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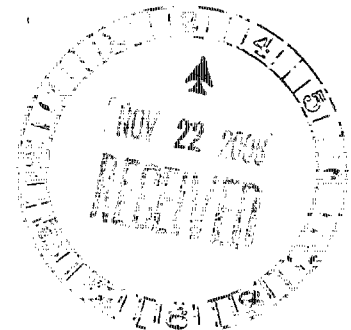
j.heffner@verizon.net

ORIGINAL

FILED

NOV 22 2006

U.S. DEPT. OF TRANSPORTATION



BY HAND

ENTERED
Office of Proceedings

NOV 22 2006

Part of
Public Record

November 22, 2006

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street
Washington, D.C. 20423-0001

FILED

NOV 22 2006

U.S. DEPT. OF TRANSPORTATION

218134

RE: FD No. 34961, Indiana Boxcar Corporation - Continuance
in Control Exemption - Youngstown & Southeastern
Railway Company

FD No. 34962, Youngstown & Southeastern Railway Company
- Sublease and Operation Exemption - Lines of Eastern
States Railroad, LLC

Dear Mr. Williams:

On behalf of Petitioners Indiana Boxcar Corporation and the
Youngstown & Southeastern Railway Company, I am filing an
original and ten copies of:

(1) a verified notice of exemption under 49 CFR 1180.2(d)(2)
for the continuance in control by Indiana Boxcar Corporation of
Youngstown & Southeastern Railway Company, and

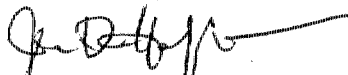
(2) a verified notice of exemption under 49 CFR 1150.31 for
the sublease and operation by Youngstown & Southeastern Railway
Company of lines of Eastern States Railroad, LLC.

I am also enclosing one check payable to the Board for
\$2,600 to cover the applicable filing fees and a computer disk
formatted in Word containing these filings.

Hon. Vernon A. Williams
November 22, 2006
Page Two

Please date stamp and return one copy of this filing for our records.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a long horizontal flourish extending to the right.

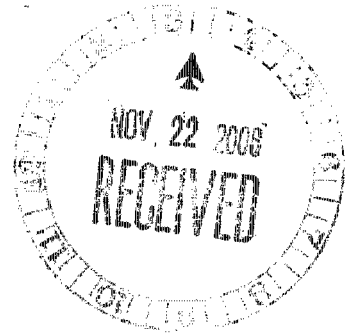
John D. Heffner

cc: Mr. Powell Felix
Myles L. Tobin, Esq.

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

218134



STB FINANCE DOCKET NO. 34961

FILED
NOV 22 2006
STB FINANCE DOCKET NO. 34961

INDIANA BOXCAR CORPORATION
-- CONTINUANCE IN CONTROL EXEMPTION --
YOUNGSTOWN & SOUTHEASTERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR §1180.2(d)(2)

ENTERED
Office of Proceedings

NOV 22 2006

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Public Record

FILED
NOV 22 2006
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Tel.: (202) 263-4180

Its Attorney

Dated: November 22, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34961

INDIANA BOXCAR CORPORATION
-- CONTINUANCE IN CONTROL EXEMPTION --
YOUNGSTOWN & SOUTHEASTERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR §1180.2(d)(2)

Comes now Indiana Boxcar Corporation ("Boxcar") and states
as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules, 49 C.F.R. §1180 et seq. Boxcar hereby gives notice of a transaction which qualifies for exemption under §1180.2 of those rules. As relevant here, Boxcar and Eastern States Railroad, LLC ("ESR") have entered into a sublease and operating agreement whereby Boxcar will establish a new non-carrier short line railroad, the Youngstown & Southeastern Railway Company ("Y&S") to operate a series of rail lines that ESR will be acquiring, by purchase, lease, and assignment of operating rights.

2. Boxcar currently controls three other class III short line railroads, the Vermilion Valley Railroad Company, Inc. ("Vermilion"), the Chesapeake & Indiana Railroad Company, Inc. ("Chesapeake"), and Tishomingo Railroad Company, Incorporated ("Tishomingo"). Copies of Board decisions exempting Vermilion's and Chesapeake's operations of their respective lines of railroad and Boxcar's acquisition of Tishomingo are attached as Exhibits A, B, and C.
3. Under Section 1180.2(d)(2) of the Board's consolidation rules certain transactions are automatically exempt from the prior approval requirements for common control under 49 U.S.C. §§11323 - 11324. Specifically, Section 1180.2(d)(2) exempts the continuance-in-control of a nonconnecting carrier where (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.

4. The properties presently owned, operated, or managed (or to be owned, operated, or managed) by Boxcar do not physically connect and there are no plans to acquire additional rail lines for the purpose of making a connection. As noted above, each of these companies is a class III short line railroad and, as illustrated by the map attached as Exhibit D, each provides rail service in a different part of the United States. Vermillion's property is located in Indiana along the Illinois/Indiana border near Danville in central Illinois. Chesapeake's property is located in northern Indiana, just south of Michigan City. Tishomingo's property is located in northern Mississippi, just south of the Tennessee/Mississippi State Line. The line that Y&S will operate is located in eastern Ohio and the adjacent portion of western Pennsylvania. The Vermillion and Chesapeake properties are located at least 100 miles apart while the Y&S and Tishomingo properties are at least 400 and 500 air miles, respectively, distant from the other two carriers and are far apart from each other. There are no plans to connect any of these railroads.

5. In order to claim the Section 1180.2(d)(2) exemption, Section 1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in Sections 1180.6(1)(i)-(iii); 1180.6(5)-(6); and 1180.6(a)(7)(ii) of those rules and indicating the level of labor protection required.

Information about the carriers:

49 C.F.R. §1180.6(a)(1)(i)

Name: Youngstown & Southeastern
Railway Company
Address: c/o Indiana Boxcar Corporation
916 Vine Street
Connersville, IN 47331

Telephone: (765) 825-0316

Name: Tishomingo Railroad Company, Incorporated
Address: c/o Indiana Boxcar Corporation
916 Vine Street
Connersville, IN 47331

Telephone: (765) 825-0316

Name: Vermilion Valley Railroad Company, Inc.
Address: c/o Indiana Boxcar Corporation
916 Vine Street
Connersville, IN 47331

Telephone: (765) 825-0316

Name: Chesapeake & Indiana Railroad Company, Inc.
Address: c/o Indiana Boxcar Corporation
916 Vine Street
Connersville, IN 47331

Telephone: (765) 825-0316

Legal counsel to whom questions should be addressed:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Tel.: (202) 263-4180
(For Applicant)

Schedule for consummation: 49 C.F.R. §1180.6(a)(1)(ii)

November 29, 2006

Purpose to be accomplished by the transaction:
49 C.F.R. §1180.6(a)(1)(iii)

Continuation of rail service on a light density
rail line that ESR is acquiring, through purchase,
lease and operating rights assignment.

State(s) in which any part of the property of each
applicant carrier is situated: 49 C.F.R. 1180.6(a)(5)

Illinois, Indiana, Mississippi, Ohio, and Pennsylvania

Map showing relationship between Y&S, Tishomingo,
Chesapeake, and Vermilion: 49 C.F.R. §1180.6(a)(6)

Attached hereto as Exhibit D.

Copy of Agreement: 49 C.F.R. §1180.6(a)(7)(ii)

None is available as yet. Petitioner will submit a
copy of the executed agreement under seal as soon as
it is available.

6. This acquisition of control proceeding is exempt from environmental review under 49 CFR §1105.6(c)(2)(i) because the proposed action will not cause any operating changes that exceed the threshold established in 49 C.F.R. §1105.7(e)(4) or (5). In addition, this proceeding is exempt from historic review under 49 C.F.R. §1105.8(b)(i) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older as this trackage was recently built. Accordingly, no historic report is required.

7. Labor protection required: None. Under 49 U.S.C. 11326 transactions between class III rail carriers are not subject to labor protection.

Respectfully submitted,



John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Tel.: (202) 263-4180

Its Attorney

Dated: November 22, 2006

EXHIBIT A

33570

SERVICE DATE - MAY 16, 2003

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34340]

Vermilion Valley Railroad Company, Inc.—Operation Exemption—FNG Logistics Co.

Vermilion Valley Railroad Company, Inc. (VVRr), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to operate approximately 5.91 miles of railroad owned by FNG Logistics Co. (FNG) between milepost QSO-5.18 near the Illinois/Indiana State line and milepost QSO-11.09 near Olin, in Vermillion and Warren Counties, IN.¹ FNG certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier.

The transaction was scheduled to be consummated on or about April 30, 2003, the effective date of the exemption (7 days after the exemption was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding 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.

¹ The subject line was acquired by Flex-N-Gate Corporation (Flex) under the Board's offer of financial assistance procedures at 49 U.S.C. 10904 and 49 CFR 1152.27 in New York Central Lines, LLC—Abandonment Exemption—in Vermillion and Warren Counties, IN, STB Docket No. AB-565 (Sub-No. 4X) (STB served Sept. 17, 2002). In a motion filed on April 22, 2003, Flex and FNG, a wholly owned subsidiary of Flex, requested permission to substitute FNG for Flex as the purchaser of the line. That request was granted by decision served on April 28, 2003.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34340, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Daniel A. LaKemper, P.O. Box 185, Morton, IL 61550.

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

Decided: May 7, 2003.

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

Vernon A. Williams

Secretary

EXHIBIT B

34936

SERVICE DATE - AUGUST 20, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34529]

Chesapeake & Indiana Railroad Company, Inc.—Operation Exemption—The Town of North Judson, IN

Chesapeake & Indiana Railroad Company, Inc. (Chesapeake), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to operate, pursuant to an unexecuted agreement under negotiation with the Town of North Judson, IN, 32.97 miles of track extending from Wellsboro, milepost 15.2, to LaCrosse, milepost 0.6, in LaPorte County, IN, and from Malden, milepost 230.9, through LaCrosse, to North Judson, milepost 212.5, in Porter and Starke Counties, IN.

The transaction was scheduled to be consummated on or after July 29, 2004.

This transaction is related to STB Finance Docket No. 34528, Indiana Boxcar Corporation—Continuance in Control Exemption—Chesapeake & Indiana Railroad Company, Inc., wherein Indiana Boxcar Corporation has filed a verified notice of exemption to continue in control of Chesapeake upon its becoming a Class III rail carrier.

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. 34529, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John D. Heffner, 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: August 16, 2004.

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

Vernon A. Williams

Secretary

EXHIBIT C

36856

SERVICE DATE – APRIL 21, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34845]

Indiana Boxcar Corporation–Acquisition of Control Exemption–Tishomingo Railroad Company, Incorporated

Indiana Boxcar Corporation (INBC),¹ has filed a verified notice of exemption² to acquire control of Tishomingo Railroad Company, Incorporated (Tishomingo), a Class III rail carrier.³ According to INBC, INBC and Vintage Locomotives, Incorporated (Vintage), a noncarrier, have entered into a letter of intent with the owners of Tishomingo to acquire control of Tishomingo, and INBC will submit a copy of the executed agreement under seal as soon as it is available. INBC states that, while INBC and Vintage will each purchase 50% of Tishomingo's stock, only INBC will be involved in the management of Tishomingo.

The transaction was expected to be consummated on April 1, 2006.

INBC states that: (1) the properties presently owned, operated, or managed and the properties to be owned, operated, or managed by INBC do not physically connect;

¹ INBC currently controls two other Class III carriers: Vermilion Valley Railroad Company, Inc., and the Chesapeake & Indiana Railroad Company, Inc.

² On April 10, 2006, INBC filed an amendment to page 4 of the notice of exemption.

³ INBC concurrently filed a motion for protective order to protect certain confidential documents and information in connection with its notice of exemption. A protective order in this proceeding was served on April 12, 2006.

(2) there are no plans to acquire additional rail lines for the purpose of making a connection; and (3) the carriers are all Class III carriers. 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. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

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. 34845, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of all pleadings must be served on John D. Heffner, 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: April 12, 2006.

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

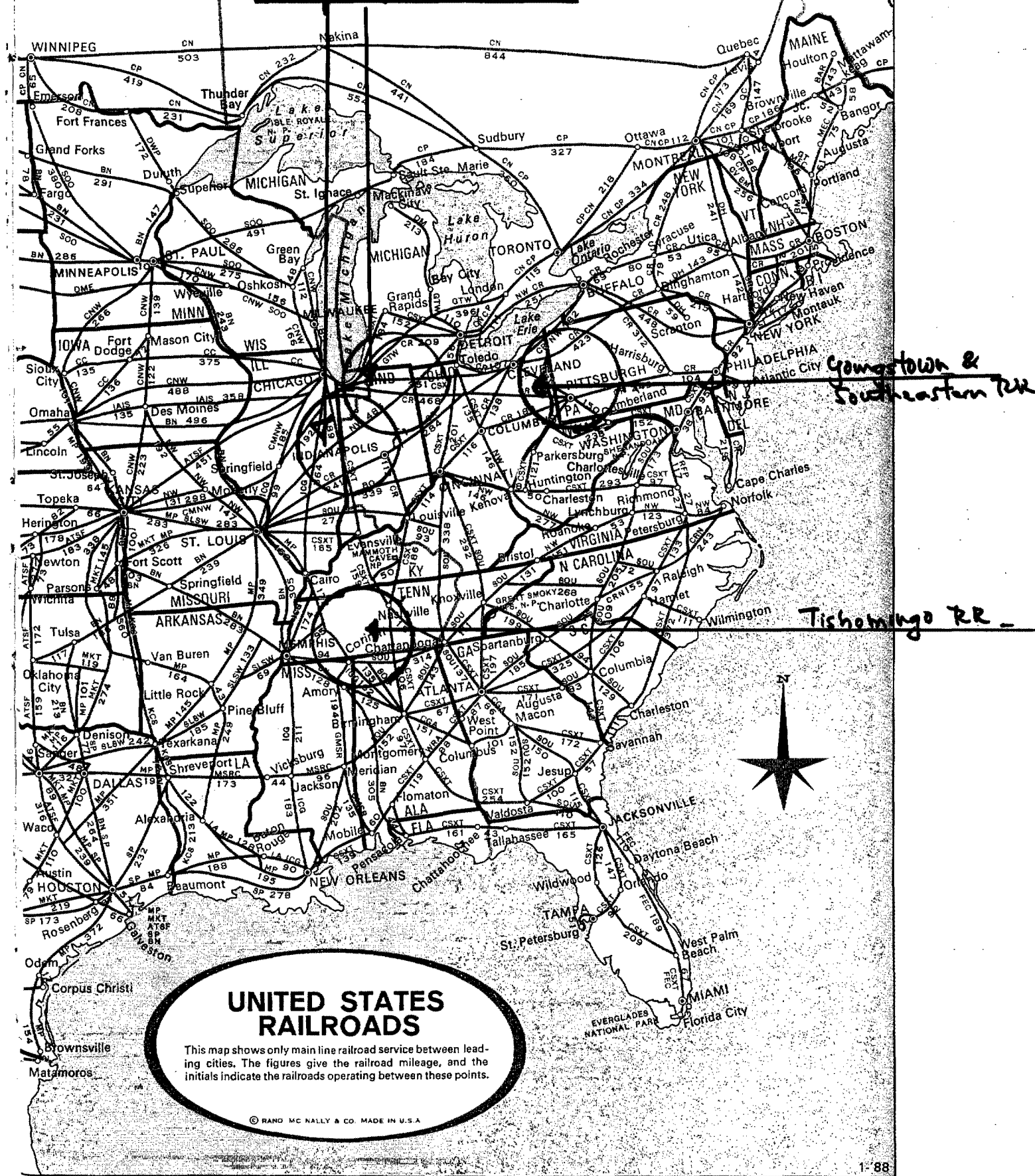
Vernon A. Williams

Secretary

EXHIBIT D



Vermillion Valley Railroad
Chesapeake & Indiana RR



UNITED STATES RAILROADS

This map shows only main line railroad service between leading cities. The figures give the railroad mileage, and the initials indicate the railroads operating between these points.

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VERIFICATION

STATE OF Indiana)
CITY OF Fayette) SS

R. Powell Felix, being duly sworn according to law, hereby deposes and states that (s)he is authorized to make the Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information and belief.

R Powell Felix

Subscribed and sworn to before me, a Notary Public, in and for the City of Connersville in the State of Indiana, this 17th day of November, 2006

Sharon Z Tyler
Notary Public

My Commission expires:

