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VIA HAND DELIVERY

September 15, 2016

241511

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

ENTERED
Office of Proceedings
September 15, 2016
Part of
Public Record

Re: STB Finance Docket No. 36062 Lehigh Railway, LLC – Lease Exemption
Containing Interchange Commitment – Norfolk Southern Railway Company and
Operation Exemption

Dear Ms. Brown:

Enclosed for filing in the above-referenced docket are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.41 together with the \$1,900 filing fee. Also included is a supplemental filing containing confidential information to be filed under seal according to 49 C.F.R. § 1150.43(h)(1). Additionally, enclosed is a CD containing the Notice and a Caption Summary and a CD containing the confidential information.

If you have any questions, please let me know.

Respectfully Submitted,

Justin J. Marks
Attorney for Lehigh Railway, LLC

Enclosures



FEE RECEIVED
September 15, 2016
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FILED
September 15, 2016
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36062

**LEHIGH RAILWAY, LLC
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
NORFOLK SOUTHERN RAILWAY COMPANY**

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

Kevin M. Sheys
Justin J. Marks
Nossaman LLP
1666 K Street, NW, Suite 500
Washington, DC 20006
(202) 887-1400

Counsel for Lehigh Railway, LLC.

Dated: September 15, 2016



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36062

**LEHIGH RAILWAY, LLC
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
NORFOLK SOUTHERN RAILWAY COMPANY**

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

Lehigh Railway, LLC (“LRWY”), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E – Exempt Transactions Under 49 U.S.C. 10902, to permit LRWY to enter into an amended lease agreement to extend the term of, and to make other changes to, its lease of approximately 56 miles of rail line between milepost IS 269.5, at Athens, PA, and milepost IS 213.5, at Mehoopany, PA, in Bradford and Wyoming, Counties, PA (the “Rail Line”). The original lease (the “Original Lease”) was entered into between LRWY and Norfolk Southern Railway Company (“NSR”) on October 28, 2008.

In support of this Notice of Exemption, LRWY submits the following information as required by 49 C.F.R. § 1150.43:

- (a) Full name and address of the Class III carrier applicant:

Lehigh Railway, LLC
25 Delphine Street
Owego, NY 13827

- (b) Applicant’s Representative:

Kevin M. Sheys
Attorney at Law

NOSSAMAN LLP
1666 K Street, NW, Suite 500
Washington, DC 20006
ksheys@nossaman.com
(202) 887-1400

(c) Statement of Agreement:

LRWY entered into the Original Lease with NSR on October 28, 2008. *See Lehigh Railway, LLC – Lease and Operation Exemption – Norfolk Southern Railway Company, Finance Docket No. 35192 (Served Nov. 14, 2008)*. LRWY has now entered into an amendment to the Original Lease between NSR and LRWY (“Amended Lease”) which includes an extension of the term of the lease to December 31, 2023, and makes other changes.

(d) The operator of the property:

LRWY will continue to be the operator of the property.

(e) Summary of proposed transaction:

(1) The name and address of the lessor of the subject property is:

Norfolk Southern Railway Company
3 Commercial Place
Norfolk, VA 23510

(2) The Amended Lease will be effective upon the effective date of this

Notice of Exemption.

(3) The Rail Line is located: between milepost IS 269.5, at Athens, PA, and milepost IS 213.5, at Mehoopany, PA, in Bradford and Wyoming, Counties, PA. In addition to the end point to end point description above, the Rail Line also includes any sidings, sidetracks, yards, or facilities presently owned by NSR that are accessed via the Rail Line.

(4) The length of the Rail Line that will continue to be leased is approximately 56.0 miles.

(f) Map:

A map of the Rail Line that will continue to be leased is attached as Exhibit A.

(g) Certificate Regarding Class III Status:

LRWY's certification that LRWY's projected annual revenues as a result of this transaction will not result in LRWY becoming a Class II or Class I rail carrier is attached as Exhibit B.

(h) Interchange Commitments:

(1) LRWY certifies that the Amended Lease contains an interchange commitment in the form of lease credits. These lease credits were part of the Original Lease entered in 2008 and exempted in Finance Docket No. 35192. The terms of the lease credits in the Amended Lease are unchanged from the Original Lease; however, pursuant to the Board's revised regulations concerning interchange commitments, LRWY provides the following information.

(i) The interchange commitment's affected interchange points are Mehoopany, Sayre, and Towanda, PA.

(ii) The Amended Lease is being filed under seal with the Board per 49 C.F.R. § 1104.14(a).

(iii) Shippers that currently use or have used the Rail Line within the last two years:

Global Tungsten & Powders	Towanda, PA
Jeld-Wen	Towanda, PA
Shale Rail	Wysox, PA
Texas Specialty Sands	Wysox, PA
Wysox Sand & Gravel	Wysox, PA
Tran-Z	Wyalusing, PA
Meshoppen Stone	Meshoppen, PA

(iv) The aggregate number of carloads the shippers in subsection (h)(1)(iii) originated or terminated is being filed under seal with the Board per 49 C.F.R. § 1104.14(a).

(v) LRWY certifies that LRWY has provided notice of the proposed transaction and the interchange commitment to the shippers identified in subsection (h)(1)(iii).

(vi) The Reading and Blue Mountain and Northern Railroad Company at Mehoopany, PA/ Towanda, PA is the only third party railroad that can physically interchange with the Rail Line.

(vii) An estimate of the difference between the lease payment with and without the interchange commitment is being filed under seal with the Board per 49 C.F.R. § 1104.14(a).

Caption Summary

A caption summary, as required by 49 C.F.R. § 1150.44, is attached as Exhibit C.

Advance Notice

LRWY certifies that the projected annual revenue of the Rail Line together with LRWY's projected annual revenue does not exceed \$5 million. Thus, the advance notice requirement of 49 C.F.R. § 1150.42(e) does not apply.

Labor Protection

LRWY 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, LRWY is already the operator of the Rail Line and, there will be no employees adversely affected by the Amended Lease.

Environmental and Historic Impacts

LRWY will lease the Rail Line from NSR for continued rail operations. Further Board approval is required for LRWY 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. Therefore, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

LRWY's lease 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 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. LRWY's lease of the Rail Line will not affect a Class 1 or nonattainment area under the Clean Air Act. The thresholds in 49 C.F.R. §1105.7(e)(5)(ii) will not be exceeded as a result of this transaction. Finally, this transaction does not contemplate the transportation of any ozone depleting materials. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Justin J. Marks". The signature is fluid and cursive, with a prominent initial "J" and "M".

Kevin M. Sheys
Justin J. Marks
Nossaman LLP
1666 K Street, NW, Suite 500
Washington, DC 20006
(202) 887-1400

Counsel for Lehigh Railway, LLC.

Dated: September 15, 2016

Draft 9/9/2016

VERIFICATION

I, Steven C. May, verify under the penalty of perjury that (1) the information foregoing in the Notice of Exemption is true and correct and (2) all certifications made therein are true and correct. Further, I certify that I am qualified and authorized to file this Notice of Exemption.

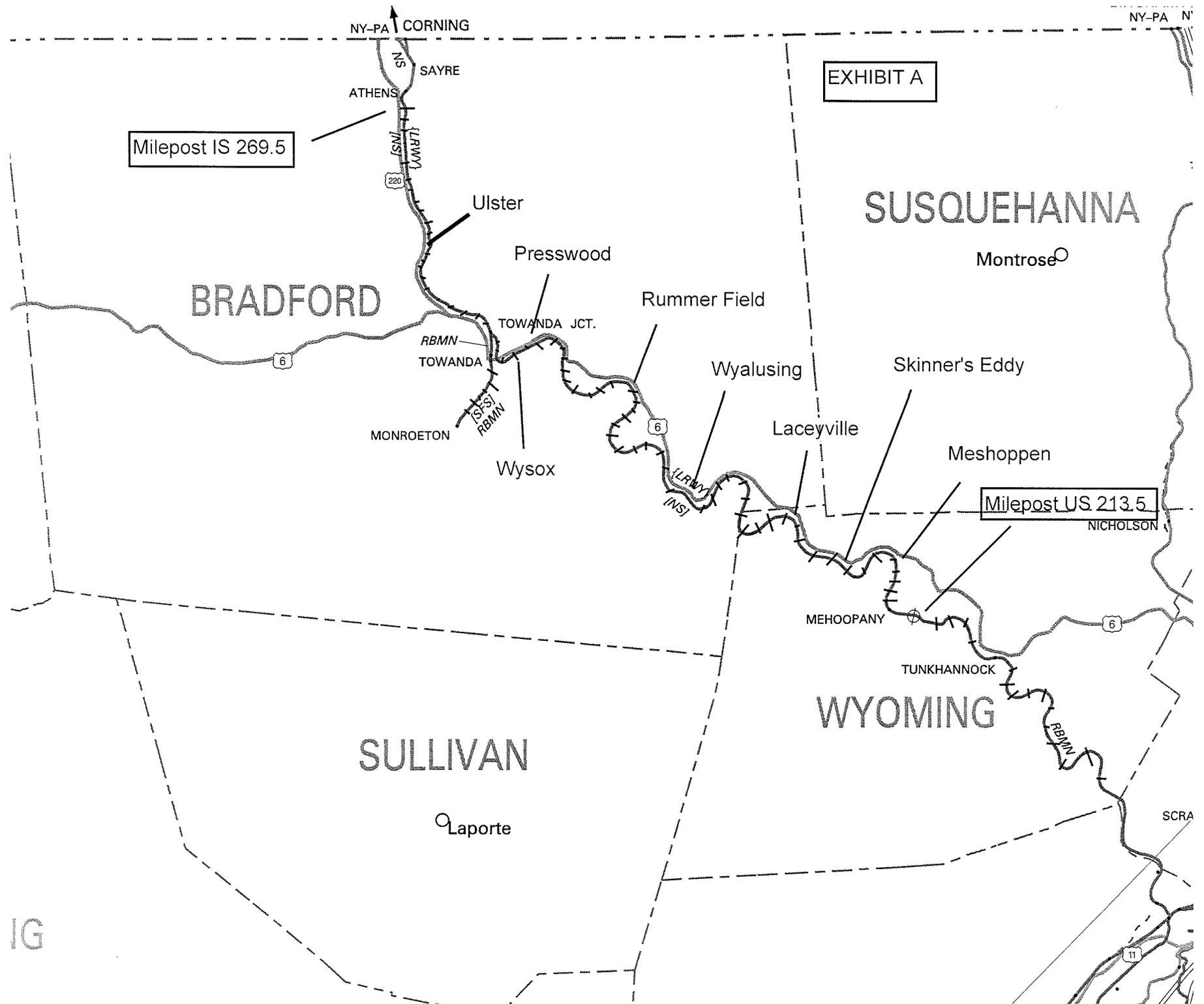
Executed on September 12, 2016.

A handwritten signature in black ink, appearing to read 'S. May', is written over a horizontal line.

Steven C. May
President of Lehigh Railway, LLC

Exhibit A

[Map]



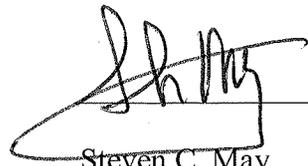
IG

Draft 9/9/2016

Exhibit B

I, Steven C. May, certify under the penalty of perjury that the projected revenues as a result of this transaction will not result in LRWY becoming a Class II or Class I rail carrier so as to require processing under 49 C.F.R. § 1150.45.

Executed on September 12, 2016.

A handwritten signature in black ink, appearing to read 'S. May', is written over a horizontal line. The signature is stylized and cursive.

Steven C. May
President of Lehigh Railway, LLC

Exhibit C

Caption Summary

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 36062

LEHIGH RAILWAY, LLC

--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--
NORFOLK SOUTHERN RAILWAY COMPANY

Lehigh Railway, LLC, a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41, to continue to lease from Norfolk Southern Railway Company the rail line located between approximately milepost IS 269.5, at Athens, PA, and approximately milepost IS 213.5, at Mehoopany, PA, in Bradford and Wyoming, Counties, PA.

Comments must be filed with the Board and served on Kevin Sheys, Nossaman, LLP, Suite 500, 1666 K Street, N.W., Washington, DC 20006, (202) 887-1400.

This notice is filed under 49 CFR 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not stay the transaction.