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ENTERED
Office of Proceedings
March 13, 2025
Part of
Public Record

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March 13, 2025

VIA E-FILING

Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: Central New York Railroad Corporation – Amended Lease and Operation
Exemption Containing Interchange Commitment– Norfolk Southern Railway
Company, FD 36825

Dear Ms. Brown:

Pursuant to 49 U.S.C. § 10902 and 49 C.F.R. § 1150.41, et seq., Central New York Railroad Corporation hereby files this Verified Notice of Exemption for the continued lease and operation of a line of Norfolk Southern Railway Company, extending from milepost 89.9 at or near Port Jervis, New York to milepost 213.0 at Binghamton, New York.

The requisite filing fee in the amount of \$2,500, pursuant to 49 C.F.R. 1002.2(f)(14)(ii), has been paid via Pay.gov. If there are any questions about this matter, please contact me directly, either by telephone: at 202-663-7831 or by e-mail: at czorbaugh@mullinslawgroup.net. If I am unavailable, you may contact Spencer M. Naake, who can be reached at (202) 663-7829 or by e-mail at snaake@mullinslawgroup.net.

Sincerely,

/s/ Crystal M. Zorbaugh

Crystal M. Zorbaugh
Counsel for Central New York Railroad Corporation

Enclosures

FILED
March 13, 2025
SURFACE
TRANSPORTATION BOARD

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March 13, 2025
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PUBLIC VERSION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36825

**CENTRAL NEW YORK RAILROAD CORPORATION
– AMENDED LEASE AND OPERATION EXEMPTION
CONTAINING INTERCHANGE COMMITMENT–
NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41, ET SEQ.**

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**Counsel for Central New York Railroad
Corporation**

March 13, 2025

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36825

**CENTRAL NEW YORK RAILROAD CORPORATION
– AMENDED LEASE AND OPERATION EXEMPTION
CONTAINING INTERCHANGE COMMITMENT –
NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41, ET SEQ.**

INTRODUCTION

Pursuant to 49 C.F.R. § 1150.41, et seq., Central New York Railroad Corporation (“CNY” or “Applicant”), a Class III railroad common carrier, hereby files the Verified Notice of Exemption (the “Notice”) pursuant to 49 C.F.R. 1150, Subpart D, Exempt Transaction, with the Surface Transportation Board (the “STB” or “Board”) to continue to lease and operate a line of railroad. The trackage that is subject to this Notice extends from milepost 89.9 at or near Port Jervis, New York, and milepost 213.0 at Binghamton, New York (the “Line”) in Broome, Sullivan, Delaware and Orange Counties, NY and Pike and Susquehanna Counties, PA. CNY previously received regulatory authority to operate the Line under a December 28, 2004, lease agreement (the “Lease Agreement”) with Norfolk Southern Railway Company (“NSR”).¹ At

¹ See Central New York Railroad Corporation – Lease and Operation Exemption – Norfolk Southern Railway Company, FD 34643 (STB served January 21, 2005) (“January 21, 2005 Decision”).

NSR's request, CNY and NSR (collectively, the "Parties") have agreed to a Third Amendment² extending the lease and amending the lease renewal provisions of the Lease Agreement.

In support of this Verified Notice of Exemption, CNY submits the following information as required by 49 C.F.R. § 1150.43:³

(a) Full name and address of the Class III rail carrier applicant.

Central New York Railroad Corporation
1 Railroad Avenue
Cooperstown, NY 13326

(b) Name, Address, and Telephone Number of Representatives to Receive Correspondence:

CNY's representatives are:

Crystal M. Zorbaugh
Spencer M. Naake
MULLINS LAW GROUP PLLC
2001 L Street NW, Suite 720
Washington, DC 20036
Tel: (202) 663-7831

(c) Statement that an agreement has been reached or details about when an agreement will be reached.

As stated above, CNY and NSR have recently executed a Third Amendment to their Lease

² Recently, the Board clarified that all lease amendments require the Board's authority. See Kansas & Oklahoma Railroad, Inc. – Acquisition Exemption – Central Kansas Railway, LLC, FD 34030 (STB served Feb 25, 2025). This was unclear at the time the First Amendment was executed (April 1, 2009) and at the time the Second Amendment was executed (February 15, 2011). That said, neither amendment contained an extension of time, and as such, no lease amendment authority was sought. Moreover, the recent lease renewal precedent was decided post-2011. See North Carolina & Virginia Railroad Company, L.L.C., Chesapeake & Albemarle Railroad Division—Lease Amendment and Operation Exemption Including Interchange Commitment, FD 36252 (STB served December 14, 2018); see also Wichita, Tillman & Jackson Railway Company—Lease Exemption Containing Interchange Commitment, FD 35998 (STB served March 4, 2016); Central Midland Railway Company—Renewal of Lease Exemption with Interchange Commitment, FD 35989 (STB served January 29, 2016).

³ See, e.g., North Carolina & Virginia Railroad, LLC, Chesapeake & Albermarle Railroad Division – Lease Amendment Exemption – Norfolk Southern Railway Company, FD 35564 (Sub-No. 1) (STB served December 16, 2011) (granting lease amendment exemption which provided the required information under 49 C.F.R. § 1150.43).

Agreement dated December 28, 2004, related to the Line. The Third Amendment to the Lease Agreement is attached in the highly confidential version as Exhibit A.⁴

(d) Operator of the property.

CNY, a Class III rail carrier, has been the operator of the Line since 2004 and will remain the operator of the Line.

(e) Brief Summary of the Transaction.

The Line is a portion of NSR's Southern Tier Line. NSR originally leased the Line to CNY pursuant to the Lease Agreement on December 28, 2004. NSR has also retained overhead trackage rights since 2004.⁵ The Third Amendment will modify the terms of CNY's Lease Agreement to provide for an extension of the lease term and amend the lease renewal provisions. All other terms and conditions of the Lease Agreement and prior amendments remain in full force and effect.

(1) The name and address of the railroad transferring the subject property.

Norfolk Southern Railway Company
650 West Peachtree Street, NW
Atlanta, GA 30308

(2) The proposed time schedule for consummation of the transaction.

NSR intends to consummate this transaction at least 30 days from the date of this Notice, on or around April 13, 2025.

⁴ The Lease Agreement can be found in CNY's Verified Notice Exemption, Exhibit B, filed on December 23, 2004 in Central New York Railroad Corporation, FD 34643 ("CNY's 2004 Notice of Exemption").

⁵ See January 21, 2005 Decision ("NS is retaining overhead trackage rights over the line."); see also Verified Notice Exemption, p. 4, n. 2, filed on December 23, 2004 in CNY's 2004 Notice of Exemption ("Because NS is retaining the trackage rights as part of the proposed lease to CNY, the parties do not believe that any separate trackage rights filing is required. *Compare Minnesota Northern Railroad, Inc. – Exemption*, STB Finance Docket Nos. 33315, et al. (served August 14, 1997) (no filing fee required where the trackage rights were reserved as part of the agreement)...").

(3) The Mileposts of the subject property, including any branch lines:

The Line extends between milepost 89.9 at or near Port Jervis, New York, and milepost 213.0 at Binghamton, New York (the “Line”) in Broome, Sullivan, Delaware and Orange Counties, NY and Pike and Susquehanna Counties, PA.

(4) The total route miles being leased:

The total mileage to be leased and operated is approximately 123.1 miles of rail lines.

(f) Map

A map depicting the Line is attached as Exhibit B.

(g) Certificate of Compliance with the provisions of 49 C.F.R. 1150.43(g)

The required certificate is attached, along with the verification for this Notice. See Verification and Certification, attached as Exhibit C. The projected annual rail revenue of CNY from operations of the Line will not exceed \$5 million. Further, CNY’s projected annual operating revenues are not expected to exceed those that would qualify it as a Class III carrier. Accordingly, the advance notice requirements of 49 C.F.R. § 1150.42(e) do not apply to the transaction.

(h) Interchange Commitments

The Third Amendment will not modify the interchange agreement between NSR and CNY; however, the original lease had an interchange commitment that remains in effect that may limit future interchange with a third-party connecting carrier. Thereby, pursuant to 49 C.F.R. 1150.43 (h), CNY is providing the following information:

- (i)** The affected interchange point for the interchange commitment is at Milepost 213.0 in Binghamton, NY.
- (ii)** The Lease Agreement can be found in CNY’s Verified Notice Exemption, Exhibit B at p. 9, Section 22, filed on December 23, 2004, in CNY’s 2004 Notice of Exemption.

PUBLIC VERSION

A highly confidential version of the original Lease Agreement, Interchange Agreement, and the Amendments are being filed with the Board under separate cover, under 49 C.F.R. § 1104.14(a). See Exhibit D – Lease Agreement and Other Documentation Related to Interchange Commitment.

- (iii) The following shippers or consignees located on the Line are currently using the Line to ship or receive freight by rail or have used the Line in the last two years (together, the “Shippers”):

Atkore International	958 Route 11 South, Kirkwood, NY 13795
Frito-Lay	10 Spud Lane, Binghamton, NY 13904
Cochecton Mills	30 Depot Road, Cochecton, NY 12726
Narrowsburg Feed & Grain	11 Fifth Street, Narrowsburg, NY 12764
SRS Lackawaxen	201 Scenic Drive, Lackawaxen, PA 18435

- (iv) The aggregate number of carloads the Shippers originated or terminated within the last two years is being filed by separate cover, under 49 C.F.R. § 1104.14(a).

This information is highly confidential and is being filed under seal. See Exhibit A.

- (v) Attached hereto is a Certificate of Service, certifying that the Shippers have been served a copy of this Verified Notice of Exemption.

- (vi) The following third-party railroads could physically interchange with the Line:

- The New York, Susquehanna & Western Railway Company (“NYS&W”)
- Delaware, Lackawanna & Stourbridge Railroad Company (“DL&S”)

- (vii) An estimate of the difference between the lease price with and without the interchange commitment is being filed by separate cover, under 49 C.F.R. 1104.14(a)

This information is highly confidential and is being filed under seal. See Exhibit A.

- (viii) The case caption of this Verified Notice of Exemption identifies the existence of an interchange commitment.

Environmental and Historical Reports

Under 49 C.F.R. § 1105.6(c)(1), the proposed transaction is exempt from environmental reporting requirements because it will not result in a “significant change in carrier operations” and does not exceed the thresholds in 49 C.F.R. § 1105.7(e)(4) or (5). Specifically, the transaction that is the subject of this Notice will not cause 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 these lines to motor carriage. Nor will the transaction result in (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the subject rail line; (2) an increase of rail yard activities 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. This transaction will not exceed the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii). The transaction will not result in the transportation of any ozone-depleting materials. Therefore, pursuant to the Board's regulations at 49 C.F.R. § 1105.6(c), no environmental documentation is required.

Similarly, under 49 C.F.R. 1105.8(b)(1), the lease and operation of the NSR's Line is exempt from historic preservation reporting requirements. The proposed transaction merely involves the Lease Agreement and the subject Third Amendment for continuing the status quo concerning freight rail operations, and neither NSR nor CNY intend to dispose of or alter properties subject to the STB's jurisdiction that are 50 years or older. Accordingly, no environmental or historical documentation is required.

Labor Protection

CNY is a Class III carrier, and pursuant to 49 U.S.C. § 10902(d), approval of this transaction may not be subject to labor protection conditions.

Caption Summary (49 C.F.R. § 1150.44)

A caption summary in the appropriate form is attached as Exhibit D to this Notice.

Conclusion

Pursuant to 49 C.F.R. 1150.41, et seq., CNY respectfully requests that the Board exempt the amendment of its Lease Agreement and operation from regulation under 49 U.S.C. 10902.

Respectfully submitted,

/s/ Crystal M. Zorbaugh

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***Counsel for Central New York Railroad
Corporation***

March 13, 2025

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FD 36825

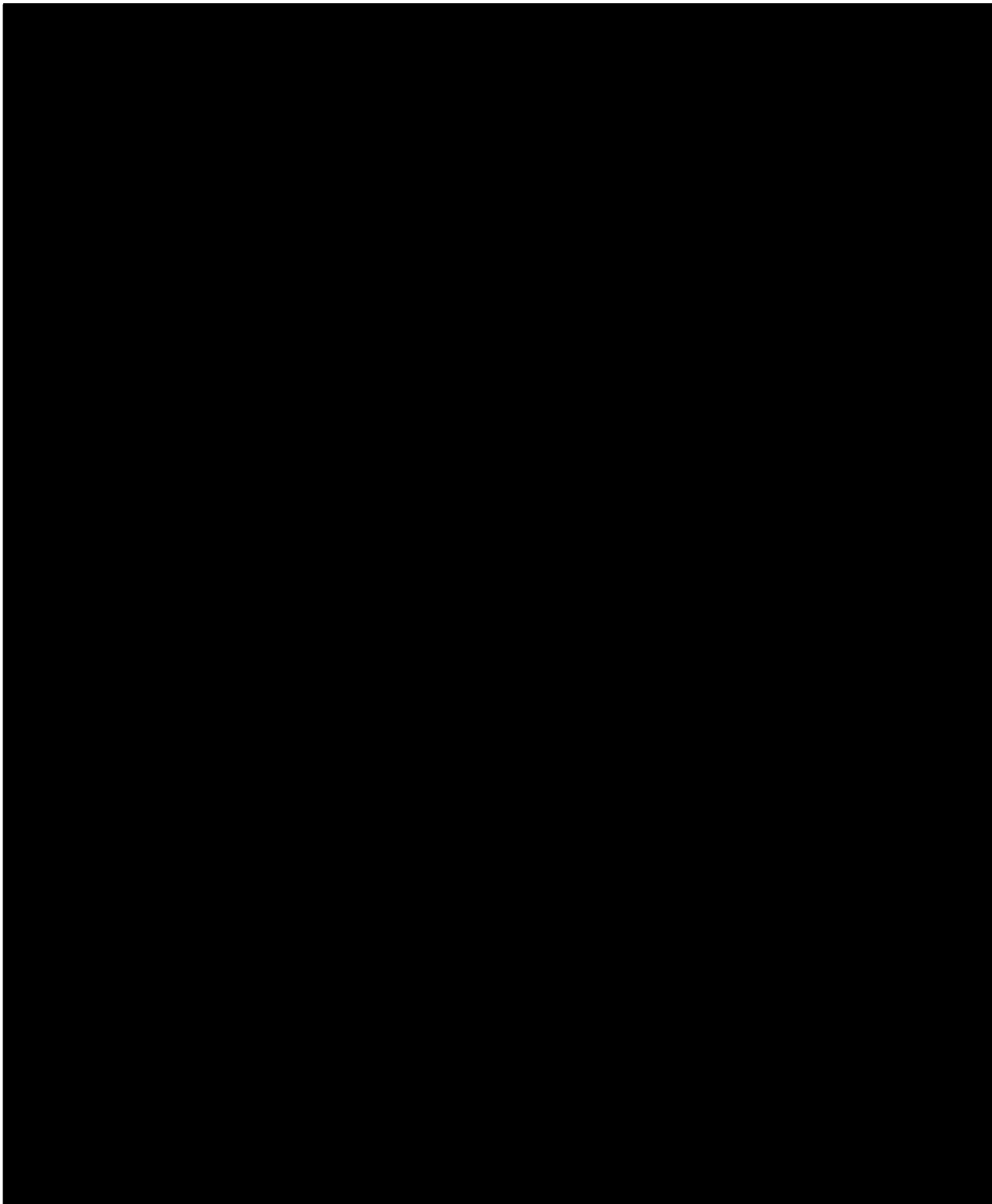
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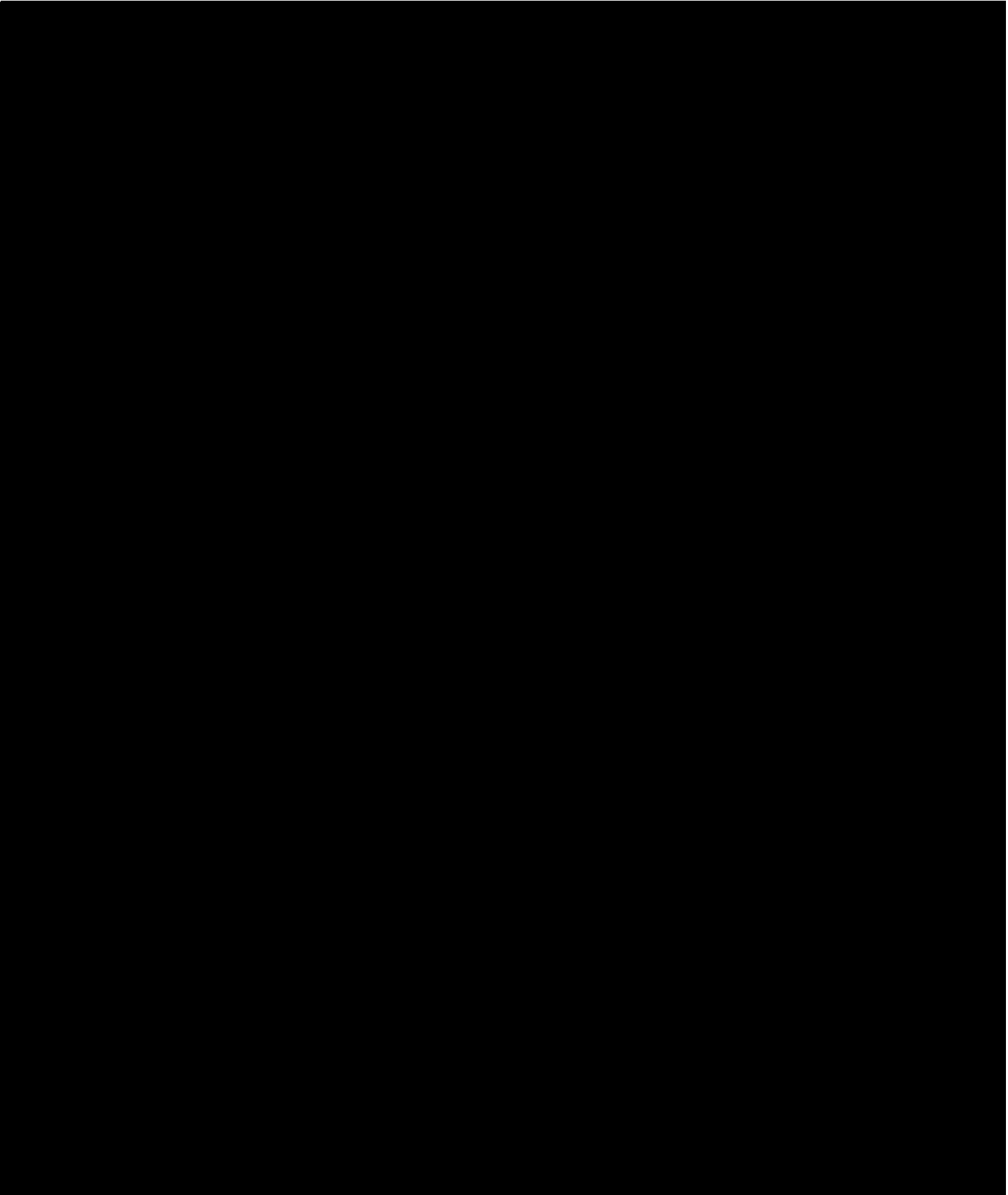
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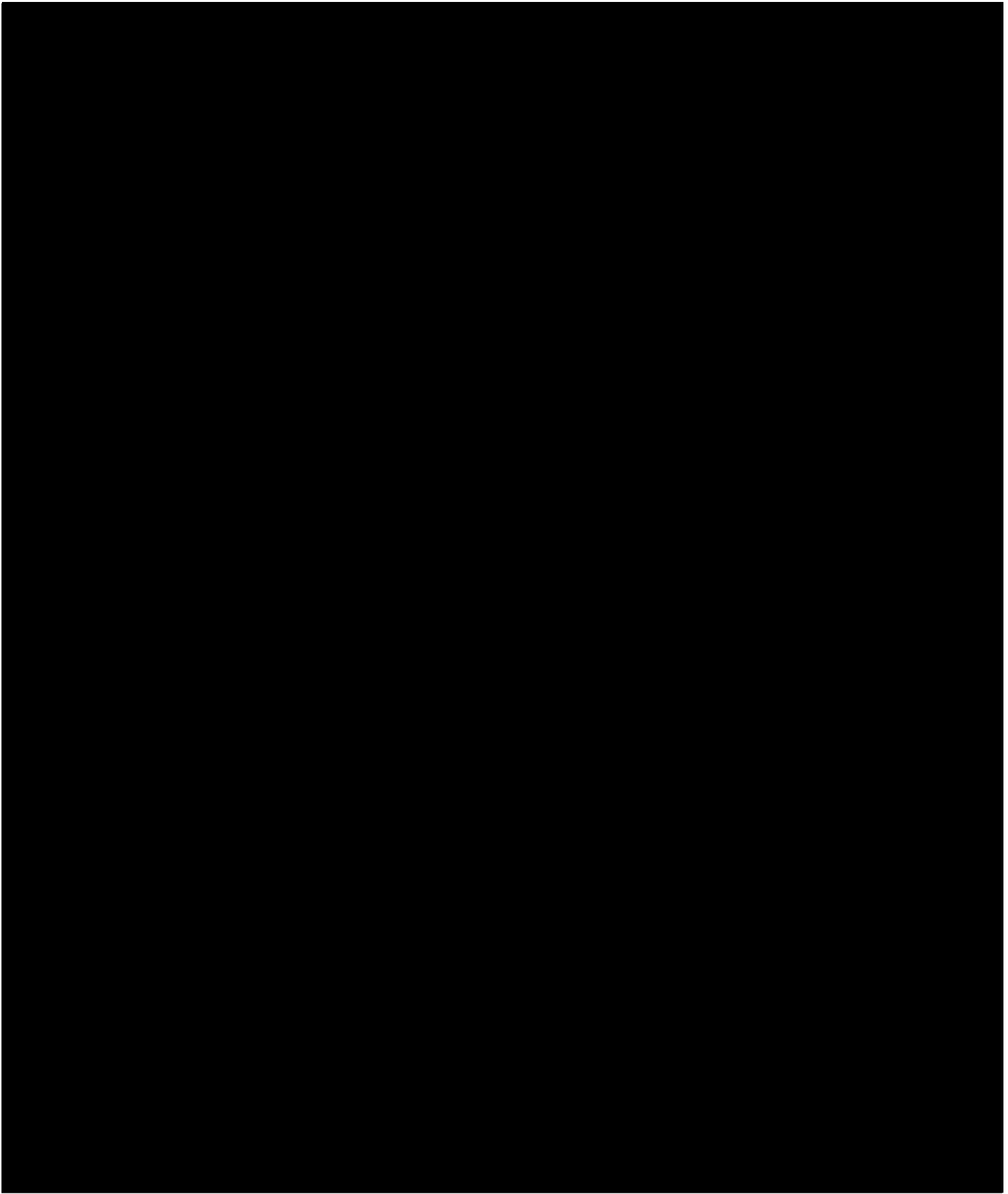
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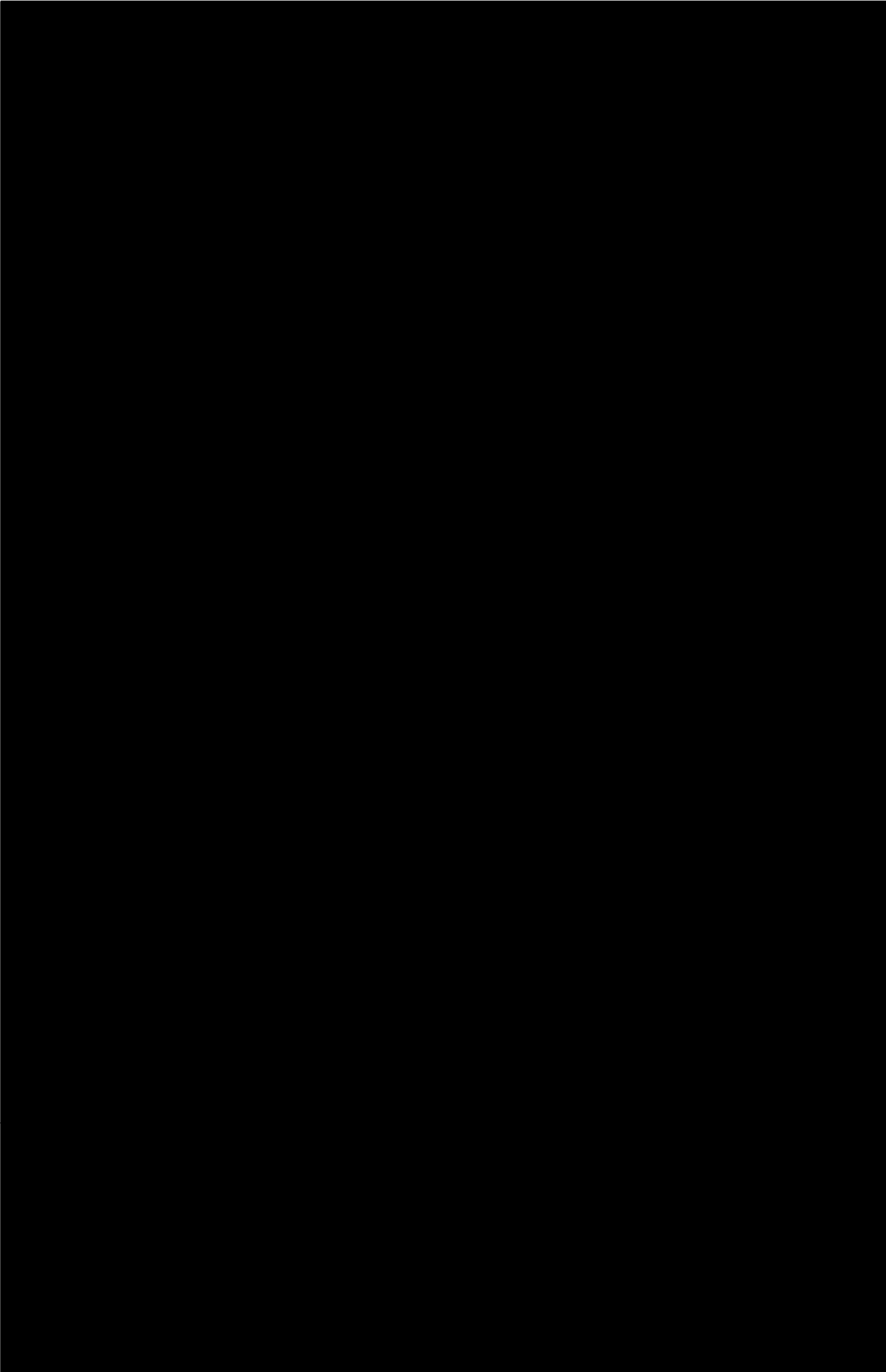
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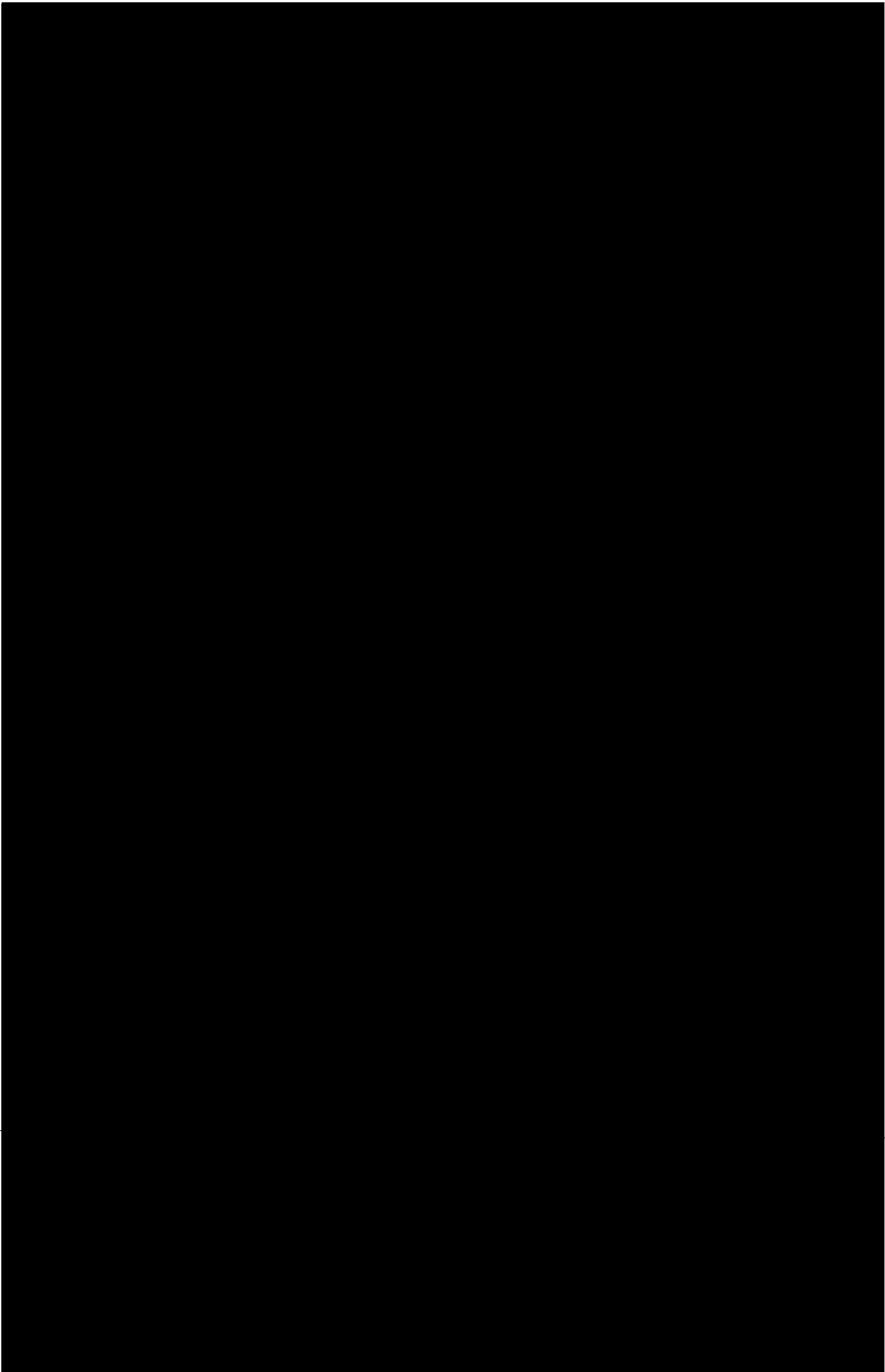
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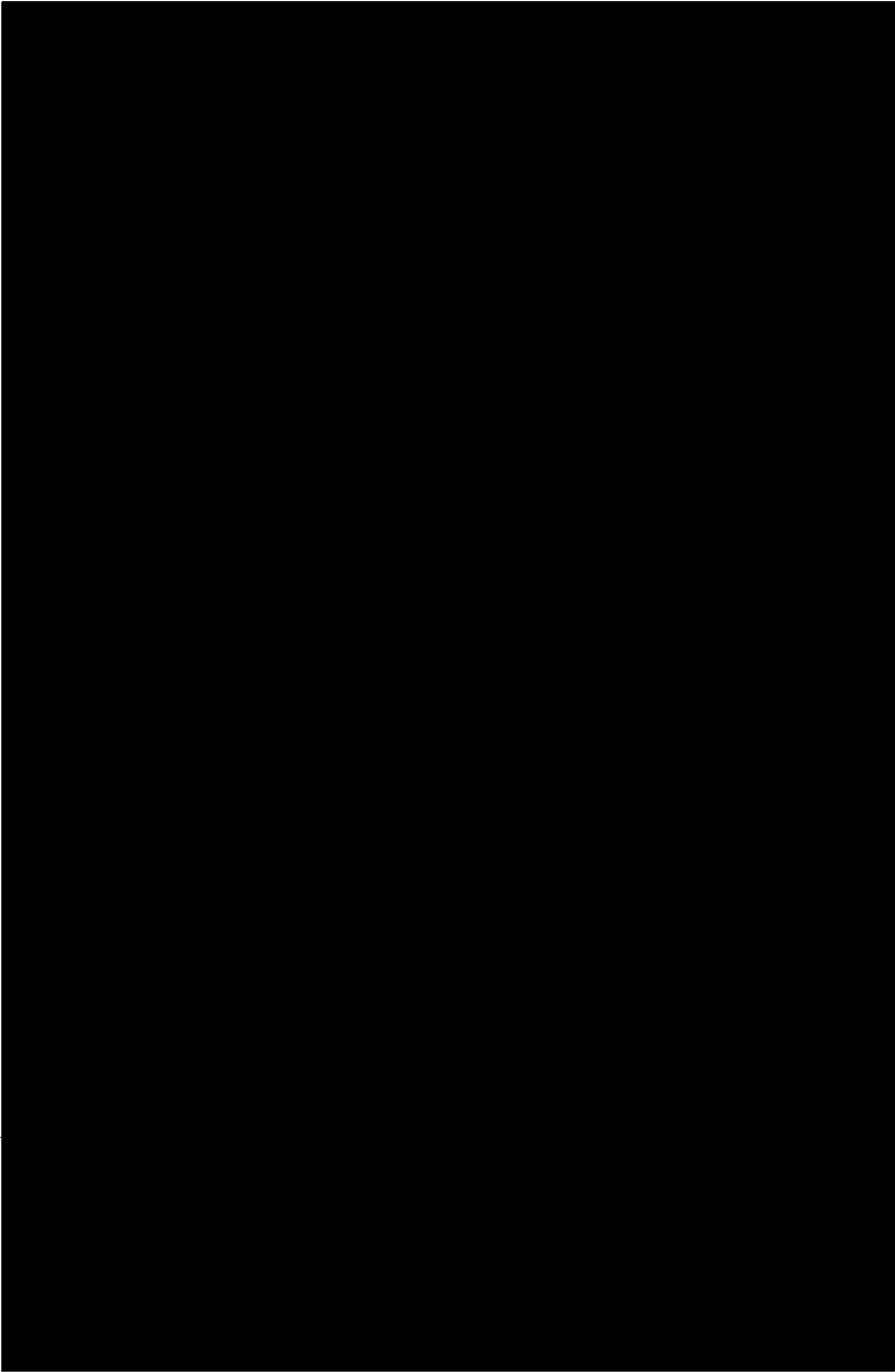


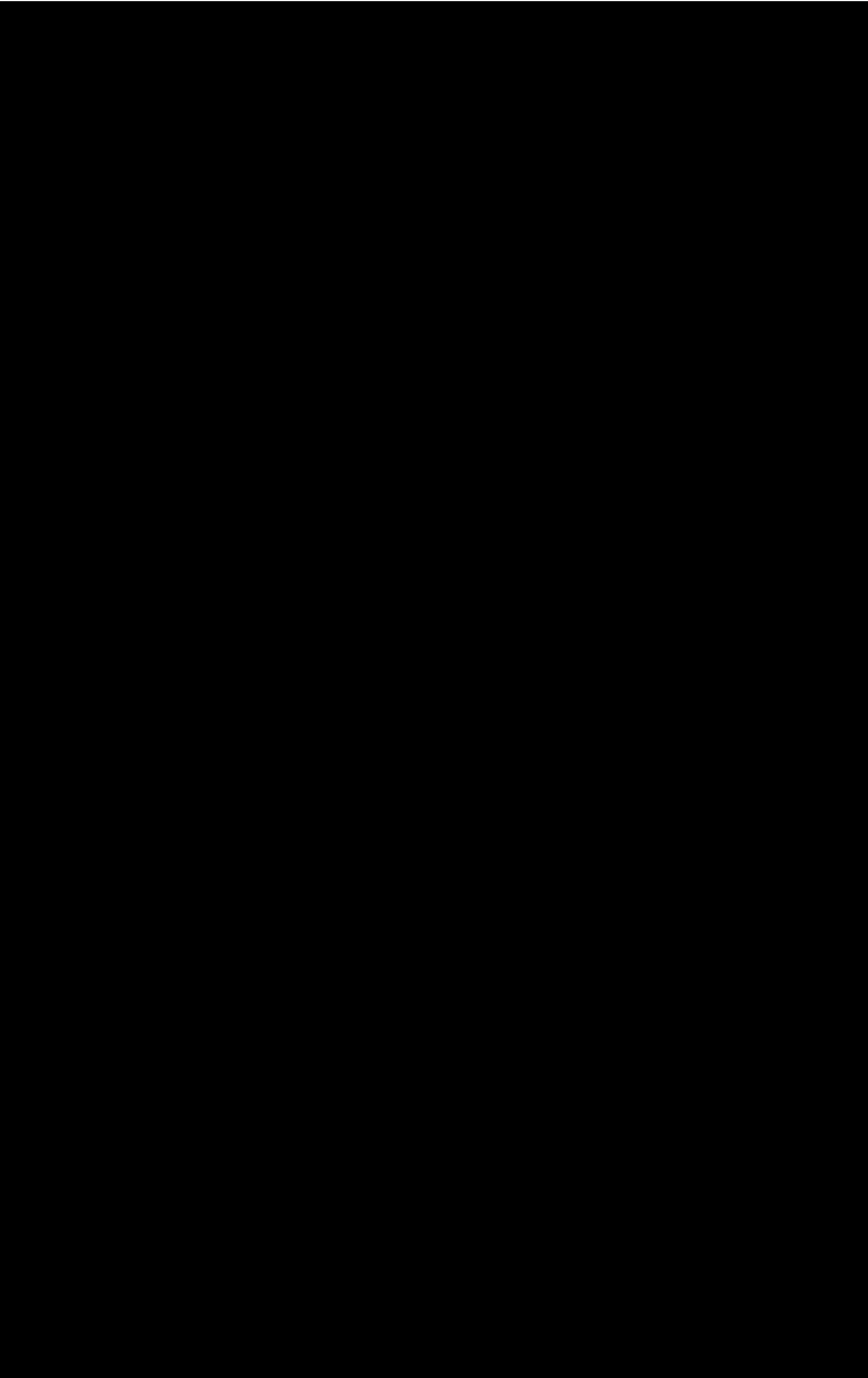


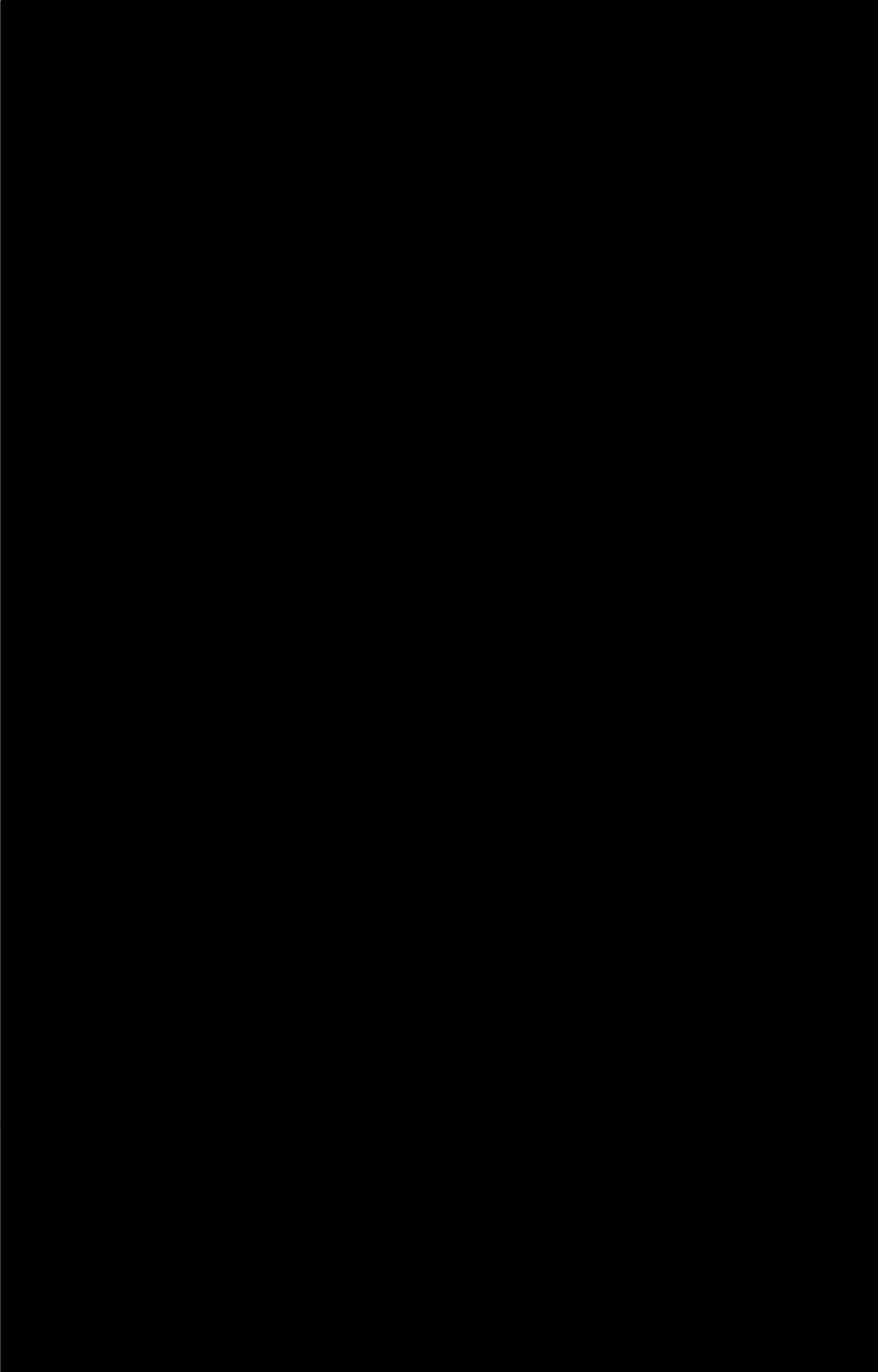


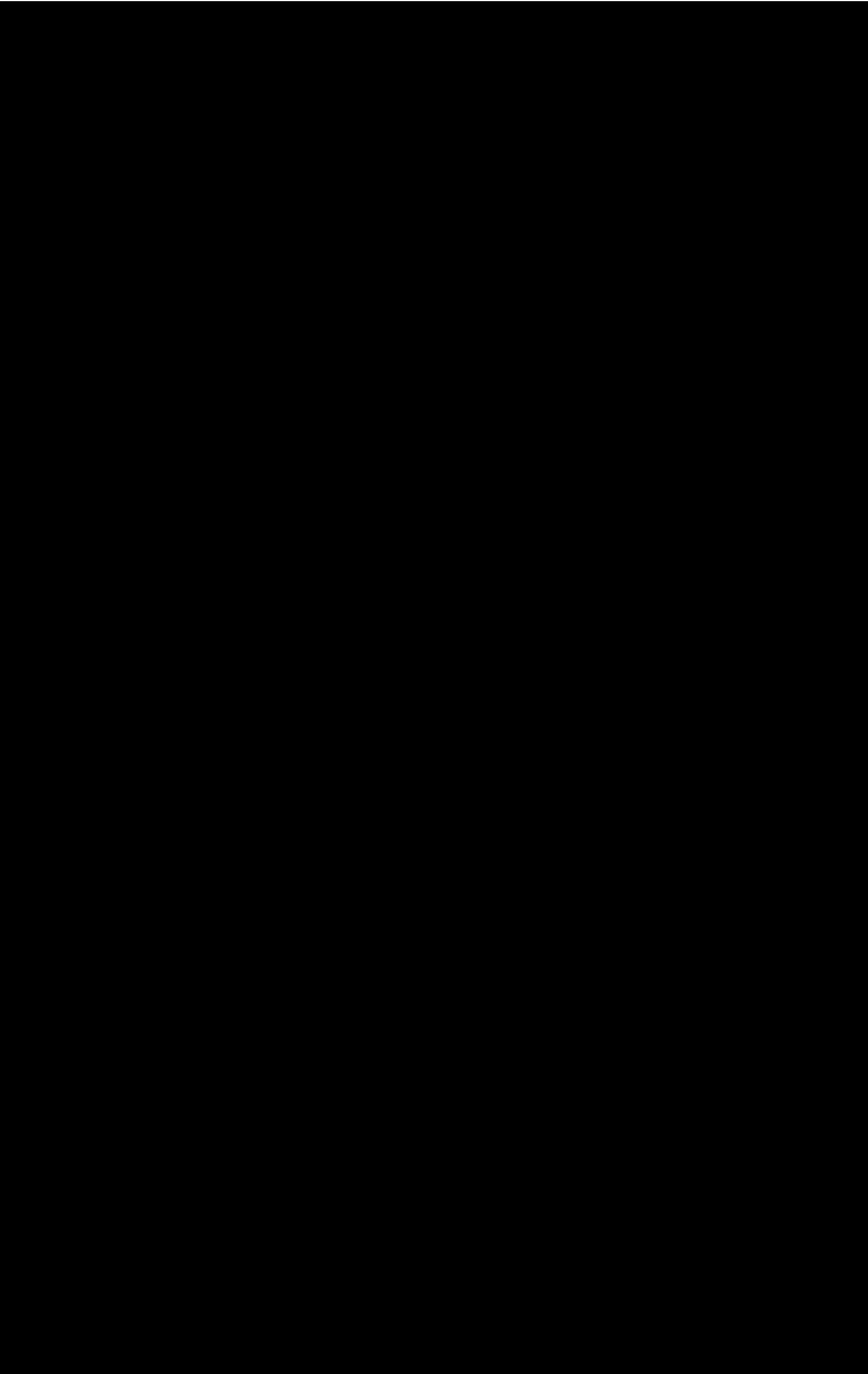


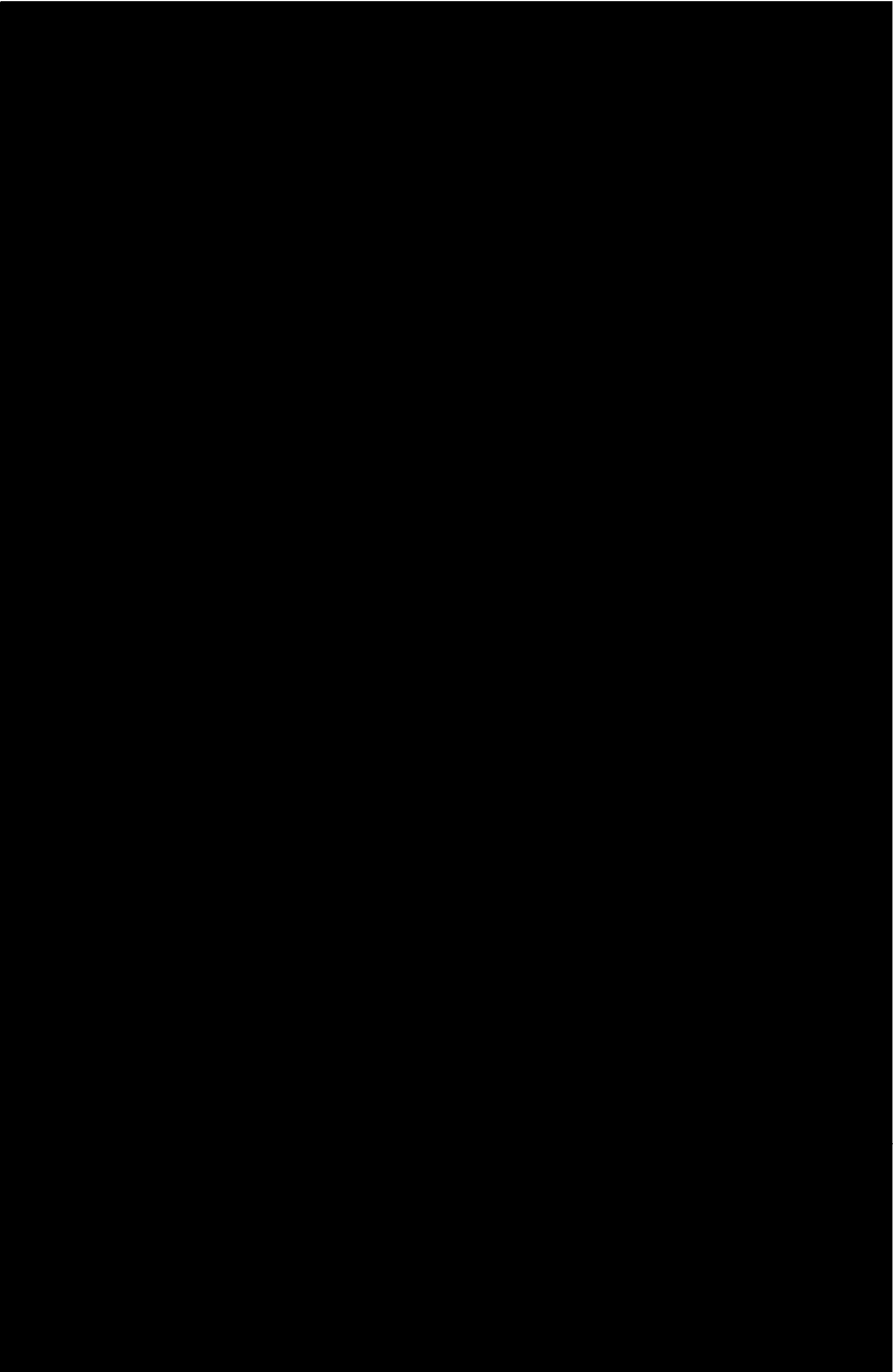


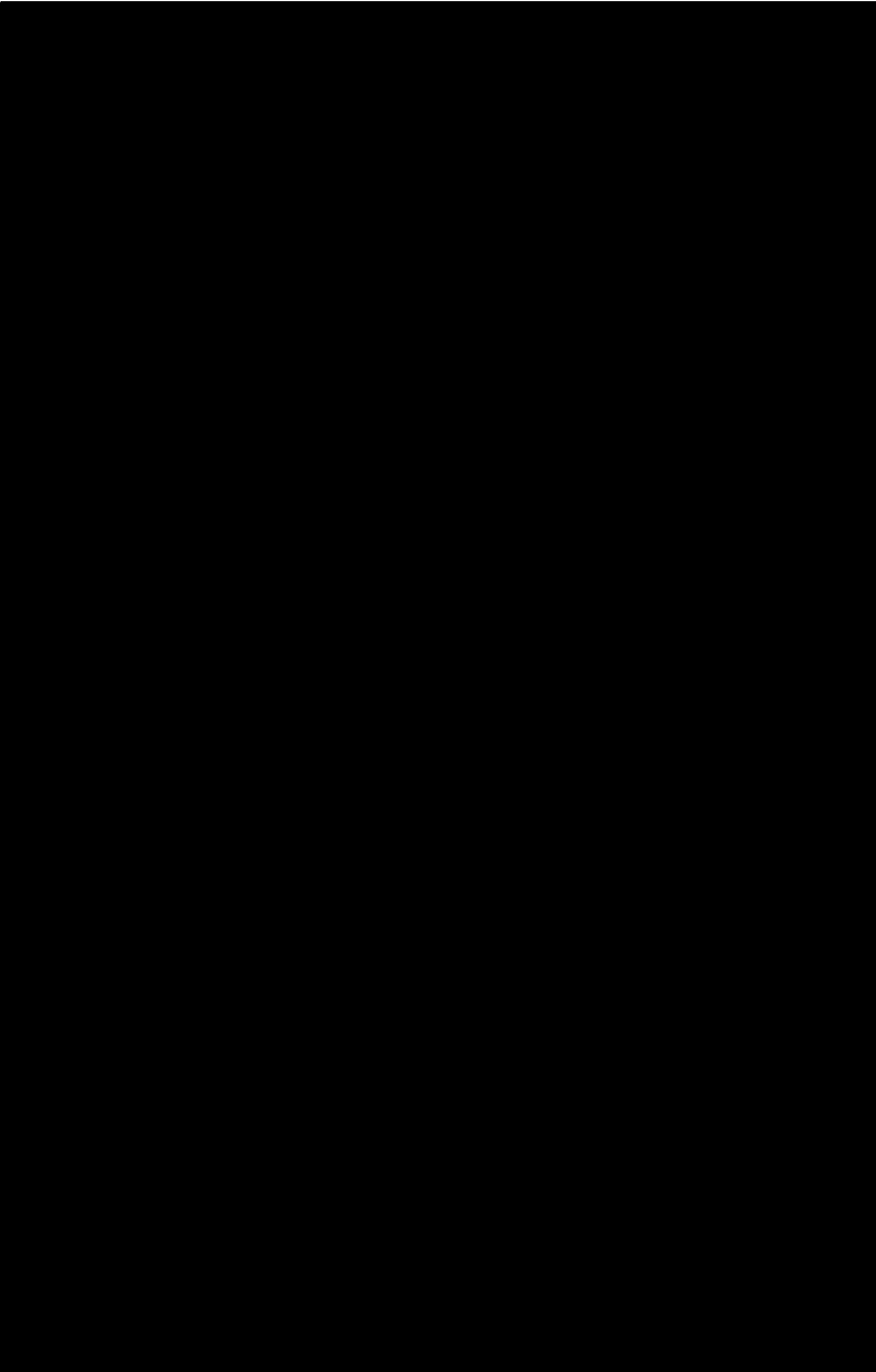


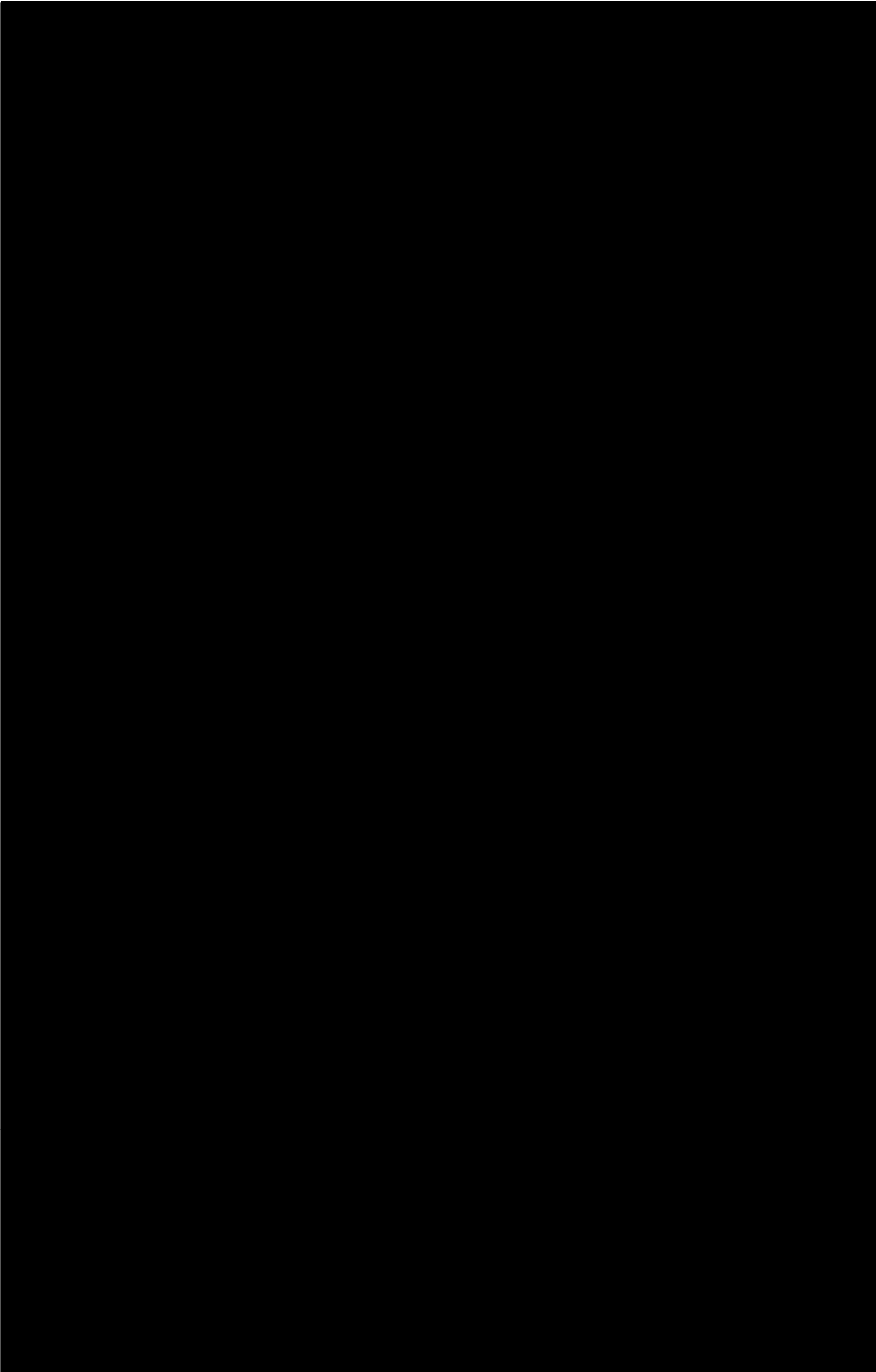


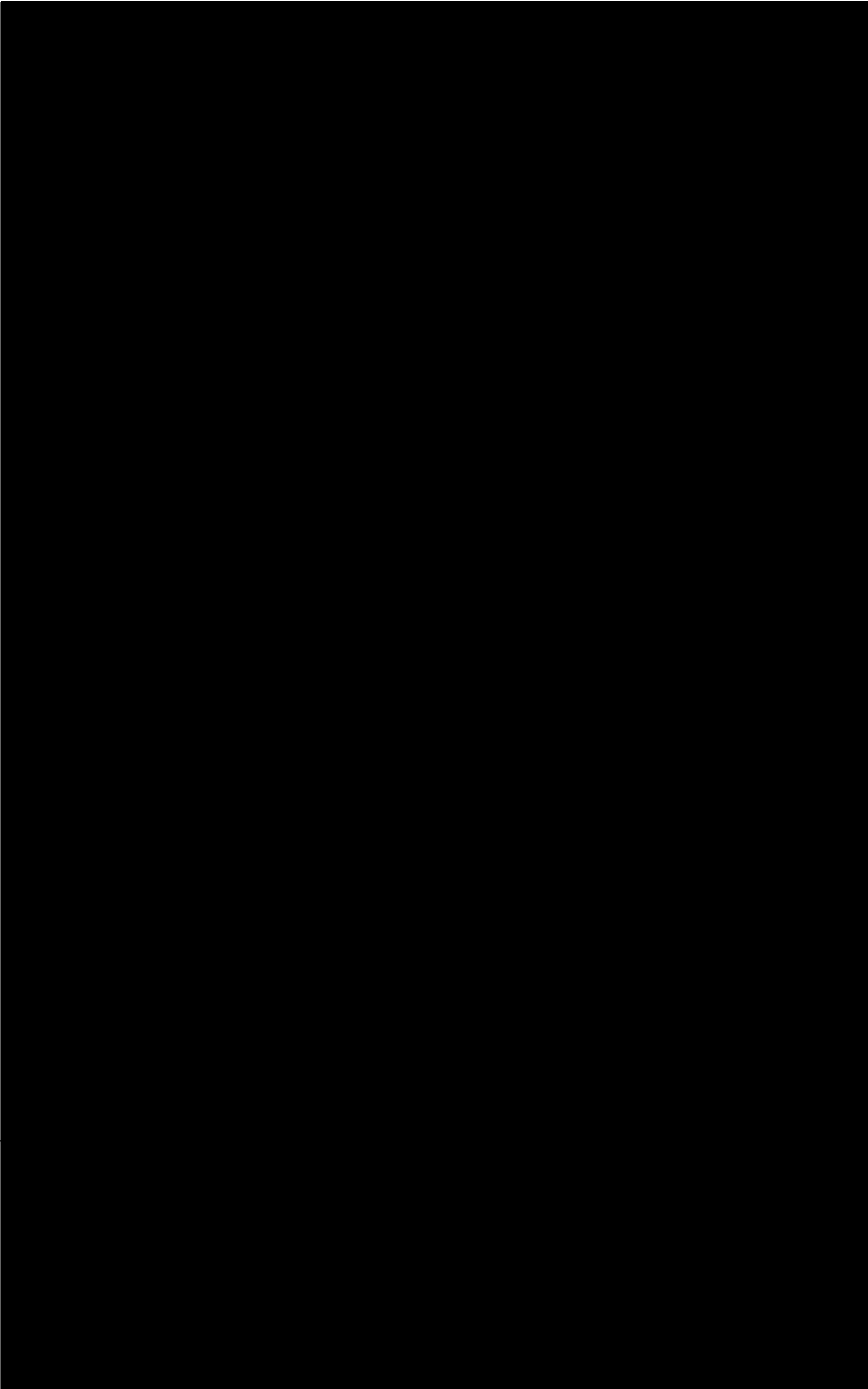


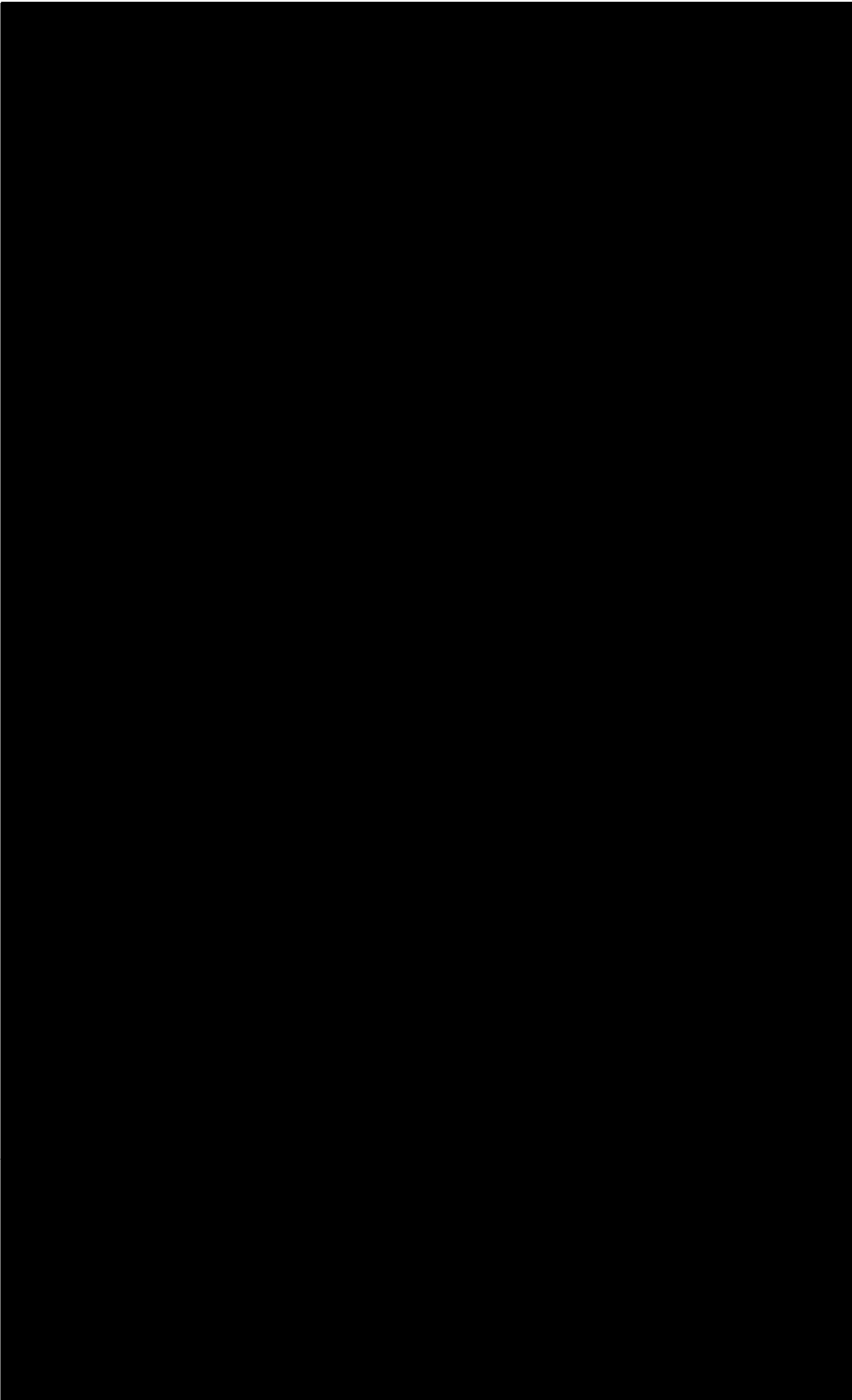


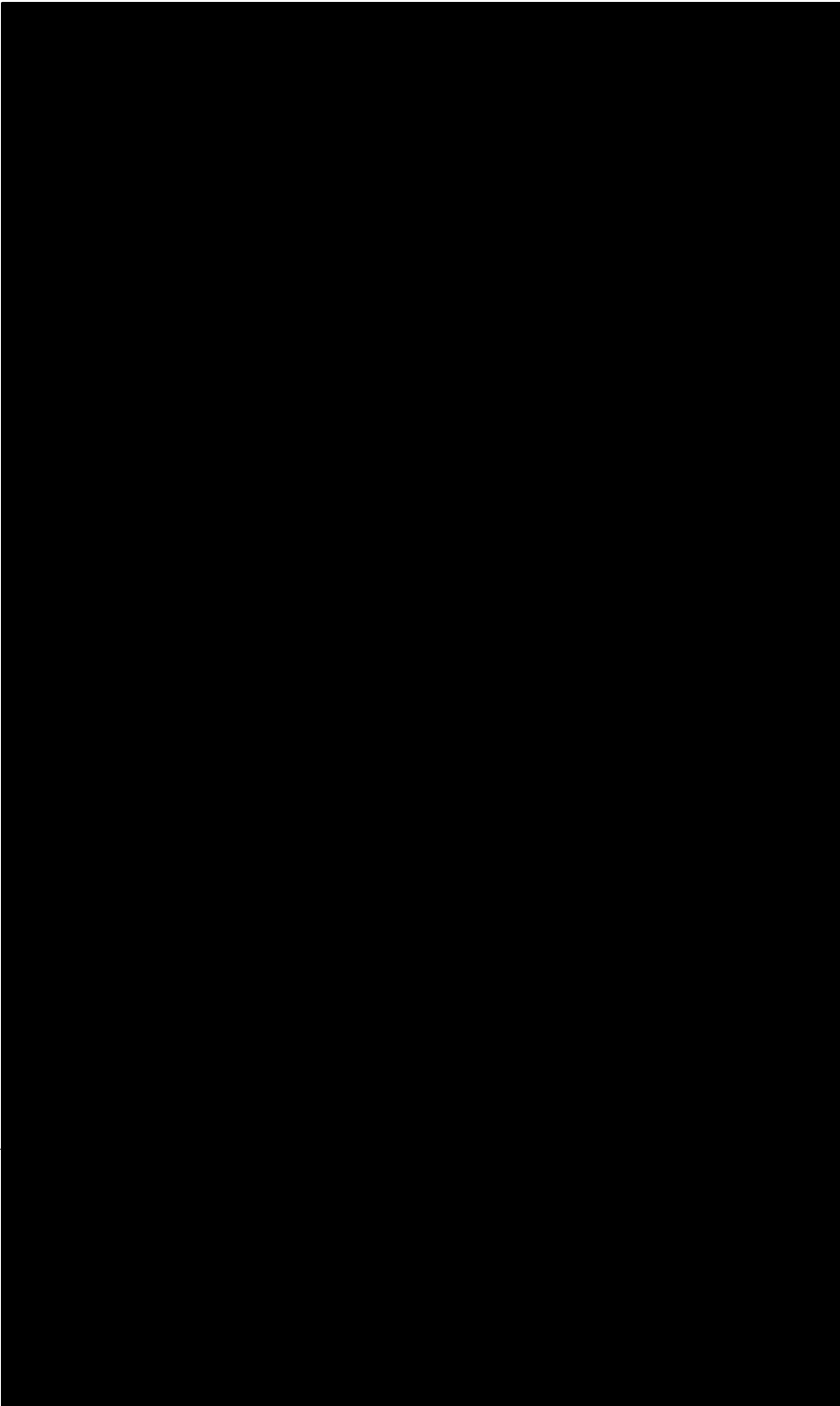






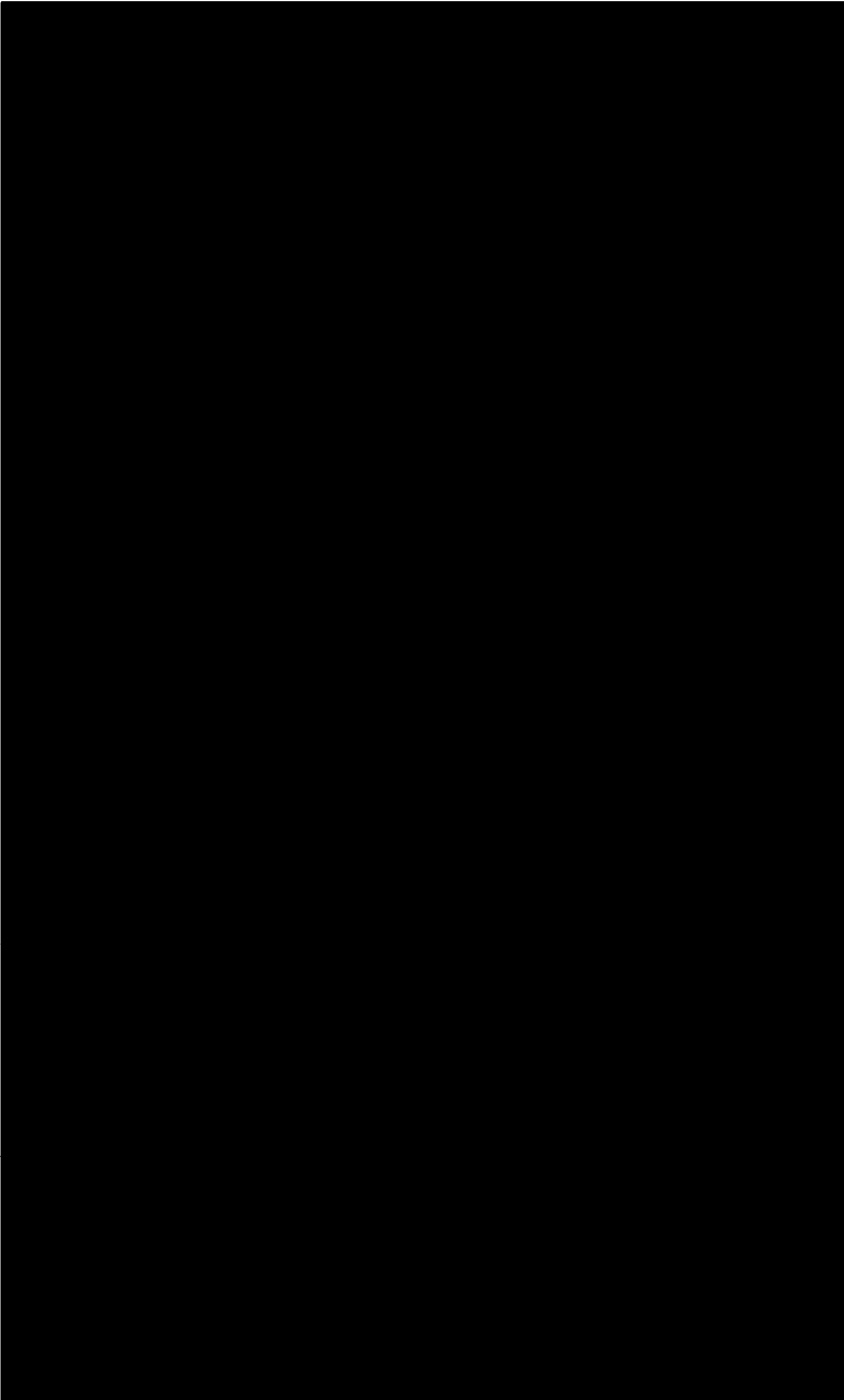


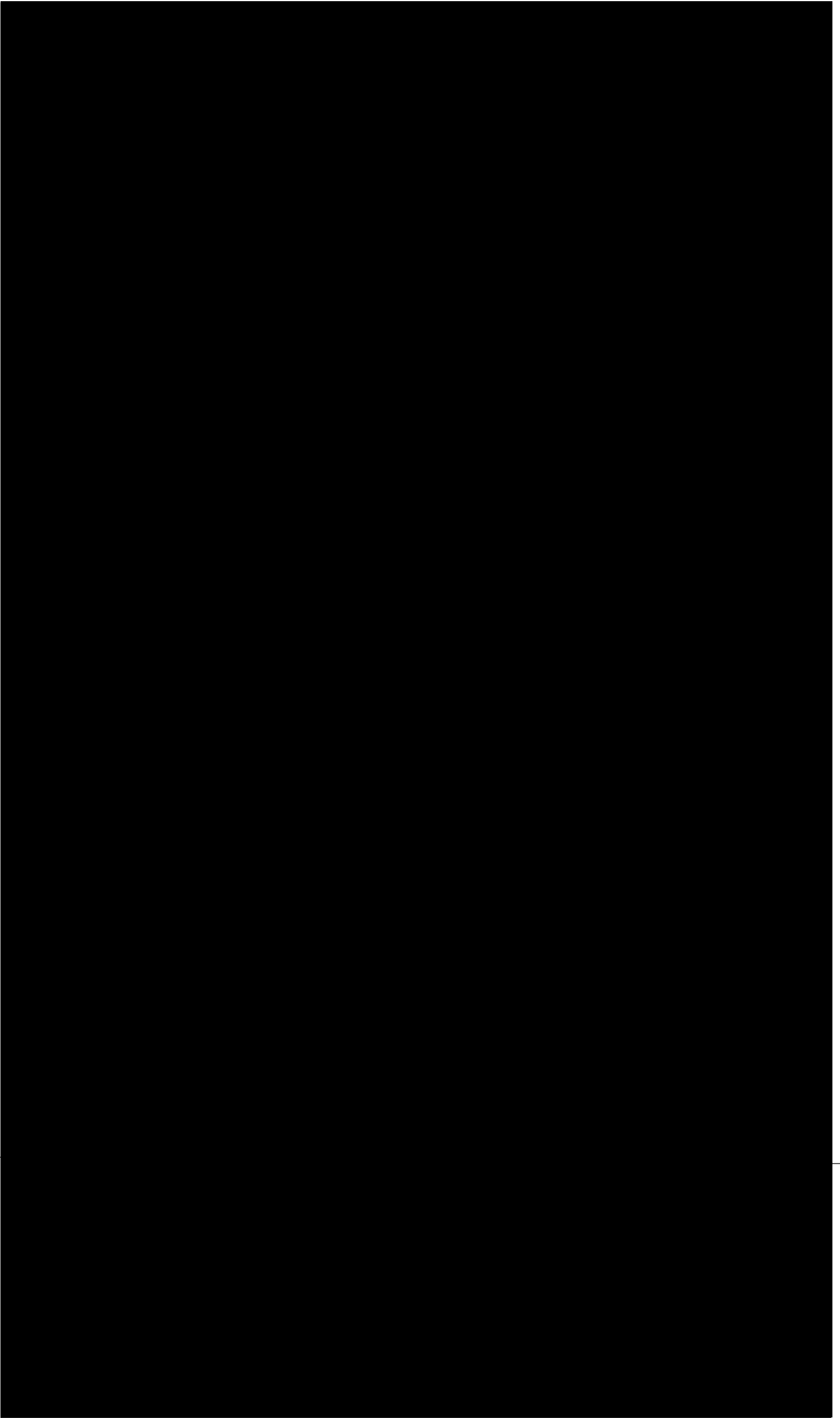


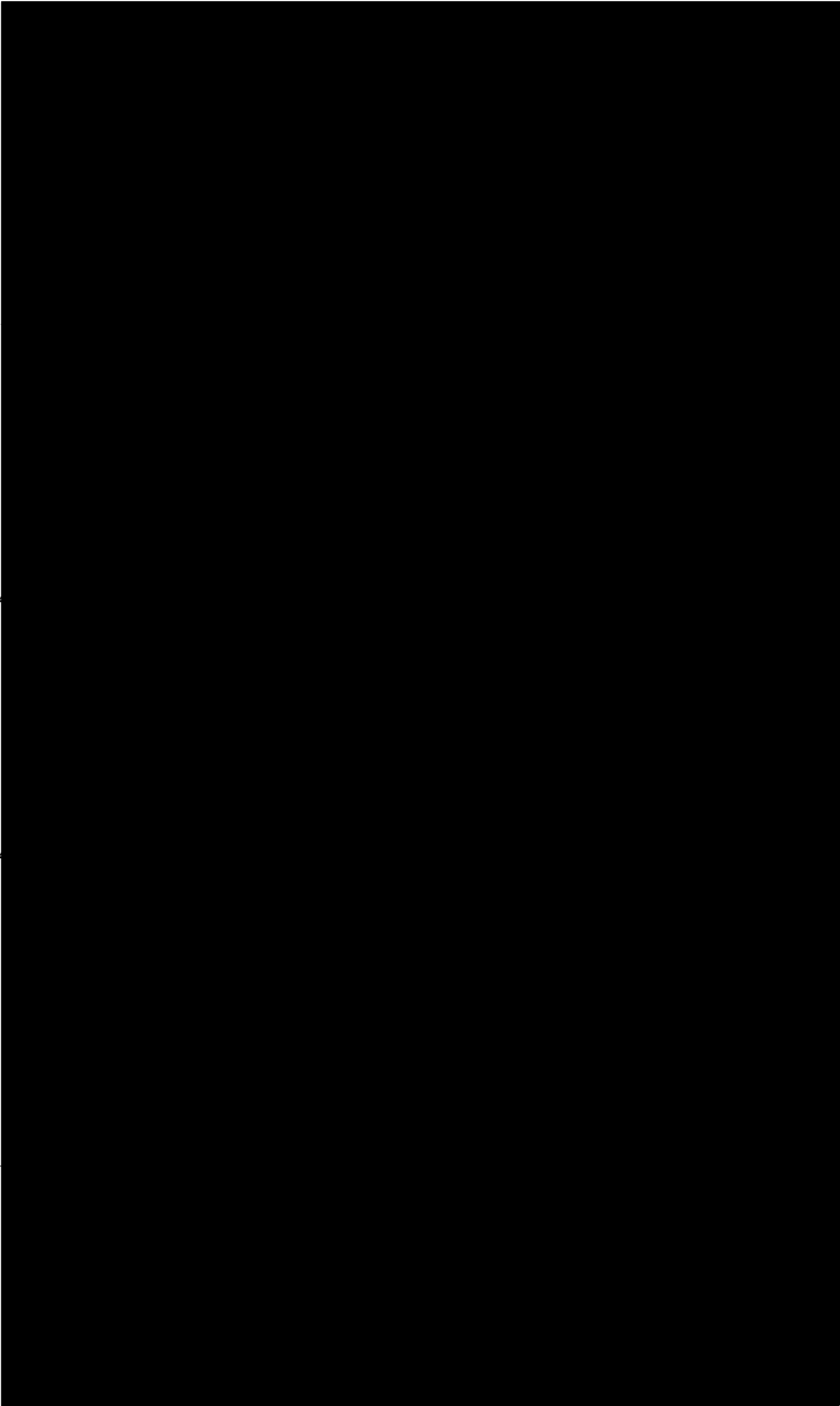


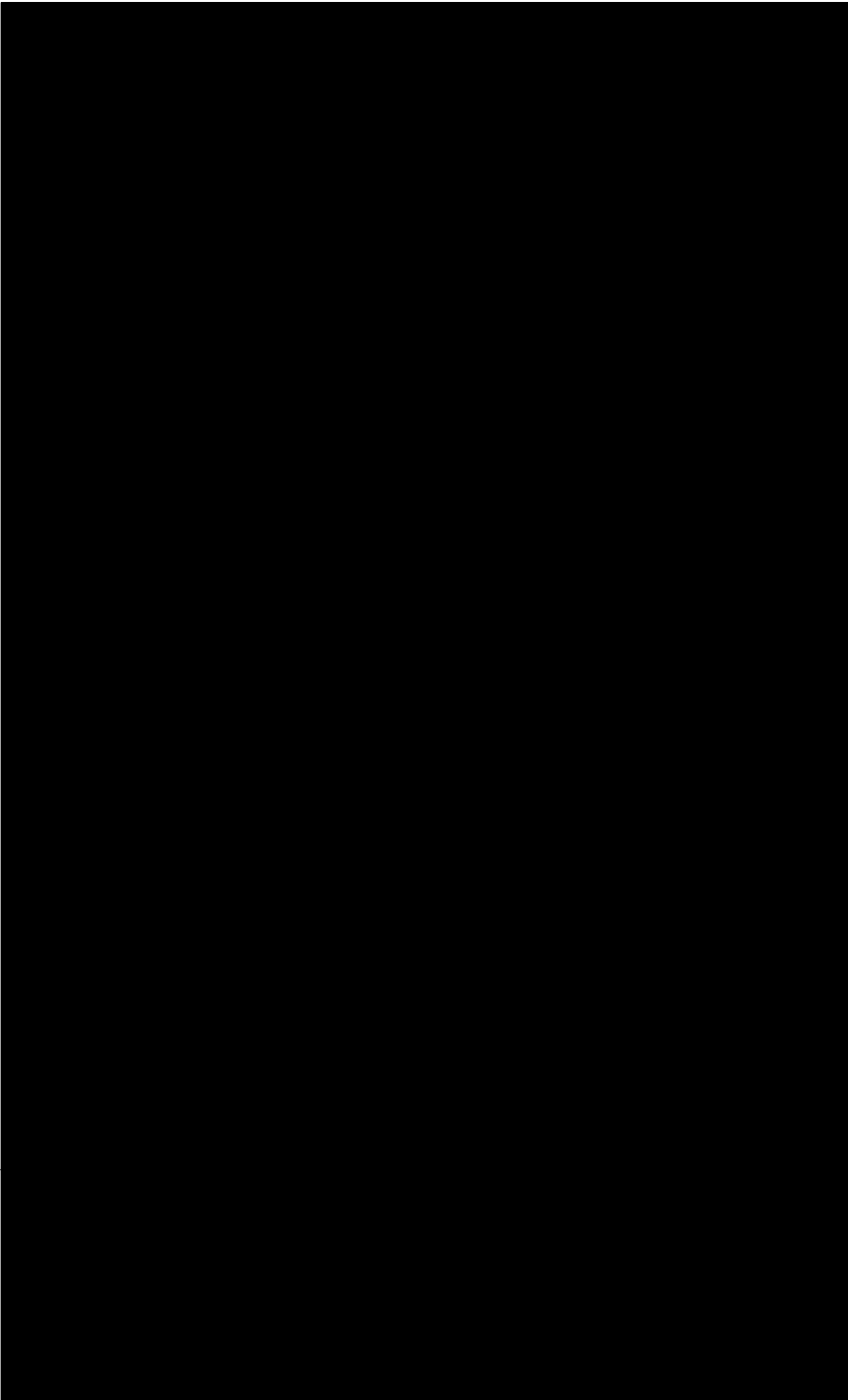
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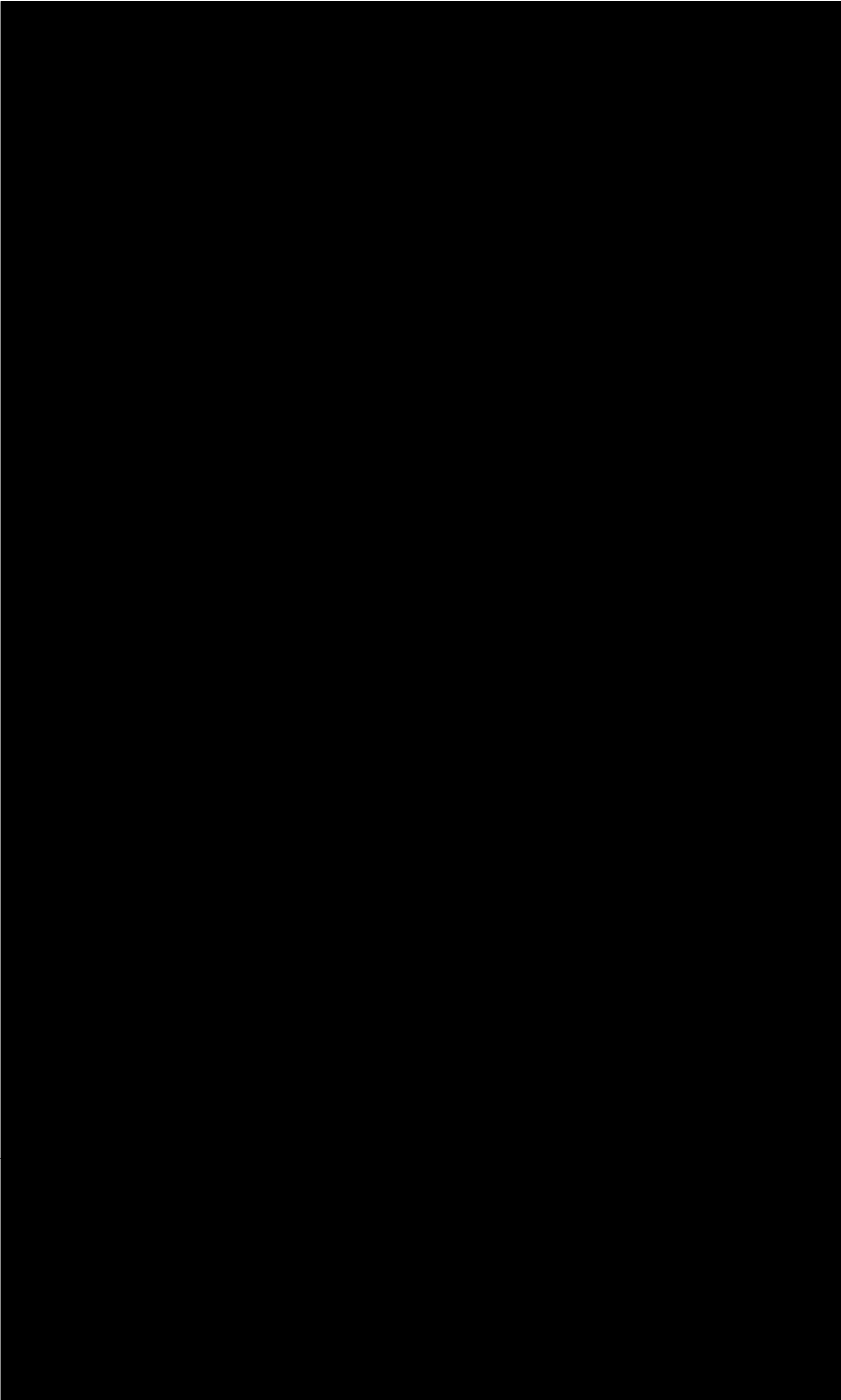
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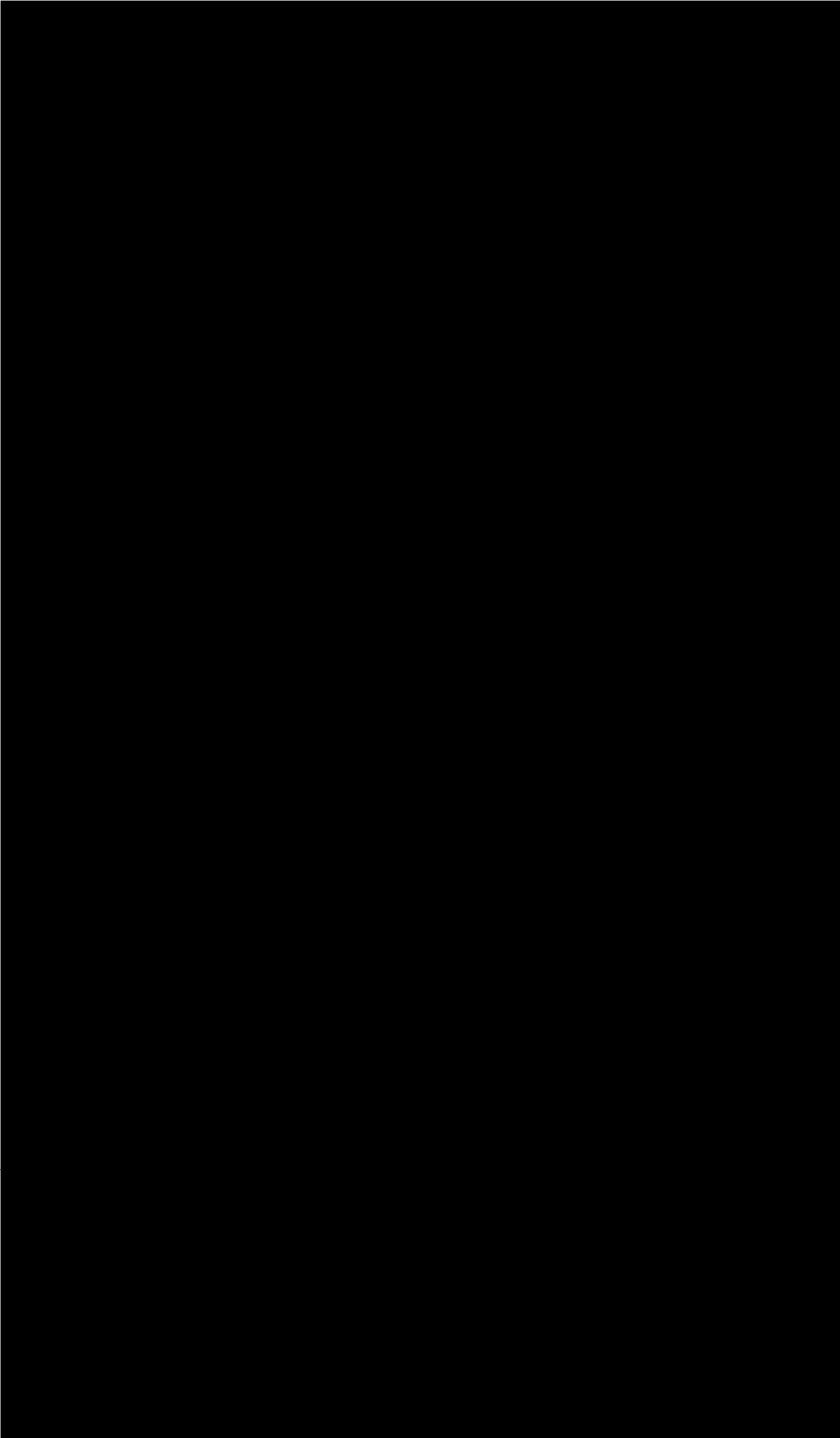


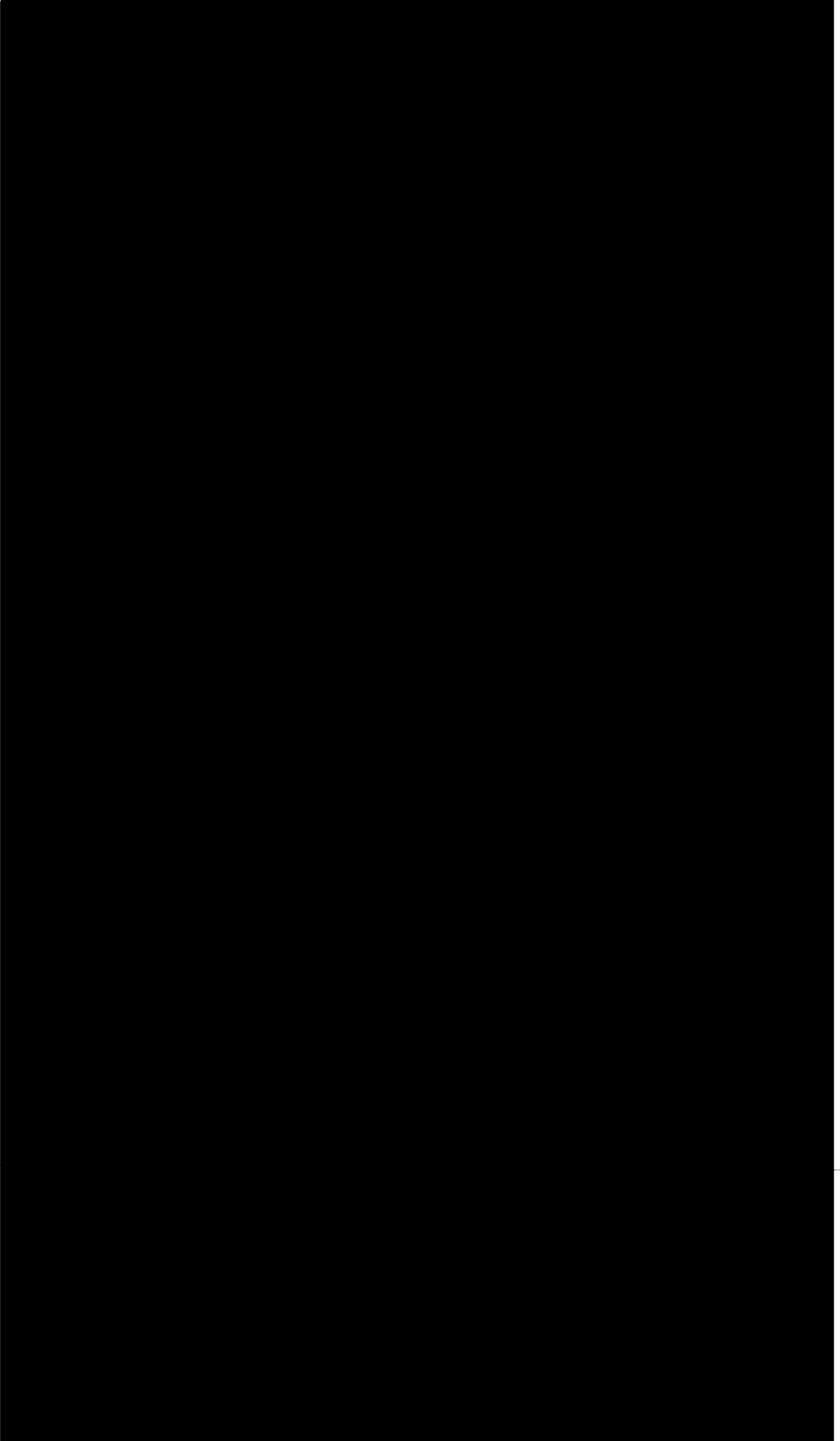


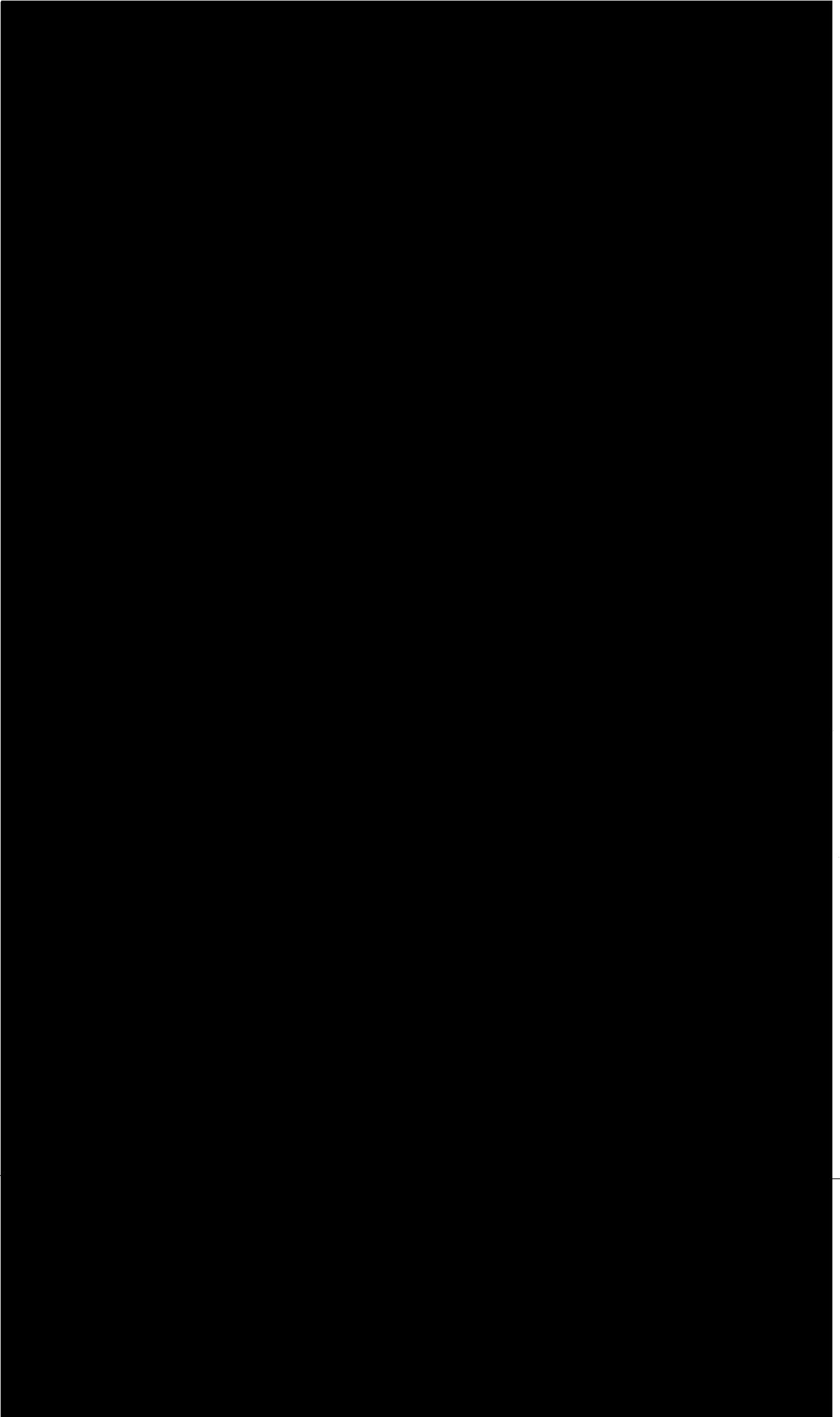


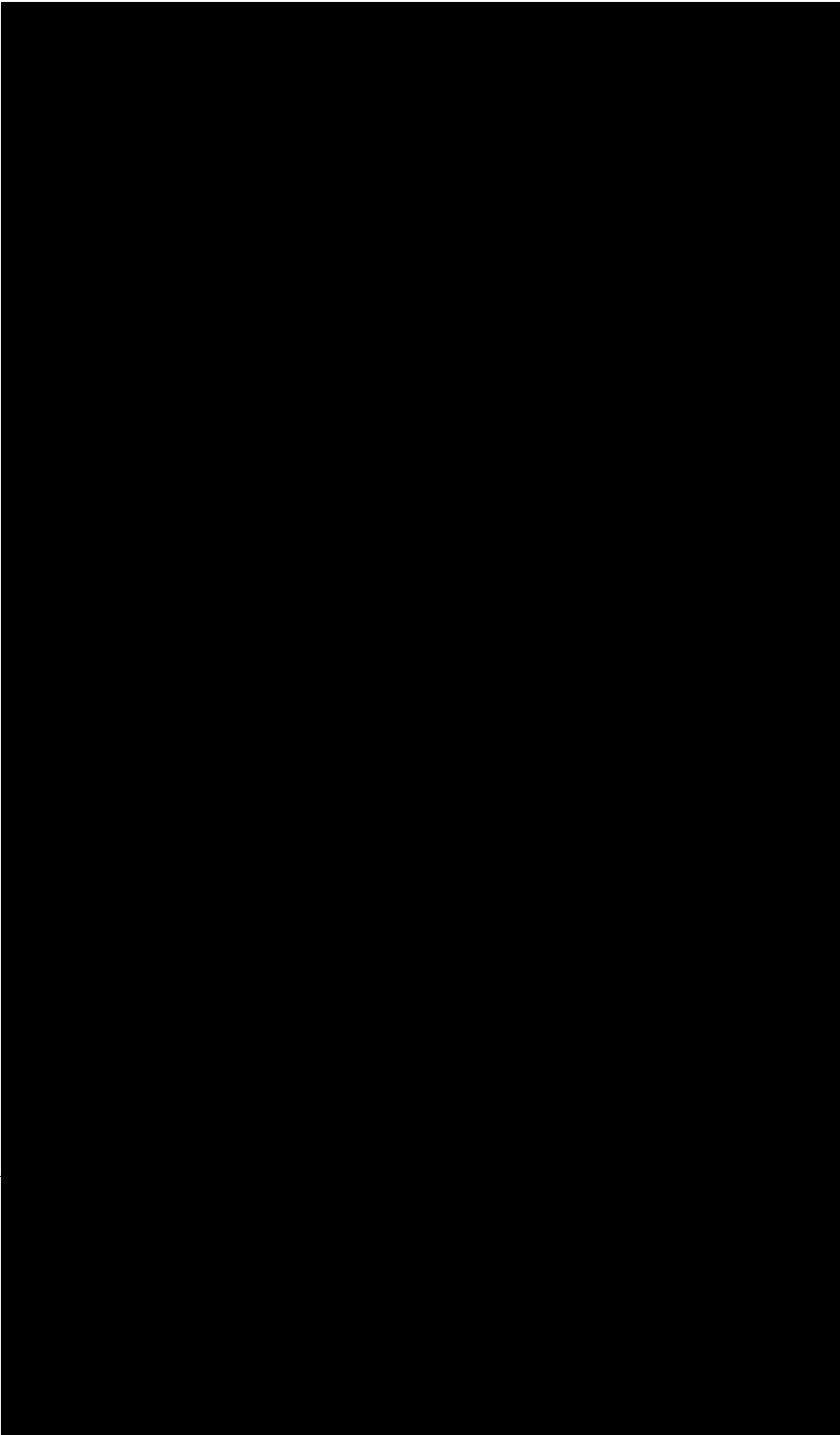


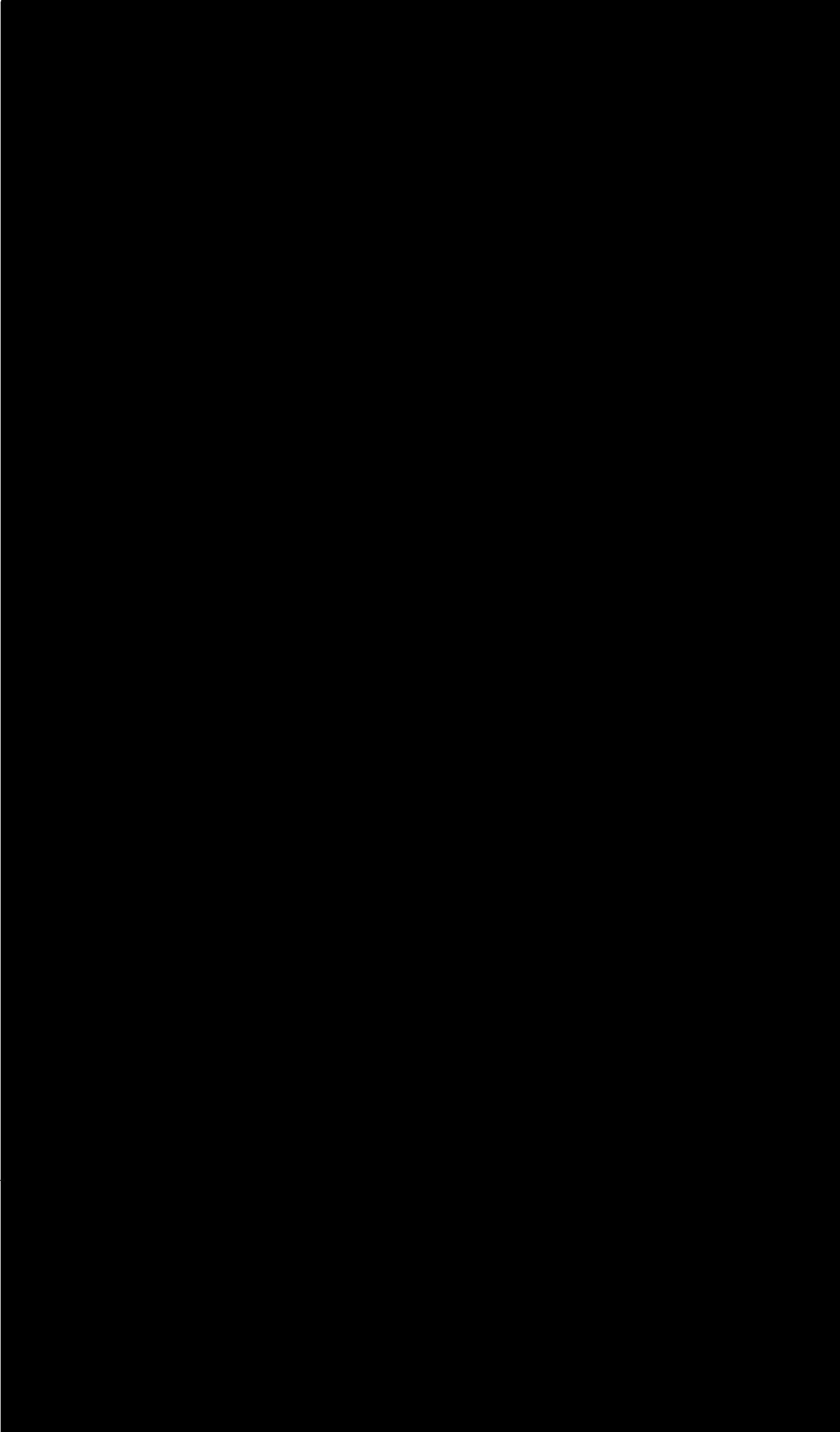


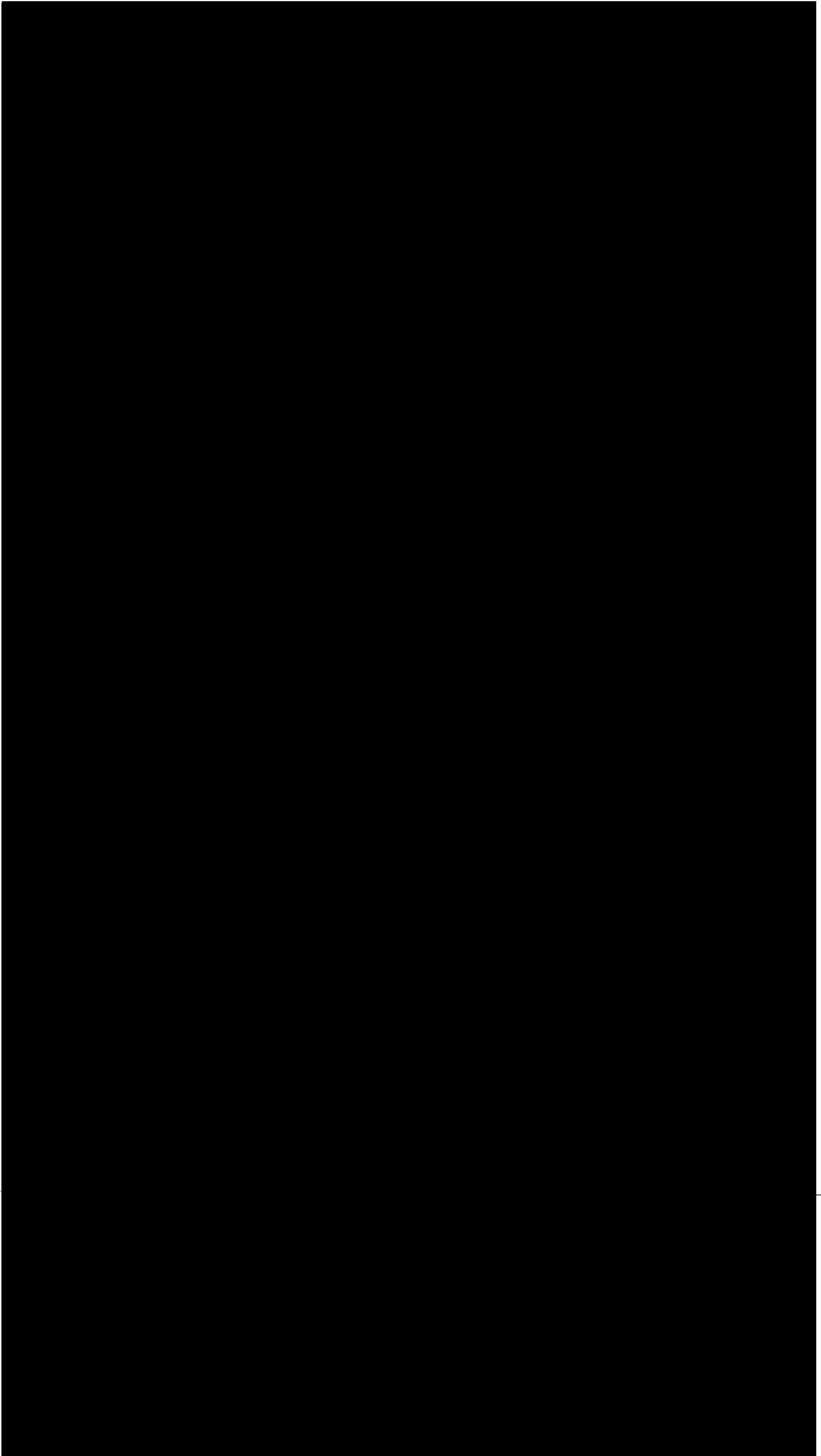


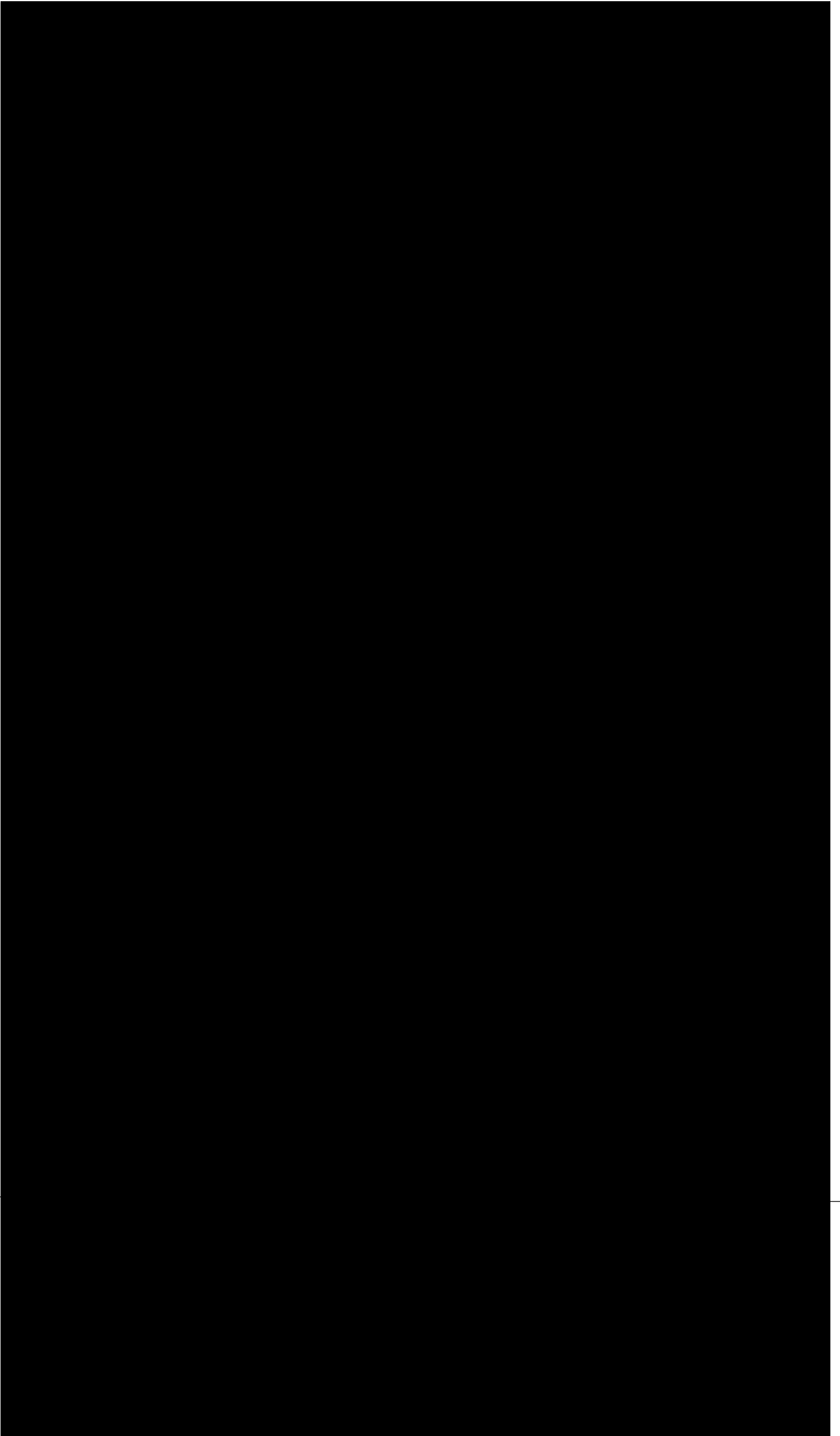


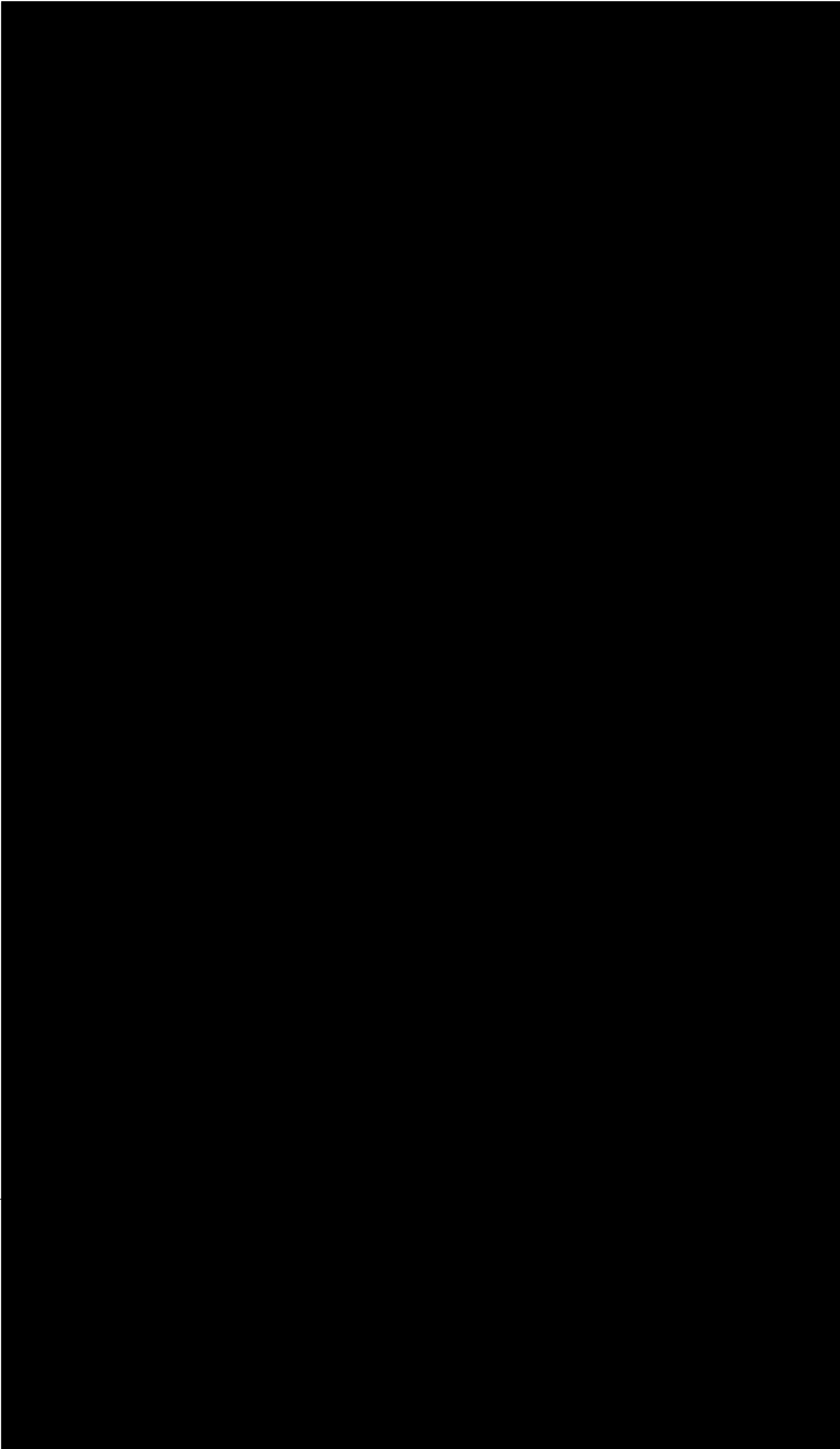


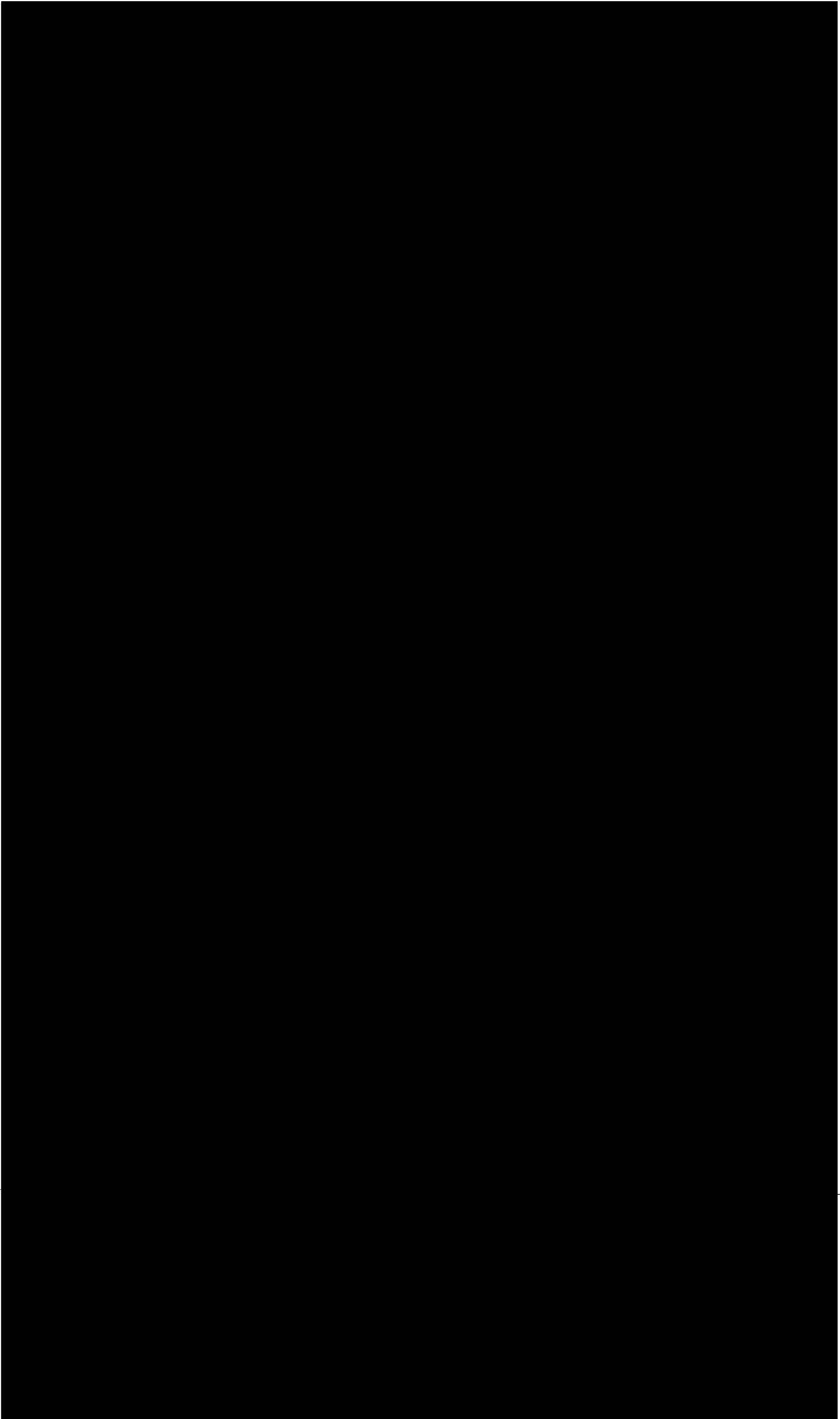


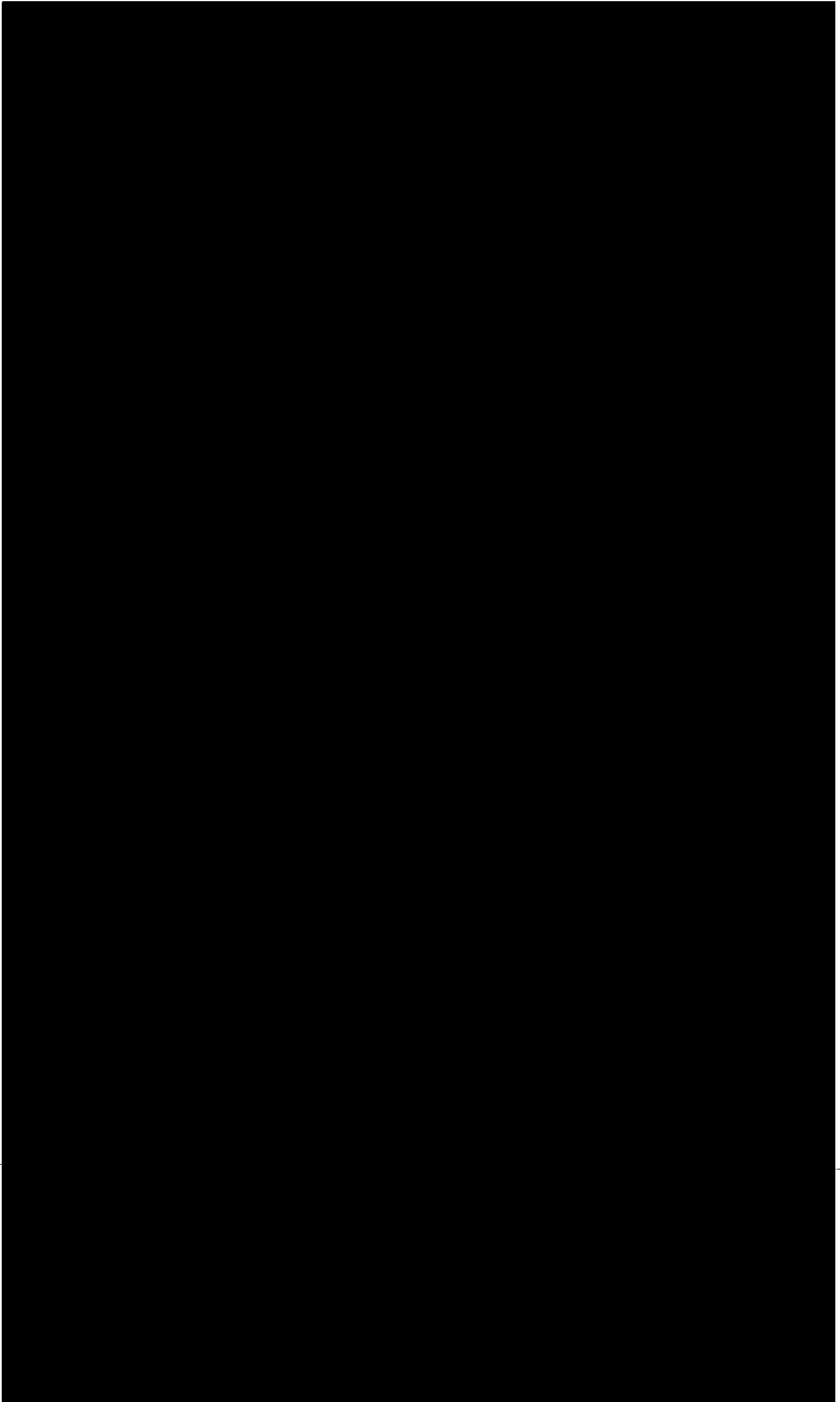


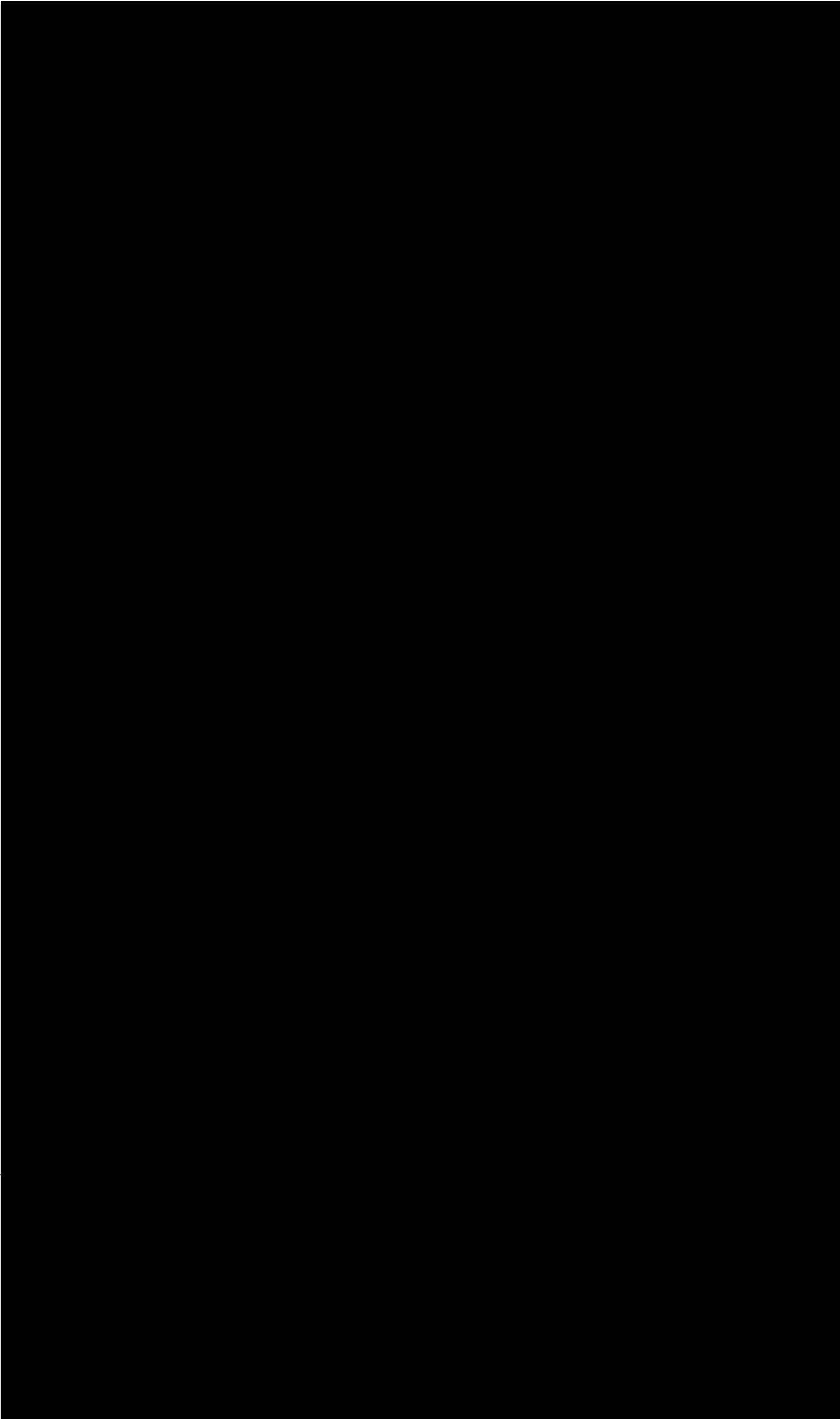


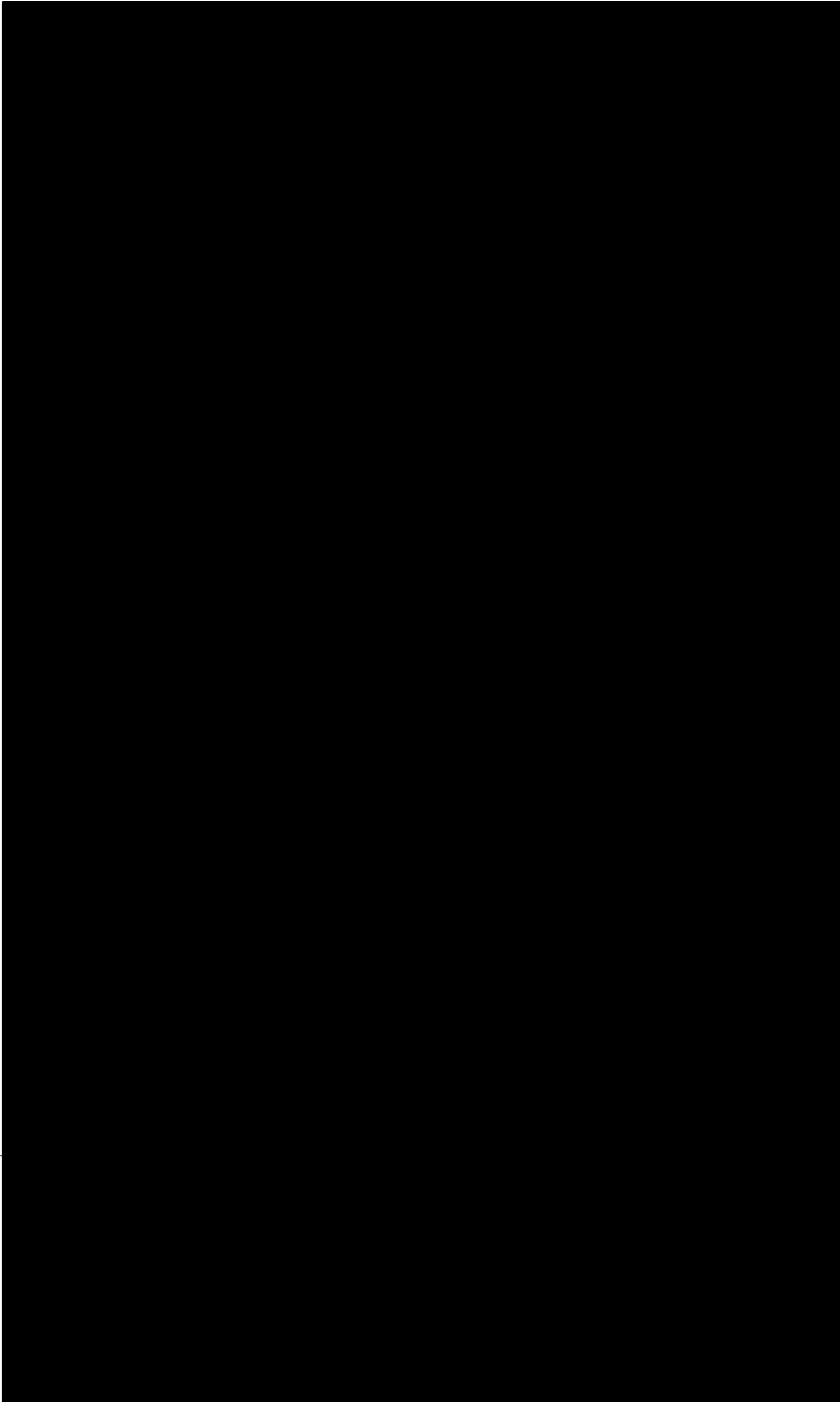


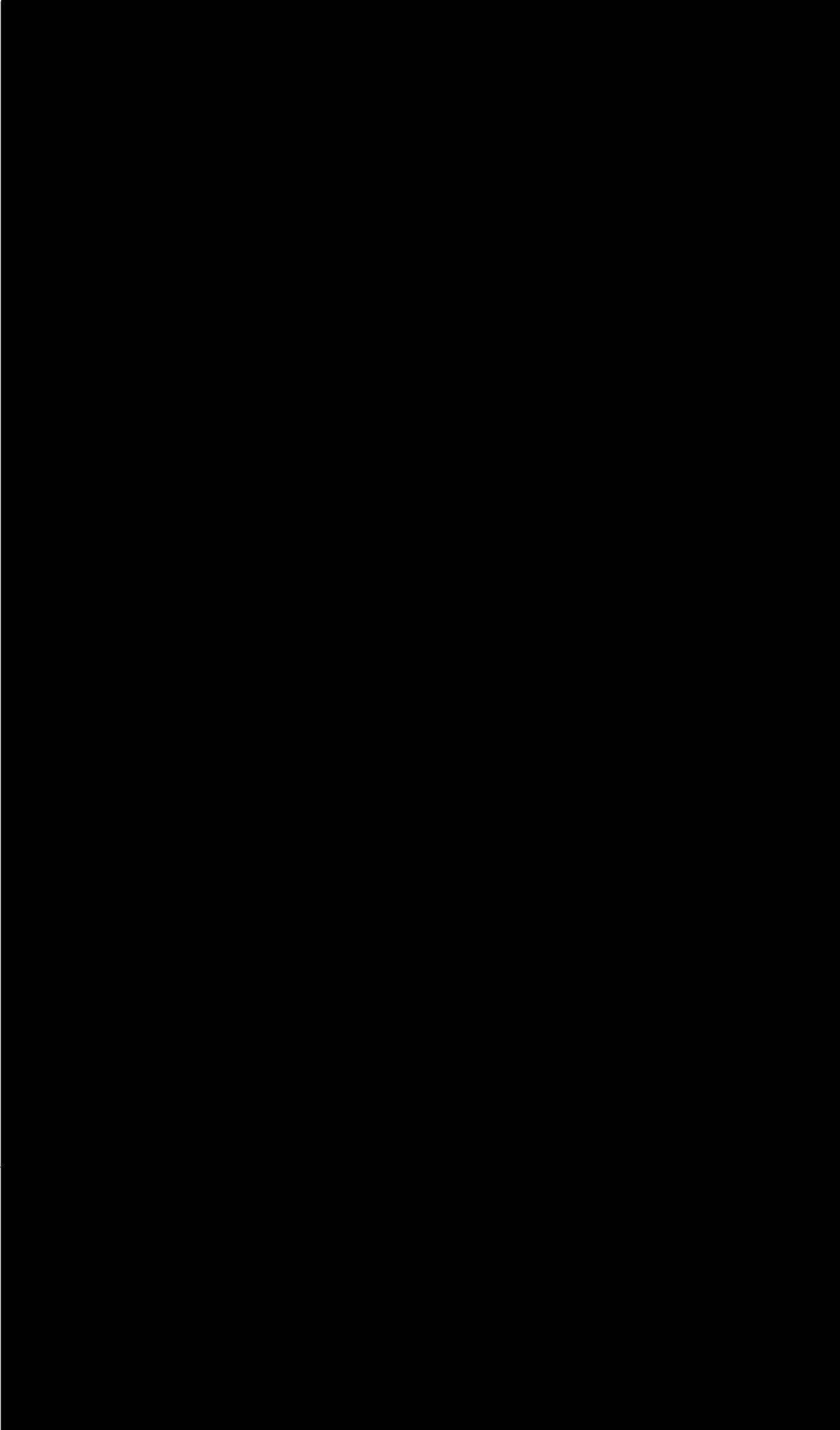


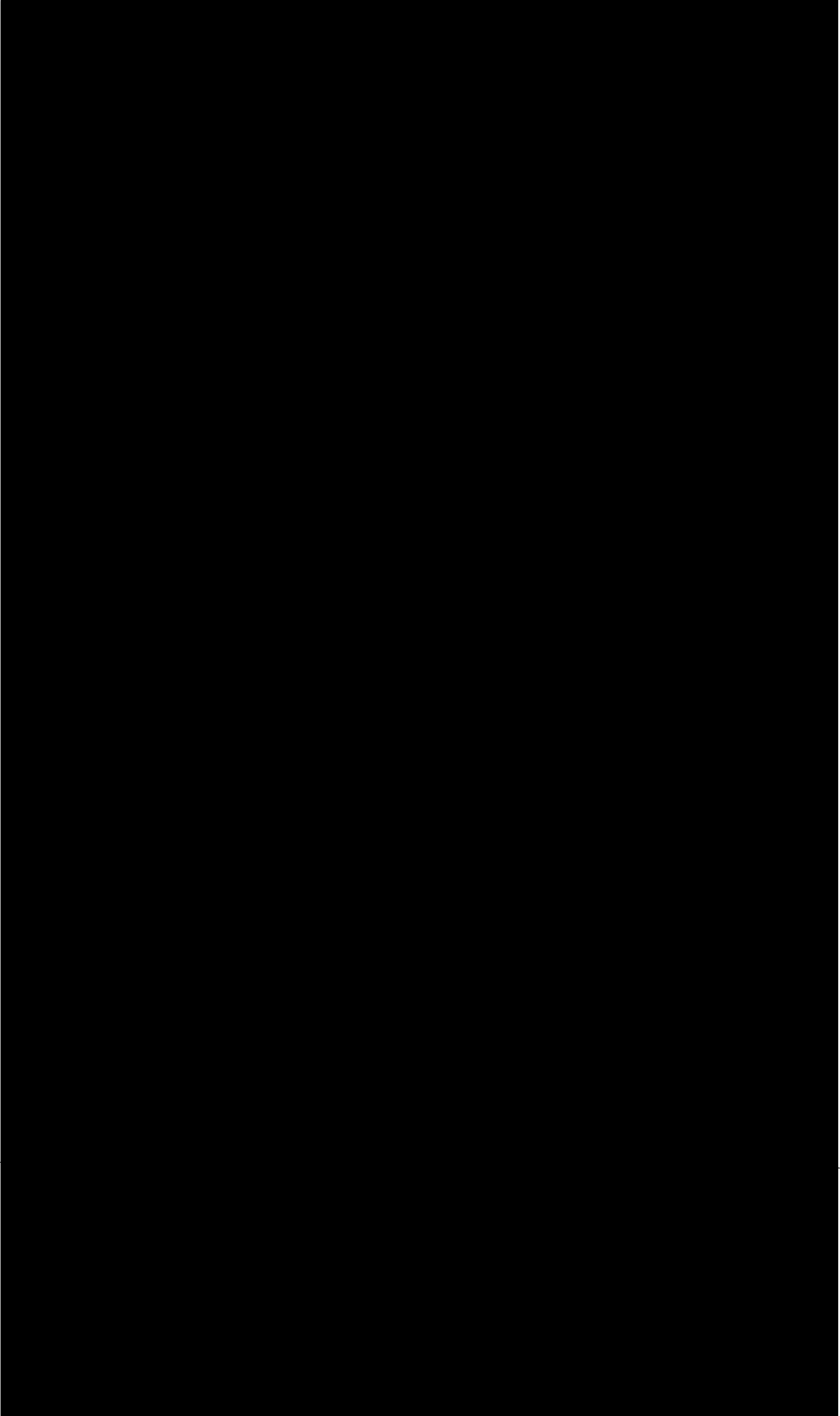


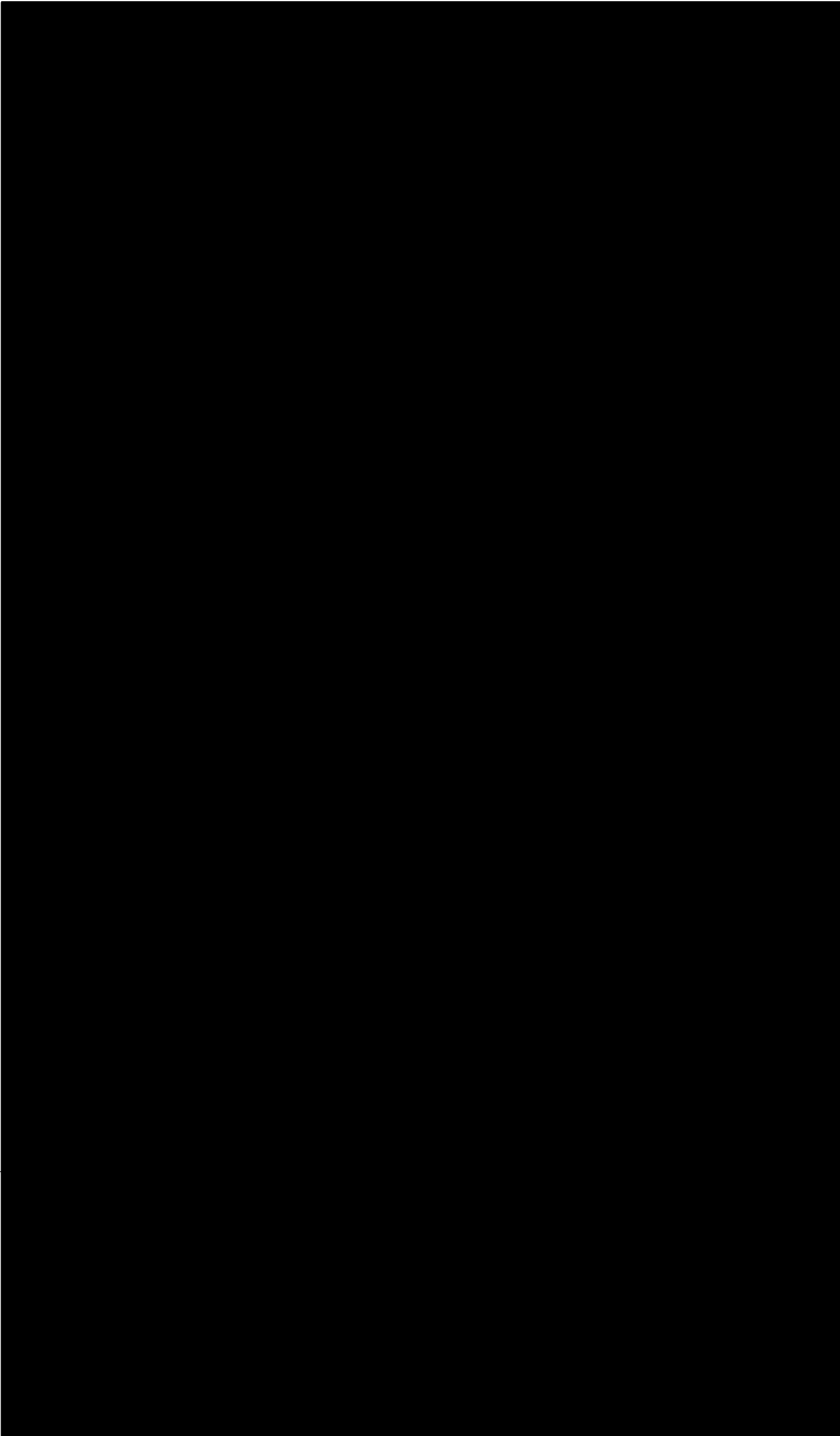


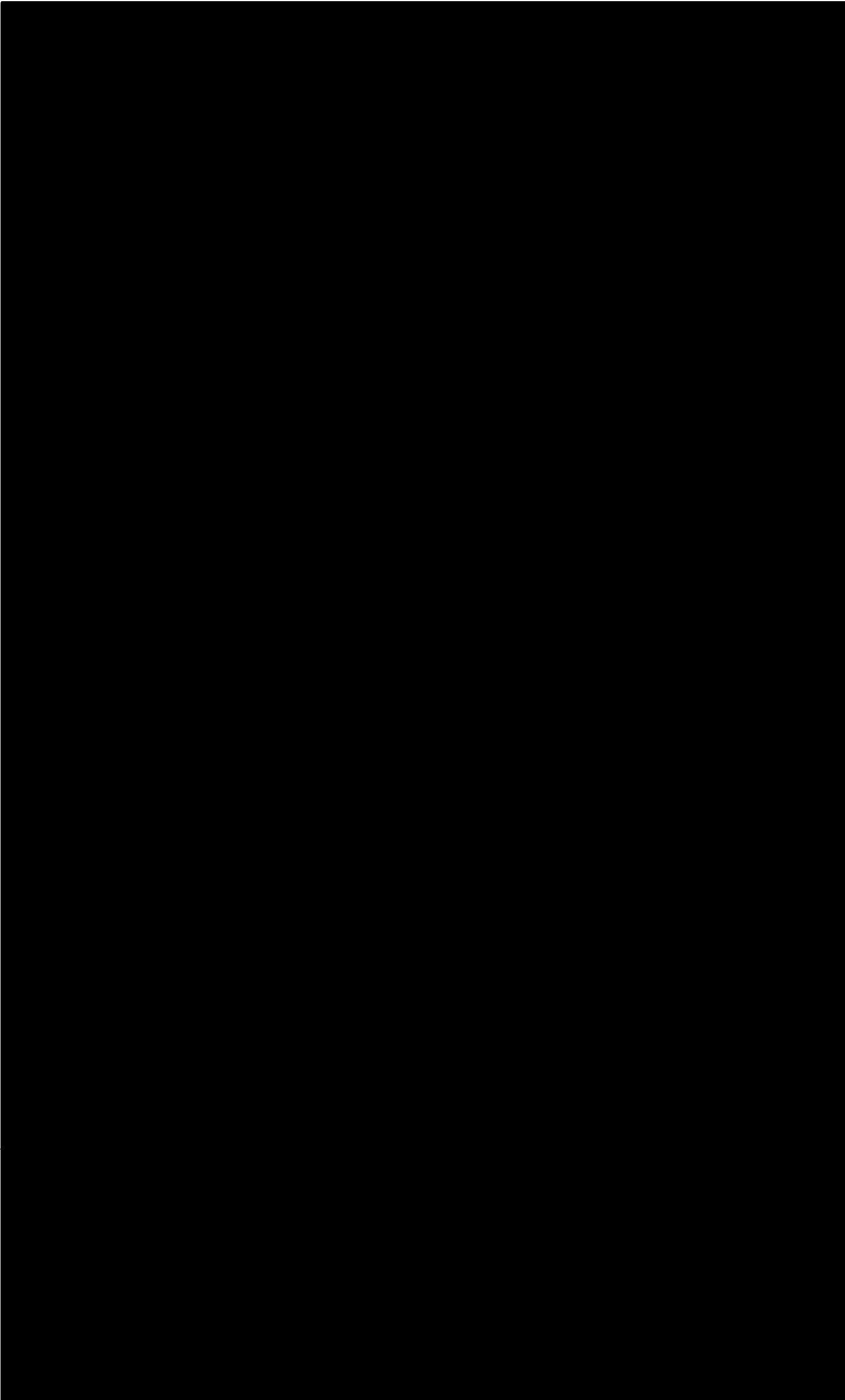


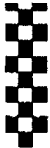












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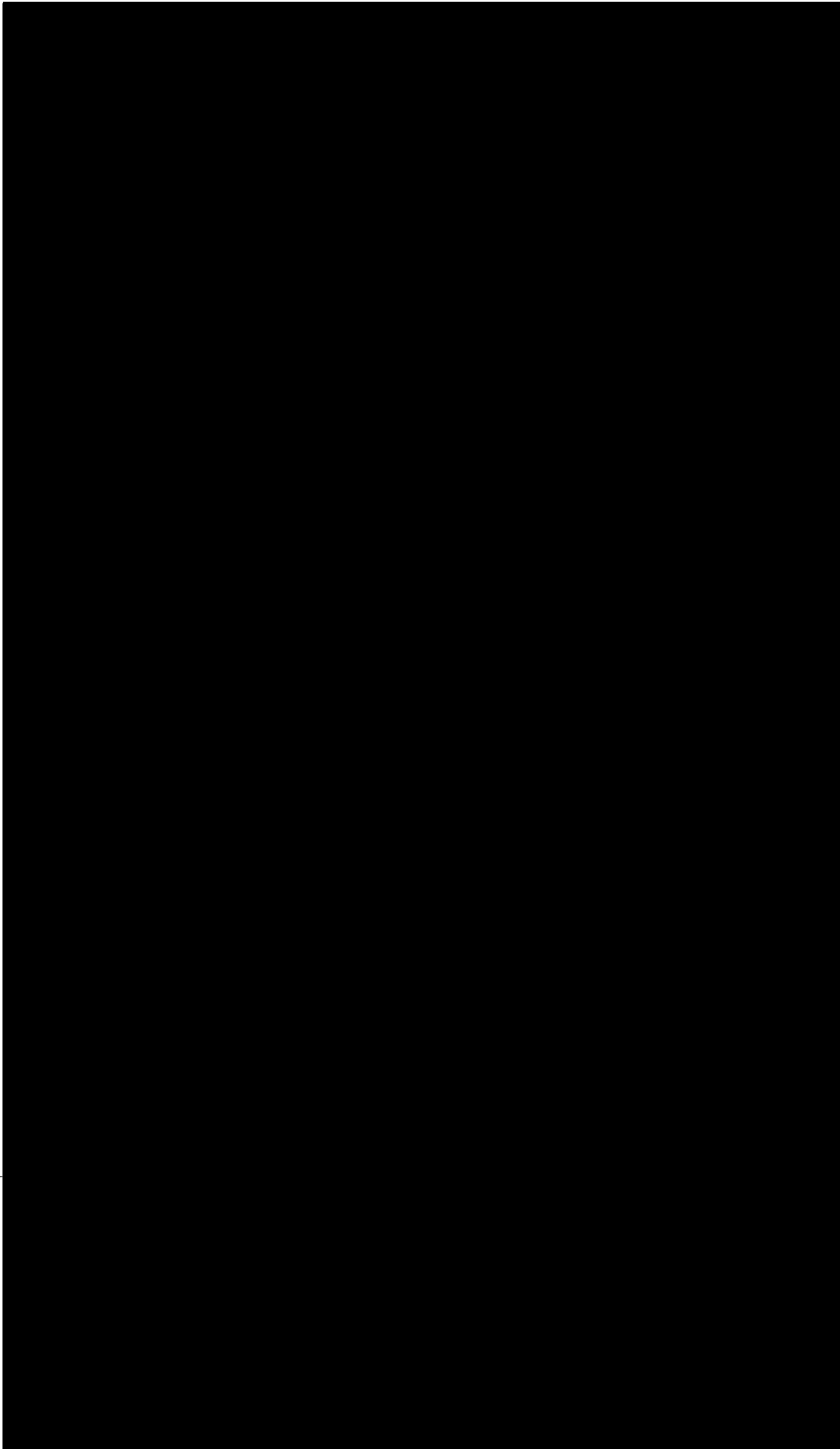
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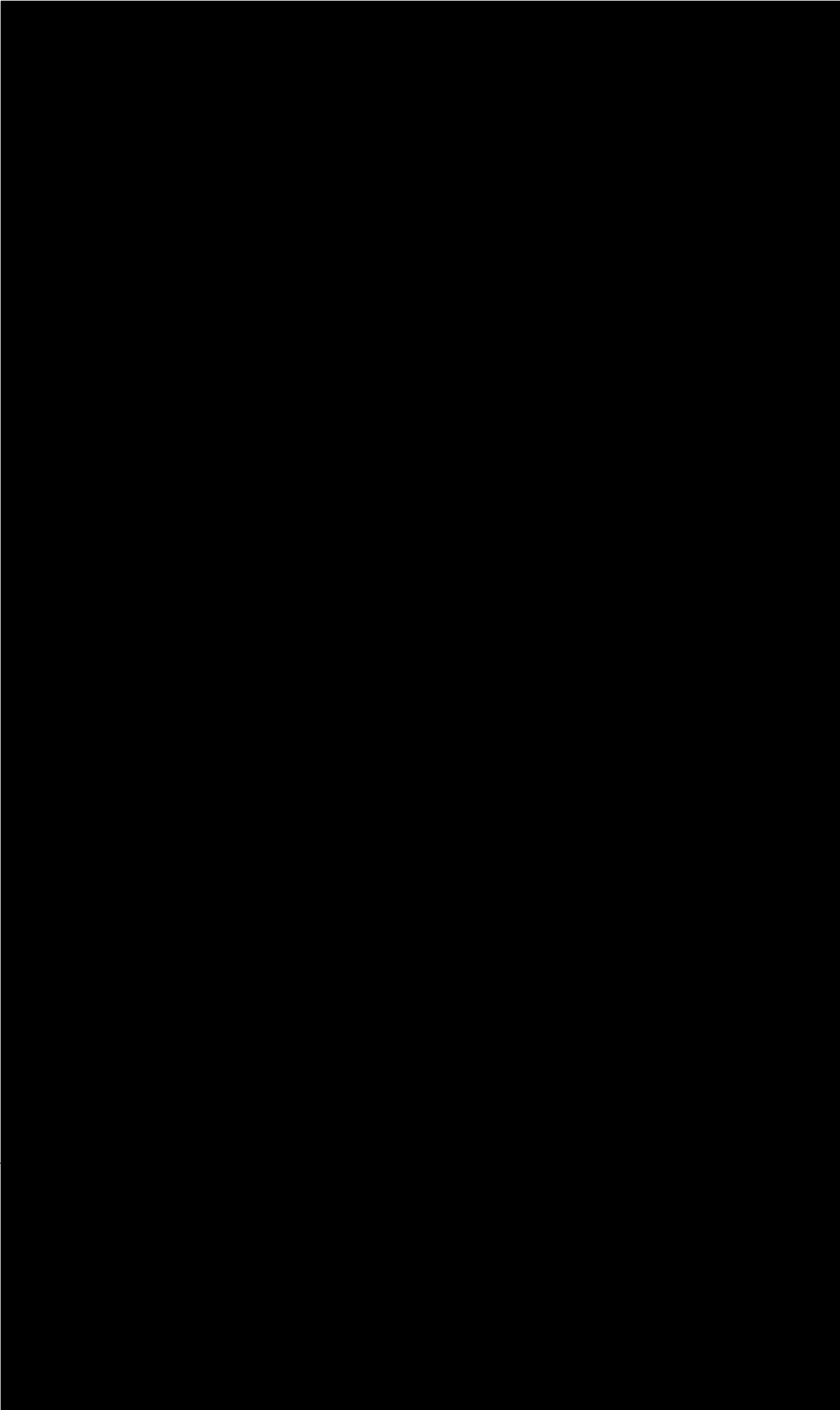
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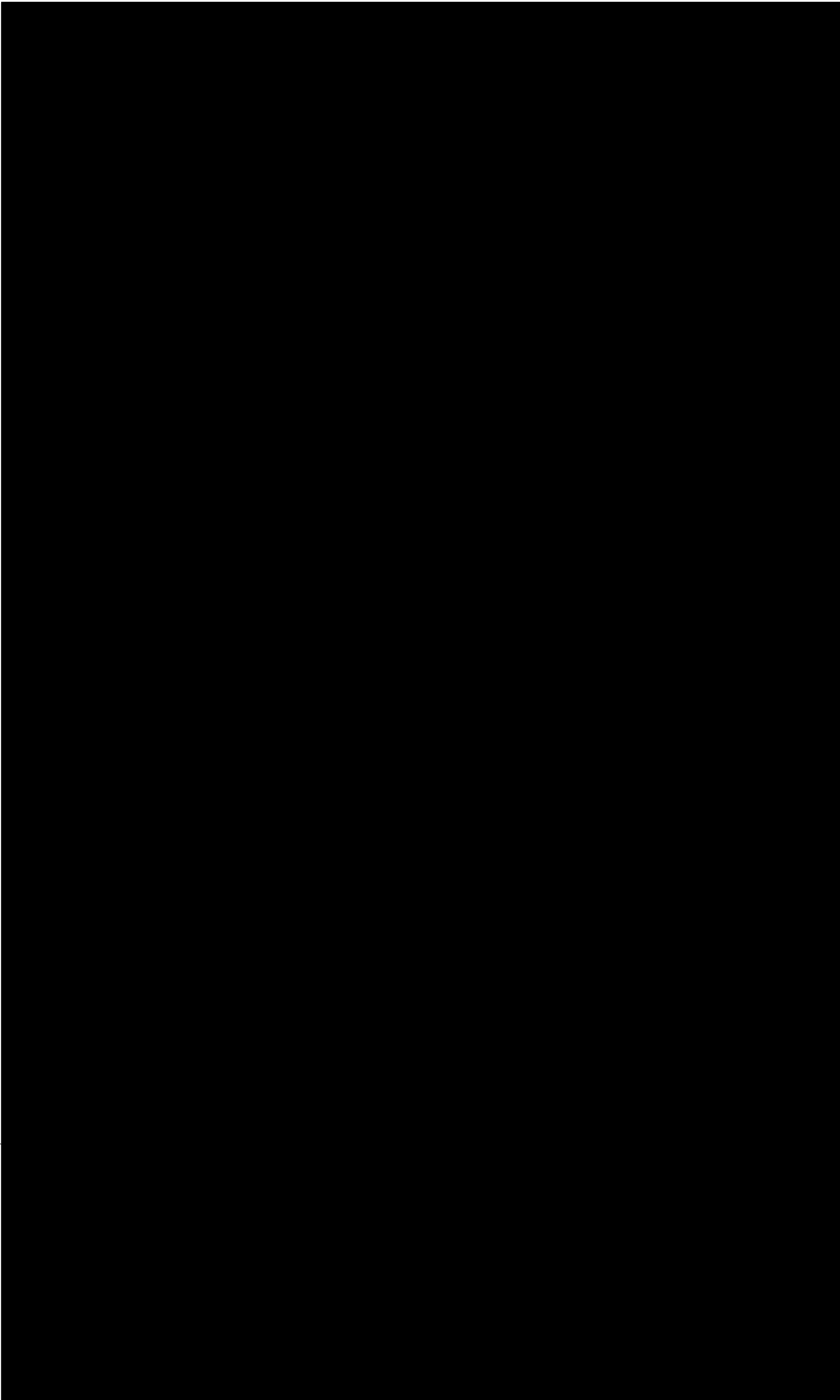
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PUBLIC VERSION

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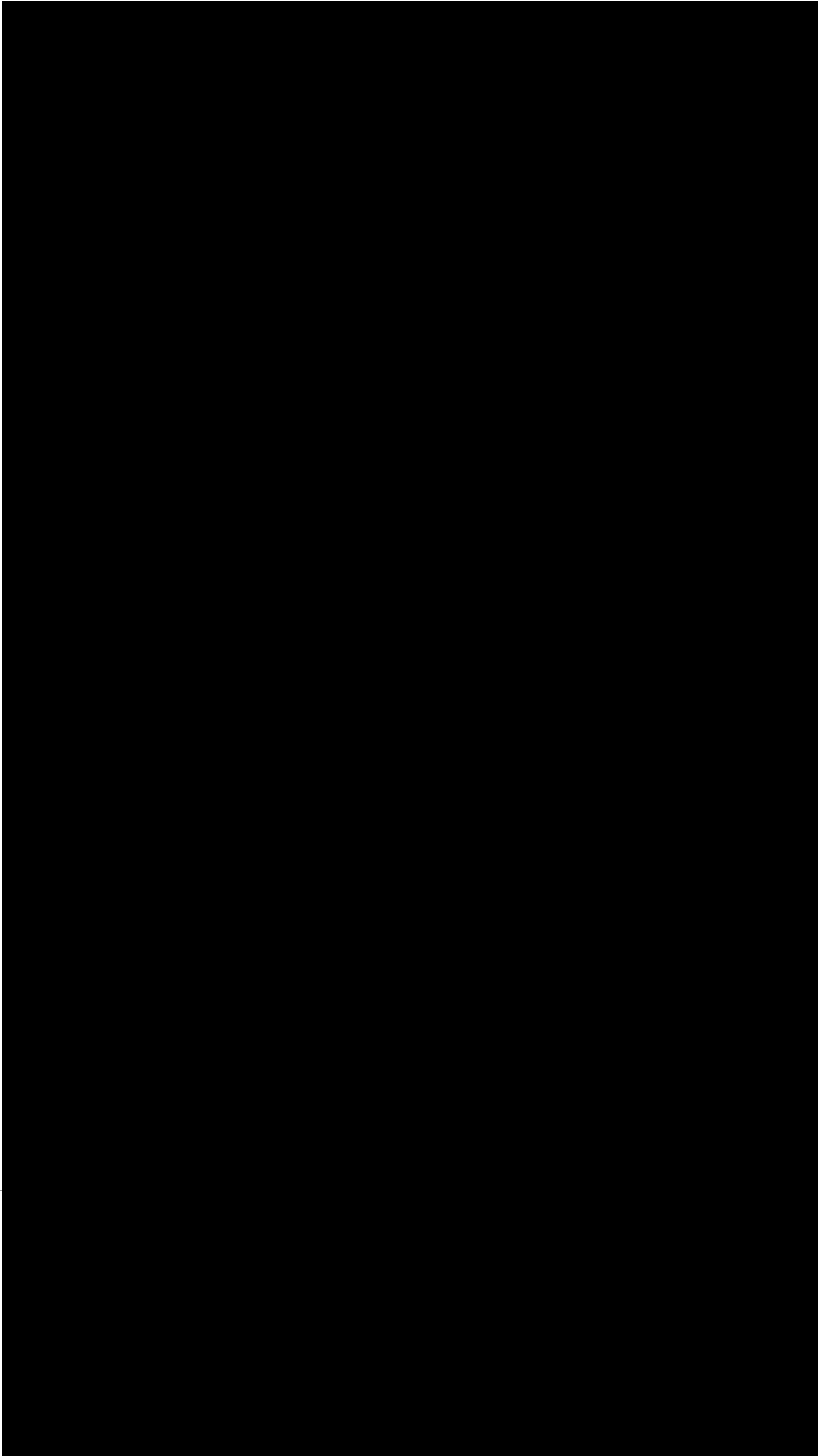




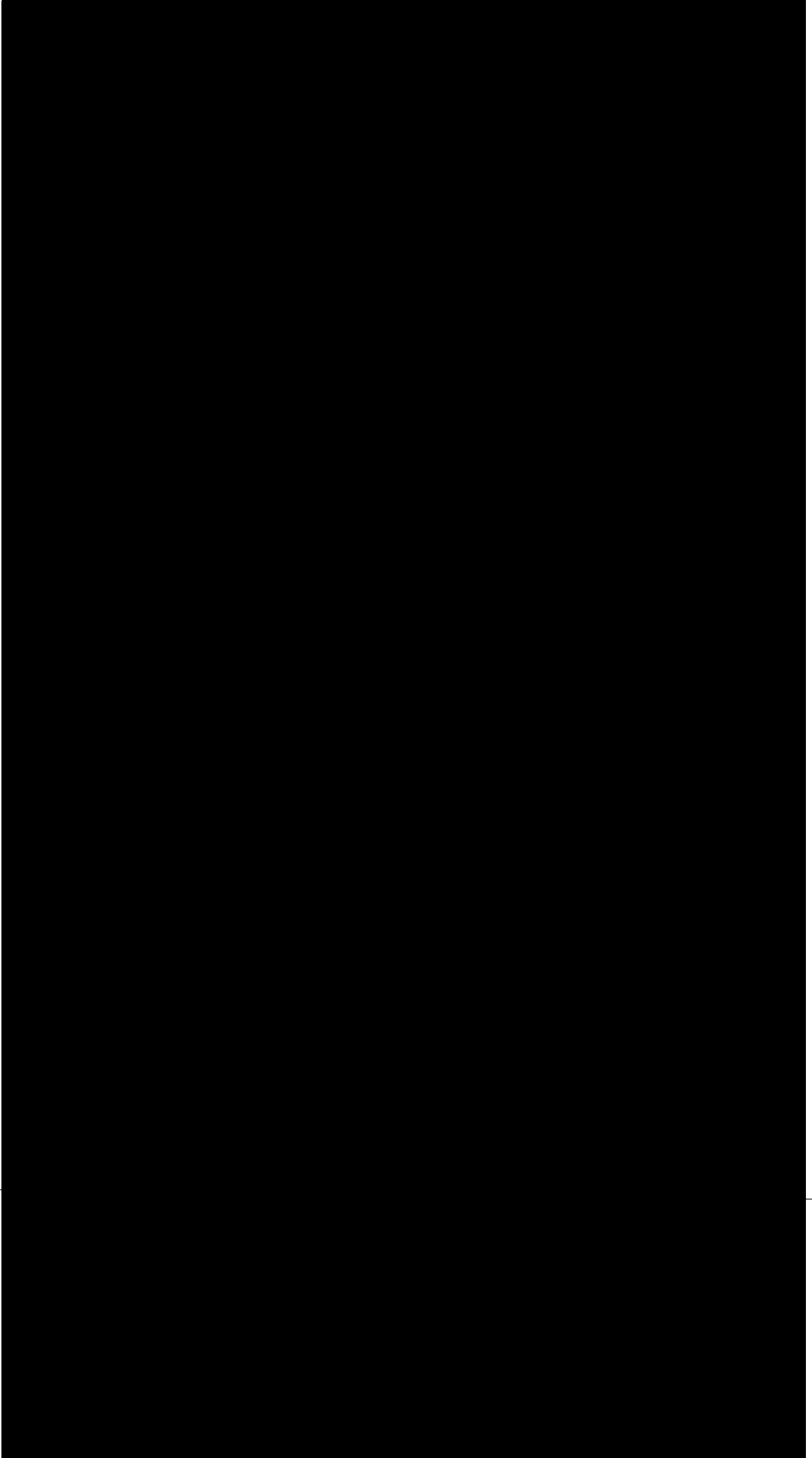


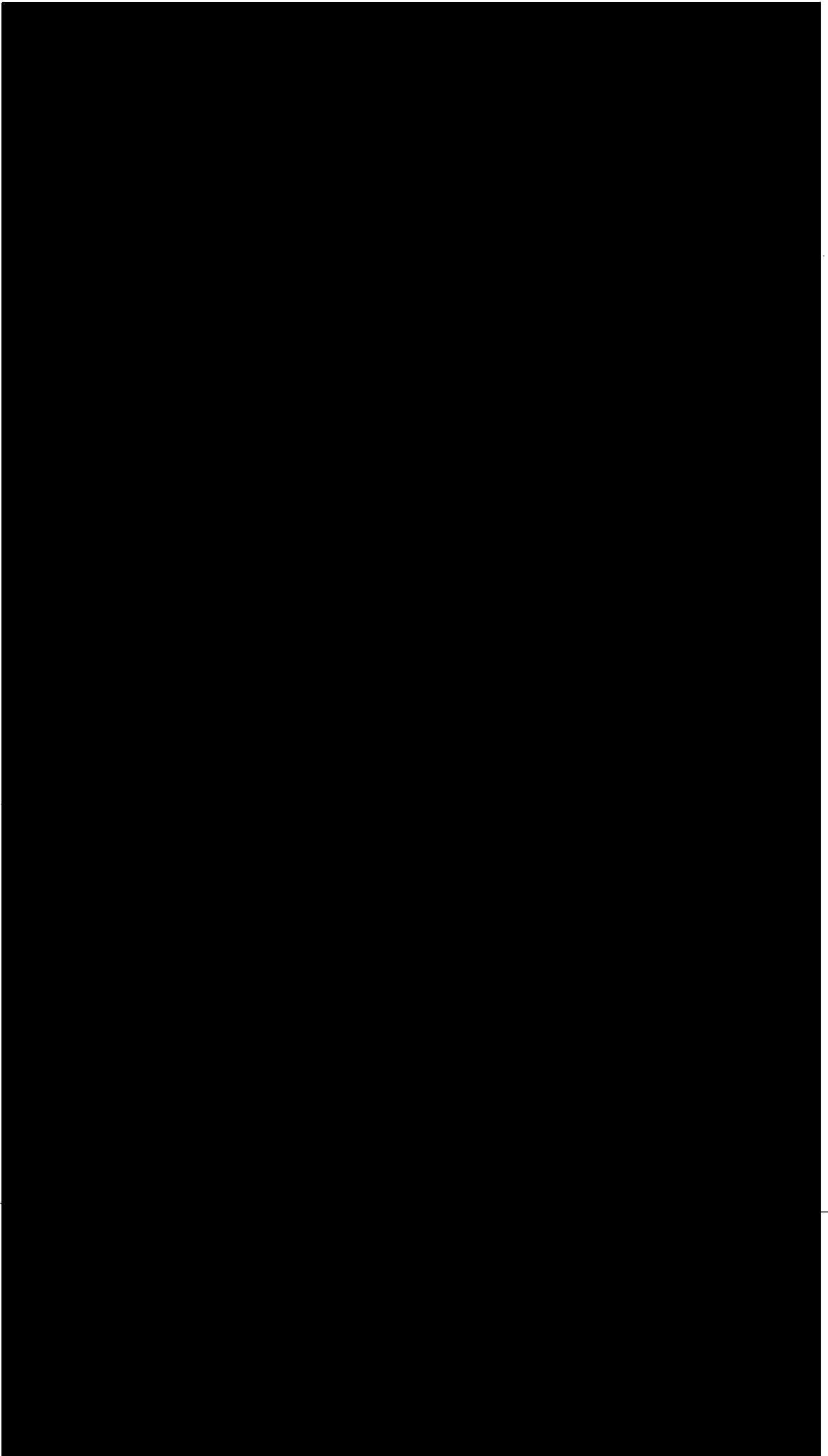
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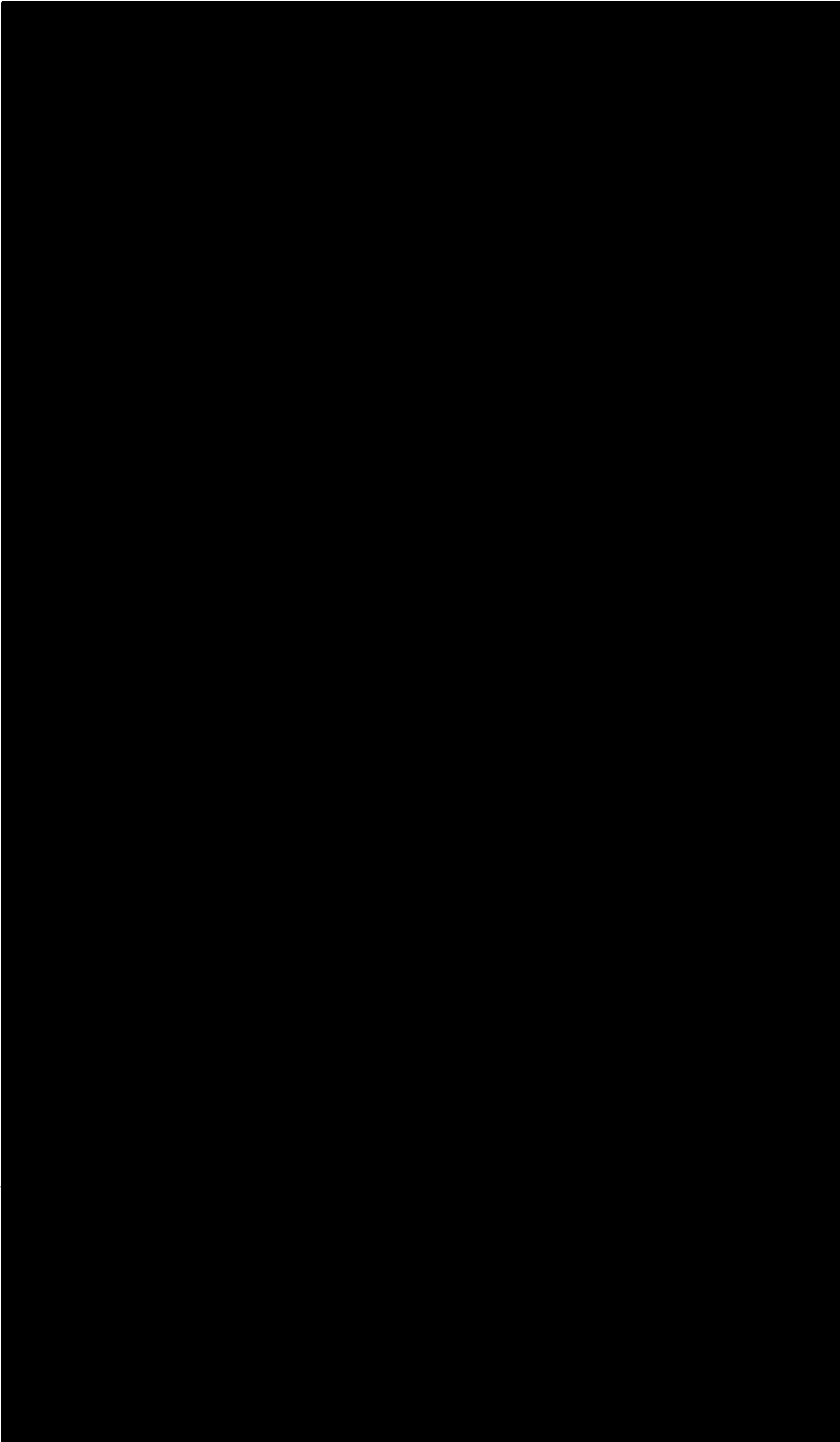
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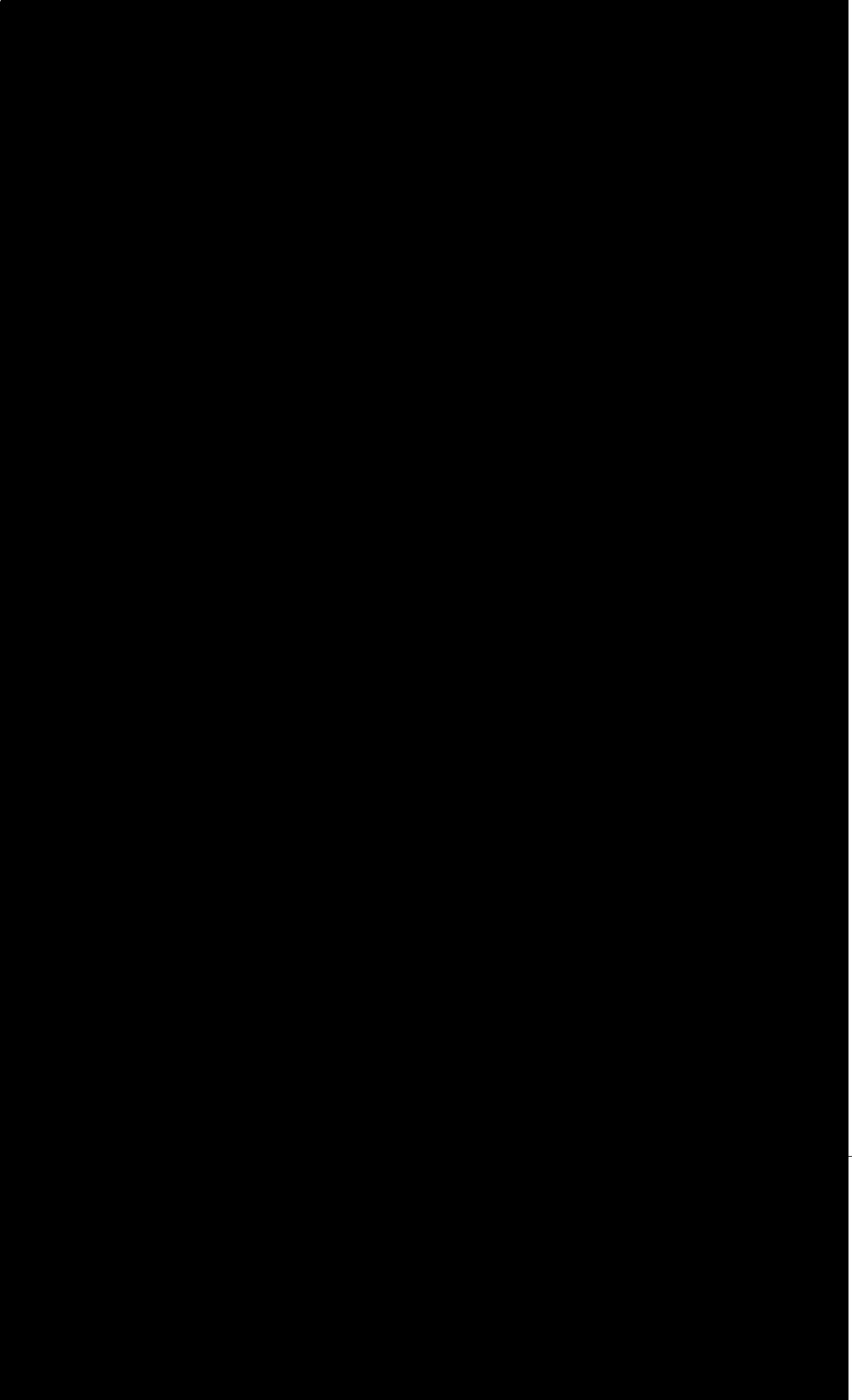


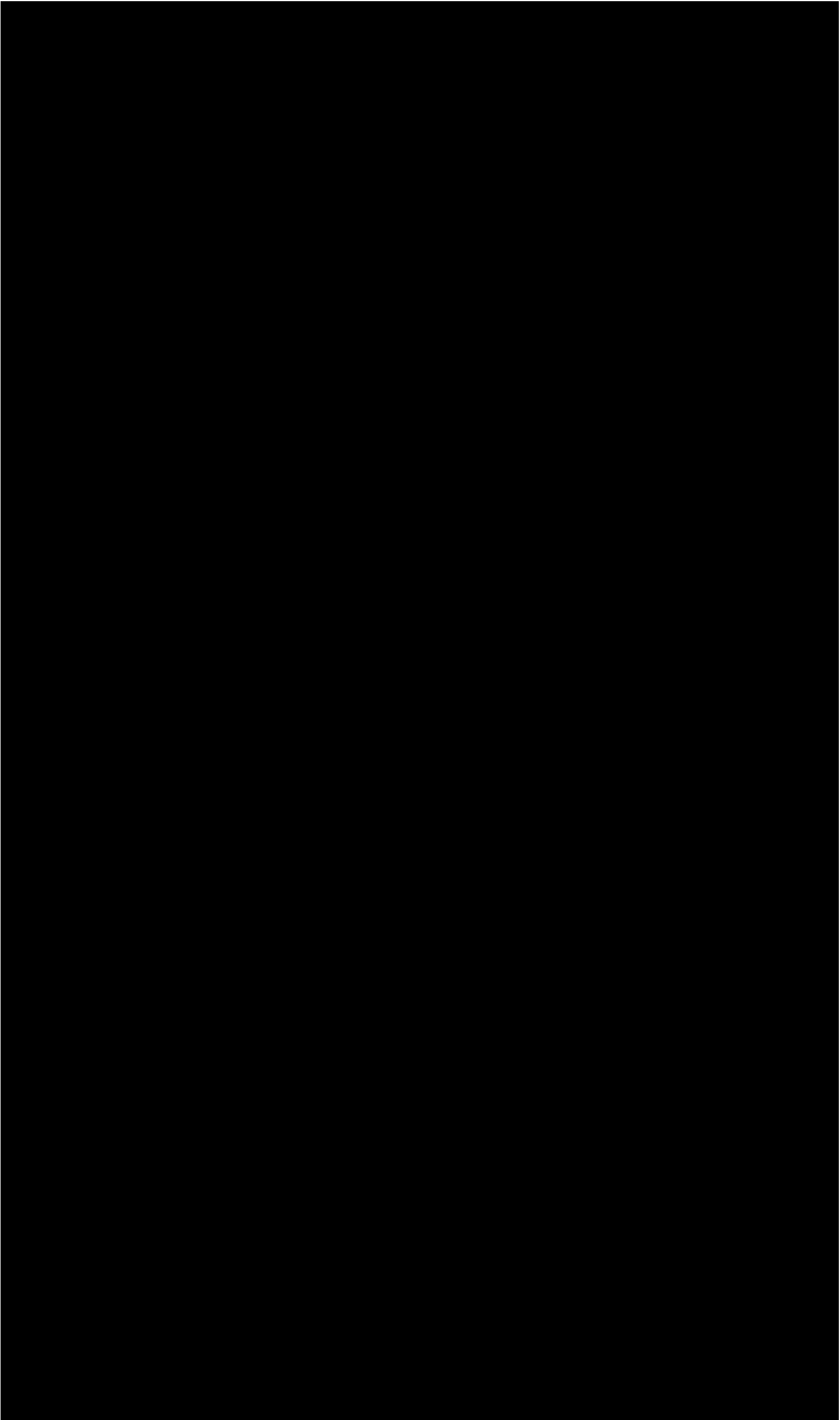
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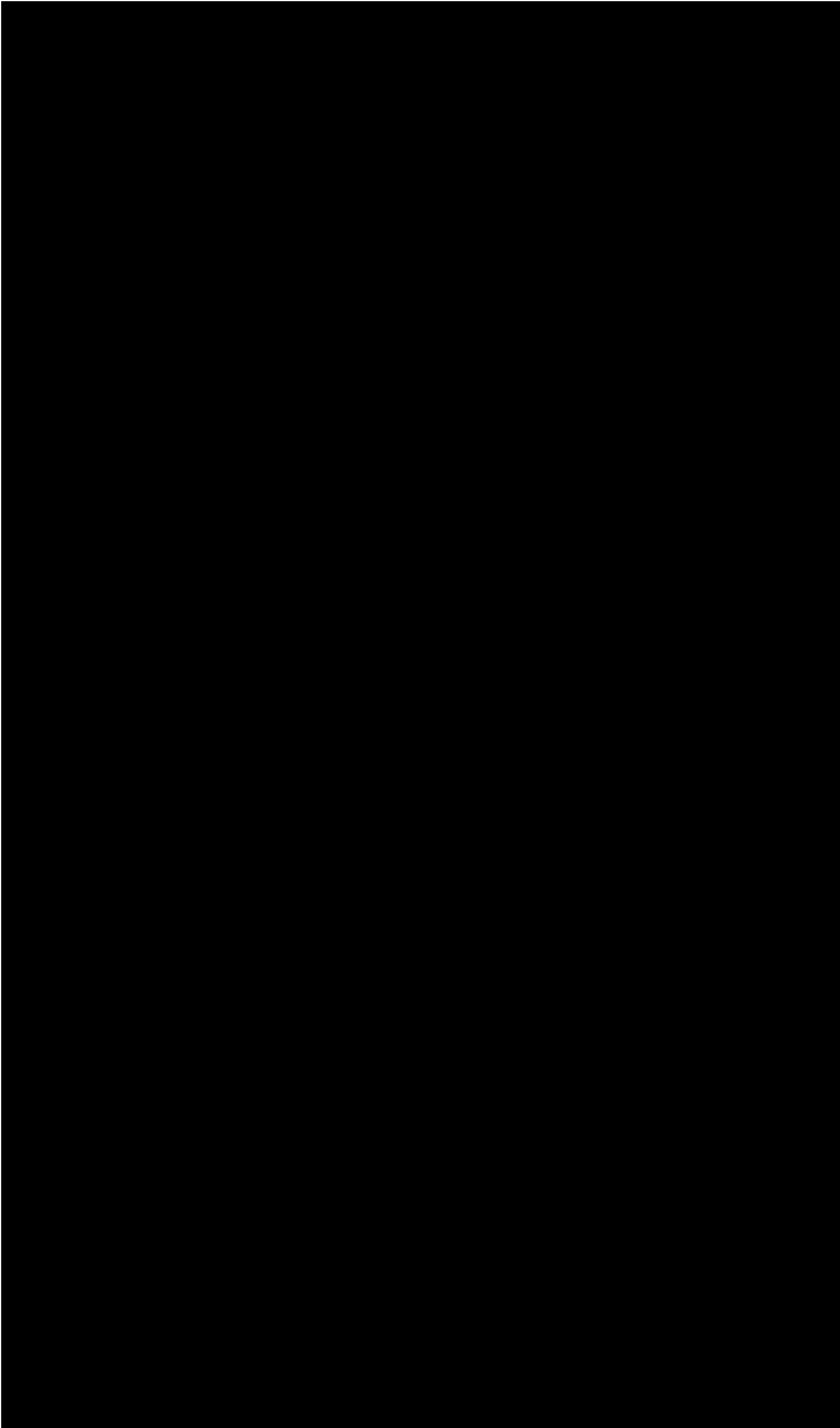


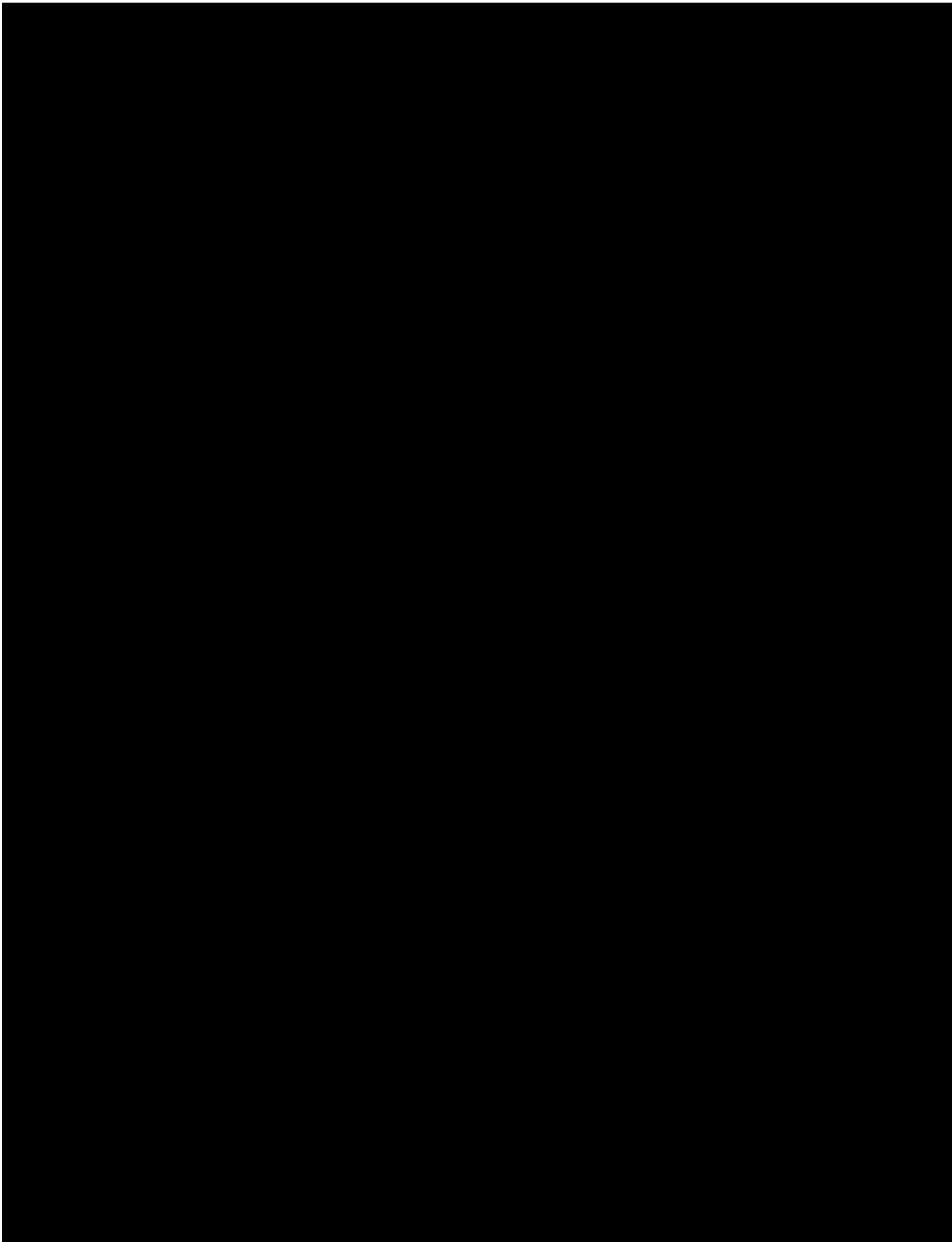


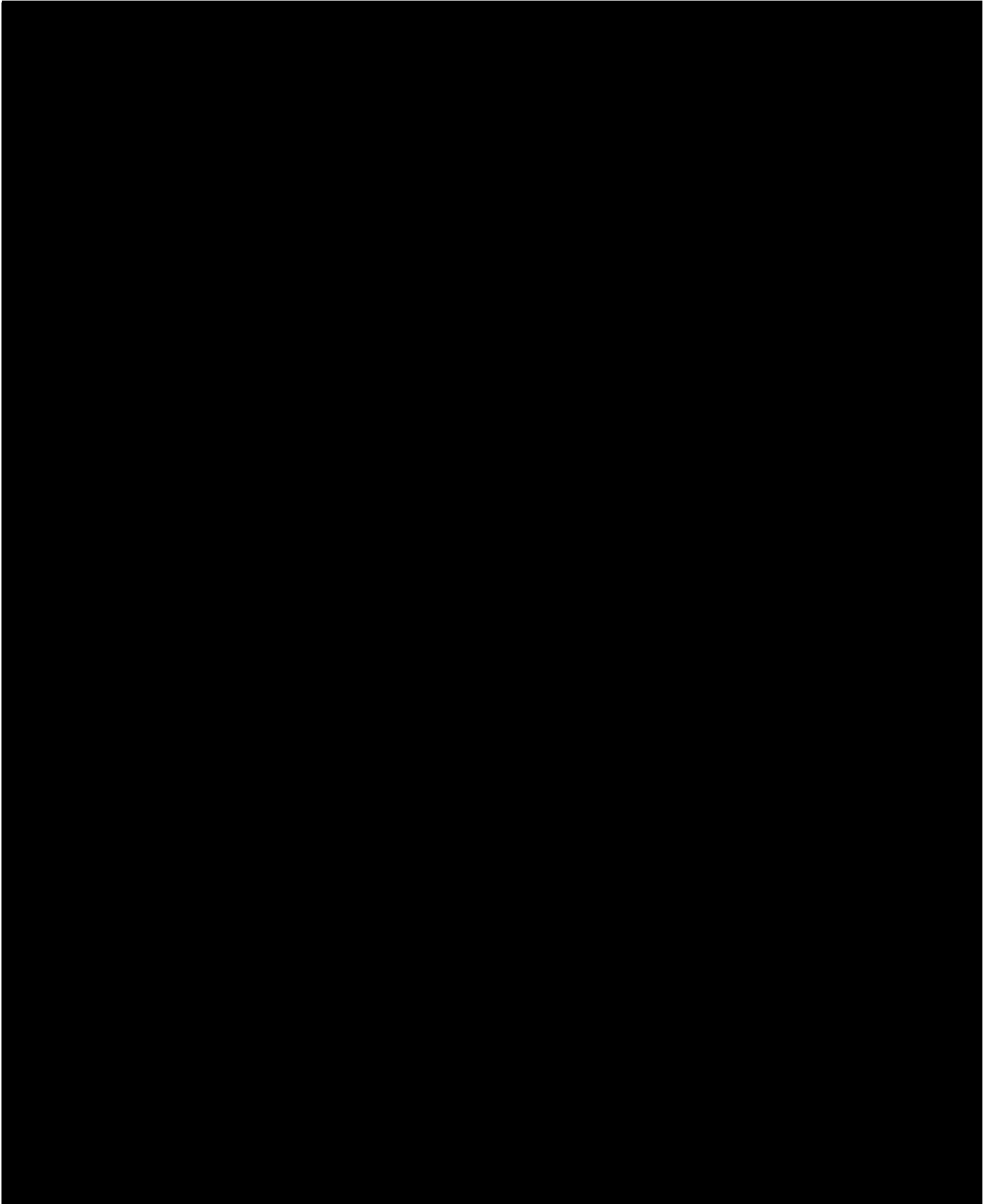


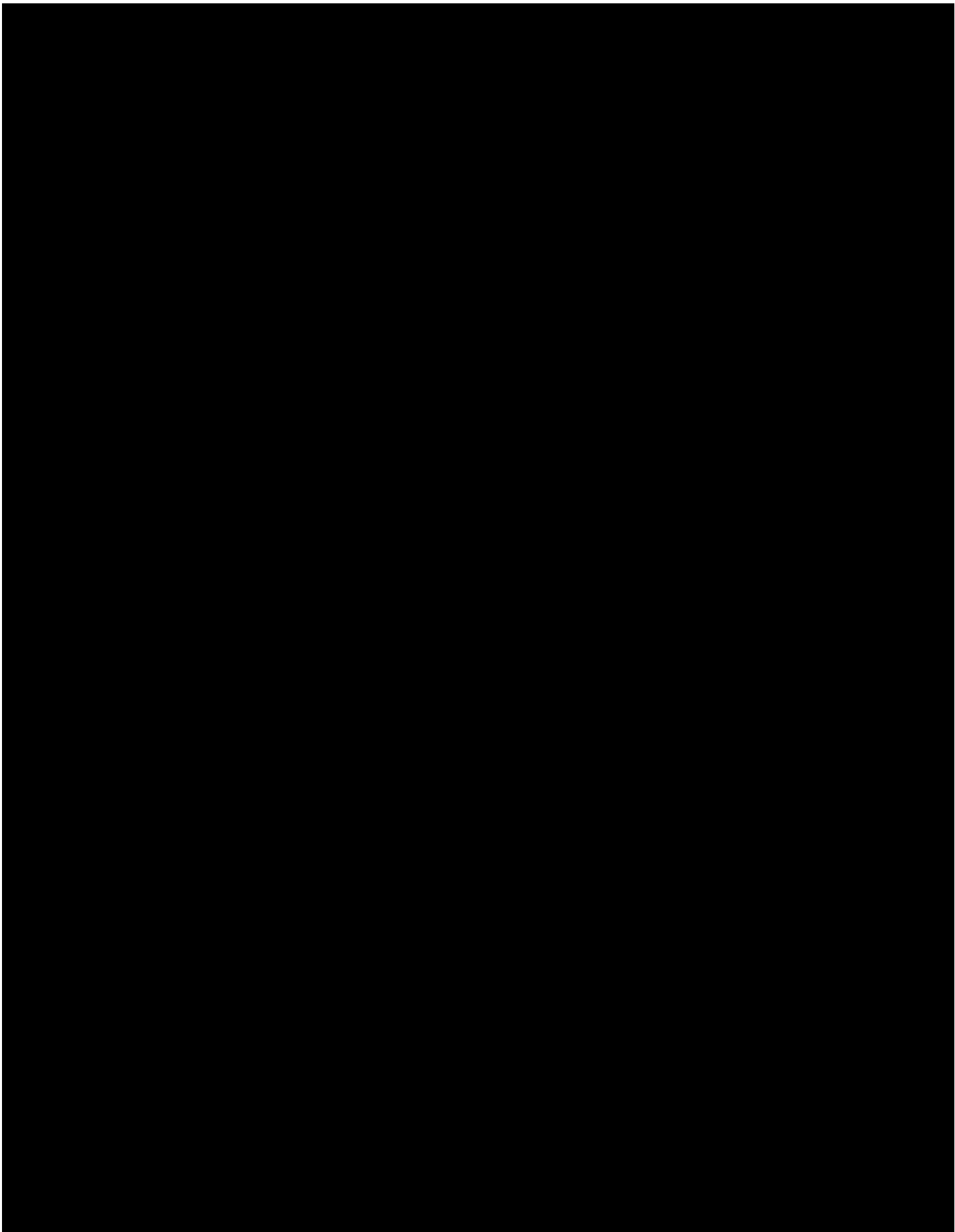












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CONTAINING INTERCHANGE COMMITMENT –
NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41, ET SEQ.**

EXHIBIT B

MAP



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36825

**CENTRAL NEW YORK RAILROAD CORPORATION
– AMENDED LEASE AND OPERATION EXEMPTION
CONTAINING INTERCHANGE COMMITMENT–
NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41, ET SEQ.**

EXHIBIT C

VERIFICATION AND CERTIFICATE OF COMPLIANCE

CERTIFICATION AND VERIFICATION

I, James P. Bonner, hereby certify and verify under penalty of perjury the following:

1. I am the President of Central New York Railroad Corporation (“CNY”) and am therefore qualified to make the subject “Certification and Verification” on behalf of CNY.
2. CNY’s actual and projected annual operating revenues are less than \$5 million, and its projected annual operating revenues are not expected to exceed those that would qualify it as a Class III carrier.
3. I have read the foregoing document and verified that the facts stated therein are true and correct.

Executed on March 13, 2025.

A handwritten signature in black ink, appearing to read 'James P. Bonner', is written over a horizontal line.

James P. Bonner
President, Central New York Railroad
Corporation

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36825

**CENTRAL NEW YORK RAILROAD CORPORATION
– AMENDED LEASE AND OPERATION EXEMPTION
CONTAINING INTERCHANGE COMMITMENT –
NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION PURSUANT
TO 49 C.F.R. § 1150.41, ET SEQ.**

EXHIBIT D

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FD 36825

**CENTRAL NEW YORK RAILROAD CORPORATION
– AMENDED LEASE AND OPERATION EXEMPTION
CONTAINING INTERCHANGE COMMITMENT –
NORFOLK SOUTHERN RAILWAY COMPANY**

Central New York Railroad Corporation (“CNY” or “Applicant”), a Class III railroad common carrier, has filed a Verified Notice of Exemption (the “Notice”) to continue to lease and operate a line of railroad. The trackage that is subject to this Notice extends from milepost 89.9 at or near Port Jervis, New York, and milepost 213.0 at Binghamton, New York (the “Line”) in Broome, Sullivan, Delaware and Orange Counties, NY and Pike and Susquehanna Counties, PA. CNY previously received regulatory authority to operate the Line under a December 28, 2004, lease agreement (the “Lease Agreement”) with Norfolk Southern Railway Company (“NSR”).⁶ At NSR’s request, CNY and NSR (collectively, the “Parties”) have agreed to a Third Amendment extending the lease and amending the lease renewal provisions of the Lease Agreement.

The transaction may be consummated on or after April 13, 2025, the effective date of the exemption (30 days after the exemption was filed).

CNY certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million or result in the creation of a Class II or Class I rail carrier.

⁶ See Central New York Railroad Corporation – Lease and Operation Exemption – Norfolk Southern Railway Company, FD 34643 (STB served January 21, 2005) (“January 21, 2005 Decision”).

PUBLIC VERSION

Comments must be filed with the Board and served on CNY's representative: Crystal M. Zorbaugh, Mullins Law Group PLLC, 2001 L Street, NW, Suite 720, Washington, DC 20036, (202) 663-7850. This Notice is filed under 49 C.F.R. § 1150.41, et. seq. 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.

Decided: _____ By the Board

CERTIFICATE OF SERVICE

I hereby certify that, on March 13, 2025, a copy of the Verified Notice of Exemption of The Central New York Railroad Corporation, in STB Finance Docket No. 36825 was served by U.S. first-class mail, postage prepaid, on the following:

Atkore International	958 Route 11 South, Kirkwood, NY 13795
Frito-Lay	10 Spud Lane, Binghamton, NY 13904
Cochecton Mills	30 Depot Road, Cochecton, NY 12726
Narrowsburg Feed & Grain	11 Fifth Street, Narrowsburg, NY 12764
SRS Lackawaxen	201 Scenic Drive, Lackawaxen, PA 18435

March 13, 2025

/s/ Crystal M. Zorbaugh

Crystal M. Zorbaugh, Esq.