

TRANSPORT COUNSEL PC

ATTORNEYS AT LAW

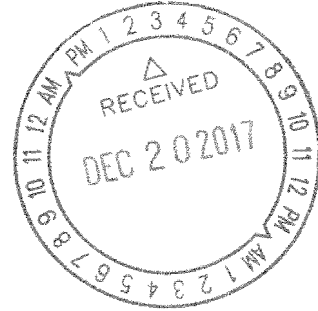
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December 20, 2017

BY HAND

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
December 20, 2017
Part of
Public Record



Re: Docket No. FD 36156, Chicago South Shore & South Bend Railroad Company -- Lease Exemption Containing Interchange Commitment -- Wisconsin Central Ltd.

Dear Ms. Brown,

Enclosed for filing in the above-referenced proceeding are an original and 10 copies of the verified notice of exemption of Chicago South Shore & South Bend Railroad Company, pursuant to 49 C.F.R. § 1150.41, as well as a check in the amount of \$ 2,000 to cover the cost of the filing.

Confidential information filed pursuant to 49 C.F.R. § 1150.43(h) will be filed in this proceeding by separate cover under 49 C.F.R. 1104.14(a).

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy.

Respectfully submitted,

Rose - Michele Nardi / EJY

Rose-Michele Nardi

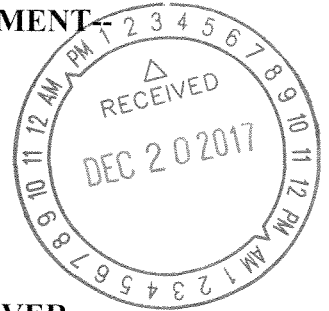
FEE RECEIVED
December 20, 2017
SURFACE
TRANSPORTATION BOARD

FILED
December 20, 2017
SURFACE
TRANSPORTATION BOARD

**CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD COMPANY,
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
WISCONSIN CENTRAL LTD.**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

DOCKET NO. FD 36156



CONFIDENTIAL MATERIALS FILED UNDER SEPARATE COVER

Applicant's name and current mailing address:

Chicago South Shore & South Bend Railroad Company
505 North Carroll Avenue
Michigan City, IN 46360
Tel 219-874-9000

Applicant's representative to receive correspondence:

Rose-Michele Nardi
Transport Counsel PC
1900 M Street, NW, Ste. 400
Washington, DC 20036
(202) 349-3660

Information concerning the agreement:

Chicago South Shore & South Bend Railroad Company ("CSS"), a class III rail carrier, and Wisconsin Central Ltd. ("WC") have entered into a Track Lease ("Lease"), under which CSS will lease from WC a portion of the City Industrial Track ("CIT"), as further described below.

Operator of the property:

CSS will operate the track it is leasing under the Lease.

Brief summary of the proposed transaction:

WC, the lessor under the Lease, is located at 17641 South Ashland Avenue, Homewood, IL 60430-1345. Pursuant to the Lease, CSS will lease approximately 5.64 route miles

of the CIT between the clearance point of the switch at milepost 1.21 and milepost 6.85, in Gary, IN (the "Subject Line").¹

Consummation:

CSS will consummate the Lease on or after January 21, 2018, which date is sixty days following CSS's November 22, 2017, filing in this proceeding, in connection with the labor notice requirements of 49 C.F.R. § 1150.42(e), and at least thirty days after the filing of this Verified Notice of Exemption.

Map:

A map of the Subject Line is attached hereto as Exhibit A.

Certificate of projected revenue:

In accordance with 49 C.F.R. § 1150.43(g), a certificate concerning CSS's projected revenue is attached as Exhibit B.

Interchange Commitment:

Pursuant to the requirements set forth at 49 C.F.R. § 1150.43(h), CSS provides the following information:

- (i) The Lease and the related Switching Agreement between CSS and WC, each dated November 14, 2017, contain interchange commitments. Interchange may occur on any tracks (whether main line tracks or ancillary tracks, including yard tracks) between milepost 1.21 and milepost 4.61.
- (ii) A confidential version of the Lease and the related Switching Agreement are being filed with the Board by separate cover, under 49 C.F.R. § 1104.14(a).
- (iii) The following shippers and/or consignees located on the Subject Line have used the Subject Line to ship or receive freight by rail during the time period from January 1, 2015 through November 30, 2017 (together, the "Shippers"):
 - 1. A&K Railroad Materials Inc.
 - 2. Centennial Processing LLC
 - 3. Centennial Steel
 - 4. Industrial Steel Construction

¹ Despite its name, the "City Industrial Track" is a line of railroad, and not ancillary (industrial) trackage. However, the subject CIT lease transaction also involves ancillary track not subject to the Board's entry licensing requirements, pursuant to 49 U.S.C. § 10906.

(iv) The aggregate number of carloads the Shippers originated or terminated from January 1, 2015 to November 30, 2017, is being filed by separate cover under 49 C.F.R. § 1104.14(a).

(v) Attached hereto is Certificate of Service, certifying that the Shippers have been served a copy of this Verified Notice of Exemption.

(vi) In addition to WC, CSX Transportation, Inc. and Union Pacific Railroad Company (via trackage rights on WCL) could physically interchange with the Subject Line.

(vii) Filed by separate cover under 49 C.F.R. § 1104.14(a) is information related to an estimate of the difference between a lease price with and without interchange commitments.

(viii) The case caption of this Verified Notice of Exemption identifies the existence of an interchange commitment.

Environmental Issues

Environmental documentation normally need not be prepared for a lease that does not cause diversions from rail to motor carriage greater than (A) 1,000 rail carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected line (49 C.F.R. § 1105.7(e)(4)), on the one hand, and that does not result in (1) an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, (2) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment (49 C.F.R. § 1105.7(e)(5)), on the other hand. *See* 49 C.F.R. § 1105.6(c)(2).

The subject transaction is not expected to cause changes in carrier operations that exceed the above-listed thresholds. Therefore, no environmental documentation is required for this notice of exemption filing.

Historic Report

Transactions involving a sale, lease or transfer of a rail line for the purpose of continued rail operations are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if abandonment of such operations requires further approval by the Board and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. *See* 49 C.F.R. § 1105.8(b)(1).

Common carrier freight service over the Subject Line will continue, and the abandonment of rail operations over the Subject Line would require prior approval or an exemption. CSS does not have any plans to dispose of or alter properties subject to Board jurisdiction

that are 50 or more years old. Therefore, a historic report is not required for this notice of exemption filing.

Respectfully submitted,

Rose-Michele Nardi / E37

Rose-Michele Nardi
Transport Counsel PC
1900 M Street, NW, Ste. 400
Washington, DC 20036

Attorneys for:

Chicago South Shore & South Bend
Railroad Company

Dated: December 20, 2017

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

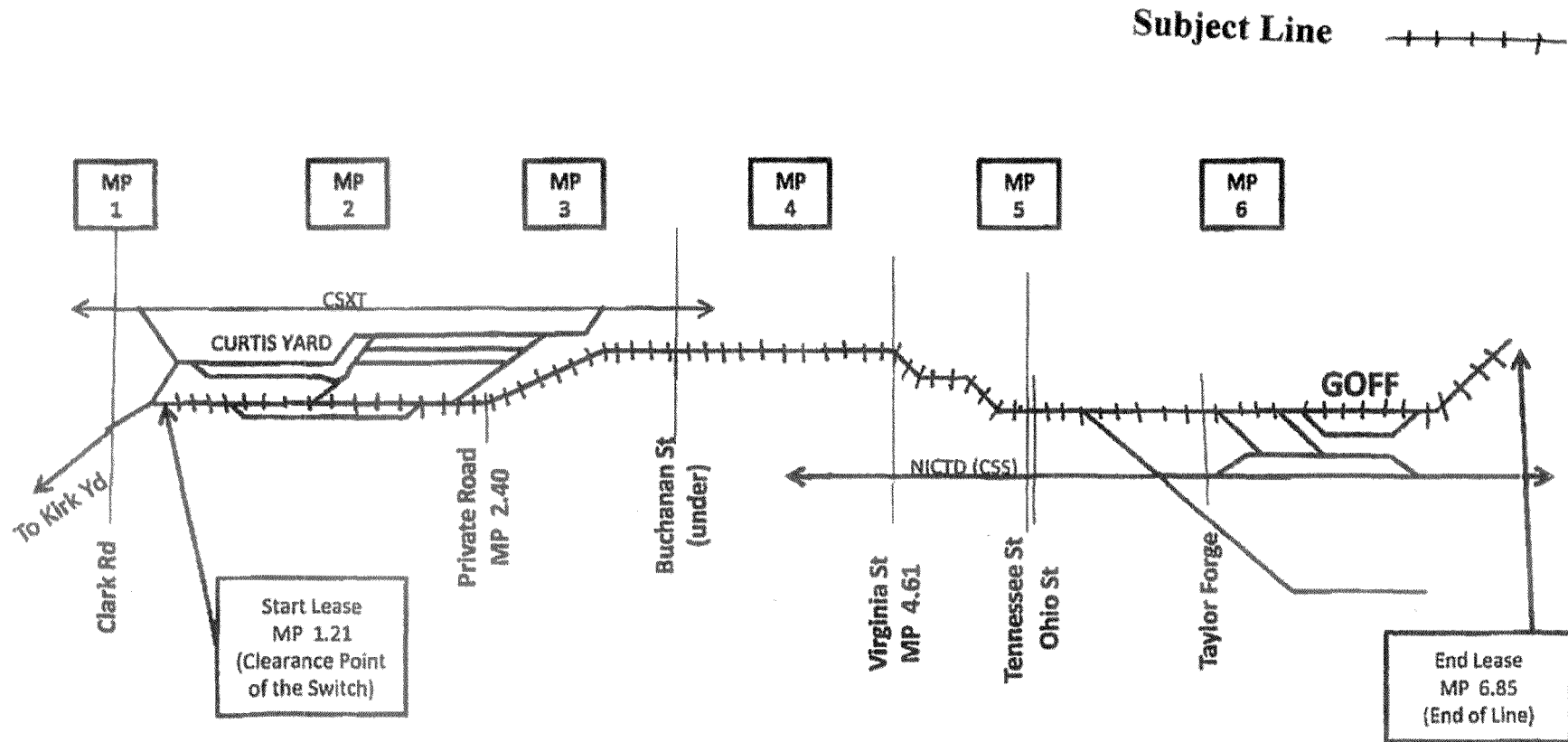
Docket No. FD 36156

**CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD COMPANY,
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
WISCONSIN CENTRAL LTD.**

EXHIBIT A

MAP

Exhibit A - Map of Subject Line



**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

Docket No. FD 36156

**CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD COMPANY,
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
WISCONSIN CENTRAL LTD.**

EXHIBIT B

CERTIFICATE OF REVENUE

CERTIFICATE OF REVENUE

In accordance with 49 C.F.R. § 1150.43(g), I do hereby certify that the revenue projected for as a result of this transaction will not result in the creation of a class II or class I rail carrier.



Todd Bjornstad, President
Chicago South Shore & South Bend
Railroad Company

Dated: 12/20/2017

SURFACE TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

Docket No. FD 36156

**CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD COMPANY,
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
WISCONSIN CENTRAL LTD.**

Chicago South Shore & South Bend Railroad Company, a class III rail carrier, has filed a notice of exemption, pursuant to 49 C.F.R. § 1150.41, to lease from Wisconsin Central Ltd. and operate approximately 5.64 route miles of the City Industrial Track between the clearance point of the switch at milepost 1.21 and milepost 6.85, in Gary, IN.

Comments must be filed with the Surface Transportation Board, Office of the Secretary, 395 E Street, S.W., Washington, D.C. 20423-0001 and served on Rose-Michele Nardi, Transport Counsel PC, 1900 M Street, NW, Ste. 400, Washington, D.C. 20036, (202) 349-3660.

This 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.

Decided:

By the Board,

VERIFICATION

I, Todd Bjornstad, President of Chicago South Shore & South Bend Railroad Company, certify under penalty of perjury that the foregoing notice of exemption is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption.

Todd Bjornstad
Todd Bjornstad, President
Chicago South Shore & South Bend Railroad
Company

Dated: 12/20/2017

CERTIFICATE OF SERVICE

I hereby certify that, on December 20, 2017, a copy of the verified notice of exemption of Chicago South Shore & South Bend Railroad Company in Docket No. FD 36156, was served by U.S. first-class mail, postage prepaid, on the following:

A&K Railroad Materials, Inc.
Attn: President/Plant Manager
3rd Avenue & Ohio
Gary, IN 46401

A&K Railroad Materials, Inc.
Attn: President/Plant Manager
401 Ohio Street
Gary, IN 46402

Centennial Processing LLC
Attn: President/Plant Manager
2600 E. 5th Avenue
Gary, IN 46402

Centennial Steel
Attn: President/Plant Manager
2600 E. 5th Avenue
Gary, IN 46402

Industrial Steel Construction
Attn: President/Plant Manager
86 North Bridge St.
Gary, IN 46404

Rose - Michele Nardi/ EJV
Rose-Michele Nardi, Transport Counsel, PC