



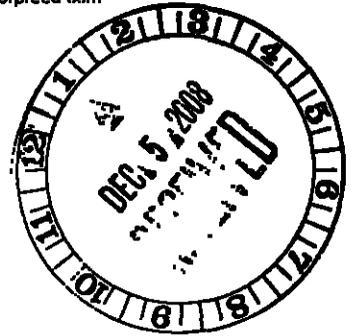
Eric M Hocky
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ATTORNEYS AT LAW SINCE 1895

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VIA OVERNIGHT DELIVERY

December 4, 2008

224120

Hon Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 F. Street SW
Washington, DC 20024

Re U S RAIL Corporation – Lease and Operation Exemption –
Winamac Southern Railway Company and Kokomo Grain Co , Inc
STB Docket No 35205
Notice of Exemption

Dear Secretary Quinlan

Enclosed for filing please find the original and 10 copies of the Notice of Exemption of US RAIL Corporation. Also enclosed is our check in the amount of \$1800 representing the filing fee for this Notice.

Please time stamp the extra copy of the Notice to indicate receipt and return it to me in the self-addressed stamped envelope provided for your convenience.

Please let know if there are any questions about the filing. Thank you for your assistance.

Respectfully,

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Pittsburgh

Philadelphia

Princeton

Washington

EMH/e

Enclosures

cc Gabriel D Hall (w/encl)

Thorpe Reed & Armstrong LLP
One Commerce Square
2005 Market Street
Suite 1900
Philadelphia, PA 19103
215 640 8500
215 640 8501 Fax

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO 35205



224120

U S RAIL CORPORATION

- LEASE AND OPERATION EXEMPTION -

WINAMAC SOUTHERN RAILWAY COMPANY AND KOKOMO GRAIN CO., INC.

FILED
DEC - 5 2008

SURFACE TRANSPORTATION BOARD
VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41, et seq.

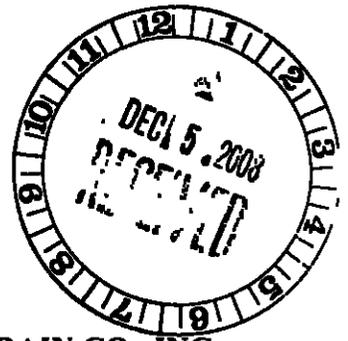
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SURFACE TRANSPORTATION BOARD

ERIC M HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1910
Philadelphia, PA 19103
(215) 640-5000

Dated December 4, 2008

Attorneys for U S RAIL Corporation



STB FINANCE DOCKET NO 35205

**U S RAIL CORPORATION
- LEASE AND OPERATION EXEMPTION -
WINAMAC SOUTHERN RAILWAY COMPANY AND KOKOMO GRAIN CO., INC.**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41, et seq.**

This Verified Notice is filed pursuant to 49 C F R §1150 41 by U S RAIL Corporation ("US RAIL"), a Class III carrier, to exempt from regulation under 49 U S C §10902, its lease and operation of the lines of railroad (the "Rail Lines") described on Exhibit A and shown on the map attached as Exhibit B. The Rail Lines are currently owned by Winamac Southern Railway Company ("WSRY") and Kokomo Grain Co., Inc. ("Kokomo Grain"), and operated by Central Railroad Company of Indianapolis ("CFRA").¹ The total mileage of the Rail Lines is 60.9 miles. Pursuant to the lease, US RAIL will also be obtaining incidental trackage rights over 3.3 miles of Toledo, Peoria & Western Railway Corp. ("TPW").

Notice

In accordance with 49 C F R §1150 43, US RAIL hereby states as follows:

(a) The full name and address of Applicant: U S RAIL Corporation, 7846 Central Ave., Toledo, Ohio 43617

(b) The name, address and telephone number of the representative of US RAIL, who should receive correspondence: Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1910, Philadelphia, PA 19103. (215) 640-5000

¹ WSRV has operating rights over the Marion Belt Line which will be assigned to US RAIL under the lease. WSRV owns one-third of the Marion Belt, and Norfolk Southern Railway owns the remaining two-thirds.

(c) US RAIL has entered into a lease agreement with WSRV and Kokomo Grain to cover operation of the Rail Lines. Under the lease, US RAIL has authority to operate over the Rail Lines as of January 1, 2009. US RAIL will not commence operations until the authority sought hereunder becoming effective. Pursuant to the lease, US RAIL will also be obtaining incidental trackage rights over TPW that will connect portions of the Rail Lines.

(d) US RAIL will be the operator of the Rail Lines.

(e) Brief Summary of the Proposed Transaction

The Rail Lines are currently operated by CERA under a lease. The lease, as extended, expires as of December 31, 2008. WSRV and Kokomo Grain decided not to extend the lease with CERA further, and to find a new operator. WSRV and Kokomo Grain selected US RAIL as the new operator. WSRV and Kokomo Grain have sent a notice to CERA requesting that it stop operating the Rail Lines after December 31, 2008. WSRV and Kokomo Grain have negotiated a lease that will allow US RAIL to commence operations as of January 1, 2009, subject to US RAIL obtaining operating authority for the Rail Lines.

(1) The names and address of the owners of the Rail Lines who have granted US RAIL operating rights: Winamac Southern Railway Company and Kokomo Grain Co. Inc., 1002 West Morgan Street, PO Box 745, Kokomo, IN 46903-0745.

The current operator is Central Railroad Company of Indianapolis, 1990 East Washington Street, East Peoria, IL 61611. Its lease of the Rail Lines, as extended, expires on December 31, 2008.

(2) US RAIL expects to commence operations on or after January 5, 2009, thirty days after the filing of this Notice of Exemption.

(3) Milepost descriptions of the Rail Lines are shown on Exhibit A attached hereto. Mileposts for the incidental trackage rights are also shown on Exhibit A. All of the lines are located in Indiana.

(4) The total mileage to be leased and operated is approximately 64.2 miles – the Rail Lines total approximately 60.9 miles, and the incidental trackage rights are approximately 3.3 miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Lines, and the incidental trackage rights.

(g) US RAIL certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier.²

(h) US RAIL will interchange with Norfolk Southern Railway (“NSR”) at Marion Goodman Yard, Michaelsville, and Clymers, with TPW at Logansport, and with CLRA at Michaelsville and Kokomo. US RAIL is not aware of any existing interchange commitments with any of the connecting carriers, and does not contemplate that any will be required as part of this transaction. US RAIL will be meeting with the various connecting carriers to confirm interchange arrangements.

Environmental and Historic Reports

Pursuant to 49 C.F.R. §1105.6(c)(2)(i), no environmental documentation should be required because this proceeding involves authority for an acquisition under 49 U.S.C. §10902 for

² US RAIL additionally certifies that its projected revenues after the transaction will not exceed \$5,000,000 per year.

continued operations that will not exceed the thresholds established in 49 C F R §1105 7(c)(4) or (c)(5)

No historic report under 49 C F R §1105 8(b)(1) should be required because the transaction merely involves an acquisition for continued rail operations, and further Board approval is required to discontinue or abandon any service US RAIL has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older

Labor Protection

Pursuant to 49 U S C §10902(d), approval of this transaction may not be subjected to labor protection conditions

Caption Summary

Attached hereto as Exhibit C is the caption summary required by 49 C F R §1150 44

Respectfully submitted.



ERIC M HOCKY
THORP REED & ARMSTRONG, I.L.P
One Commerce Square
2005 Market Street, Suite 1910
Philadelphia, PA 19103
(215) 640-5000

Dated December 4, 2008

Attorneys for U S RAIL Corporation

VERIFICATION

I, Gabriel D Hall, President of U S RAIL Corporation, verify under penalty of perjury that the foregoing is true and correct Further, I certify that I am qualified and authorized to file the foregoing document

Executed on December 4, 2008

A handwritten signature in black ink, appearing to read "G Hall", written over a horizontal line. The signature is stylized, with a large, looped "G" and a vertical line extending upwards from the top of the "H".

Gabriel D Hall

DESCRIPTION OF RAIL LINES

EXHIBIT A

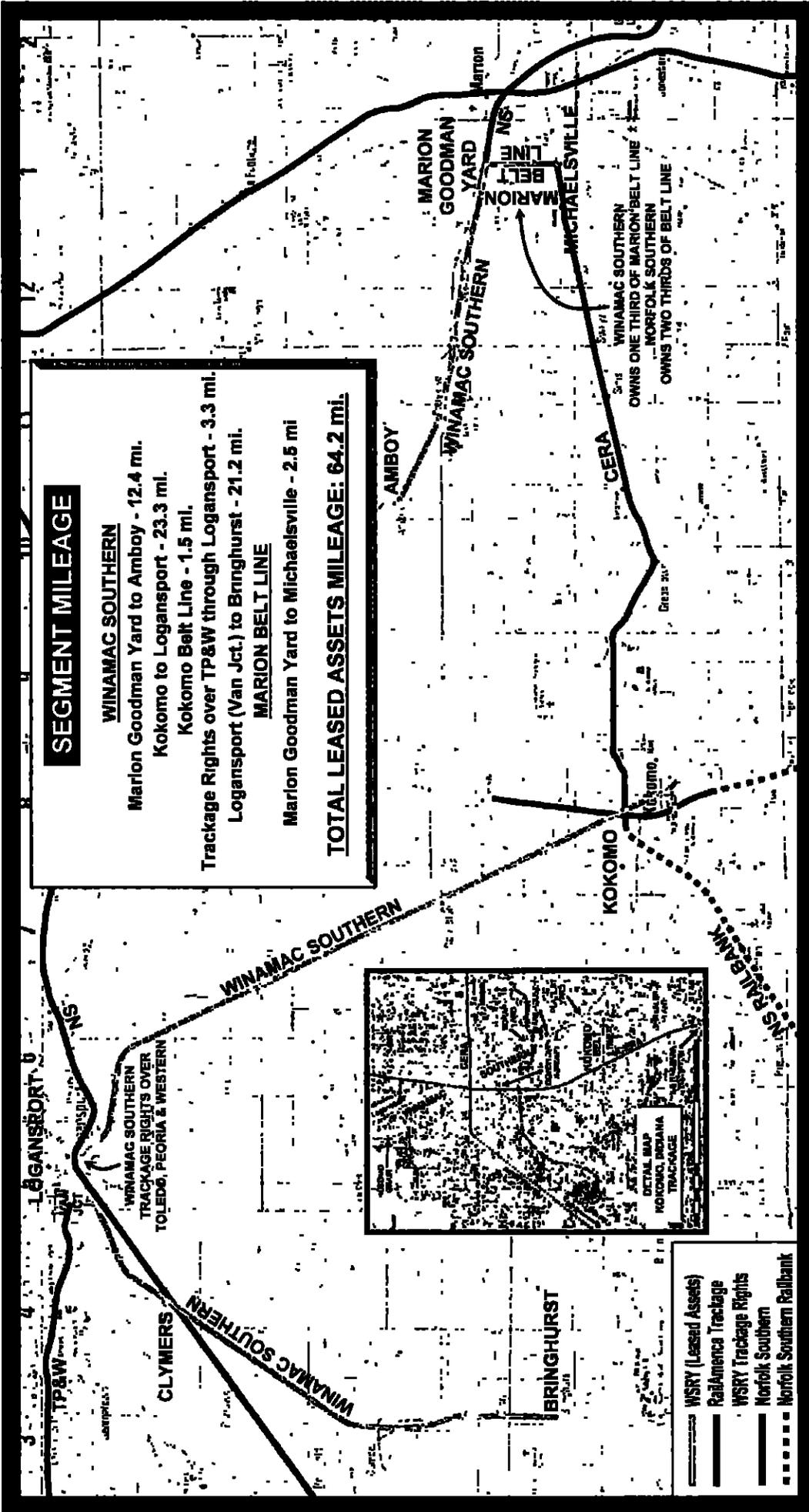
**Winamac Southern Railway Company and
Kokomo Grain Co., Inc. Mileage**

Indiana

			M.P.
Bringham Line			
Bringham	M P		50 1
Van Jct (Logansport)	M P		71 3
Total Mileage Bringham Line			21.2
Kokomo Line			
Eighteenth St Yard (Logansport)	M P		74 6
Kokomo	M P		97 9
Total Mileage Kokomo Line			23.3
Kokomo Belt Line			
E Markland Ave (Kokomo)	M P		0 0
S Union St (Kokomo)	M P		1 5
Total Mileage Kokomo Belt Line			1.5
Amboy Line			
Amboy	M P		147 3
Marion	M P		134 9
Total Mileage Amboy Line			12.4
Marion Belt Line			
N Troy Ave (Marion)	M P		0 0
Michaelsville	M P		2 5
Total Mileage Marion Belt Line			2.5
TP&W Incidental Trackage Rights			
Van Jct (Logansport)	M P		71 3
Eighteenth St Yard (Logansport)	M P		74 6
Total Mileage TP&W Incidental Trackage Rights			3.3
TOTAL MILEAGE			64.2

MAP

EXHIBIT B



WINAMAC SOUTHERN RAIL SYSTEM

EXHIBIT 1

CAPTION SUMMARY

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO 35205

**U S RAIL CORPORATION
- LEASE AND OPERATION EXEMPTION -
WINAMAC SOUTHERN RAILWAY COMPANY AND KOKOMO GRAIN CO., INC.**

U S RAIL Corporation ("US RAIL"), a Class III carrier, has filed a Notice of Exemption to lease from Winamac Southern Railway Company and Kokomo Grain Co , Inc , and to operate, the following rail lines in Indiana (a) between M P 50 1 at Bringhamurst and MP 71 3 at Van Jct (Logansport), (b) between M P 74 6 at Eighteenth St Yard (Logansport) and M P 97 9 at Kokomo, (c) between M P 0 0 at E Markland Ave (Kokomo) and M P 1 5 at Union St (Kokomo), (d) between M P 147 3 at Amboy, and M P 134 9 at Marion, and (e) between M P 0 0 at N Troy Ave (Marion) and M P 2 5 at Michaelsville The total mileage to be acquired and operated is approximately 60 9 miles The rail lines are currently operated by Central Railroad of Indianapolis under a lease, as extended, that is scheduled to expire as of December 31, 2008 Pursuant to the lease, US RAIL will also be obtaining incidental trackage rights over the 3 3 mile line of Topeka, Peoria & Western Railway Corp between M P 71 3 at Van Jct (Logansport) and M P 74 6 at Eighteenth St Yard (Logansport)

Comments must be filed with the Board and served on US RAIL's representative, Eric M Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1910, Philadelphia, PA 19103, (215) 640-5000

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