

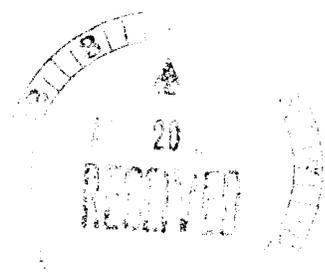
BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947



lgitomer@dc.bjllp.com

LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

April 20, 2005 **ENTERED**
Office of Proceedings

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

APR 20 2005

Part of
Public Record

213816

RE: Finance Docket No. 34686, *Indiana & Ohio Railway Company—Merger Exemption— Indiana & Ohio Central Railroad Company*

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(3), a check covering the \$1,400.00 filing fee, 20 additional maps, along with file Notice of Exemption.doc on three 3.5-inch IBM-compatible floppy diskettes.

Please time and date stamp the extra copy of this letter and the Notice of Exemption and return it with our messenger.

If you have any questions, please call or email me.

Respectfully submitted,

Louis E. Gitomer

Enclosures

FILED
TRANSPORTATION BOARD

FILED

APR 20 2005

TRANSPORTATION BOARD

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34686

INDIANA & OHIO RAILWAY COMPANY—MERGER EXEMPTION—
INDIANA & OHIO CENTRAL RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION

ENTERED
Office of Proceedings

APR 20 2005

Part of
Public Record

RECEIVED

APR 20 2005

TRAINING BOARD

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
INDIANA & OHIO RAILWAY COMPANY
INDIANA & OHIO CENTRAL RAILROAD, INC.
5300 Broken Sound Boulevard, N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
Ball Janik LLP
1455 F Street, N.W., Suite 225
Washington, DC 20005
(202) 638-3307

Attorneys for:
INDIANA & OHIO CENTRAL
RAILROAD, INC. and
INDIANA & OHIO RAILWAY
COMPANY

Dated: April 20, 2005

FILED

APR 20 2005

STATION
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34686

INDIANA & OHIO RAILWAY COMPANY—MERGER EXEMPTION—
INDIANA & OHIO CENTRAL RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION

The Indiana & Ohio Railway Company (“IORY”), a Class III railroad, and the Indiana & Ohio Central Railroad, Inc. (IOCR”), a Class III railroad (jointly referred to as “Petitioners”) submit this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. § 1180.2(d)(3) to merge IOCR into IORY with IORY being the surviving corporation. After the merger, IORY will remain a Class III railroad. IORY and IOCR are both subsidiaries of RailAmerica, Inc.

The merger of IOCR into IORY is within a corporate family, will not result in adverse changes in service levels, will not result in significant operational changes, and will not result in change in the competitive balance with carriers outside the corporate family. The parties have entered into a written agreement (Exhibit B).

Pursuant to the Surface Transportation Board's regulations at 49 C.F.R. § 1180.4(g), Petitioners submit the following information:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

IOCR is merging into IORY, with IORY being the surviving corporation. IORY will operate the merged company.

IOCR operates over approximately 261.6 miles of rail lines in the State of Ohio. IOCR owns the track and roadbed and CSX Transportation, Inc. ("CSXT") owns the underlying real estate of (1) the 43.5 miles of railroad between Logan, milepost 52.6, and Valley Crossing, milepost 9.1, and (2) the 107 miles of railroad consisting of: (a) the Cincinnati Terminal Subdivision between NA Tower, OH, Milepost BB 7.5, and Oakley, OH, Milepost BB 12.4; and (b) the Midland Subdivision between Oakley, OH, Milepost BB 12.4, and Columbus, OH, Milepost BR 114.6. IOCR has trackage rights over the CSXT line between Valley Crossing and Columbus where IOCR interchanges with CSXT directly and Norfolk Southern Railway Company ("NS") indirectly via CSXT. IOCR also leases from the City of Greenfield and operates the rail line located between Midland City, milepost 45.0, and Thrifton, milepost 74.5. Traffic moving to and from the Midland branch is interchanged with CSXT at Midland City. In addition, IOCR leases three branch lines owned by West Central Ohio Port Authority ("WCOPA") located between: (1) near Springfield, milepost 132.6, at CP 188, and Bellefontaine, milepost 98.3; (2) near Springfield, milepost 130.4, at CP182, and Mechanicsburg, milepost 17.0; and (3) Springfield, milepost 200.5, and Fayne, near Washington Court House, milepost 229.8. IOCR interchanges traffic moving to and from the Springfield cluster with CSXT at Fayne, with NS and the IORY, at Springfield.

IORY operates over approximately 498.23 miles of rail line in the States of Michigan, Ohio and Indiana. The operations between Flat Rock, MI and Cincinnati, OH, a distance of approximately 245 miles, are conducted over a combination of owned track and trackage rights.

IORY has trackage rights over the NS line between milepost 255.0, at Cincinnati, and milepost 188.2, at Springfield; IORY owns the line between Springfield, milepost 202.7, and DTI Jct., near Lima, milepost 128.3; IORY has trackage rights over the CSXT line between Lima, milepost 134.5, and XN Station near Leipsic, milepost 155.0; IORY owns the line between XN Station near Leipsic, milepost 107.29, at and Diann, MI, milepost 39.7; and IORY has trackage rights over the Grand Trunk Western Railroad Incorporated ("GTW") line between Diann, milepost 39.7, and Flat Rock, milepost 17.2. With respect to the Cincinnati-Flat Rock line, IORY provides haulage operations for GTW (Canadian National) and interchanges with GTW (Canadian National) at Flat Rock, the Ann Arbor Railroad at Diann, Adrian & Blissfield at Riga, MI, CSXT at Hamler, OH, CSXT and NS at Lima, IOCR at Springfield, and CSXT and NS at Cincinnati. IORY also operates over the following four branch lines: (1) the Brookville Branch, owned by IORY, which is located between Brookville, IN, milepost 43.5, and Valley Junction, OH, milepost 17.7, a distance of 25.8 miles; (2) the Oasis Branch which is located between Boathouse near Cincinnati, milepost 0.0, and Mill, OH, milepost 16.4, a distance of 16.4 miles (the rail and track materials are owned by IORY and the underlying real estate is owned by the Southwest Ohio Regional Transit Authority ("SORTA")); (3) the Blue Ash Branch which is located between Lester Road, in Cincinnati, milepost 49.6, and at end of track near Brecon, OH, milepost 39.8, a distance of 10.8 miles (SORTA owns the physical assets of the line and IORY has the exclusive rail freight easement over the line); and (4) the Mason Branch which is located between Monroe, OH, milepost 0.0, and Hageman Junction, OH, milepost 6.7, and between Mason, OH, milepost 10.0, and Lebanon, OH, milepost 2.3, a distance of 15.9 miles (the portion of the branch between Monroe and Mason is owned by IORY and the portion between Hageman

Junction and Lebanon is owned by the City of Lebanon). Traffic moving to and from the Brookville Branch is interchanged with The Central Railroad Company of Indiana ("CIND") at Valley Junction; traffic moving on the Oasis Branch is interchanged with CSXT, NS and CIND in Cincinnati; traffic moving to and from the Blue Ash Branch is interchanged with CSXT, NS and CIND in Cincinnati; and traffic moving to and from the Mason Branch is interchanged with NS at Monroe and with CSXT via the Norfolk Southern in Monroe. IORY also operates overhead trackage rights over WCOPA, as owner, and IOCR, as operator, between near Springfield, OH, milepost 202.7 and Fayne, OH, milepost 229.83, a distance of approximately 27.13 miles.

No operating or employee positions on IOCR or IORY are proposed to be abolished or transferred as a result of the proposed transaction.

Names and addresses of merging railroads:

Indiana & Ohio Railway Company
497 Circle Freeway Drive, Suite 230
Cincinnati, OH 45246

Indiana & Ohio Central Railroad, Inc.
497 Circle Freeway Drive, Suite 230
Cincinnati, OH 45246

Questions and correspondence concerning this notice may be addressed to:

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
INDIANA & OHIO CENTRAL RAILROAD, INC.
INDIANA & OHIO RAILWAY COMPANY
5300 Broken Sound Boulevard, N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer
Of Counsel
Ball Janik LLP
1455 F Street, N.W., Suite 225
Washington, DC 20005
(202) 638-3307

(a)(1)(ii) Consummation Date

The transaction is scheduled to be consummated on or shortly after May 1, 2005.

(a)(1)(iii) Purpose Sought to be Accomplished

The proposed merger is intended to generate greater efficiencies through such actions as the consolidation and reduction overhead expenses of the merging railroads and the reduction in car accounting costs.

(a)(5) List of States in which the Party's Property is Situated

IORY operates in the States of Indiana, Ohio and Michigan. IOCR operates in the State of Ohio.

(a)(6) Map

A map of the merging railroads is attached as Exhibit A.

(a)(7)(ii) Agreement

A copy of the executed merger agreement is attached as Exhibit B.

Labor Protection

This merger transaction involves two Class III railroads. Therefore, under 49 U.S.C. § 11326(c) since only Class III rail carriers are involved, no labor protection applies to the proposed transaction.

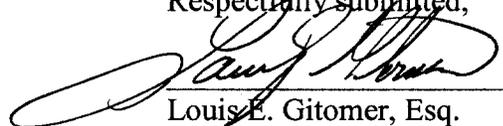
Environmental and Historic Matters

There will be minimal, if any, environmental impacts as a result of the proposed merger. Mergers that do not result in significant changes in carrier operations (i.e., changes that do not exceed the thresholds established in section 1105.7(e)(4) or (5)) do not require that environmental documentation be prepared. 49 C.F.R. § 1105.6(c)(2)(i). The merger of IOCR into IORY will not result in significant changes in carrier operations that exceed the thresholds established in section 1105.7(e)(4) or (5)).

There will be minimal, if any, historic impacts as a result of the proposed merger. Mergers that result in the transfer of property between corporate affiliates where there will be no significant change in operations do not require an historic report. 49 C.F.R. § 1105.8(b)(2). The merger of IOCR into IORY will not result in significant changes in operations.

Therefore, environmental and historical reports and documentation normally need not be submitted for this type of transaction, pursuant to 49 C.F.R. § 1105.6(c)(2)(i) and § 1105.8(b)(2).

Respectfully submitted,



Gary A. Laakso, Esq.
Vice President Regulatory Counsel
INDIANA & OHIO RAILWAY
COMPANY
INDIANA & OHIO CENTRAL
RAILROAD, INC.
5300 Broken Sound Boulevard, N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
Ball Janik LLP
1455 F Street, N.W., Suite 225
Washington, DC 20005
(202) 638-3307

Attorneys for:
INDIANA & OHIO CENTRAL RAILROAD, INC.
and
INDIANA & OHIO RAILWAY COMPANY

Dated: April 20, 2005

EXHIBIT A-MAP

Indiana & Ohio Railway

A RailAmerica Company

- Interchange Stations
- IORY
- ||||| IORY Trackage Rights
- Other RailAmerica Shortlines
- ||||| Other RailAmerica Trackage Rights
- ▲▲▲▲▲ Other RailAmerica Haulage Rights

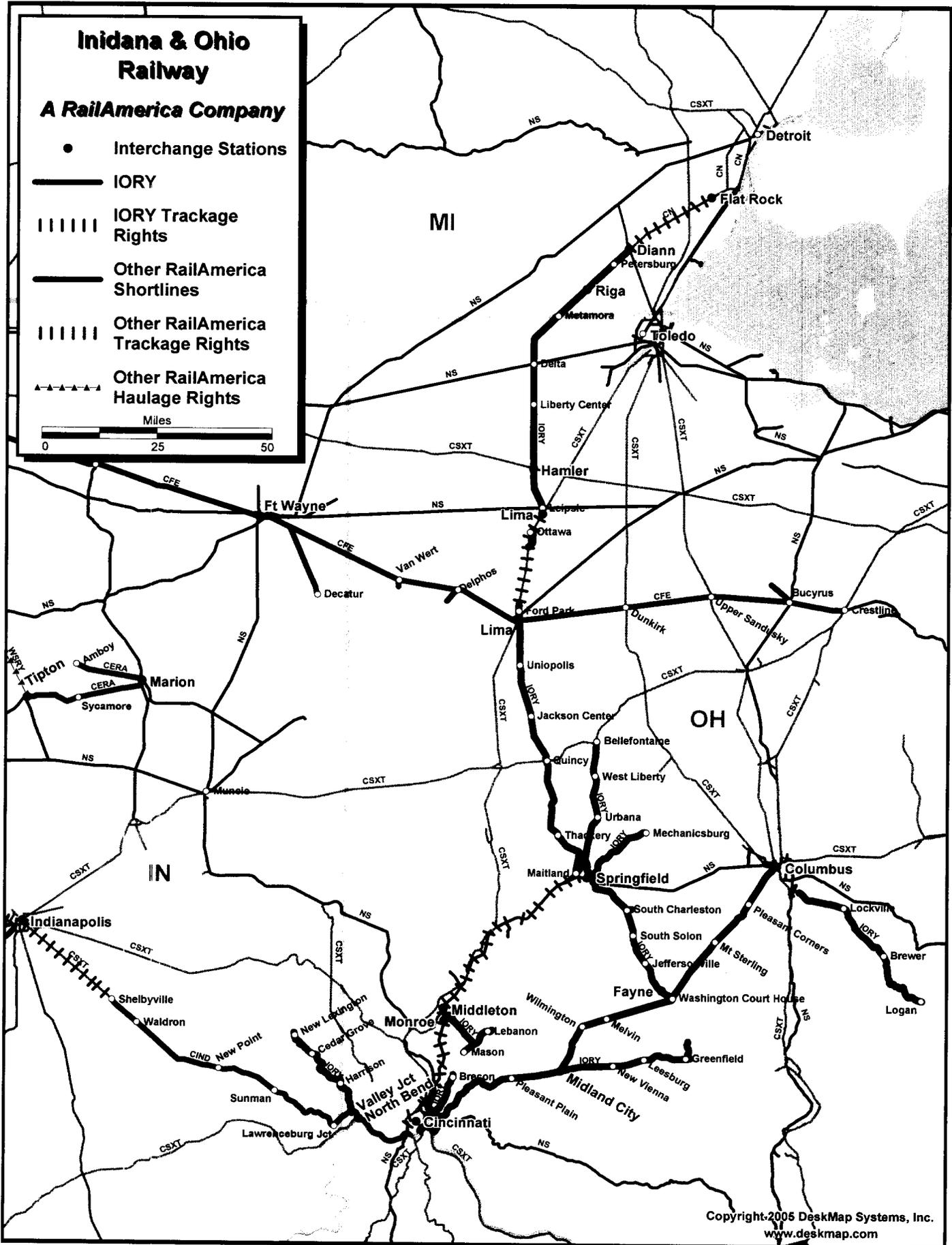
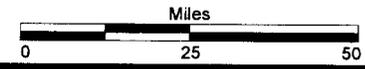


EXHIBIT B-AGREEMENT

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "Agreement") is made and entered into as of the 6th day of April 2005, by and between Indiana & Ohio Central Railroad, Inc., a Delaware corporation ("IOCR"), and Indiana & Ohio Railway Company, a Delaware corporation (the "Surviving Corporation"). The Surviving Corporation and IOCR shall hereafter at times be collectively referred to as the "Constituent Corporations."

In consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I.

MERGER OF IOCR INTO SURVIVING CORPORATION

1.01. On the Effective Date (as hereinafter defined), IOCR shall be merged with and into the Surviving Corporation, and the separate existence of the IOCR shall cease. The Surviving Corporation shall continue its corporate existence under, and shall be governed by, the laws of the State of Delaware.

1.02. This Agreement shall be submitted for approval to the shareholders of the Surviving Corporation in the manner prescribed by and in accordance with the laws of the State of Delaware and IOCR in the manner prescribed by and in accordance with the laws of the State of Delaware. If this Agreement is approved by the shareholders of the Constituent Companies in the manner prescribed by and in accordance with the laws of the States of their respective incorporations, and by their respective shareholders in the manner prescribed by and in accordance with the laws of their respective incorporations, such filings in the form required shall be delivered to the Secretary of States of Delaware, and a Certificate of Merger in the form required under Section 252 of the Delaware General Corporation Law, shall be delivered to the Secretary of State of Delaware. The merger of IOCR into the Surviving Corporation shall become effective at 12:01 a.m., Eastern Standard Time, on May 1, 2005 (the "Effective Date").

1.03. The Board of Directors of each of the Constituent Corporations has adopted and approved this Agreement in the manner prescribed by and in accordance with the laws of the States of their respective incorporations.

ARTICLE II.

STATUS OF SHARES; MANNER OF CONVERSION

2.01. There are presently outstanding Seven hundred fifty (750) shares of no par value commonstock of the Surviving Corporation (hereinafter referred to as the "Surviving Corporation Common Stock"). IOCR presently has issued two thousand two hundred and fifty (2,250) shares of no par value common stock ("IOCR Common Stock").

2.02. On the Effective Date, each share of the IOCR Common Stock shall automatically be canceled, and the Surviving Corporation Common Stock shall continue unchanged and be the issued and outstanding capital stock of the Surviving Corporation. The Shareholders of IOCR shall receive no consideration of any kind for the respective Common Stock.

ARTICLE III.

EFFECT OF MERGER

3.01. The Board of Directors and Officers of the Surviving Corporation as of the Effective Date shall continue as the Board of Directors and Officers of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Certificate of Incorporation and Bylaws and the Delaware General Corporation Law.

3.02. The Certificate of Incorporation and the Bylaws of the Surviving Corporation in effect on the Effective Date shall continue to be the Certificate of Incorporation and the Bylaws of the Surviving Corporation after the Effective Date, until altered, amended or repealed as provided therein or by the Delaware General Corporation Law.

3.03. On the Effective Date, the Surviving Corporation shall possess all the rights, privileges, powers and franchises, as well of a public or private nature, and be subject to all the restrictions, disabilities and duties of each of the Constituent Corporations; and all the rights, privileges, powers and franchises of each of the Constituent Corporations, and all property, real, personal and mixed, and all debts due to either of the Constituent Corporations on whatever account, and all other things in action or belonging to each of such corporations shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the respective Constituent Corporations, and the title to any real estate vested by deed or otherwise in any of such Constituent Corporations shall not revert or be in any way impaired by reason of the merger of the Constituent Corporations; but all rights of creditors and all liens upon any property of any of said Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of the respective Constituent Corporations shall attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties have been incurred or contracted by it.

ARTICLE IV.

MISCELLANEOUS

4.01. The merger provided for herein may be abandoned, prior to the Effective Date, by the Boards of Directors of the Constituent Corporations in the exercise of their sole and independent discretion without the approval or authorization of the shareholders of the Constituent Corporations.

4.02. This Agreement may be amended by the parties hereto, at any time before or after approval of the merger by the shareholders of the Constituent Corporations, but, after any such approval, no amendment shall be made that materially adversely affects the rights of such shareholders (other than an abandonment of the merger as provided above) without the further approval of such shareholders. This Agreement may not be amended except by an instrument, in writing signed on behalf of each of the parties hereto.

4.03. If at any time the Surviving Corporation shall consider or be advised that any further assignment or assurance in law or other action is necessary or desirable to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation the title to any property or rights of IOCR acquired by or as a result of this merger, the proper officers and directors of IOCR and the Surviving Corporation, respectively, shall be, and they hereby are, severally and fully authorized to execute and deliver such deeds, assignments and assurances and take such other action as may be necessary or proper in the name of IOCR or the Surviving Corporation to vest, perform or confirm title to such property or rights in the Surviving Corporation and otherwise carry out the purposes of this Agreement.

4.04. This Agreement is made pursuant to and shall be governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement as of the date first above written.

INDIANA & OHIO CENTRAL RAILROAD, INC.
a Delaware corporation

By: 

Name: Sandra K. Filmer

Title: VP-Contracts

**INDIANA & OHIO RAILWAY COMPANY, a
Delaware corporation**

By: *Michael Jay Howe*
Name: MICHAEL JAY HOWE
Title: Vice President

V:\Depts\Legal\Indiana & Ohio RR\MERGER-AGMT-IOCR-1.doc

VERIFICATION

State of Florida)
)ss
County of Palm Beach)

I, Sandy Franger, being duly sworn, depose and state that I am Vice President of the Indiana & Ohio Railway Company and the Indiana & Ohio Central Railroad, Inc., 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 to the best of my knowledge, information and belief.

Sandy K. Franger
Sandy Franger

Subscribed and sworn to before me this 13th day of April 2005.

Kristin Dunlap
Notary Public

My Commission expires: Dec. 27, 2005

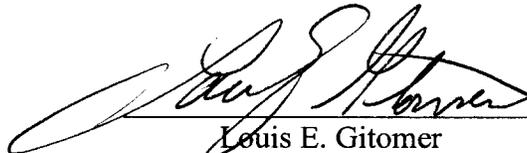


Kristin Dunlap
My Commission DD067667
Expires December 27, 2005

PERSONALLY KNOWN: X
PRODUCED I.D.:

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 34686, Indiana & Ohio Railway Company–Merger Exemption–Indiana & Ohio Central Railroad, Inc. to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and on the Governor, Public Service Commission, and Department of Transportation of the States of Indiana, Michigan, and Ohio.



Louis E. Gitomer
April 20, 2005