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November 8, 2018

246764

BY HAND DELIVERY

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings
November 8, 2018
Part of
Public Record

Re: Finance Docket No. 36238, Ithaca Central Railroad, L.L.C.
- Lease and Operating Exemption - Norfolk Southern
Railway Company

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R 1150.31 and a check covering the \$2,000 filing fee.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

Enclosures

FILED
November 8, 2018

SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
November 8, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36238

ITHACA CENTRAL RAILROAD, LLC
--LEASE AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

KARL MORELL
Karl Morell and Associates
Suite 440
440 1st Street, N.W.
Washington, D.C. 20001
(202) 595-9045

Attorney for:
ITHACA CENTRAL RAILROAD, LLC

Dated: November 8, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36238

ITHACA CENTRAL RAILROAD, LLC
--LEASE AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Ithaca Central Railroad, LLC ("ICR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit ICR to lease from Norfolk Southern Railway Company ("NS") and operate approximately 48.8 miles of rail lines located in New York and Pennsylvania.

In support of this Notice of Exemption, ICR submits the following information as required by 49 C.F.R. § 1150.33:

(a) Full name and address of applicant:

Ithaca Central Railroad, LLC
315 W. 3rd Street
Pittsburg, Kansas 66762

(b) Applicant's Representative:

Karl Morell
Karl Morell and Associates
Suite 440
440 1st Street, N.W.
Washington, DC 20001
(202) 595-9045

(c) Statement of Agreement:

ICR will shortly enter into an agreement to lease the rail line from NS.

(d) The operator of the property:

ICR will be the operator of the leased line.

(e) Summary of proposed transaction:

(1) The name and address of the company leasing the subject property:

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

(2) The involved transaction is expected to be consummated on or shortly after the effective date of this Notice of Exemption.

(3) The 48.8 mile rail line that ICR will lease from NS is located between milepost 272.2, in Sayre, PA, and milepost 321.0, in Lansing, NY.

(4) The length of the rail line being leased is approximately 48.8 miles.

(f) A map of the rail line being leased is attached as Exhibit A.

(g) ICR hereby certifies that ICR's projected revenues as a result of this

transaction will not result in ICR becoming a Class II or Class I rail carrier. ICR further certifies that the projected annual revenue of ICR will not exceed \$5 million. Consequently, the requirements of 49 C.F.R. § 1150.32(e) do not apply to this transaction.

(h) The Agreement between ICR and NS does not contain any provision that prohibits ICR from interchanging traffic with a third party or limits ICR's ability to interchange with a third party.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

ICR is leasing the line from NS for continued rail operations. Further Board approval is required for ICR to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

ICR's lease and operation of the rail line will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. ICR's lease and operation of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Karl Morell". The signature is written in dark ink and is positioned above a horizontal line.

KARL MORELL

Karl Morell and Associates

Suite 440

440 1st Street, N.W.

Washington, DC 20001

(202) 595-9045

Attorney for:

ITHACA CENTRAL RAILROAD, LLC.

Dated: November 8, 2018

EXHIBIT A

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 36238

ITHACA CENTRAL RAILROAD, LLC
--LEASE AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY

Ithaca Central Railroad, LLC ("ICR"), a non-carrier, has filed a notice of exemption to lease from Norfolk Southern Railway Company, and operate approximately 48.8 miles of rail line. The rail line being leased is located between milepost 272.2, in Sayre, PA, and milepost 321.0, in Lansing, NY.

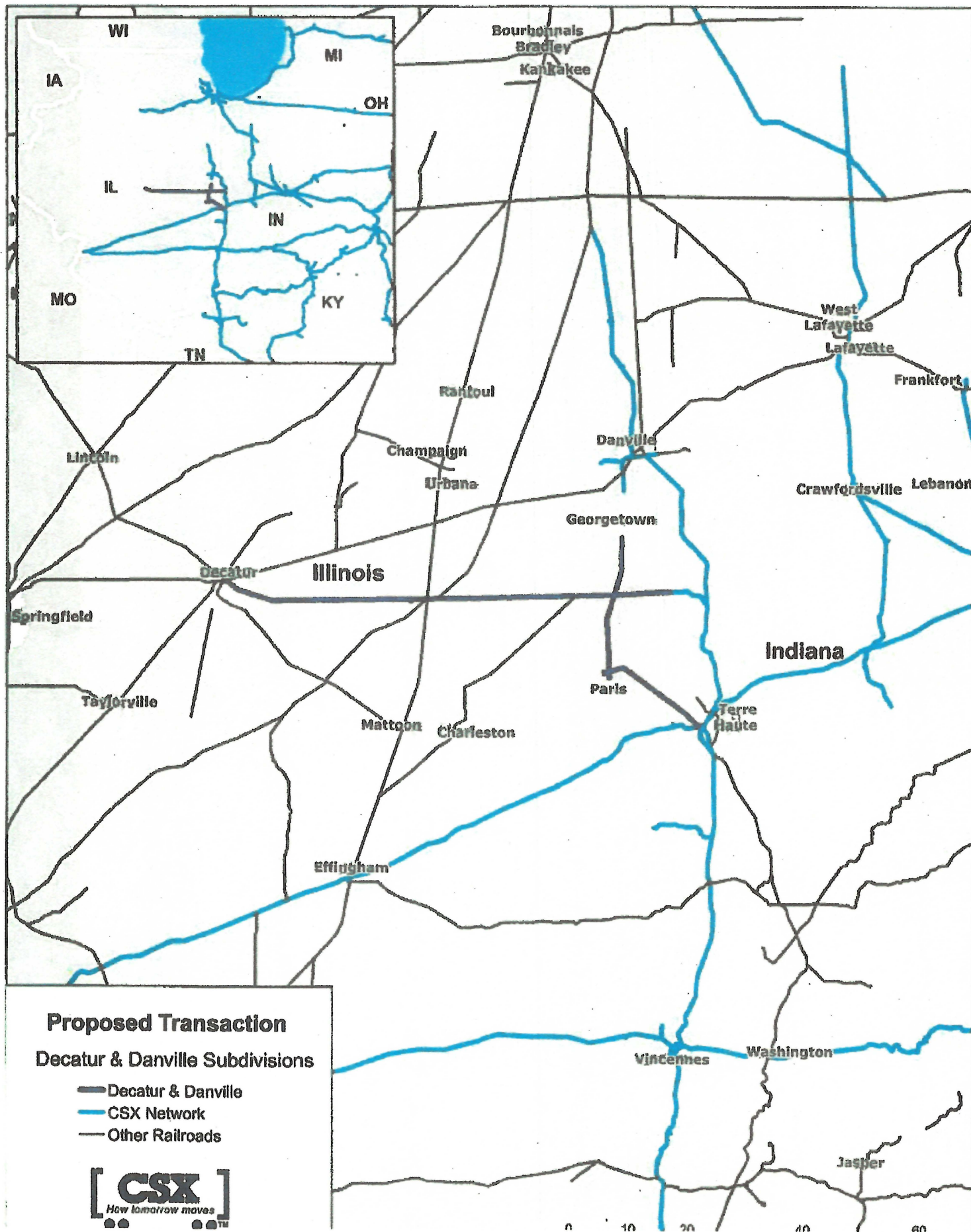
Comments must be filed with the Board and served on Karl Morell, Suite 440, 440 1st Street, N.W., Washington, DC 20001, (202) 595-9045.

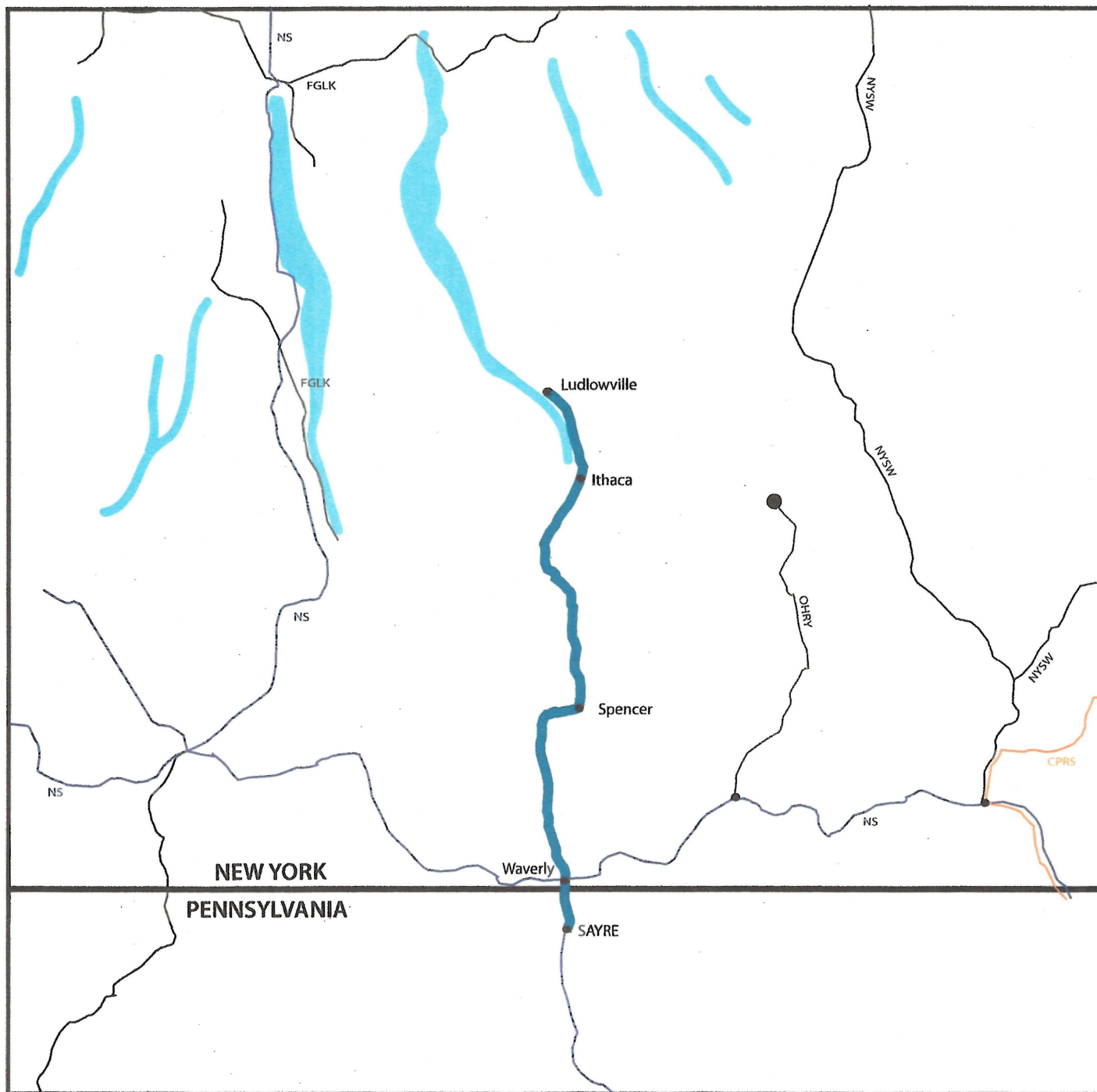
This notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

EXHIBIT A



- Railroad
- ▲ Contract Terminal Locations
- Merchant Terminal Locations
- Switching Locations
- GBW Railcar Locations





LEGEND:

Ithaca Central Railroad (ITHR)
NS
CPRS
Other Short Lines



Interchanges - Track miles - 48.8

NS - Sayre

VERIFICATION

STATE OF KANSAS

)

ss.

COUNTY OF CRAWFORD

)

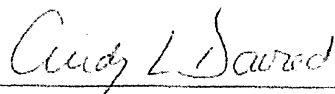
)

I, Rick D. Baden, being duly sworn depose and state that I am President of Ithaca Central Railroad, L.L.C., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



SUBSCRIBED AND SWORN TO before me this 6th day of November, 2018, in the County of Crawford, State of Kansas.

My Commission Expires: 5-19-2021



Notary Public