassy Island is in effect a mine switch, operations consisting solely of hauling cars to and from the Sterrick Creek breaker as occasion demands.

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The proposal herein will not effect any change in the present method of handling traffic. It will effect some economies in administration and will simplify relations with State and Federal authorities.

The purchase price of the property to be acquired is \$7,340.50, being the amount paid by the Erie Land & Improvement Company for the stock of the Grassy Island. Upon completion of the sale, the Grassy Island will surrender its charter and distribute its assets. Its balance sheet as of December 31, 1935, shows its only liability to be its capital stock.

In the Commission's consolidation plan the properties of the Erie are specifically included, and the properties of the applicant and the Grassy Island are included, without specific mention, in system no. 6, Chesapeake & Ohio-Nickel Plate, *Consolidation of Railroads*, 159 I. C. C. 522, and 185 I. C. C. 403.

At the hearing counsel for the applicant agreed that before the related journal entries incidental to the acquisition are entered upon the books of the applicant, they will be submitted for our approval. Our authorization herein will be upon the understanding that this will be done.

We find that the acquisition by The Moosic Mountain and Carbon-dale Railroad Company of the properties of The Grassy Island Railroad Company, upon the terms and conditions proposed, which terms and conditions we find to be just and reasonable, will be in harmony with and in furtherance of the Commission's plan for the consolidation of railroad properties, and will promote the public interest.

An appropriate order will be entered.

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