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ATTORNEYS AT LAW

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ENTERED
Office of Proceedings
December 21, 2020
Part of
Public Record

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December 21, 2020

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: **Docket No. FD 36453**
SRC Railway LLC — Lease and Operation Exemption —
Strasburg Rail Road Company

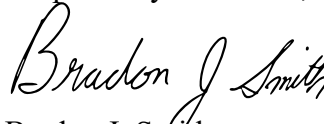
Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is a **Verified Notice of Exemption of SRC Railway LLC Pursuant to 49 C.F.R. § 1150.32**, dated December 21, 2020. The sum of \$2,200, representing the appropriate fee for this filing, has been tendered electronically via Pay.gov.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

FILED
December 21, 2020
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,



Bradon J. Smith
Attorney for SRC Railway LLC

BJS:bs

Attachment

FEE RECEIVED
December 21, 2020
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36453

SRC RAILWAY LLC
— LEASE AND OPERATION EXEMPTION —
STRASBURG RAIL ROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
SRC RAILWAY LLC
PURSUANT TO 49 C.F.R. § 1150.32**

Thomas C. Paschalis
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

ATTORNEYS FOR SRC RAILWAY LLC

Dated: December 21, 2020

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36453

SRC RAILWAY LLC
— LEASE AND OPERATION EXEMPTION —
STRASBURG RAIL ROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
SRC RAILWAY LLC
PURSUANT TO 49 C.F.R. § 1150.32**

SRC Railway LLC (“Railway LLC”), a non-carrier, hereby files this notice of exemption under 49 C.F.R. Part 1150.31 *et seq.* to lease and operate the Strasburg Line of the Strasburg Rail Road Company (“SRC”) extending from approximately quarter-mile post 20 at Leaman Place (immediately north of the underpass at U.S. Highway 30 and west of the interchange connection with Norfolk Southern Railway Company and the National Railroad Passenger Corporation (“NRPC”) (NRPC MP 56.8)) southwesterly to quarter-mile post 3 at East Strasburg (the end of track approximately ½ mile west of the crossing with Pennsylvania Route 741), a distance of approximately 4 ¼ miles, all within Lancaster County, Pennsylvania. Based on projected revenues for the Strasburg Line, Railway LLC expects to become a Class III rail carrier.

This Notice is related to Docket No. FD 36454, *Strasburg Rail Road Company — Continuance in Control Exemption — SRC Railway LLC* in which SRC is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Railway LLC once Railway LLC leases the Strasburg Line and becomes a carrier.

In accordance with the requirements of 49 C.F.R. § 1150.33, Railway LLC submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.33(a)

The full name and address of the applicant herein is as follows:

SRC Railway LLC
Route 741 East
P.O Box 96
Strasburg, Penna. 17579

Applicant's Representative: 49 C.F.R. § 1150.33(b)

The Railway LLC representative to whom correspondence regarding this transaction should be sent is as follows:

Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)

Railway LLC and SRC will shortly execute agreements pursuant to which SRC will lease Railway LLC the Strasburg Line.

Operation of the Property: 49 C.F.R. § 1150.33(d)

Railway LLC will provide common carrier rail freight service on the Strasburg Line upon consummation of the proposed lease transaction.

Summary of the Transaction: 49 C.F.R. § 1150.33(e)

Railway LLC is a newly-formed, non-carrier subsidiary of SRC. Pursuant to agreements to be executed by Railway LLC and SRC, Railway LLC will lease and operate

SRC's entire rail line extending from approximately quarter-mile post 20 at Leaman Place, Pennsylvania to the end of track at quarter-mile post 3 at East Strasburg, Pennsylvania, a distance of approximately 4 ¼ miles. Railway LLC will provide common carrier rail freight service on the Strasburg Line via an interchange with Norfolk Southern Railway Company at Leaman Place.

The full name and address of the entity leasing the Strasburg Line to Railway LLC is as follows:

Strasburg Rail Road Company
Route 741 East
P.O Box 96
Strasburg, Penna. 17579

SRC is a common carrier by rail; it exists and operates according to a corporate charter of 1832, predating the Interstate Commerce Act. *Strasburg R.R. Co.*, 119 I.C.C. 723 (1926); *see* 8 Fed. Reg. 17491, General Order No. 1, (War Department served Dec. 9, 1943). The formation of Railway LLC and the transaction proposed herein are part of a corporate operational reorganization that will facilitate the development of SRC's non-freight rail operating activities; SRC will continue to operate intrastate excursion passenger service. SRC will retain a residual freight common carrier obligation on the Strasburg Line, and remain a rail carrier.

Railway LLC intends to consummate its lease of the Strasburg Line and commence operations upon receipt of all requisite regulatory approvals, but no sooner than January 21, 2021.

Map: 49 C.F.R. § 1150.33(f)

A map showing the Strasburg Line and indicating the area served is attached as Exhibit A to this notice.

Certificate of Compliance: 49 C.F.R. § 1150.33(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B to this notice.

Interchange Commitments: 49 C.F.R. § 1150.33(h)

The subject agreements to be entered into between Railway LLC and SRC do not include any provision limiting Railway LLC's future interchange of traffic on the Strasburg Line with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.32(e)

The projected annual revenue of Railway LLC does not exceed \$5 million, and accordingly the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable to this transaction. *See* Exhibit B.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), the proposed lease of the Strasburg Line by Railway LLC is exempt from environmental reporting requirements. Railway LLC's lease and operation of the Strasburg Line will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), the proposed lease of the Strasburg Line by Railway LLC also is exempt from historic preservation reporting requirements. Railway LLC's lease of the Strasburg Line is for the purpose of continuing rail operations.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,

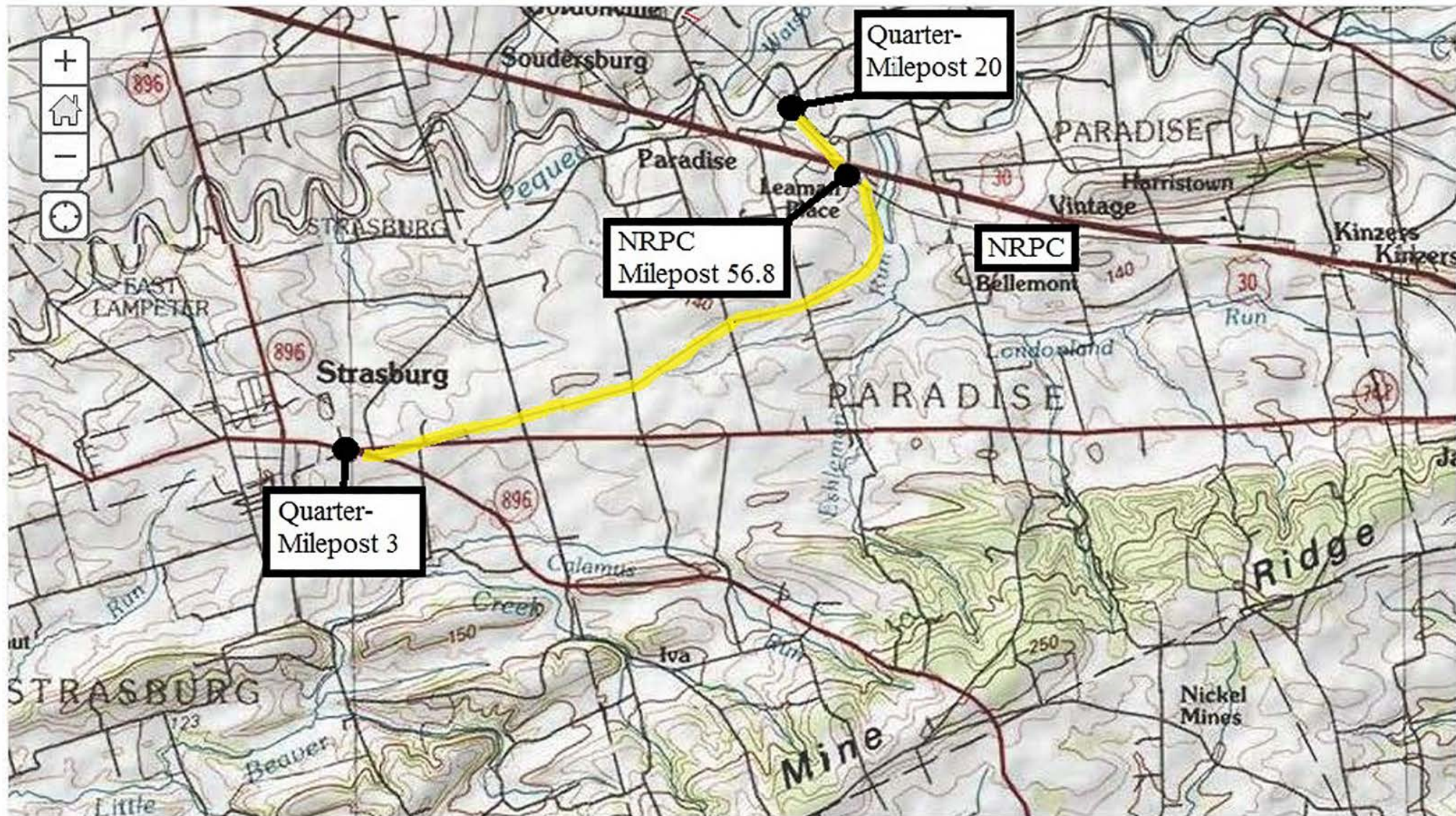
By: Bradon J. Smith
Thomas C. Paschalis
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

ATTORNEYS FOR SRC RAILWAY LLC

Dated: December 21, 2020

EXHIBIT A

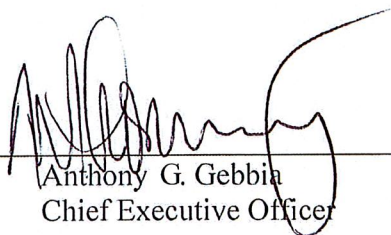
Docket No. FD 36453
SRC Railway LLC - Lease and Operation
Exemption - Strasburg Rail Road
Company



CERTIFICATION

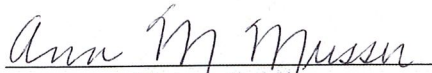
Commonwealth of Pennsylvania)
) ss:
County of Lancaster)

Anthony G. Gebbia, being duly sworn, hereby certifies that the projected annual rail revenue of SRC Railway LLC does not exceed \$5 million and will not result in the creation of a Class II or Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).



Anthony G. Gebbia
Chief Executive Officer

SUBSCRIBED AND SWORN TO
before me this 8th day
of December, 2020.



Notary Public

My Commission expires:

Commonwealth of Pennsylvania - Notary Seal
Ann M. Musser, Notary Public
Lancaster County
My commission expires March 14, 2022
Commission number 1118227
Member, Pennsylvania Association of Notaries

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

DOCKET NO. FD 36453

SRC RAILWAY LLC
— LEASE AND OPERATION EXEMPTION —
STRASBURG RAIL ROAD COMPANY

SRC Railway LLC (“Railway LLC”), a non-carrier, has filed a Verified Notice of Exemption under 49 C.F.R. § 1150.31, *et seq.* to lease from Strasburg Rail Road Company (“SRC”) and operate a line of railroad known as the “Strasburg Line” extending from the approximately quarter-milepost 20 at Leaman Place (immediately north of the underpass at U.S. Highway 30 and west of the interchange connection with Norfolk Southern Railway Company and the National Railroad Passenger Corporation southwesterly to quarter-mile post 3 at East Strasburg, a distance of approximately 4 ¼ miles, all within Lancaster County, Pennsylvania. Railway LLC expects to consummate its lease of the Strasburg Line and commence operations upon receipt of all regulatory approvals relevant to the transaction, but not sooner than January 21, 2021.

Comments must be filed with the Board and served on:

Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

This proceeding is related to Docket No. FD 36454, *Strasburg Rail Road Company — Continuance in Control Exemption — SRC Railway LLC* in which SRC has concurrently filed a notice of exemption pursuant to 49 U.S.C. §§ 11323, *et seq.* and 49 C.F.R. § 1180.2(d)(2) to continue in control of Railway LLC once Railway LLC leases the Strasburg Line and becomes a carrier.

This Notice is filed under 49 C.F.R. § 1150.31. If this 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.

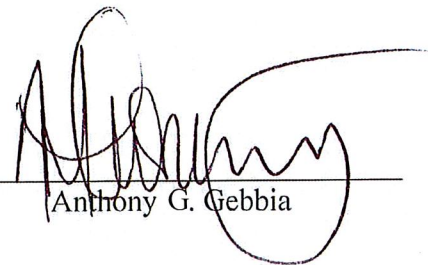
Dated: January __, 2021

By the Board

VERIFICATION

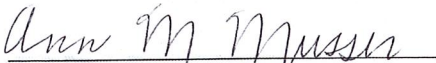
Commonwealth of Pennsylvania)
) ss:
County of Lancaster)

Anthony G. Gebbia, being duly sworn, deposes and says that: he is Chief Executive Officer of SRC Railway LLC; he has read the foregoing Notice of Exemption and knows the facts asserted therein; and the same are true as stated.



Anthony G. Gebbia

SUBSCRIBED AND SWORN TO
before me this 18th day
of December, 2020.



Notary Public

My Commission expires:

