

BEFORE THE  
SURFACE TRANSPORTATION BOARD

236843

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STB FINANCE DOCKET NO. 35858

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ENTERED

Office of Proceedings  
October 20, 2014  
Part of  
Public Record

C&NC RAILROAD, LLC  
NOTICE OF EXEMPTION FOR LEASE RENEWAL WITH INTERCHANGE  
COMMITMENT- NORFOLK SOUTHERN RAILWAY COMPANY

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VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. §1150.41

Richard R. Wilson, Esq.  
518 N. Center Street, Ste. 1  
Ebensburg, PA 15931  
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Attorney for C&NC Railroad, LLC

October 15, 2014

FEE RECEIVED  
October 20, 2014  
SURFACE  
TRANSPORTATION BOARD

FILED  
October 20, 2014  
SURFACE  
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C&NC Railroad, LLC (“C&NC”) formally C&NC Railroad Corporation, files this Notice of Exemption, pursuant to 49 C.F.R. §11150.41, to permit C&NC to amend its lease of approximately twenty-one (21) miles of rail line from M.P. CB5.4 at Beesons, IN to M.P. 25.30 at New Castle, IN and from M. P. R0.1 to M.P. R1.16 at New Castle, IN. C&NC has been leasing and operating these lines since 1997. See Finance Docket No. 33475, C&NC Railroad Corporation – Lease and Operation Exemption – Lines of Norfolk Southern Railway Company, et al., (not printed), served October 31, 1997.

In support of this Notice of Exemption, the following information required by 49 C.F.R. §1150.41 is submitted:

**Description of Proposed Transaction**

Since 1997, C&NC has been leasing and operating this rail line. The line is owned by the Norfolk Southern Railway Company (“NS”) and extends from Milepost CB 5.4 at Beesons, IN to Milepost 25.30 at New Castle, IN and from M.P. 0.1 to M.P. 1.16 at New Castle, IN.

The 2011 Lease Agreement, by its terms, expires on March 11, 2021. However, due to traffic reductions encountered by C&NC, it has become necessary to amend the 2011 lease for which exemption authority is now sought.

Applicant's representative is:

Richard R. Wilson, Esq.  
518 N. Center Street, Ste. 1  
Ebensburg, PA 15931  
(814) 419-8152

**Consummation Date**

C&NC has executed the amended lease but it is contingent upon issuance of the Board's exemption notice and will not become effective until after the effective date of the Board's exemption notice.

**Purpose Sought to be Accomplished**

The purpose of the proposed transaction is to amend the Lease Agreement which was previously exempted by the Surface Transportation Board in Finance Docket No. 35529, Service Date July 1, 2011.

**List of States**

The Line is located in Indiana.

**Map**

A map of the Line is attached as Exhibit 1.

**Agreement**

A copy of the 2011 Lease and the proposed amendment is submitted in the Confidential attachment to this filing.

### **Class III Carrier Status**

C&NC hereby certifies that its projected revenues will not result in the creation of a Class II or Class I rail carrier as a result of this transaction.

### **LABOR PROTECTION**

No employee will be adversely affected by the amendment of this lease.

### **INTERCHANGE COMMITMENTS**

1. The 2011 lease between NS and C&NC which was exempted by the Board in Finance Docket 35529, Service Date July 1, 2011, contains a provision that enables C&NC to reduce its lease payments by receiving a credit for each car interchanged with NS. However, traffic reductions encountered by C&NC have decreased the expected opportunity to reduce the rental obligations through the operation of the lease credits. Accordingly, C&NC approached NS requesting further rental reductions. To allow C&NC to continue providing service on the line, C&NC offered to agree to a further interchange commitment to induce NS to agree to such rental reductions and NS acquiesced on that basis. The parties were unable to agree to any structure that allowed for further rental reductions without the additional interchange commitment.

2. The interchange point with NS is New Castle, IN. No other Agreements between the parties contain interchange commitments.

3. The following three shippers have used the C&NC line in last two years. Their aggregate car loads in the last twelve months are contained in the confidential appendix attached to this filing.

- a. Fairmont Sand Company c/o  
Grede Holding, LLC  
2700 E. Plum Street  
New Castle, IN 47362-3099

b. Neal Scrap Metal Co.  
1711 "I" Street  
New Castle, IN 47362

c. David J Joseph Company  
300 Pike Street  
Cincinnati, OH 45202

4. C&NC hereby certifies that it has provided notice of this transaction and the interchange commitments to the foregoing shippers

5. Third party connecting railroads:
- a. Norfolk Southern Railway Company
  - b. Big Four Terminal Railroad, LLC (an affiliate of C&NC)
  - c. CSXT Corporation (indirectly, through its connection with Big Four Terminal Railroad, LLC)

6. An estimate required by 49 C.F.R. §1150.43(h)(i)(vii) is contained in the Confidential appendix attached to this filing.

Respectfully submitted,



Richard R. Wilson, Esq.  
518 N. Center Street, Ste. 1  
Ebensburg, PA 15931  
(814) 419-8152

Attorney for C&NC Railroad, LLC

Dated: October 15, 2014

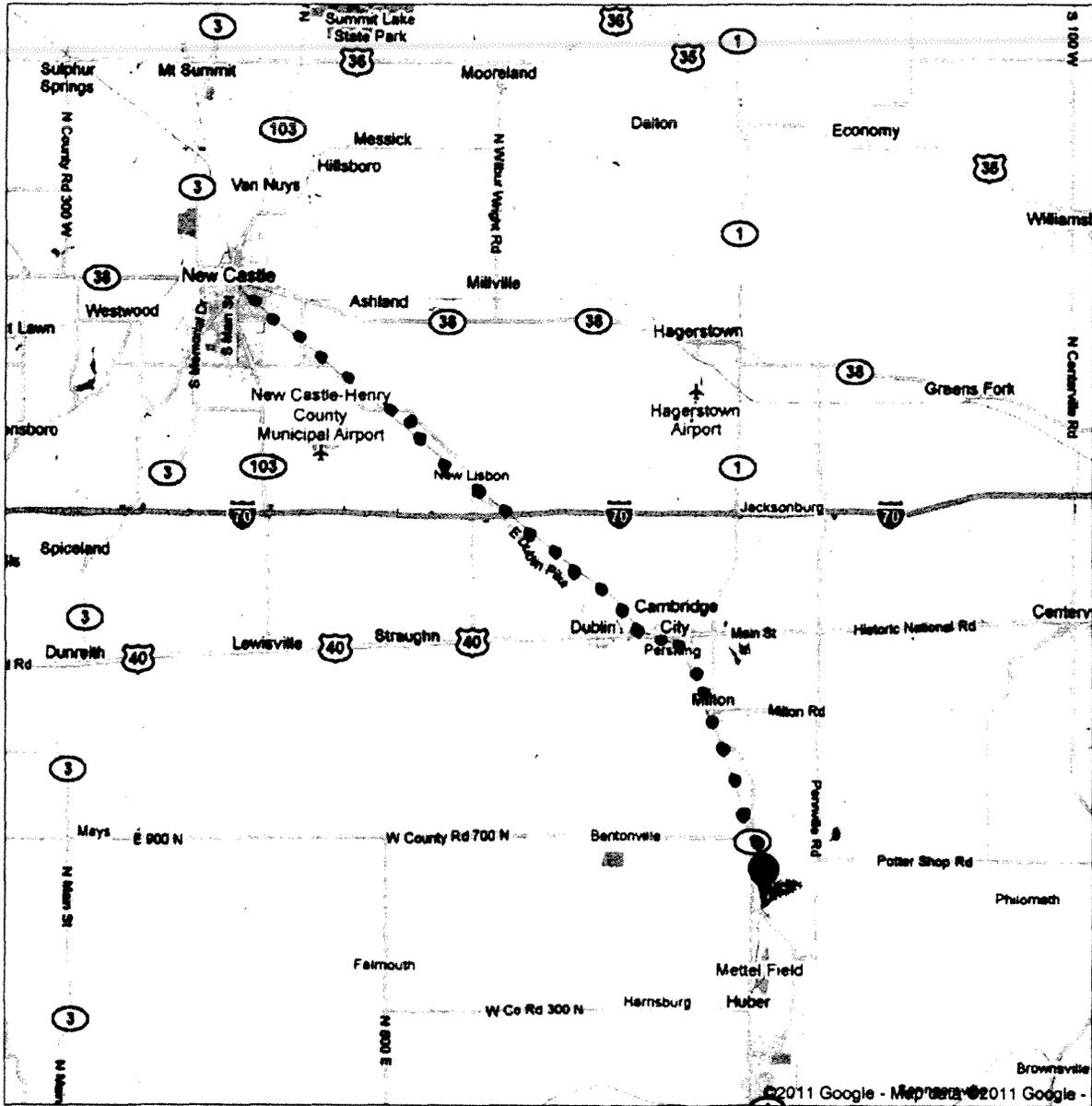
MAP

EXHIBIT 1

Google maps

Address Beesons  
Connersville, IN 47357

Get Google Maps on your phone  
Text the word "GMAPS" to 466453



**VERIFICATION**

STATE OF INDIANA            )  
  )        ss.  
COUNTY OF HENRY         )

I, Spencer N. Wendelin, being duly sworn depose and state that I am the Manager of C&NC Railroad, LLC, that I am authorize 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.

  
\_\_\_\_\_  
Spencer N. Wendelin

CERTIFICATE OF SERVICE

I hereby certify that on this 15 day of October, 2014 a copy of the C&NC Railroad, LLC – Notice of Exemption for Lease Renewal with Interchange Commitment – Norfolk Southern Railway Company was served upon the following by first class United States Mail, postage prepaid:

David L. Coleman, Esq.  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510

Fairmont Santrol Company c/o  
Grede Holding, LLC  
2700 E. Plum Street  
New Castle, IN 47362-3099

Neal Scrap Metal Co.  
1711 "I" Street  
New Castle, IN 47362

David J Joseph Company  
300 Pike Street  
Cincinnati, OH 45202

  
Richard R. Wilson, Esq.