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March 24, 2022

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street S.W.
Washington, D.C. 20423

Re: Docket No. FD 36600, *North Shore Railroad Company – Operation and Trackage Rights Exemption – Lines of SEDA-COG Joint Rail Authority and Norfolk Southern Railway Company, Including Interchange Commitment*

Dear Ms. Brown:

Attached for filing in the above referenced docket is the Verified Notice of Exemption pursuant to 49 C.F.R. Part 1150 Subpart E for the North Shore Railroad Company. The filing fee has been paid electronically via pay.gov.

Contemporaneously with this Verified Notice, we are e-filing a Confidential Appendix which includes the confidential information and documents pertaining to the interchange commitment as required by 49 C.F.R. § 1150.33(h). The Confidential Appendix is designated as “Highly Confidential,” and as provided by 49 C.F.R. § 1150.33(h)(1), it is being filed pursuant to 49 C.F.R. § 1104.14(a) and is to be kept confidential without having to file an accompanying motion for protective order under 49 C.F.R. § 1104.14(b).

Please contact the undersigned if there are any questions regarding this filing. Thank you for your attention to this matter.

FILED
March 24, 2022
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,

A handwritten signature in black ink that reads "Richard A. Allen".

Richard A. Allen
Barbara M. Marrin
KMA Zuckert, LLC
Attorneys for
North Shore Railroad Company

Enclosure

FEE RECEIVED
March 24, 2022
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

North Shore Railroad Company - Operation	)	
and Trackage Rights Exemption—	)	
Lines of SEDA-COG Joint Rail Authority	)	
And Norfolk Southern Railway Company,	)	Finance Docket No.36600
Including Interchange Commitment	)	

**VERIFIED NOTICE OF EXEMPTION OF
NORTH SHORE RAILROAD COMPANY
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

**NORTH SHORE RAILROAD
COMPANY**

Richard A. Allen
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888 Seventeenth Street, NW
Suite 700
Washington, D.C. 20006
(202) 298-8660
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Dated: March 24, 2022

Its Attorneys

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

North Shore Railroad Company - Operation	)	
and Trackage Rights Exemption—	)	
Lines of SEDA-COG Joint Rail Authority	)	
And Norfolk Southern Railway Company,	)	Finance Docket No.36600
Including Interchange Commitment	)	

**VERIFIED NOTICE OF EXEMPTION OF
NORTH SHORE RAILROAD COMPANY
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

Pursuant to 49 C.F.R. Part 1150 Subpart E, North Shore Railroad Company, a Pennsylvania corporation and Class III rail carrier (“North Shore”), hereby submits this Verified Notice of Exemption (“Notice”) for common carrier operation of approximately 7.7 miles of existing railroad track and right-of-way known as the Selinsgrove Industrial Track in Snyder County, Pennsylvania and an industrial spur known as the Power Plant Lead of approximately 1.3 miles (together, the “Line”) and for the acquisition of incidental trackage rights over approximately 4.7 miles of track owned by Norfolk Southern Railway Company (“NS”) (the “Trackage Rights”). The Line starts at Selinsgrove Junction, Pennsylvania at Mile Post (“MP”) 0.0, and extends to MP 7.7 in Kreamer, Pennsylvania. The Trackage Rights on NS’s north-south “Buffalo” line start at MP BR 258.6 at Sunbury, Pennsylvania and extend to MP BR 263.3 at Selinsgrove Junction. The location of the Line and the Trackage Rights is depicted in Exhibit A, attached to this Notice.

As described more fully below, the Line is presently owned and operated by the NS and is being acquired by the SEDA-COG Joint Rail Authority, a Pennsylvania municipal authority and a non-carrier created under the Pennsylvania Municipal Authorities Act of 1945 (the “Authority”) pursuant to an asset purchase agreement with NS, and North Shore will be

operating over it subject to an Operating Agreement with the Authority and the effectiveness of this Verified Notice of Exemption.

Contemporaneously with this filing, the Authority will be filing a Verified Notice of Exemption to acquire the Line.

In support of this Notice, and in accordance with the requirements of 49 C.F.R. §1150.43, North Shore submits the following information:

Information Required by 49 C.F.R. § 1150.43

(a) Full name and Address of the Applicant

North Shore Railroad Company
356 Priestley Avenue
Northumberland, PA 17857
Phone: (570) 473-7949

(b) Name and Address of Representatives to Receive Correspondence

Richard A. Allen
Barbara M. Marrin
KMA Zuckert LLC
888 17th Street, N.W.
Washington D.C. 20006
Phone: (202) 298-8660
Email: rallen@kmazuckert.com
bmarrin@kmazuckert.com

(c) Statement Regarding Agreements

NS and the Authority have recently entered into (i) an Asset Purchase and Sale Agreement (“APSA”) under which NS will sell, and the Authority will purchase, all operating rail assets owned by NS involved in or relating to the operation or use of the Line, including, as further defined in the APSA, the roadbed, rail, track and all related facilities, improvements, fixtures, and appurtenances, but not including any interest in the real property under the Line (“Acquired Assets”), and (ii) a Freight Service Easement Agreement (“FSEA”) providing the

Authority an easement and right to operate freight rail service upon the Line. The FSEA expressly contemplates that the Authority will enter into an agreement with a third-party operating railroad company to operate the Line for the Authority.

The APSA provides that the transaction may not be consummated without Surface Transportation Board (“STB” or “Board”) authorization. Contemporaneously with the filing of this Notice of Exemption for operation and trackage rights by North Shore, the Authority will be filing a notice of exemption to authorize its acquisition of the Acquired Assets. The conveyance and acquisition of the Acquired Assets will be effective on the effective date of any decision or notice of exemption served by the Board authorizing the Authority’s acquisition.¹

Following the closing of the transaction contemplated by the APSA, and after the effective date of this Notice, rail service over the Line will be performed by North Shore through agreement with the Authority. The Authority, North Shore, and certain other North Shore-affiliated railroads (“Operators”) are currently parties to an Operating Agreement dated December 13, 2006, as amended, whereby North Shore and the other Operators are authorized to conduct and provide common carrier railroad operations on and over various lines of railroad owned or controlled by the Authority. The Authority and the Operators have executed an Addendum to the Operating Agreement to include the Line as part of the railroad premises

¹ The Acquired Assets under the APSA do not include rail related assets on the 1.4-mile Power Plant Lead, which is currently an industrial spur owned by NS, and its acquisition by the Authority does not require Board authorization. The Authority will be acquiring rail-related assets on the Power Point Lead from NS and it is part of the Line for which North Shore seeks common carrier operating authority. It will become a line of railroad subject to the Board’s authority upon the effective date of this Notice of Exemption.

subject to the Operating Agreement, and to permit North Shore to conduct and provide common carrier railroad operations on and over the Line.²

In addition, NS and the Operators, including North Shore, have executed a trackage rights agreement dated February 14, 2022 giving the Operators overhead trackage rights over an NS-owned line of railroad between Selinsgrove Junction and Sunbury, Pennsylvania, a distance of approximately 4.7 miles, which is a segment of NS's Buffalo line. These trackage rights are incidental to North Shore's operation of the Line and will enable North Shore to move freight to and from shippers on the Line and a connection at Sunbury to overhead trackage rights the Operators have on NS's Buffalo Line between Sunbury at MP BR 258.6 and CP Lock Haven (MP BR 194.2) at Lock Haven, Pennsylvania, a distance of approximately 64.4 miles, under a trackage rights agreement dated September 1, 2001.³ See map at Exhibit A. This will enable North Shore to move freight to and from shippers on the Line from and to connections with itself, NS and other affiliated Operators on the Buffalo Line, as well as from and to the Canadian Pacific Railroad ("CP") at Northumberland, Pennsylvania (via NS/CP haulage rights).

² A copy of the December 13, 2006 Operating Agreement was filed previously with the Surface Transportation Board ("STB" or "Board") in *Susquehanna Union R.R. – Control Exemption – N. Shore R.R., Nittany & Bald Eagle R.R., Shamokin Valley R.R., Juniata Valley R.R., Lycoming Valley R.R., and Union County, Indus. R.R.*, FD 35343, Pet. for Exemption at Exhibit B (filed Apr. 12, 2010). The Addendum to the Operating Agreement, executed on March 16, 2022, which is being filed in the Confidential Appendix to this Notice of Exemption, authorizes other affiliates of North Shore to operate over the Line subject to its terms, but only upon their obtaining operating authority from the Board.

³North Shore's existing line connects to NS's Buffalo Line at Northumberland, PA, where North Shore (and other affiliated Operators) interchange cars with NS. North Shore also has a haulage agreement with NS under which NS may haul North Shore revenue traffic from North Shore's existing line to other points and interchanges on the Buffalo line.

(d) The Operator of the Property

As explained above, upon the effective dates of this Notice and the Verified Notice of Exemption for Acquisition of the Line being filed contemporaneously with this filing by the Authority, North Shore will operate and provide common carrier service to all shippers on the Line. NS currently performs common carrier operations on the Line, but NS will make the necessary filings at the Board to obtain service discontinuance authority to cease its operations on the Line, upon and after North Shore's commencement of service on the Line.

(e) Brief Summary of the Transaction

The Authority is a joint municipal authority whose mission is to preserve and foster rail service in Central Pennsylvania and to further economic development through retention, improvement, and expansion of the infrastructure and the rail service it supports. Under the agreements and arrangements described *supra*, and upon the effective date of the notice of exemption being filed by the Authority contemporaneously with this Notice, the Authority will acquire the Line, and operating rights over the Line, from NS, over which NS has operated and provided common carrier rail services. The agreements provide for and expressly contemplate that the Authority will enter into an agreement with a third-party operating railroad company to operate the Line for the Authority. The North Shore has agreed to operate and provide common-carrier service to all shippers on the Line and the Authority and North Shore have amended its existing Operating Agreement to include this Line.

As further discussed *supra*, NS will also be filing with the Board appropriate discontinuance of service filings to cease its operations on the Line, upon and after North Shore's commencement of service on the Line after the effective date of this Notice.

(1) Name and Address of the Railroad Transferring the Subject Property:

NS is the Railroad that is transferring the subject property to the Authority. The address for NS is:

Norfolk Southern Railway Company
650 West Peachtree St NW
Atlanta, GA 30308

(2) Proposed Schedule for Consummation of the Transaction

As discussed *supra*, the proposed transaction, including the APSA and the FSEA and North Shore's common carrier service on the Line and over the Trackage Rights will be consummated and commence as soon as practicable after the effective date of this Notice and the effective date of the notice being filed by the Authority to authorize its acquisition of the Line.

(3) Mileposts of the Property

The mileposts of the Line are 0.0 to 7.7. The mileposts of the Trackage Rights are BR 258.6 to BR 263.3.

(4) Total Route Miles

A total of approximately 9.0 route miles of the Line and approximately 4.7 miles of Trackage Rights is to be operated pursuant to this exemption notice.

(f) Map

Maps depicting and describing the lines and immediate vicinity are attached as Exhibit A to this Notice.

(g) Certificate of Projected Revenues

North Shore is a Class III rail carrier. A certification that its projected revenues of the Line and the Trackage Rights together with revenues from North Shore will not exceed five million dollars, \$5,000,000.00, is included with the verification of this Notice.

Accordingly, the transaction for which this exemption is sought will not result in the creation of a Class II or Class I carrier, and the provision in 49 CFR 1150.42(b) for advance notice to employees and labor unions will not apply.

(h) Interchange Commitments

(1)(i) Section 15 of the FSEA between the Authority and NS contains a provision that may limit or restrict future interchange of local traffic with a third-party connecting carrier other than NS at any interchange point where the carrier may interchange traffic with a third-party connecting carrier. The same provision is contained in the Addendum to the Operating Agreement between North Shore and the Authority.

The affected interchange points would be (1) an interchange at Northumberland where North Shore currently interchanges cars with NS and where it could interchange cars with some other North Shore-affiliated Operators to which such carriers have overhead trackage rights pursuant to their trackage rights agreement with NS dated September 1, 2001, as described above. Those other affiliated carriers are: Lycoming Valley Railroad Company, Nittany and Bald Eagle Railroad; Shamokin Valley Railroad and Union County Industrial Railroad. North Shore does not anticipate interchanging cars originating or terminating on the Line with those affiliated carriers in the foreseeable future. Additionally, as referenced above, traffic to or from CP may be transported by NS to Northumberland via a NS/CP haulage agreement where it may be interchanged with North Shore.

(ii) A confidential complete version of the Addendum to the Operating Agreement containing this provision, is being filed under seal in a Confidential Appendix submitted pursuant to 49 C.F.R. §1150.43(h)(1) and 49 C.F.R. 1104.14(a).

(iii) A list of the shippers that currently use or have used the Line within the last two years is as follows:

K&L Feeds Inc.

Kreamer Feed Inc.

(iv) The aggregate number of carloads originated or terminated by the above-mentioned shippers within the last two years is being filed under seal in the Confidential Appendix.

(v) North Shore hereby certifies that it is providing notice of the proposed transaction and interchange commitment to each of the above-mentioned shippers at paragraph (iii) through service of a copy of this Notice by first-class mail, postage pre-paid, and/or by email.

(vi) Following this transaction, and the commencement of common carrier rail operations on the Line by North Shore, the only third party railroad that could physically interchange with the Line is NS on NS's north-south "Buffalo" line, at MP 0.00 of the Line. As noted above, freight to and from CP may be transported by NS from and to Northumberland via a NS/CP haulage agreement where it may be interchanged with North Shore.

(vii) North Shore and its affiliated carriers are not parties to the APSA nor the FSEA and did not participate in the negotiation of those agreements, and have no direct knowledge of an estimate of the difference between the sale or lease price with and without the interchange commitment. North Shore is aware, however, that the Authority is including such information as part of its Verified Notice of Exemption for Acquisition of the Line being filed contemporaneously with this filing.

Environmental and Historical Reports

Under 49 C.F.R. § 1105.6(c)(1), the proposed operations are exempt from environmental reporting requirements, and the proposed operations will not result in changes that will exceed the environmental reporting thresholds established in 49 C.F.R. § 1105.7(e) (4) or (5).

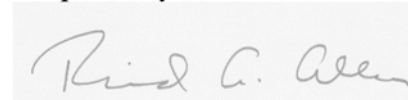
Under 49 C.F.R. § 1105.8(b)(1), the proposed operations are exempt from historic preservation reporting requirements. The proposed transaction will provide for the continuation of common carrier rail service. In any event, North Shore will not own any part of the Line or the underlying and adjacent real estate, but only proposes to provide common carrier service over the Line, and it will have no authority to remove or alter any sites or structures over fifty years old.

Accordingly, no environmental or historic documentation is required.

Caption Summary Pursuant to 49 C.F.R. § 1150.44

A caption summary in the form prescribed by the Board is attached hereto as Exhibit B to this Notice.

Respectfully submitted,



By:

Richard A. Allen
Barbara Marrin
KMA ZUCKERT, LLC
888 Seventeenth Street, NW
Suite 700
Washington, D.C. 20006
(202) 298-8660
rallen@kmazuckert.com
bmarrin@kmazuckert.com

Dated: March 24, 2022

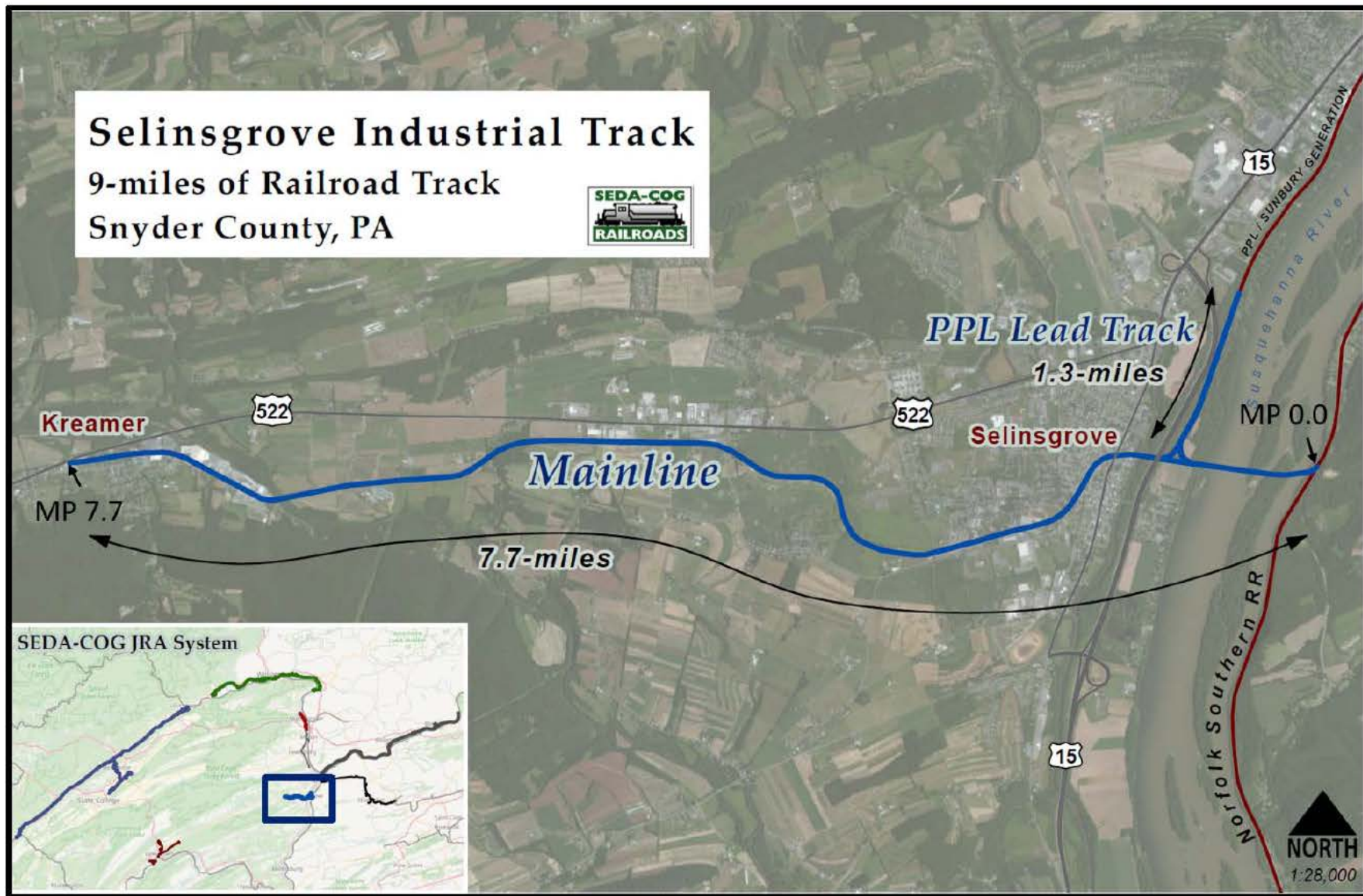
EXHIBIT A

[MAPS]

Selinsgrove Industrial Track

9-miles of Railroad Track

Snyder County, PA



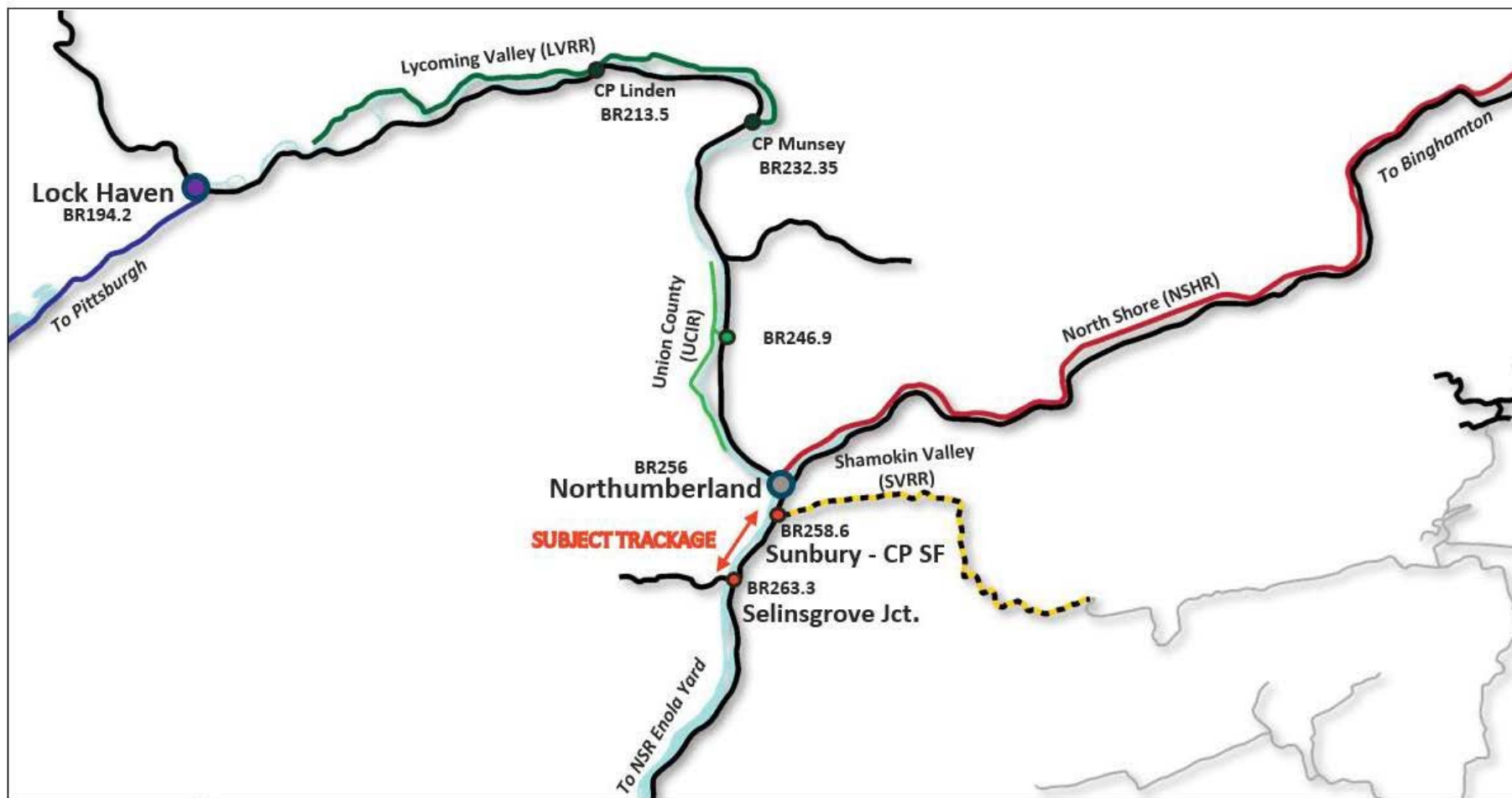


EXHIBIT B

[CAPTION SUMMARY]

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FD 36600

**NORTH SHORE RAILROAD COMPANY – OPERATION AND TRACKAGE RIGHTS
EXEMPTION – LINES OF SEDA-COG JOINT RAIL AUTHORITY AND
NORFOLK SOUTHERN RAILWAY COMPANY, INCLUDING INTERCHANGE
COMMITMENT**

North Shore Railroad Company (“North Shore”), a Pennsylvania corporation and Class III rail carrier, has filed a Verified Notice of Exemption for common carrier operation of approximately 7.7 miles of existing railroad track and right-of-way known as the Selinsgrove Industrial Track in Snyder County, Pennsylvania and an industrial spur known as the Power Plant Lead of approximately 1.3 miles (collectively, “the Line”) and for the acquisition of incidental trackage rights over approximately 4.7 miles of track owned by Norfolk Southern Railway Company (“NS”). The Line starts at Selinsgrove Junction, Pennsylvania at Mile Post (“MP”) 0.0, and extends to MP 7.7 in Kreamer, Pennsylvania. The Trackage Rights start at Milepost BR 258.6 at Sunbury, Pennsylvania and extend to Milepost BR 263.3 at Selinsgrove Junction. The Line is presently owned and operated by NS.

The SEDA-COG Joint Rail Authority (the “Authority”) is purchasing the Selinsgrove Industrial Track and is filing a Notice of Exemption in Finance Docket No. 36602 to authorize that acquisition. North Shore will commence operation of the line upon the effective dates of the Notices of Exemption in Finance Docket Nos. 36600 and 36602.

Comments must be filed with the Board and served on:

Richard A. Allen
Barbara Marrin
KMA ZUCKERT, LLC

888 Seventeenth Street, NW
Suite 700
Washington, D.C. 20006
(202) 298-8660
rallen@kmazuckert.com
bmarrin@kmazuckert.com

The notice is filed under 49 C.F.R. § 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

Dated: March __, 2022

By the Board

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

CONFIDENTIAL APPENDIX

[REDACTED]

VERIFICATION

I, Jeb Stotter, verify that I am President and Chief Executive Officer of North Shore Railroad Company, a Pennsylvania corporation; my business address is 356 Priestley Avenue Northumberland, PA 17857; I am authorized and qualified to make this verification; and I have read the foregoing Notice of Exemption, and the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief. I further certify that North Shore Railroad Company is a Class III rail carrier, and the projected freight revenues it receives or will receive as a part of the transaction described in the foregoing Notice of Exemption will not exceed those that would qualify it as a Class I or Class II carrier.

Dated: 03, 23 22


Jeb Stotter

CERTIFICATE OF SERVICE

I hereby certify that this 24th day of March, 2022, pursuant to 49 C.F.R. Part 1150, Subpart E, have caused a copy of the foregoing document to be served by U.S. First Class Mail or by more expeditious means on the SEDA-COG Joint Rail Authority and the following shippers and operators that either currently use or have used the subject line of railroad within the past two years:

K&L Feeds Inc.
2243 US-522
Selinsgrove, Pennsylvania 17870

Kreamer Feed, Inc.
PO BOX 38
Kreamer, Pennsylvania 17833-0038

Kreamer Feed, Inc.
215 Kreamer Avenue
Kreamer, Pennsylvania 17833

Peter Pfohl
Attorney for SEDA-COG Joint Rail Authority
Slover & Loftus LLP
1224 17th Street NW
Washington, DC 20036

Katherine Waring
Attorney for SEDA-COG Joint Rail Authority
Slover & Loftus LLP
1224 17th Street NW
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James A. Thumpston
KMA Zuckert LLC