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ENTERED
Office of Proceedings
June 15, 2020
Part of
Public Record

14 June 2020

For E-Filing 15 June 2020

Docket No. FD 36415

(some colorized exhibits)

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: MB Rail IB, LLC – Acquisition of Control Exemption,
F.D. 36413; and related proceedings:
Camp Chase Rail, LLC – Acq. and Op. Exemption,
F.D. 36414, and
Youngstown & Southeastern Railroad, LLC –
Acq. and Op. Exemption, F.D. 36415

Note: Motion for Protective Order in F.D. 36413

EXPEDITED TREATMENT OF MOTION FOR
PROTECTIVE ORDER in FD 36413 REQUESTED

Note: Part of filing in F.D. 36413 is submitted under seal,
Highly confidential treatment requested

Dear Ms. Brown:

This is a cover letter on behalf of MB Rail IB, LLC (“MB Rail”) for filings in the above three related dockets. In F.D. 36413, MB Rail (a privately held non-carrier holding company) seeks a continuation in control exemption for acquisition

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(a) of two subsidiaries of Indiana Boxcar Corporation ("IBC") by equity acquisition and (b) of two additional subsidiaries of IBC by asset acquisition by two newly-established subsidiaries of MB Rail. In F.D. 36414, MB Rail's newly established non-carrier subsidiary Camp Chase Rail, LLC seeks authority to acquire and operate the assets of IBC's subsidiary Camp Chase Railway Company. In F.D. 36414, MB Rail's newly established non-carrier subsidiary Youngstown & Southeastern Railroad, LLC seeks authority to acquire and to operate the assets of IBC subsidiary Youngstown & Southeastern Railroad Company. All railroads involved are Class III.

Filings in F.D. 36413 include the following:

- (1) a Notice of Exemption (public version) ("NOE") for an exemption under 49 C.F.R. 1180.2(d);
- (2) Motion for a protective order (form of order attached) EXPEDITED TREATMENT REQUESTED;
- (3) Highly confidential version of Exhibit B to the F.D. 36413 NOE, submitted under seal.

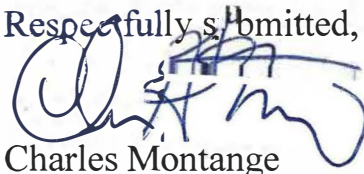
The filing in F.D. 36414 is a NOE for an exemption under 49 C.F.R. 1150.31.

The filing in F.D. 36415 is a NOE for another exemption under 49 C.F.R. 1150.31.

By my signature below, I certify service by email attachment upon Eric Hocky, Esq., Clark Hill PLC, Two Commerce Square, 2001 Market St, Suite 2620, Philadelphia, PA 19103, counsel for IBC and the acquired railroads.

Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Charles Montange", is written over a horizontal line.

Charles Montange
Counsel for MB Rail IB, LLC,
Camp Chase Rail, LLC, and
Youngstown & Southeastern
Railroad, LLC

Attachments:

FD 36413 – NOE, motion for protective order (Expedited Treatment Requested),
Document under Seal

FD 36414 – NOE

FD 36415 – NOE

cc. Eric Hocky, Esq. (for Indiana Boxcar Corporation), attachments by email
as indicated

BEFORE THE
SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 36415

Youngstown & Southeastern Railroad, LLC
—Acquisition and Operation Exemption—
Youngstown & Southeastern Railroad Company

Verified Notice of Exemption
of
Youngstown & Southeastern Railroad, LLC.

Youngstown & Southeastern Railroad, LLC hereby files this Verified Notice of Exemption, pursuant to 49 U.S.C. § 10902 and 49 C.F.R. § 1150.31 and states as follows:

MB Rail IB, LLC (“MB Rail”), a non-carrier, has organized Youngstown & Southeastern Railroad, LLC., a newly-established non-carrier, to acquire and to operate all of the assets of Youngstown & Southeastern Railroad Company (“Y&S”), including specifically its ownership and operating rights for approximately 35.7 miles between Milepost 35.7 in Darlington, PA, and Milepost 0.0 (“the Line”) in Youngstown, OH, together with its rights over three miles of contiguous track segments, including incidental trackage rights, running from east

of MP 0.0 and connecting the Line to interchanges with Norfolk Southern Railway (“NSR”) and CSX Transportation, Inc. (“CSXT”).¹ MB Rail has reached an agreement embodied in a term sheet and expects to execute a final contract within the next thirty (30) days with IBC whereby MB Rail and its subsidiaries will acquire from IBC four Class III railroads currently owned by IBC. The term sheet provides (and the final contract is expected to provide) that MB Rail will acquire two of railroads by purchase of all their shares. MB Rail will acquire the remaining two railroads, including IBC’s wholly-owned subsidiary Y&S, by purchase of assets. MB Rail has also organized Camp Chase Rail, LLC., another newly-established non-carrier, to acquire and to operate all of the assets of IBC’s wholly owned subsidiary Camp Chase Railway Company, LLC (“CCRY”), all as part of the same transaction.

Consistent with the above, there are two related exemption proceedings to the proceeding in this docket: (1) MB Rail IB, LLC – Acquisition of Control, F.D. 36415, and (2) Camp Chase Rail, LLC – Acquisition and Operation Exemption – Camp Chase Railway Company, LLC, F.D. 36414.

Section 1150.33 Information

¹ In Youngstown & Southeastern Railroad Co. – Acquisition and Operation Exemption – Mule Sidetracks, LLC, F.D. 36342, served August 30, 2019, Y&S received authority to acquire and operate the rail line, and to operate over the contiguous track segments.

a. Applicant's full name and address

Youngstown & Southeastern Railroad, LLC
Att: Ivory Beggs, Principal
10100 North Ambassador Drive, Suite 105
Kansas City, MO 64152

b. Name, address, and telephone number of Applicant's representative

Charles H. Montange
Law Offices of Charles H. Montange
426 NW 162nd St.
Seattle, WA 98177
(206)546-1936

c. Agreement

MB Rail and IRC have reached agreement in the form of a term sheet and are in the process of negotiating and finalizing the contract covering, among other aspects of the transaction, the proposed sale of assets by Y&S to Youngstown & Southeastern Railroad, LLC. Under the agreement, Youngstown & Southeastern Railroad, LLC is to acquire from the current owner both the Line and the rights of the current owner governing operation of the contiguous three miles of track segments, including the agreements and operating rights referenced in Youngstown & Southeastern Railroad Co. – Acquisition and Operation Exemption – Mule

Sidetracks, LLC, F.D. 36342, served August 30, 2019, slip op. p. 1-2, note 1. The agreements are summarized in note 2 below.²

² Y&S has been the operator of the Line and related trackage since 2006 under various owners. Y&S acquired the line from the most recent prior owner (MSLLC) per the Notice of Exemption referenced in note 1. That acquisition included the rights of MSLLC governing operation of the contiguous three miles of track segments, including the following agreements and operating rights (as described in earlier notices of exemption) to which MSLLC succeeded to the rights of another prior owner (Columbiana County Port Authority or “CCPA”): (1) Overhead Trackage Rights Agreement dated May 7, 2001, between Ohio & Pennsylvania Railroad Company (OHPA) and Central Columbiana & Pennsylvania Railway, Inc. (CQPA), to which CCPA is successor; (2) Letter Agreement regarding yard operations dated November 30, 2001, among OHPA, CQPA, and CCPA; (3) Interchange Agreement dated July 23, 2002, as amended and in effect, among CSXT, OHPA, and CQPA and Interline Service Agreement, effective date April 1, 2004, between CSXT and CQPA, to which CCPA is successor; (4) Land Lease dated August 8, 2003, between CSXT and CQPA, which was assumed by CCPA, effective January 3, 2006; (5) Interchange Agreement dated May 1, 2001, and Interline Service Agreement, effective date October 5, 2004, between CQPA and NSR, to which CCPA is successor; (6) Easements granted by Allied Erecting & Dismantling Company, Inc. to The Pittsburgh and Lake Erie Railroad Company by agreements dated June 3, 1992, and November 10, 1993, and easements retained by PLE in deeds dated June 3, 1992, and November 10, 1993, from PLE to Allied (collectively, the Allied Easements), which Allied Easements were conveyed by Youngstown and Southern Railway Company to Railroad Ventures, Inc. (RVI) by deed dated November 8, 1996, and by RVI to CCPA by deed dated January 23, 2001, and were included in the rights granted to CQPA by CCPA, including rights over the C.P. Graham Interlocking, and which collective rights were also conferred on CCPA by order of the Bankruptcy Court dated March 28, 2002, in *In re: Pittsburgh & Lake Erie Properties, Inc.*, Case No. 96-406 (MFW), and to which CCPA is successor; and (7) Operating Rights Agreement between Matteson Equipment Company (Matteson) and CQPA, to which CCPA is successor, and Operating Rights Agreement between Eastern States Railroad, LLC (ESR) and Matteson dated July 14, 2006, to which CCPA is successor.

d. Operator of the property

Youngstown & Southeastern Railroad, LLC is the operator of the property.

e. Brief summary of the proposed transaction

1. Name and address of the persons transferring the subject property to the Applicant

Youngstown & Southeastern Railroad
Company
916 Vine St.
Connersville, IN 47331

2. Proposed time schedule for consummation of the transaction

On or after 30 days after the filing of this Notice.

3. Mileposts of the subject property

The mileposts for the subject property are milepost 35.7 in Darlington, PA, and milepost 0.0 in Youngstown, OH, including the agreements and operating rights for three (3) miles of contiguous track segments running east of MP 0.0 in Youngstown as referenced in notes 1 and 2 to interconnection with NSR and CSXT.

4. Total route miles being acquired

The total route miles being acquired (by transfer of sublease) is approximately 35.7 miles, plus operating rights over three (3) miles of contiguous track segments running east of MP 0.0 in Youngstown to interconnection with NSR and CSXT.

d. Map

A map of the line is attached as Exhibit A.

e. Projected revenue certification

Youngstown & Southeastern Railroad, LLC certifies that its projected revenues as a result of this transaction will neither exceed the maximum revenue of a Class III rail carrier nor the \$5 million threshold for labor notices under 49 C.F.R. § 1150.42(e).

f. Interchange commitments

Youngstown & Southeastern Railroad, LLC certifies that the proposed acquisition and operation of the Line does not involve a provision or agreement that may limit future interchange with a third-party connecting carrier.

g. Environmental reporting

The Board's rules do not require environmental documentation for this action because it will not result in operational changes that would exceed any of the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5) and it falls within the class exemption from the requirements of 49 U.S.C. § 10902.

h. Historic reporting

The Board's rules do not require historic reports for this action because it does not involve disposal or alteration of properties that are 50 years old or older, within the meaning of 49 C.F.R. § 1105.8(b)(1), and will not substantially change

the level of maintenance of railroad property, within the meaning of 49 C.F.R. § 1106.8(b)(3).

i. Caption summary

A caption summary of this Notice is attached as Exhibit B.

Respectfully submitted,

Youngstown & Southeastern
Railroad, LLC

By:

/s/ Charles H. Montange

Charles H. Montange
Law Offices of Charles H.
Montange
426 NW 162nd St.
Seattle, WA 98177
206-546-1936
Fax: -3739
Attorney for Youngstown &
Southeastern Railroad, LLC

Dated: June 14, 2020

Attachment: Verification

Exhibits:

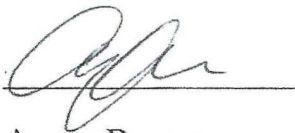
A – Map

B – Caption Summary

Verification

I, Ivory Beggs, Principal of Youngstown & Southeastern Railroad, LLC, verify under penalty of perjury and on behalf of Youngstown & Southeastern Railroad, LLC, that the foregoing Verified 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 on behalf of Youngstown & Southeastern Railroad, LLC.

Executed on June 12, 2020

A handwritten signature in black ink, appearing to read 'Ivory Beggs', written over a horizontal line.

Ivory Beggs

Exhibit A – MAP

Youngstown & Southeastern Railroad Co.

Youngstown & Southeastern Railroad Company

Interchanges: Black – Norfolk Southern, Youngstown, OH Hazelton Yard (YGSTN) MP 0.0

Blue – CSX Trans., Lowellville, OH (LOLVL) Milepost 0.0

Yellow – Rail to Truck Transfer

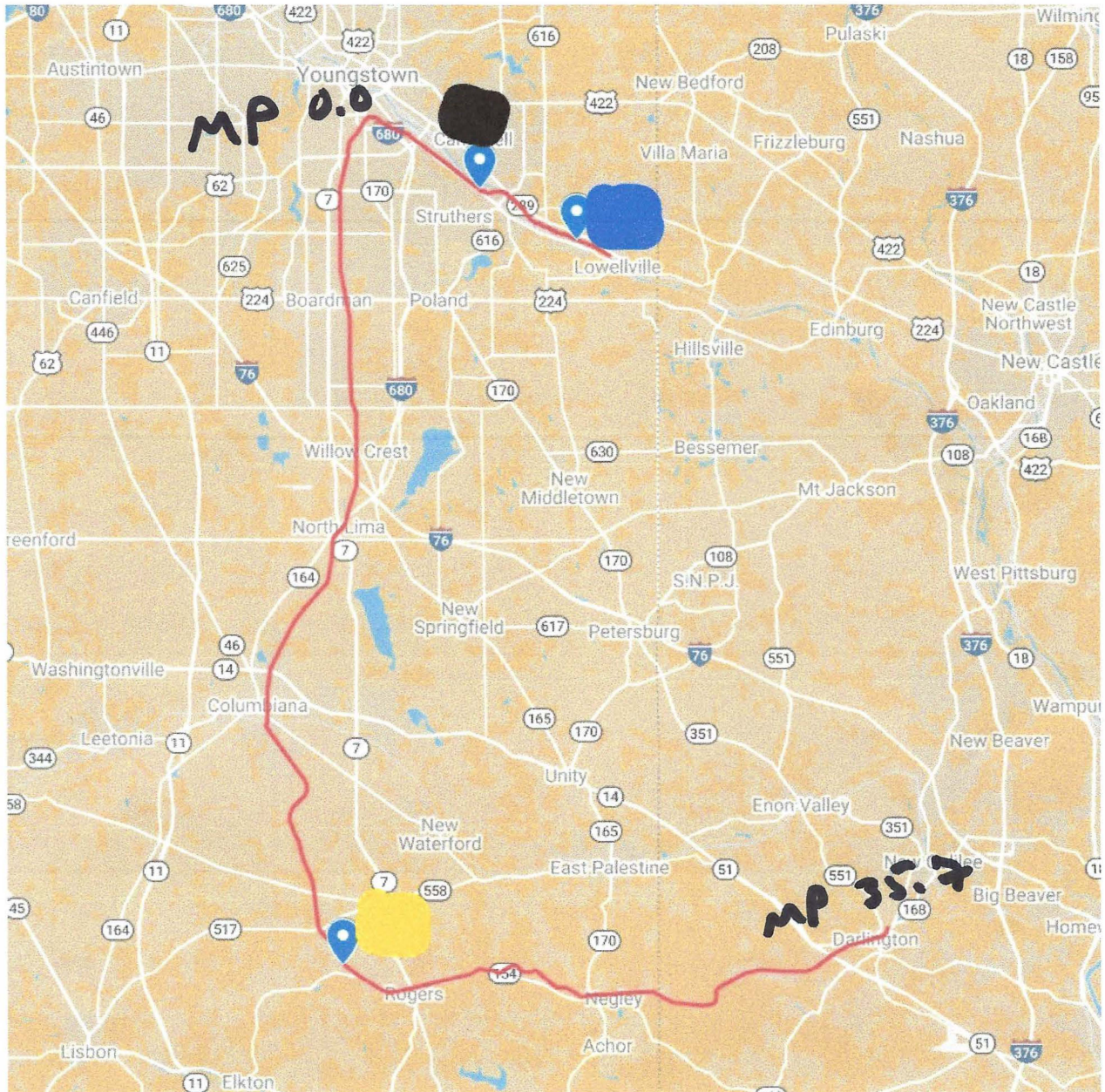


Exhibit B

Caption Summary for F.D. 36415

SURFACE TRANSPORTATION BOARD

Finance Docket No. 36415

Youngstown & Southeastern Railroad, LLC

- ACQUISITION AND OPERATION EXEMPTION –

Youngstown & Southeastern Railroad Company

Youngstown & Southeastern Railroad, LLC, a newly-established non-carrier, has filed a verified notice of exemption under 49 C.F.R. 1150.31 to acquire and to operate approximately 35.7 miles of rail line (“the Line”) from the Youngstown & Southeastern Railroad Company (“Y&S”), together with Y&S’s rights over three miles of contiguous track segments, including incidental trackage rights, running from east of MP 0.0 and connecting the Line to interchanges with Norfolk Southern Railway (“NSR”) and CSX Transportation, Inc. (“CSXT”). The line is located between Milepost 35.7 in Darlington, PA, and Milepost 0.0 in Youngstown, OH. In a related transaction in FD 36413, Youngstown & Southeastern Railroad, LLC’s corporate parent, MB Rail IB, LLC, is submitting concurrently with this filing a notice of exemption for acquisition and continuance in control of

Youngstown & Southeastern Railroad, LLC together with other commonly controlled railroads.

Comments must be filed with the Board and served upon Charles H. Montange, counsel for Youngstown & Southeastern Railroad, LLC, Law Offices of Charles H. Montange, 426 NW 162d St., Seattle, WA 98177, (206) 546-1936.

This notice is filed under 49 C.F.R. 1150.31. 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.