

FLETCHER & SIPPEN LLC

ATTORNEYS AT LAW

29 North Wacker Drive
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Chicago, Illinois 60606-2832

THOMAS J. LITWILER
(312) 252-1508
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Phone: (312) 252-1500
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May 10, 2018

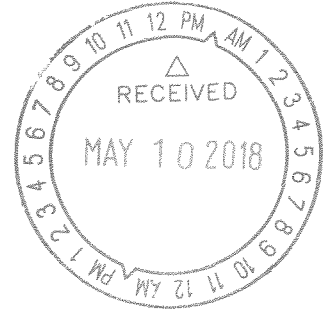
VIA FEDERAL EXPRESS

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20006

ENTERED
Office of Proceedings

MAY 10 2018

Part of
Public Record



Re: **Docket No. FD 36179**
Lake State Railway Company -- Lease Exemption --
Line of Grand Trunk Western Railroad Company

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Lake State Railway Company Pursuant to 49 C.F.R. § 1150.42**, dated May 10, 2018. A check in the amount of \$2,000.00, representing the appropriate fee for this filing, and a compact disc containing the text of the Notice and the *Federal Register* caption summary in MS Word 2010 format are attached.

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

FILED
MAY 10 2018
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,

Thomas J. Litwiler
Attorney for Lake State Railway Company

TJL:tl

Enclosures

cc: Shawn M. McKinley, Esq., SMART-TD

FEE RECEIVED

MAY 10 2018

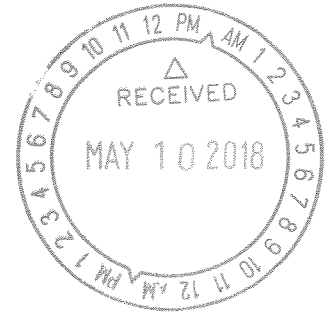
SURFACE
TRANSPORTATION BOARD

ORIGINAL
#245709

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36179

LAKE STATE RAILWAY COMPANY
-- LEASE EXEMPTION --
LINE OF GRAND TRUNK WESTERN RAILROAD COMPANY



ENTERED
Office of Proceedings
MAY 10 2018
Part of
Public Record

**VERIFIED NOTICE OF EXEMPTION
OF
LAKE STATE RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.42**

FILED
MAY 10 2018
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
MAY 10 2018
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Fletcher & Sippel LLC
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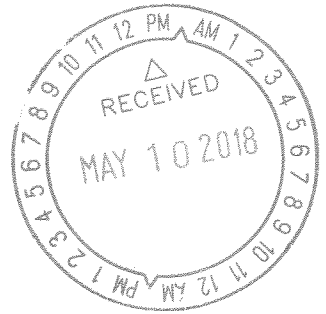
**ATTORNEY FOR LAKE STATE
RAILWAY COMPANY**

Dated: May 10, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36179

LAKE STATE RAILWAY COMPANY
-- LEASE EXEMPTION --
GRAND TRUNK WESTERN RAILROAD COMPANY



**VERIFIED NOTICE OF EXEMPTION
OF
LAKE STATE RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., Lake State Railway Company ("LSRC"), a Class III rail carrier, hereby files this Verified Notice of Exemption to lease a 3.9-mile line of railroad of Grand Trunk Western Railroad Company ("GTW") in Port Huron, Michigan (the "PH Track"). Based on projected revenues for the PH Track, LSRC expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.43, LSRC submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

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

Lake State Railway Company
750 North Washington Avenue
Saginaw, Michigan 48607
(989) 393-9800

Applicant's Representative: 49 C.F.R. § 1150.43(b)

LSRC's representative to whom correspondence regarding this transaction should be sent is as follows:

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

LSRC and GTW have executed a Track Lease for the Handling of Cars and a companion Switching Agreement, both dated March 23, 2018, providing for LSRC's lease and operation of the PH Track.

Operation of the Property: 49 C.F.R. § 1150.43(d)

LSRC will be the operator of the PH Track being leased from GTW in this proceeding. GTW will retain responsibility for the Black River drawbridge located at milepost 58.2 on the PH Track.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

LSRC is a Class III common carrier by rail which owns or operates approximately 300 miles of rail line in the Lower Peninsula of the state of Michigan. LSRC's lines extend from the Flint area through Saginaw/Bay City/Midland to Gaylord and Alpena, and include the routes formerly operated by Saginaw Bay Southern Railway Company, which was merged into LSRC in 2012. See Lake State Railway Company -- Intra-Corporate Family Merger Exemption -- Saginaw Bay Southern Railway Company, Docket No. FD 35561 (STB served December 2, 2011). LSRC is a subsidiary of J&JG Holding Company, Inc., a non-carrier.

GTW is a Class I common carrier by rail which owns or operates rail lines in the states of Illinois, Indiana, Michigan and Ohio. Its primary routes extend between Chicago, Illinois and Detroit/Port Huron, Michigan. GTW is an indirect subsidiary of Canadian National Railway Company. See Canadian National Railway Company and Grand Trunk Corporation -- Control – EJ&E West Company., Finance Docket No. 35087 (STB served December 24, 2008).

Pursuant to the agreements executed by the parties, LSRC will lease and operate GTW's rail line extending from approximately milepost 55.8 at the north side of Griswold Road to the end of track at approximately milepost 59.7 at the Dunn Paper switch in Port Huron, Michigan, a distance of approximately 3.9 miles. The PH Track does not connect with LSRC's existing rail system.

The complete name and address of the entity leasing the PH Track to LSRC is as follows:

Grand Trunk Western Railroad Company
17641 South Ashland Avenue
Homewood, Illinois 60430

LSRC intends to consummate its lease of the PH Track from GTW and commence operations on the PH Track on or shortly after June 11, 2018.

Map: 49 C.F.R. § 1150.43(f)

A map showing the PH Track and the surrounding area is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

LSRC's proposed lease and operation of the PH Track does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.42(e)

On April 12, 2018, LSRC posted the 60-day notice of this transaction required by 49 C.F.R. § 1150.42(e) at the workplaces of current GTW employees on the PH Track, served the notice on the national offices of the labor unions for those employees, and certified both actions to the Board. A copy of the 60-day notice and certification as filed with the Board is attached as Exhibit C to this Notice.

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

Under 49 C.F.R. § 1105.6(c)(2), LSRC's proposed lease and operation of the PH Track is exempt from environmental reporting requirements. The proposed transaction 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).

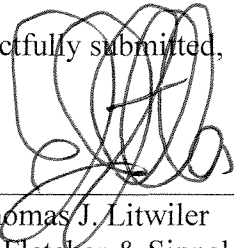
Under 49 C.F.R. § 1105.8(b)(1), LSRC's lease of the PH Track also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to abandon or discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

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

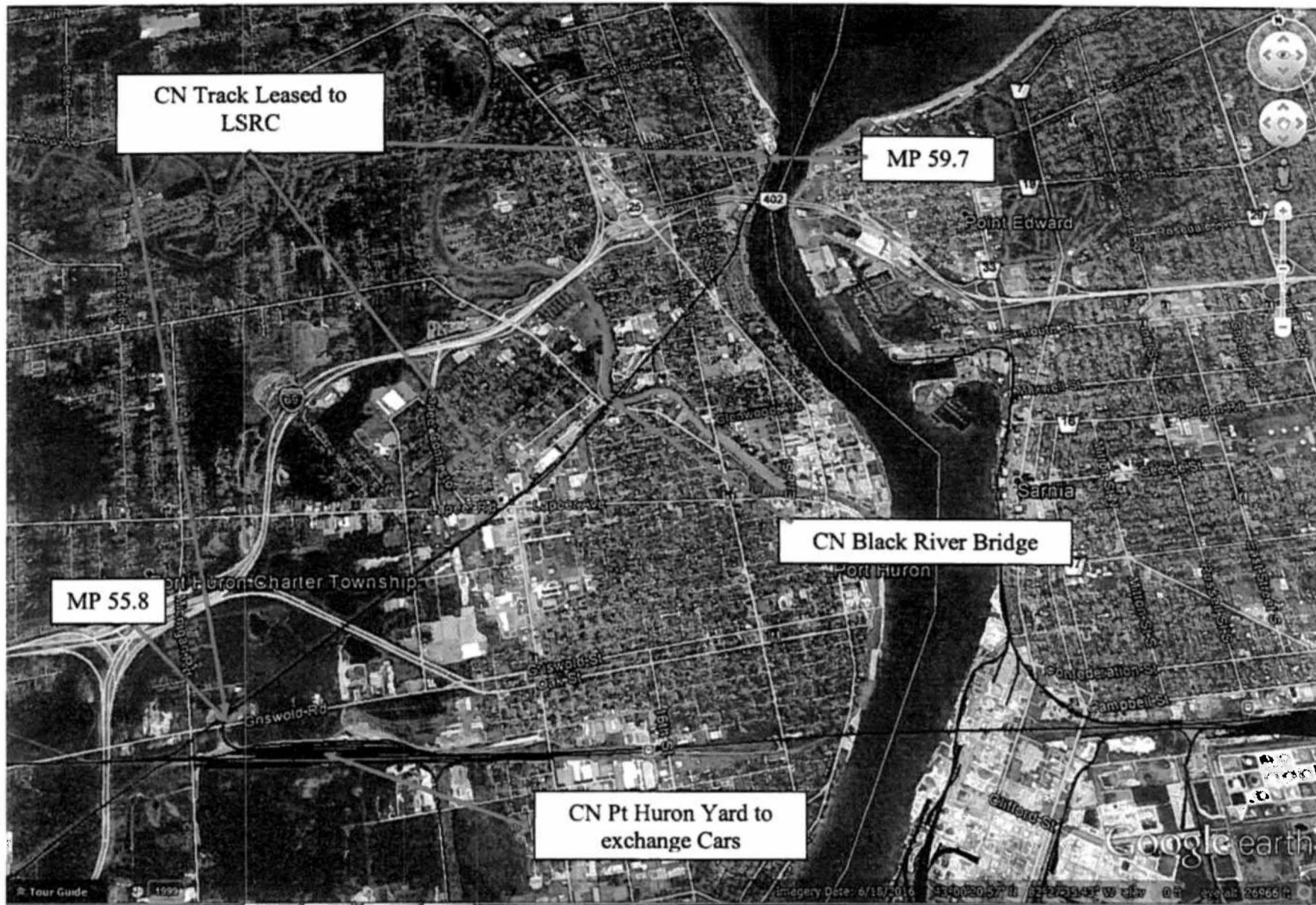
Respectfully submitted,

By: _____


Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEY FOR LAKE STATE
RAILWAY COMPANY**

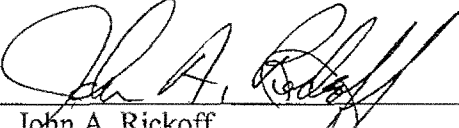
Dated: May 10, 2018



CERTIFICATION

State of Michigan)
) ss:
County of Saginaw)

John A. Rickoff, being duly sworn, hereby certifies that the projected annual rail revenues of Lake State Railway Company as a result of the transaction proposed herein will not result in the creation of a Class II or a Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).



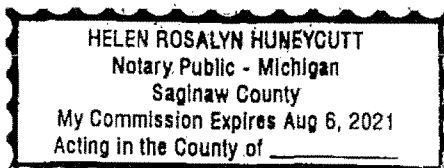
John A. Rickoff
President and Chief Executive Officer

SUBSCRIBED AND SWORN TO
before me this 10th day
of May, 2018.



Notary Public

My Commission expires: Aug 6, 2021



FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

April 12, 2018

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

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 36179**
Lake State Railway Company -- Lease Exemption --
Line of Grand Trunk Western Railroad Company

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Lake State Railway Company ("LSRC") hereby certifies that on April 12, 2018 the attached Notice was posted at the following workplaces of employees of Grand Trunk Western Railroad Company and its corporate affiliates ("GTW"):

CN/GTW Yard Office
3373 Griswold Road
Port Huron, MI 48061

Flint Mechanical
3250 Torrey Road
Flint, MI 48507

LSRC also certifies that on April 12, 2018, the attached Notice was served by first class mail, postage prepaid, on the national offices of the labor unions representing GTW employees on the subject rail line, at the following addresses:

Mr. John Previsich
President, Transportation Division
International Association of Sheet Metal, Air, Rail &
Transportation Workers
24950 Country Club Road, Suite 340
North Olmsted, OH 44070-5333

FLETCHER & SIPPEL LLC

Ms. Cynthia T. Brown
April 12, 2018
Page 2

Mr. Dennis R. Pierce
National President
Brotherhood of Locomotive Engineers and Trainmen, IBT
7061 East Pleasant Valley Road
Independence, OH 44131

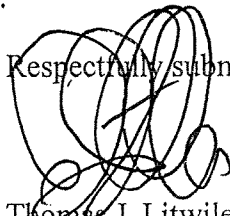
Mr. Freddie N. Simpson
President
Brotherhood of Maintenance of Way Employees Division, IBT
41475 Gardenbrook Road
Novi, MI 48375-1328

Mr. W. Dan Pickett
President
Brotherhood of Railroad Signalmen
917 Shenandoah Shores Road
Front Royal, VA 22630

Mr. Richard A. Johnson
General President
Brotherhood Railway Carmen Division, TCU/IAM
3 Research Place
Rockville, MD 20850

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas J. Litwiler', is written over the text 'Respectfully submitted,'.

Thomas J. Litwiler
Attorney for Lake State Railway Company

TJL:tl

Attachment

LAKE STATE RAILWAY COMPANY
750 North Washington Avenue
Saginaw, MI 48607

NOTICE

Pursuant to regulations of the Surface Transportation Board ("STB") at 49 C.F.R. § 1150.42(e), Lake State Railway Company ("LSRC"), a Class III rail carrier, hereby gives notice to employees of Grand Trunk Western Railroad Company and its railroad affiliates ("GTW") that on or about June 11, 2018, LSRC intends to lease and thereafter operate GTW's line of railroad extending from approximately milepost 55.8 at the north side of Griswold Road to the end of track at approximately milepost 59.7 at the Dunn Paper switch in Port Huron, Michigan, a distance of approximately 3.9 miles. GTW will retain responsibility for the Black River drawbridge at milepost 58.2.

A notice of exemption to authorize the proposed transaction will be filed with the STB on or shortly before May 11, 2018 in Docket No. FD 36179.

LSRC does not expect to hire any additional employees as a result of the proposed lease transaction. Employees desiring further information regarding the transaction may contact Michael Davis, LSRC Human Resources Manager, at (989) 393-9819.

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

DOCKET NO. FD 36179

LAKE STATE RAILWAY COMPANY
-- LEASE EXEMPTION --
LINE OF GRAND TRUNK WESTERN RAILROAD COMPANY

Lake State Railway Company ("LSRC"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease and operate a line of railroad of Grand Trunk Western Railroad Company extending from approximately milepost 55.8 at the north side of Griswold Road to the end of track at approximately milepost 59.7 at the Dunn Paper switch in Port Huron, Michigan, a distance of approximately 3.9 miles.

LSRC expects to consummate the proposed lease transaction on or shortly after June 11, 2018.

Comments must be filed with the Board and served on:

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This 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.

Dated: May __, 2018

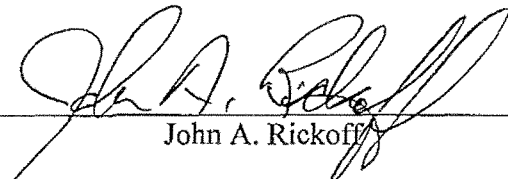
By the Board

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings

VERIFICATION

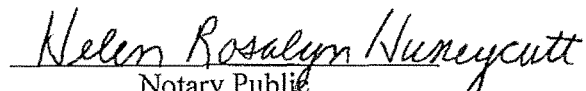
State of Michigan)
) ss:
County of Saginaw)

John A. Rickoff, being duly sworn, deposes and says that he is President and Chief Executive Officer of Lake State Railway Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



John A. Rickoff

SUBSCRIBED AND SWORN TO
before me this 10th day
of May, 2018.



Notary Public

My Commission expires: Aug 6, 2021

