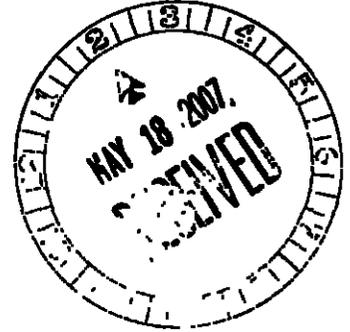


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ORIGINAL

JOHN D. HEFFNER, PLLC
1920 N STREET, N.W.
SUITE 800
WASHINGTON, D.C. 20036
(202) 263-4180
FAX (202) 296-3939
j.heffner@verizon.net



May 18, 2007

BY HAND

Hon. Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

MAY 18 2007

Part of
Public Record

RE: STB Finance Docket No. 35036, Suffolk &
Southern Rail Road LLC - Lease And
Operation Exemption - Sills Road Realty, LLC

Dear Mr. Williams:

On behalf of Suffolk & Southern Rail Road LLC, I am submitting an original and ten copies of a verified notice of exemption for the lease and operation of a rail line pursuant to 49 U.S.C. 10901 and 49 CFR 1150.31. In addition, I am enclosing a check for \$1,600 to cover the filing fee and a copy of this filing on a disk formatted in MS Word.

Please date stamp and return one copy of this letter.

Sincerely yours,

John D. Heffner
Counsel

FILED
MAY 18 2007
SURFACE
TRANSPORTATION BOARD

Enclosures

cc: Mr. Andrew Kaufman
Mr. Gerard Drumm

FEE RECEIVED
MAY 18 2007
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35036

SUFFOLK & SOUTHERN RAIL ROAD LLC
-- LEASE AND OPERATION EXEMPTION --
SILLS ROAD REALTY, LLC



VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF LEASE AND OPERATION OF RAIL LINE

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

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Public Record

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TRANSPORTATION BOARD

Dated: May 18, 2007

FILED
MAY 18 2007
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35036

SUFFOLK & SOUTHERN RAIL ROAD LLC
-- LEASE AND OPERATION EXEMPTION --
SILLS ROAD REALTY, LLC

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF SUBLEASE AND OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.33

Name and Address of Applicant 49 CFR 1150.33(a)

Suffolk & Southern Rail Road LLC
485 Underhill Blvd.,
Suite 103
Syosset, NY 11791¹

Applicant's Representative 49 CFR 1150.33(b)

¹ Address of the lessor and owner is:

Sills Road Realty, LLC
485 Underhill Boulevard
Syosset, New York 11791

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Statement of Agreement(s)

49 CFR 1150.33(c)

Suffolk & Southern Rail Road LLC ("Suffolk") has reached an agreement with Sills Road Realty, LLC ("Sills Road"), for the lease and operation of railroad trackage and facilities currently being constructed and located at Yaphank, Suffolk County, NY. This lease and operation transaction involves the use of approximately 11,000 feet of track on a 28 acre parcel of land. There are no mileposts.

Suffolk plans to close this transaction and commence operations after all applicable notice periods have run, more than 30 days from the date of filing this notice, or on or about June 18, 2007.

Operator of the Property

49 CFR 1150.33(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, Suffolk will hold itself out to provide common carrier rail freight service over the subject rail facilities.

Brief Summary of Transaction

49 CFR 1150.33(e)

This exemption involves the lease and common carrier operation by a new class III short line railroad [Suffolk] over railroad trackage and facilities to be constructed by and on land owned by Sills Road. More specifically, Sills Road's facility will be a rail-based terminal handling bulk commodities, merchandise freight, and other rail oriented-commodities serving the eastern part of Nassau County and the entirety of Suffolk County on Long Island. Suffolk intends to hold itself out as a common carrier to provide service to all potential customers. The Site, located in central Suffolk County, is immediately adjacent to the Exit 66 ramp of the Long Island Expressway (I-495) and has over 1,000 feet of frontage on the mainline branch of the Long Island Rail Road. The Site, zoned for industrial use and approved in a permitting proceeding as a potential location for a power plant, is currently vacant and has never been developed. Development of the Facility will entail installation of a mainline switch and rail infrastructure including 11,000 feet of track, provision of rolling stock and construction of an onsite over-pass bridge, cross dock, intermodal container storage and receiving, handling and storage bunkers with sufficient capacity to accommodate up to 500,000 tons of construction aggregates per annum.

As a result of this transaction, Suffolk will connect with the New York & Atlantic Railway, an existing class III short line railroad,² which will in turn connect with CSX Transportation and Norfolk Southern Railway.³ The parties to this transaction have decided seek operating authority under the ICC Termination Act in order to obtain railroad rehabilitation funding from the New York State Department of Transportation. Rather than provide service in its own right, Suffolk anticipates engaging an existing short line railroad to provide the service and that carrier will file a notice of exemption before commencing service.

Map

49 CFR 1150.33(f)

An aerial photograph depicting the railroad trackage to be leased and operated is attached as Exhibit A-1 and a map showing the general location of this trackage is attached as Exhibit A-2.

Certificate of Carrier Classification

49 CFR 1150.33(g)

Suffolk certifies that, with this acquisition, its projected annual revenues will be less than \$5,000,000 annually.

² The NY&A has the franchise to provide common carrier rail freight service over the lines of the Long Island Rail Road.

³ Connection with Norfolk Southern Railway is through New York New Jersey Rail, formerly the New York Cross Harbor Railroad.

A certificate complying with the provisions of 49 CFR 1150.33(g) is attached as Exhibit B to this notice.

Labor Protection

Under 49 U.S.C. 10901 the imposition of labor protective conditions is discretionary. Suffolk requests that no conditions be imposed as there are no employees who will be adversely affected.

Caption Summary

49 CFR 1150.34

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

Environmental and Historic Preservation Data **49 CFR 1105**

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a long horizontal flourish extending to the right.

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

Dated: May 18, 2007

EXHIBIT A-1

LONG ISLAND EXPRESSWAY

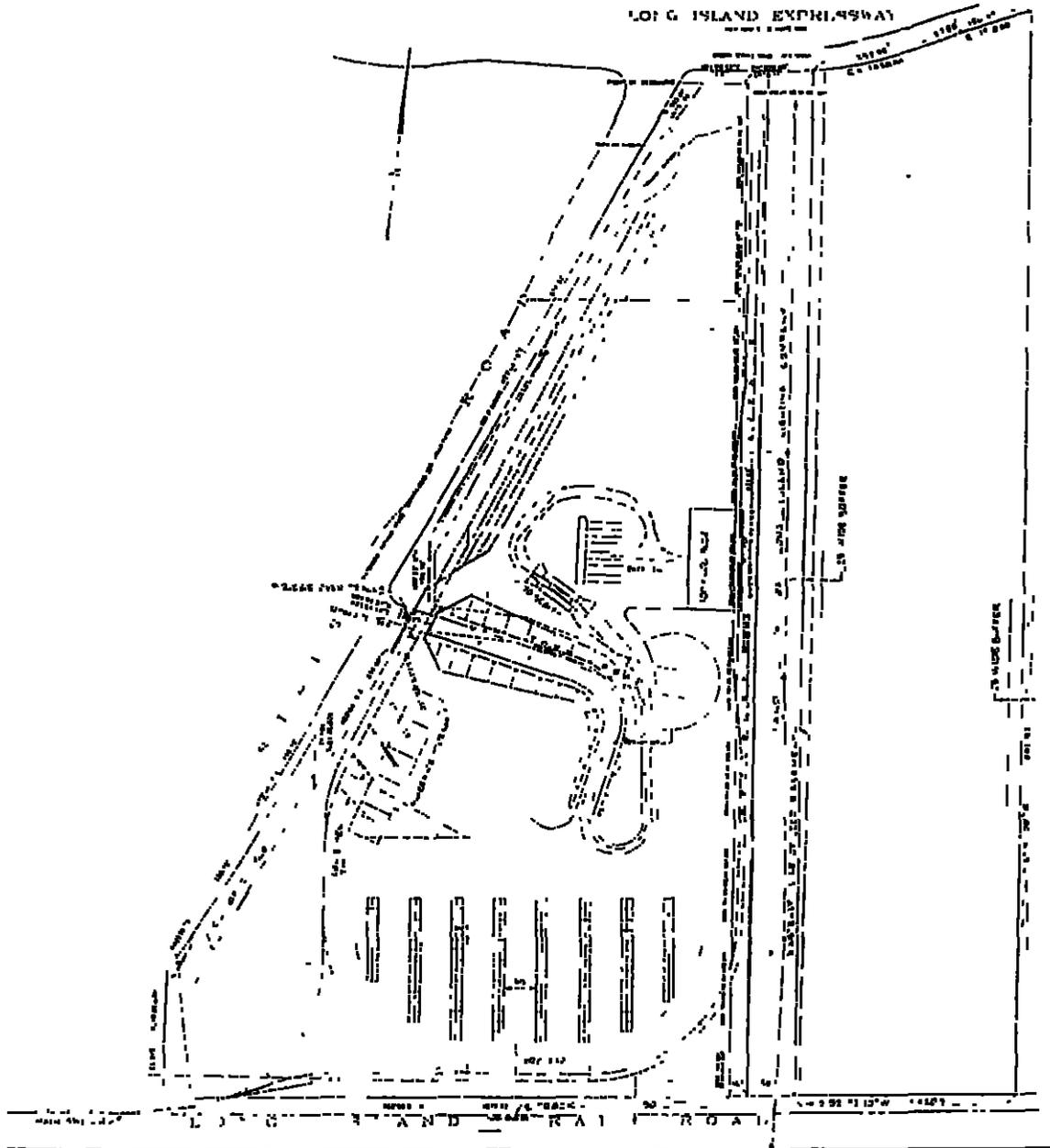


EXHIBIT A-2

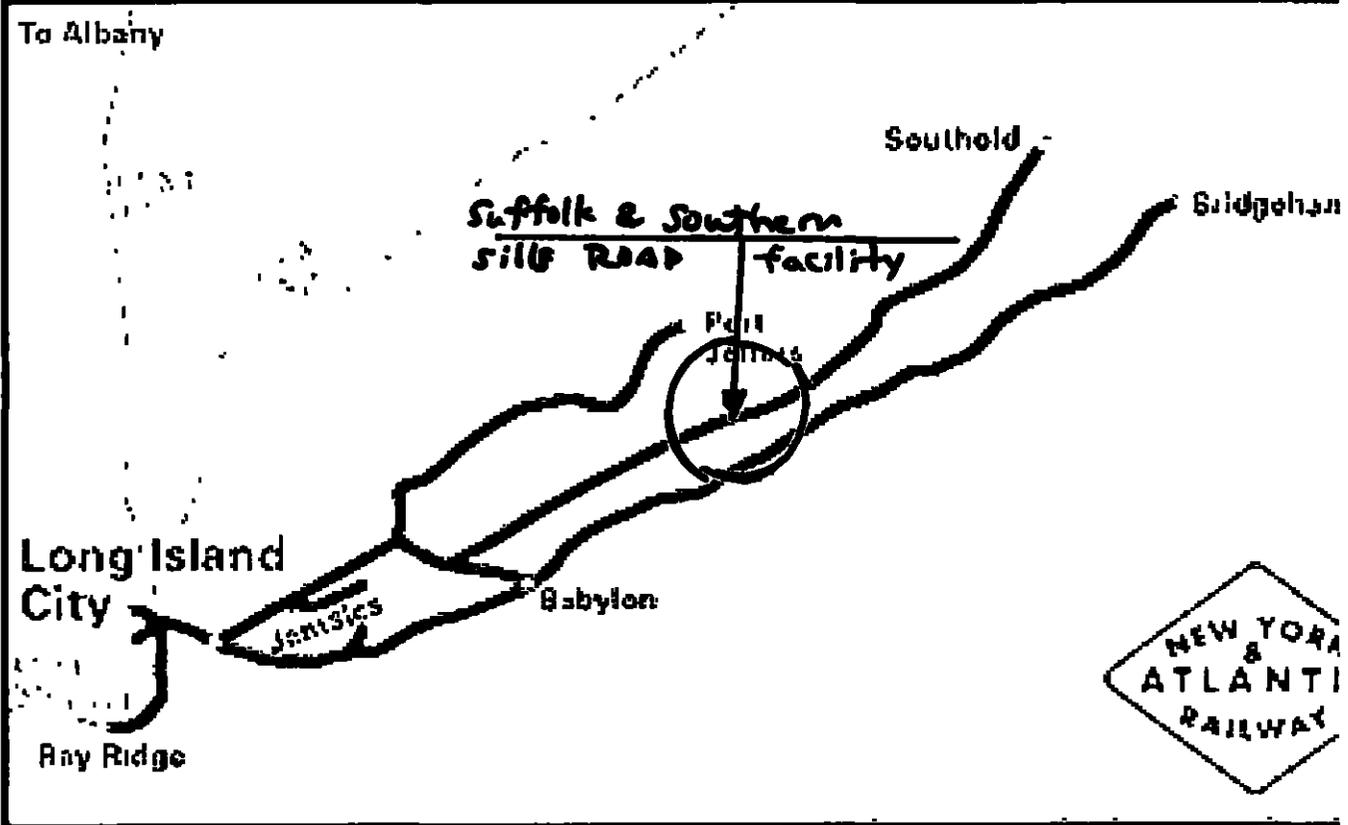


EXHIBIT B

CERTIFICATION

I, Andrew Kaufman, an officer of Suffolk & Southern Rail Road LLC ("Suffolk") hereby certify under penalty of perjury that the projected annual railroad operating revenues of Suffolk, in the aggregate, will not exceed \$5,000,000, and that Suffolk will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of Suffolk.


_Andrew Kaufman

EXHIBIT C

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35036

**SUFFOLK & SOUTHERN RAIL ROAD LLC
-- LEASE AND OPERATION EXEMPTION --
SILLS ROAD REALTY, LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31**

**NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE
INFORMATION REQUIRED BY 49 CFR 1150.31**

Suffolk & Southern Rail Road LLC ("Suffolk"), a newly established noncarrier, has filed a Verified Notice of Exemption under 49 CFR 1150.31 for the lease and operation of railroad trackage and facilities currently being constructed by and located on land owned by Sills Road Realty, LLC ("Sills Road"), at Yaphank, Suffolk County, NY. This lease and operation transaction involves the use of approximately 11,000 feet of track on a 28 acre parcel of land. There are no mileposts. Suffolk plans to consummate

this transaction on or about 30 days from the date of filing this notice, approximately June 18, 2007.

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. 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35036, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 395 E Street, S.W., Washington, D.C. 20423. In addition, a copy of each pleading must be served on:

John D. Heffner, Esq.
John D. Heffner, PLLC
1920 N Street, N.W.,
Suite 800
Washington, D.C., 20036
Telephone: (202) 263-4180

(seal)

Vernon A. Williams
Secretary

