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August 15, 2019Part of
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August 15, 2019

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20024Re: Youngstown & Southeastern Railroad Co. -
Acquisition and Operation Exemption -
Mule Sidetracks, LLC
STB Docket No. FD 36342

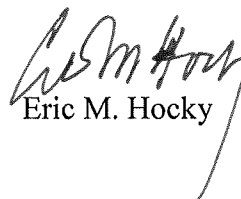
Dear Ms. Brown:

Enclosed for e-filing on behalf of Youngstown & Southeastern Railroad Co. ("YSRR") is a Notice of Exemption being filed under 49 CFR 1150.41. The filing fee of \$2,000 was paid using Pay.gov.

Please let me know if there are any questions regarding this filing. Thank you for your assistance.

Respectfully,

CLARK HILL PLC


Eric M. HockyEMH/e
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August 15, 2019
SURFACE
TRANSPORTATION BOARDFEE RECEIVED
August 15, 2019
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36342

**YOUNGSTOWN & SOUTHEASTERN RAILROAD CO.
- ACQUISITION AND OPERATION EXEMPTION -
MULE SIDETRACKS, LLC**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902**

(includes color image)

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Dated: August 15, 2019

Attorneys for
Youngstown & Southeastern Railroad Co.

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36342

**YOUNGSTOWN & SOUTHEASTERN RAILROAD CO.
- ACQUISITION AND OPERATION EXEMPTION -
MULE SIDETRACKS, LLC**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902**

Youngstown & Southeastern Railroad Co. (“YSRR”), a Class III railroad, files this Notice of Exemption under 49 USC § 10902 to exempt from regulation, YSRR’s acquisition from Mule Sidetracks, LLC (“MSLLC”), and continued operation of the line of railroad between MP 0.0 in Youngstown, OH, and MP 35.7 in Darlington, PA (the “Line”), together with MSLLC’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 interchange with Norfolk Southern Railway (“NSR”) and CSX Transportation, Inc. (“CSXT”). YSRR has been operating the Line and connecting track under an operating agreement with MSLLC since MSLLC acquired the Line and rights in 2013. *Youngstown & Southeastern Railway Company – Operation Exemption – Mule Sidetracks, LLC*, STB Docket No. 35774 (served October 29, 2013).¹ The Line and related tracks are shown on the map attached as Exhibit A.

¹ Prior filings with the Board inadvertently did not reflect the correct corporate name of the Applicant which is “Youngstown & Southeastern Railroad Co.” and which is being used in this proceeding.

Notice

In accordance with 49 C.F.R. §1150.43, YSRR hereby provides the following information:

(a) The full name and address of Applicant are: Youngstown & Southeastern Railroad Co., c/o Indiana Boxcar Company, 916 Vine Street, Connersville, IN 47331.

(b) The name, address and telephone number of the representatives of YSRR who should receive correspondence are: Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500; and Sloane S. Carlough, Clark Hill PLC, 1001 Pennsylvania Avenue, NW, Suite 1300 South, Washington, DC 20004; (202) 640-6673.

(c) YSRR is currently the operator of the Line and contiguous track segments, including under incidental trackage rights. *Youngstown & Southeastern Railway Company – Operation Exemption – Mule Sidetracks, LLC*, STB Docket No. 35774 (served October 29, 2013). MSLLC acquired the Line and contiguous track segments as a carrier. *Mule Sidetracks, LLC – Acquisition Exemption – Columbiana County Port Authority*, STB Docket No. 35773 (served October 25, 2013). However, while MSLLC has residual common carrier obligations, YSRR has been the exclusive operator.² YSRR and MSLLC are now entering into an asset purchase and sale agreement under which YSRR will acquire the Line and all of MSLLC's related rights to the contiguous track segments, and following closing, YSRR will be both the

² Over the three miles of contiguous segments, and a connecting sidetrack that MSLLC owns and that is used to interchange with CSXT, MSLLC is the common carrier of record, with YSRR acting as the agent of and in the name of MSLLC.

owner and operator of the Line and contiguous track segments, and will be the common carrier of record on all of the tracks.³

(d) The current operator of the Line is YSRR, and YSRR will continue to be the operator after the transaction.

(e) Brief Summary of the Proposed Transaction:

As described above, YSRR has been the operator of the Line and related trackage since 2006 under various owners. YSRR has now reached an agreement with the current owner MSLLC to purchase the Line and related rights of MSLLC including those governing operation of the contiguous three miles of track segments, including the following agreements and operating rights (as described in the 2006 YSRR and MSLLC notices of exemption) under which MSLLC has succeeded to the interests of 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,

³ YSRR has actually been the operator since 2006 pursuant to a lease with the previous owner Columbiana County Port Authority ("CCPA"). *Youngstown & Southeastern Railway Company – Lease and Operation Exemption – Lines of Eastern States Railroad, LLC*, STB Docket FD 34992 (served December 21, 2006). Originally, Eastern States Railroad ("ESR") was to have acquired the Line and related rights from CCPA which had been leasing them to ESR with YSRR as its tenant. However, ESR never consummated the acquisition and CCPA remained the owner and directly leased the Line and related rights to YSRR until the sale by CCPA to MSLLC.

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.

The transaction will bring unity to the interests of the owner and the operator of the Line.

(1) The name and address of the railroad transferring the Line and related rights: Mule Sidetracks, LLC, 1515 Arapahoe Street, Tower 1, Suite 1600, Denver, CO 08202.

(2) The sale to YSRR is expected to close shortly after the effective date of this Notice of Exemption, thirty days after filing. YSRR is currently operating the Line under the terms of its operating agreement with MSLLC, and will continue to do so until the sale closes.

(3) The mileposts of the Line are between MP 0.0 in Youngstown, OH, and MP 35.7 in Darlington, PA (the "Line"), together with rights over three miles of contiguous track segments for which there are no mileposts.

(4) The total route miles to be acquired and operated are approximately 38.7 miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Line.

(g) YSRR certifies that following this transaction, YSRR's annual revenues will be less than \$5,000,000 annually, and it will remain a Class III carrier.

(h) YSRR certifies that its proposed acquisition does not involve an interchange commitment.

Labor Protection

YSRR is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions. Additionally, since YSRR is already the operator of the Line, there will be no employees adversely affected by the proposed change in owners.

Environmental and Historic Reports

This is a sale for continued rail operations that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further Board approval is required for YSRR to discontinue or abandon service, or to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. *See* 49 C.F.R. §1105.6(c)(2); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.44.

Conclusion

Accordingly, YSRR requests that the Board grant the waiver and permit the transaction to close at any time after 30 days from the filing of this Notice of Exemption.

Respectfully submitted,



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Dated: August 15, 2019

Attorneys for
Youngstown & Southeastern Railroad Co.

VERIFICATION

I hereby verify on behalf of Youngstown & Southeastern Railroad Co., under penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verification.

Executed on August 15, 2019.

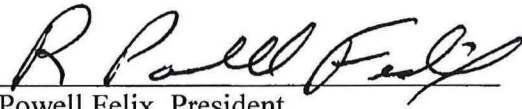
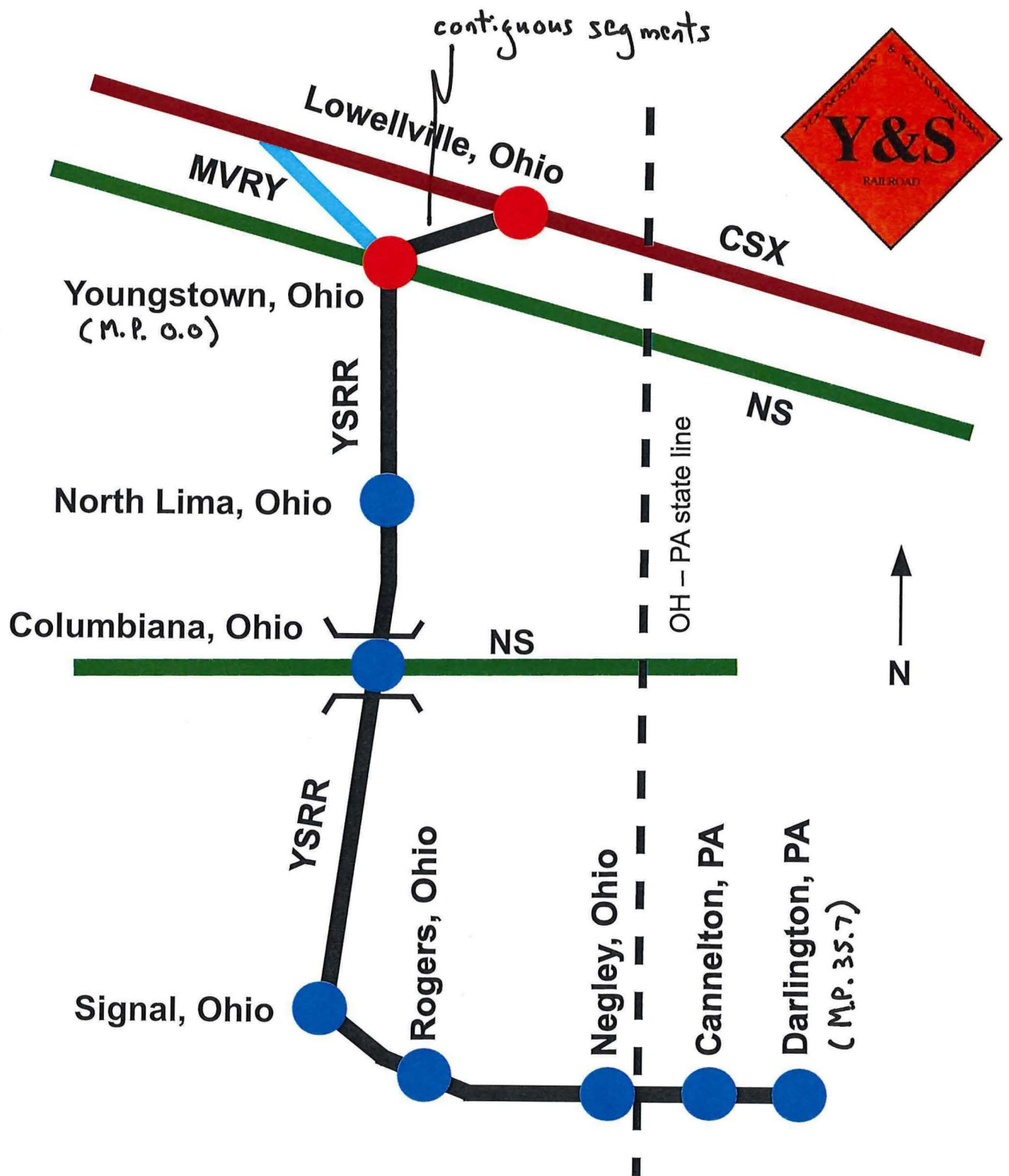

R. Powell Felix, President

EXHIBIT A

MAP



Youngstown & Southeastern Railroad



Legend



Station



Interchange

EXHIBIT B

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 36342

YOUNGSTOWN & SOUTHEASTERN RAILROAD CO. - ACQUISITION AND OPERATION EXEMPTION - MULE SIDETRACKS, LLC

Youngstown & Southeastern Railroad Co. ("YSRR"), a Class III carrier, has filed a Notice of Exemption under 49 CFR §1150.41 to acquire and continue to operate a line of railroad that extends 35.7 miles between milepost 0.0 in Youngstown, Ohio, and milepost 35.7 in Darlington, Pennsylvania (the Line). The Line is currently owned by Mule Sidetracks, LLC (MSLLC) and has been operated by YSRR under an agreement with MSLLC. In addition, YSRR has operated as an agent of, and in the name of, MSLLC, over three miles of contiguous track segments, running east of milepost 0.0 and connecting to the Line, that will be permanently assigned by MSLLC to YSRR and will facilitate interchange with Norfolk Southern Railway Company (NSR) and CSX Transportation, Inc. (CSXT).¹

¹ These operating rights are found in the following agreements and operating rights (as described in the 2006 YSRR and MSLLC notices of exemption) under which MSLLC has succeeded to the interests of 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.

The transaction may be consummated on or after _____, 2019, the effective date of the exemption.

YSRR certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million annually and will not result in Y&SR becoming a Class I or Class II carrier.

Comments must be filed with the Board and served on YSRR's representatives, Eric M. Hockey, Esquire, Clark Hill. PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500; and Sloane S. Carlough, Clark Hill PLC, 1001 Pennsylvania Avenue, NW, Suite 1300 South, Washington, DC 20004; (202) 640-6673.

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*. 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.

Decided: _____, 2019

By the Board, _____, Acting Director, Office of Proceedings