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**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34201



INTERNATIONAL STEEL GROUP INC.
--CONTINUANCE IN CONTROL EXEMPTION --
ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY AND ISG
CLEVELAND WORKS RAILWAY COMPANY

205282

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

ENTERED
Office of the Secretary

APR 30 2002

Part of
Public Record

FILED

APR 29 2002

**SURFACE
TRANSPORTATION BOARD**

Kevin M. Sheys
Edward J. Fishman
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1800 Massachusetts Avenue -2nd Floor
Washington, DC 20036
(202) 778-9000

**ATTORNEYS FOR INTERNATIONAL
STEEL GROUP INC.**

Dated: April 29, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34201

INTERNATIONAL STEEL GROUP INC.
--CONTINUANCE IN CONTROL EXEMPTION --
ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY AND ISG
CLEVELAND WORKS RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

International Steel Group Inc. ("ISG") hereby files this Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of ISG South Chicago & Indiana Harbor Railway Company ("SCIH") and ISG Cleveland Works Railway Company ("CWRO") once CWRO becomes a Class III rail carrier. SCIH and CWRO are both indirect wholly-owned subsidiaries of ISG that were formed to facilitate ISG's acquisition of certain railroad assets of LTV Steel Company, Inc ("LTV"). CWRO is concurrently filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.31 to acquire the railroad lines and trackage rights of The Cuyahoga Valley Railway Company ("CVRC") and River Terminal Railway Company ("RTRC") in Finance Docket No. 34182, ISG Cleveland Works Railway Company – Acquisition and Operation Exemption – Rail Lines of The Cuyahoga Valley Railway Company and River Terminal Railway Company. SCIH is a Class III rail carrier that recently acquired the railroad lines and trackage rights of the Chicago Short Line Railway Company ("CSL"). See Finance Docket No. 34188, ISG South Chicago & Indiana Harbor Railway Company – Acquisition and

Operation Exemption – Rail Lines of the Chicago Short Line Railway Company (STB filed April 2, 2002).

ISG is a non-carrier that indirectly controls one Class III rail carrier, SCIH. The railroad lines to be acquired by CWRO will not connect with the railroad lines owned by SCIH. This control transaction is not part of a series of anticipated transactions that would result in such a connection and this control transaction does not involve a Class I carrier. ISG's continuance in control of CWRO and SCIH is accordingly exempt under 49 C.F.R. § 1180.2(d)(2).

Pursuant to 49 C.F.R. § 1180.4(g), ISG submits the following information:

SECTION 1180.6(a)(1)(i)
DESCRIPTION OF THE PROPOSED TRANSACTION

ISG is a non-carrier that indirectly controls SCIH, a Class III rail carrier. SCIH is a wholly-owned subsidiary of ISG Indiana Harbor Inc., which is a wholly-owned subsidiary of ISG. SCIH owns railroad lines generally located between Pullman Junction and Rock Island Junction in South Chicago, Cook County, IL and has overhead trackage rights on various railroad lines between South Chicago and Indiana Harbor, IN. See Finance Docket No. 34188, ISG South Chicago & Indiana Harbor Railway Company – Acquisition and Operation Exemption – Rail Lines of the Chicago Short Line Railway Company (STB filed April 2, 2002).

ISG also indirectly controls CWRO, a non-carrier. CWRO is a wholly-owned subsidiary of ISG Cleveland Inc., which is a wholly-owned subsidiary of ISG. Pursuant to an agreement entered into between ISG and LTV, CWRO will acquire the railroad lines and trackage rights of CVRC and RTRC located within and in the vicinity of the ISG steel facility south of Cleveland in Cuyahoga County, OH. See Finance Docket No. 34182, ISG Cleveland Works Railway Company – Acquisition and Operation Exemption – Rail Lines of The Cuyahoga Valley Railway

Company and River Terminal Railway Company. The railroad lines to be acquired by CWRO do not connect with the railroad lines owned by SCIH.

ISG will continue in control of CWRO and SCIH after CWRO becomes a rail carrier pursuant to consummation of the transaction that is the subject of the exemption in Finance Docket No. 34182.¹

The full name and address of the applicant is:

International Steel Group Inc.
3100 East 45th Street
Cleveland, OH 44127

Any questions concerning this Notice should be sent to ISG's representative at the following address:

Kevin M. Sheys
Kirkpatrick & Lockhart LLP
1800 Massachusetts Avenue
Second Floor
Washington, D.C. 20036
(202) 778-9000

SECTION 1180.6(a)(1)(ii)
PROPOSED TIME SCHEDULE FOR CONSUMMATION

ISG already controls SCIH and CWRO. SCIH is a Class III rail carrier. CWRO will become a Class III rail carrier on or soon after the date that the Verified Notice of Exemption in Finance Docket No. 34182 becomes effective, at which time CWRO will consummate its acquisition of the railroad lines and trackage rights of CVRC and RTRC.

¹ The intermediate non-carrier subsidiaries that directly control SCIH and CWRO (ISG Indiana Harbor Inc. and ISG Cleveland Inc., respectively) do not need control authority under 49 U.S.C. § 11323 because each will control only one rail carrier upon consummation of the proposed transaction.

SECTION 1180.6(a)(1)(iii)
PURPOSE SOUGHT TO BE ACCOMPLISHED

The exemption sought herein will allow ISG to continue to exercise control of SCIH and CWRO once CWRO becomes a rail carrier.

SECTION 1180.6(a)(5)
STATES IN WHICH PROPERTY OF APPLICANT IS LOCATED

ISG does not directly own any rail property. SCIH owns rail property located within the Commonwealth of Illinois. CWRO will own rail property located within the State of Ohio.

SECTION 1180.6(a)(6)
MAPS

A map of the railroad lines that CWRO will acquire from CVRC and RTRC is attached hereto as Exhibit A. A map of the railroad lines that SCIH owns is attached hereto as Exhibit B.

SECTION 1180.6(a)(7)(ii)
AGREEMENT

ISG already controls SCIH and CWRO. No additional agreement is contemplated or necessary for ISG to continue in control of SCIH and CWRO once CWRO becomes a rail carrier by virtue of its acquisition of the railroad lines and trackage rights of CVRC and RTRC.

SECTION 1180.4(g)(1)(ii)
LABOR PROTECTIVE CONDITIONS

Pursuant to 49 U.S.C. § 11326(c), the Surface Transportation Board may not impose employee protective conditions on this transaction.

SECTION 1180.4(g)(1)(i)
ENVIRONMENTAL AND HISTORIC PRESERVATION MATTERS

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), no environmental report is required for ISG's continuance in control of SCIH and CWRO. The proposed transaction will not result in significant changes in carrier operations, i.e. changes which exceed the threshold established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(2), no historic preservation report is required.

Respectfully submitted,

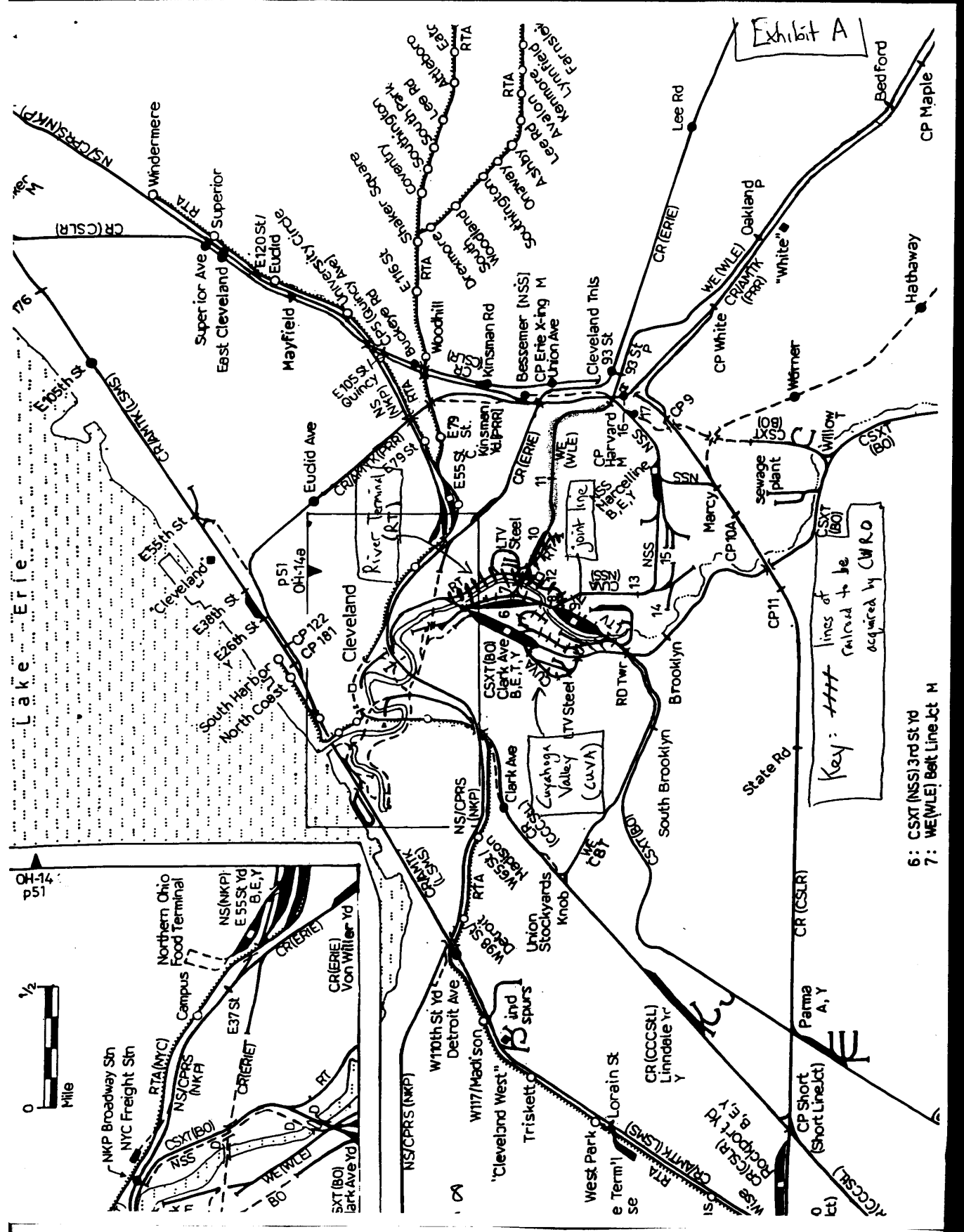
By:


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**ATTORNEYS FOR INTERNATIONAL
STEEL GROUP INC.**

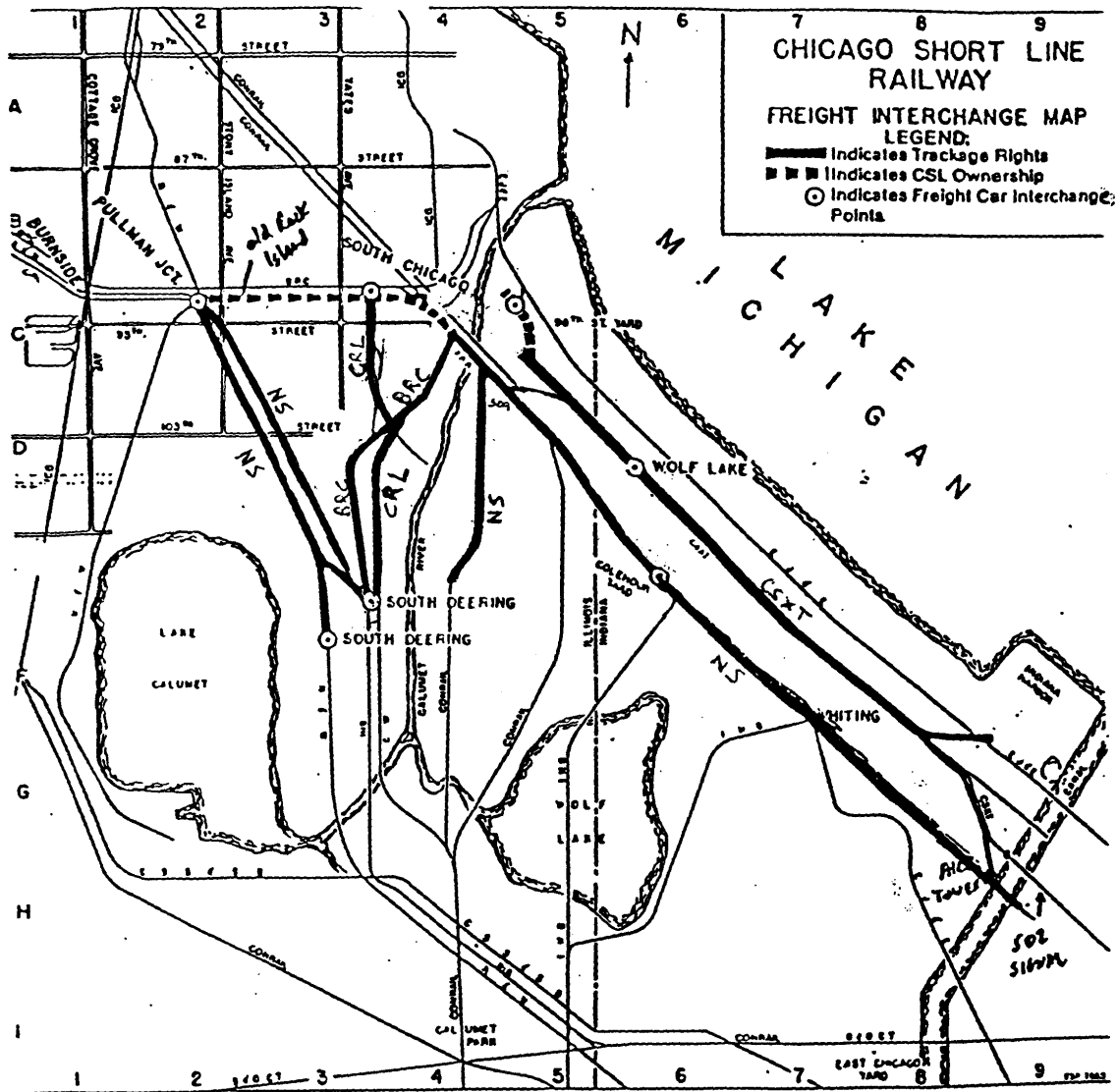
Dated: April 29, 2002

Exhibit A



6: CSXT (NSS) 3rd St Yd
7: WE(WLE) Belt Line Jct M

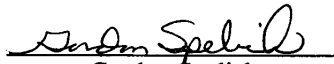
Exhibit B



VERIFICATION

State of Ohio)
) ss:
County of Cuyahoga)

Gordon Spelich, being duly sworn, deposes and says that he is duly authorized to file this verification on behalf of International Steel Group Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.


Gordon Spelich

SUBSCRIBED AND SWORN TO

before me this 24 day

of April, 2002



MARTIN A. KALL, Notary Public
My Commission Expires Feb 3, 2003