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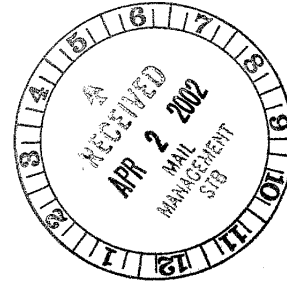
Edward J. Fishman
202.778.9456
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205109
DID #0101914002

April 2, 2002

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001



Re: **Finance Docket No. 34188**
ISG South Chicago & Indiana Harbor Railway Company -- Acquisition and
Operation Exemption -- Rail Lines of the Chicago Short Line Railway Company

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of ISG South Chicago & Indiana Harbor Railway Company** dated April 2, 2002. A check in the amount of \$1,300.00, representing the appropriate fee for the Verified Notice of Exemption, is enclosed.

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

Respectfully submitted,

Edward J. Fishman
Attorney for ISG South Chicago & Indiana Harbor
Railway Company

ENTERED
Office of the Secretary

APR 02 2002

Part of
Public Record

Enclosures **FEE RECEIVED**

APR 02 2002

**SURFACE
TRANSPORTATION BOARD**

FILED

APR 02 2002

1 **SURFACE
TRANSPORTATION BOARD**

DID#0101914002

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34188

ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
RAIL LINES OF THE CHICAGO SHORT LINE RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
OF
ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.31

205109

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SURFACE
TRANSPORTATION BOARD

ENTERED
Office of the Secretary

APR 02 2002

Part of
Public Record

Kevin M. Sheys
Edward J. Fishman
Tracie D. Spear
Kirkpatrick & Lockhart LLP
1800 Massachusetts Avenue -- 2nd Floor
Washington, DC 20036
(202) 778-9000

ATTORNEYS FOR ISG SOUTH CHICAGO &
INDIANA HARBOR RAILWAY COMPANY

Dated: April 2, 2002

FILED

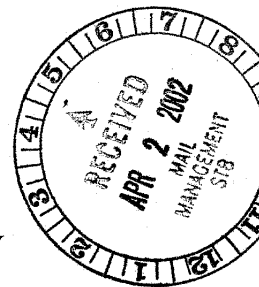
APR 02 2002

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34188

ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
RAIL LINES OF THE CHICAGO SHORT LINE RAILWAY COMPANY



**VERIFIED NOTICE OF EXEMPTION
OF
ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.31**

Pursuant to 49 C.F.R. § 1150.31 et seq., ISG South Chicago & Indiana Harbor Railway Company ("SCIH"), a non-carrier and indirect wholly-owned subsidiary of International Steel Group Inc. ("ISG"), hereby files this Verified Notice of Exemption to acquire the railroad lines and trackage rights of the Chicago Short Line Railway Company ("CSL"), a Class III terminal/switching rail carrier subsidiary of LTV Steel Company, Inc. ("LTV"). SCIH expects to become a Class III rail carrier after consummation of the transaction proposed herein because it will operate as a terminal/switching railroad and because its projected annual revenues are not expected to exceed the Class III threshold.

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

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

The full name and address of the applicant is:

ISG South Chicago & Indiana Harbor Railway Company
c/o International Steel Group Inc.
3100 East 45th Street
Cleveland, OH 44127

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

SCIH's representative to whom correspondence regarding this transaction should be addressed is as follows:

Kevin M. Sheys
Kirkpatrick & Lockhart LLP
1800 Massachusetts Avenue – 2nd Floor
Washington, DC 20036
(202) 778-9000

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

ISG has entered into an agreement with LTV pursuant to which SCIH will acquire the railroad lines, trackage rights and substantially all other assets of CSL.

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

SCIH will operate the CSL railroad lines upon consummation of the proposed transaction.

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

SCIH will acquire the railroad lines, trackage rights and substantially all other assets of CSL. SCIH is a wholly-owned subsidiary of ISG Indiana Harbor Inc., which is a wholly-owned subsidiary of ISG.

SCIH will acquire CSL's interest in approximately 5 miles of railroad line generally located between Pullman Junction and Rock Island Junction in South Chicago, Cook County, IL that CSL acquired from the Chicago Pacific Corporation in 1985. See Chicago Short Line Railway Company – Exemption – Acquisition and Operation, Finance Docket No. 30573 (ICC served Jan 2, 1985). These railroad lines (the "Subject Lines") include the following:

- (1) an undivided one-half interest in and to: 1,595 track feet of track commencing at approximately EPS 155+95 near E. 95th Street and Woodlawn Avenue and ending at approximately EPS 171+90 near E. 95th Street and Stony Island Avenue; 312 track feet of track commencing at approximately EPS 171+90 and

ending at approximately EPS 175+02; 193 track feet of crossover track located between approximately EPS 170+95.2 and approximately EPS 172+88.2; the westerly segment of crossover track being 95 track feet located at approximately EPS 174+07 and connecting to the east bound main track as located near E. 95th St. and Stony Island Avenue in the City of Chicago;

- (2) 978 track feet of track extending from approximately EPS 175+02 near E. 95th Street and Stony Island Avenue to approximately EPS 184+80;
- (3) two parallel main line railroad tracks, one comprised of approximately 10,754 track feet and the other comprised of approximately 9254 track feet, extending from approximately EPS 175+02 near E. 95th St. and Stony Island Avenue to approximately EPS 282+61 near E. 95th St. and South Chicago Avenue in the City of Chicago;
- (4) an undivided one-half interest in approximately 976 track feet of track providing a rail connection with Norfolk Southern Railway Company ("NS") at Rock Island Junction near E. 95th Street and South Chicago Avenue as located beginning at approximately EPS 275+44;
- (5) one track comprised of approximately 186 track feet at South Chicago Avenue in the City of Chicago.¹

In addition to the railroad lines owned by CSL, SCIH will acquire any and all trackage rights that are held by CSL over the railroad lines of third parties. These trackage rights include the following overhead trackage rights that CSL acquired from Consolidated Rail Corporation over approximately 9.65 miles of trackage that is currently operated by NS:

¹ SCIH also will acquire more than 5 miles of yard, switching, industrial and other trackage owned by CSL in the vicinity of its 98th Street Yard in South Chicago and in the vicinity of the Acme Steel facility in South Deering, IL over which the Board does not have regulatory authority. See 49 U.S.C. § 10906 ("The Board does not have authority under this chapter over construction, acquisition, abandonment or discontinuance of spur, industrial, team, switching or side tracks.")

- (1) the 0.05±-mile segment between NS's right-of-way line and the point of switch of the new interlocked switch in NS's Chicago Line at milepost 509.5±, in South Chicago, IL;
- (2) the 7.40±-mile segment comprising main tracks (including appurtenant sidings, crossovers, and connecting tracks) of the Chicago Line between milepost 502.6±, at Indiana Harbor, IN, and milepost 510.0±, at South Chicago;
- (3) the 0.20±-mile segment of the BRC connection lead between the connection with the Chicago Line main track at milepost 509.7±, in South Chicago, thence westerly to NS's property line at Rock Island Junction, IL; and
- (4) the 2.0±-mile segment of NS's Calumet River Line between its connection with the Chicago Line at milepost 0.0±, in South Chicago, and milepost 1.9±, at South Chicago, plus 0.1±-mile through 110th Street Yard.²

SCIH also will acquire CSL's overhead trackage rights over the following railroad lines:

- (1) CSXT's Lake Subdivision between approximately milepost 251.3 near Indiana Harbor, IN and approximately milepost 257.3 near Rock Island Junction, IL, a distance of approximately 6 miles;
- (2) NS's ex-NKP line and parallel ex-C&WI line between Pullman Junction, IL and South Deering, a distance of approximately 2 miles;
- (3) Belt Railway of Chicago's District Tracks between Rock Island Junction and South Deering, a distance of approximately 2.5 miles; and
- (4) Chicago Rail Link's railroad line between Rock Island Junction and South Deering, a distance of approximately 3 miles.³

² See Chicago Short Line Railway Company – Trackage Rights Exemption – Consolidated Rail Corporation, Finance Docket No. 32828 (ICC served Dec. 29, 1995).

³ The total distance of the trackage rights to be acquired by SCIH is approximately 23.15 miles. SCIH also will acquire any and all rights of CSL to operate over the tracks of third parties for interchange, switching and other purposes. Acquisition of these rights does not require Board approval or exemption.

The parties intend to consummate this transaction on or soon after the date this Notice of Exemption becomes effective.

The name and address of the owner of the Subject Lines is as follows:

Chicago Short Line Railway Company
9746 Avenue N
Chicago, Illinois 60617

Map:

49 C.F.R. § 1150.33(f)

A map indicating the area served by the Subject Lines, including origins, termini, stations, cities and counties, is attached as Exhibit A to this Notice.

Certification of Class III Status:

49 C.F.R. § 1150.33(g)

A certificate complying with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B to the Notice. SCIH will become a Class III rail carrier after consummation of the transactions proposed herein because it will operate as a switching/terminal railroad. See 49 C.F.R. Part 1201, 1-1(d). In addition, its projected annual revenues are not expected to exceed the Class III threshold.

Environmental/Historic Preservation Data:

49 C.F.R. Part 1105

Under 49 C.F.R. § 1105.6(c)(2)(i), the proposed acquisition of the Subject Lines by SCIH is exempt from environmental reporting requirements because it will not result in significant changes in carrier operations (i.e. changes which exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5)).

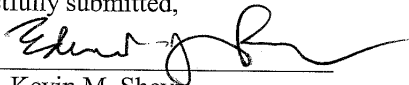
Under 49 C.F.R. § 1105.8(b)(3), the proposed acquisition of the Subject Lines by SCIH also is exempt from historic preservation reporting requirements. SCIH's acquisition of the Subject Lines is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to abandon 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. § 1150.34

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

Respectfully submitted,

By: 

Kevin M. Sheys

Edward J. Fishman

Tracie D. Spear

Kirkpatrick & Lockhart LLP

1800 Massachusetts Avenue – 2nd Floor

Washington, DC 20036

(202) 778-9000

Dated: April 2, 2002

**ATTORNEYS FOR ISG SOUTH CHICAGO &
INDIANA HARBOR RAILWAY COMPANY**

Exhibit A

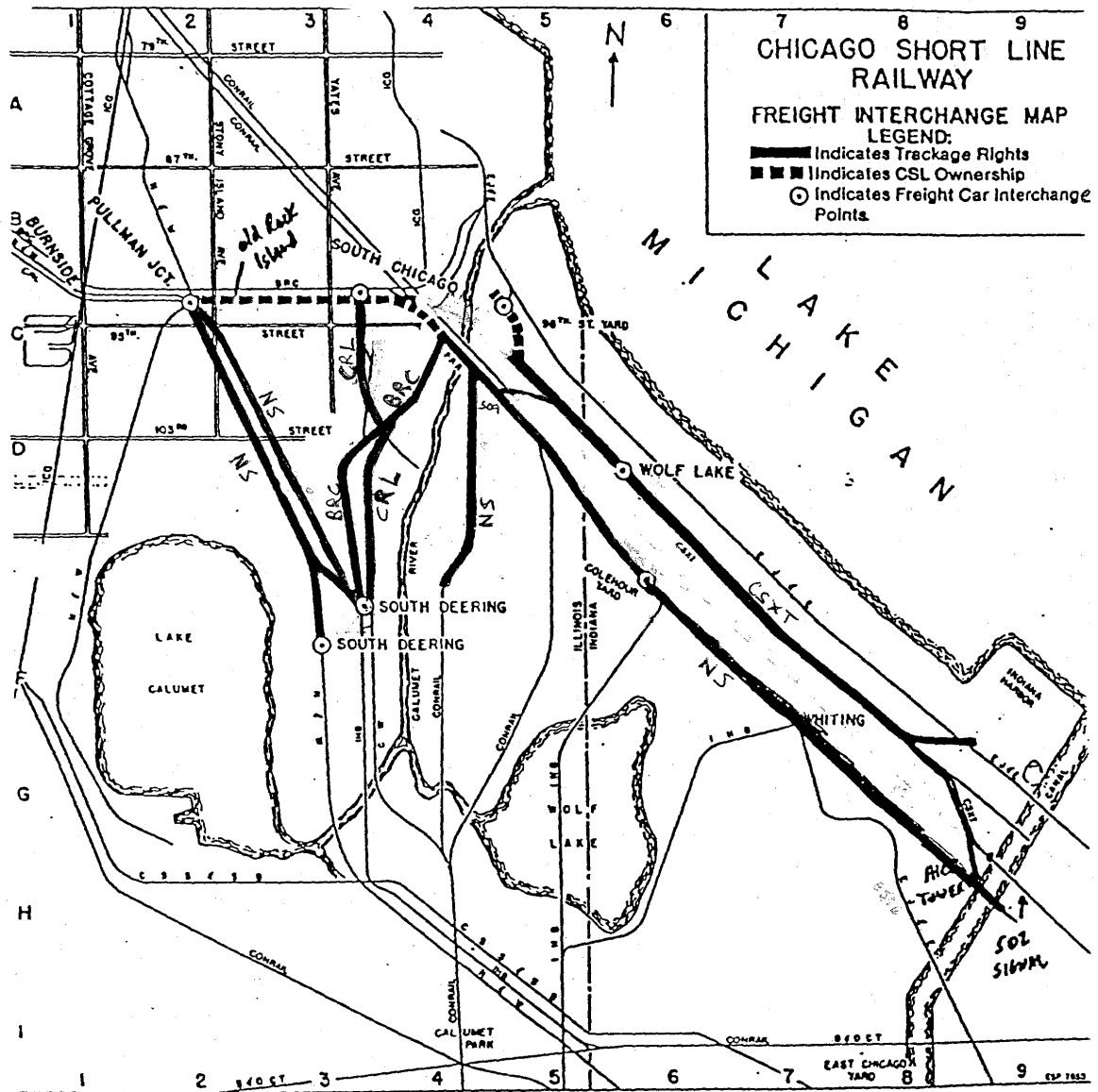
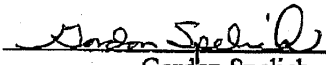


EXHIBIT B

CERTIFICATION

Gordon Spelich, being duly sworn, certifies that ISG South Chicago & Indiana Harbor Railway Company intends to operate as a terminal and switching railroad and that the projected annual revenues of ISG South Chicago & Indiana Harbor Railway Company are not expected to exceed the Class III threshold. Therefore, the consummation of the proposed transaction will not result in the creation of a Class I or Class II rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).


Gordon Spelich
ISG South Chicago & Indiana Harbor Railway Company

SUBSCRIBED AND SWORN TO

before me this 1 day

of April, 2002



MARTIN A. KALL, Notary Public
My Commission Expires Feb 3, 2003

QA

EXHIBIT C

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34188

**ISG SOUTH CHICAGO & INDIANA HARBOR RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
RAIL LINES OF THE CHICAGO SHORT LINE RAILWAY COMPANY**

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- (2) 978 track feet of track extending from approximately EPS 175+02 near E. 95th Street and Stony Island Avenue to approximately EPS 184+80;

- (3) two parallel main line railroad tracks, one comprised of approximately 10,754 track feet and the other comprised of approximately 9254 track feet, extending from approximately EPS 175+02 near E. 95th St. and Stony Island Avenue to approximately EPS 282+61 near E. 95th St. and South Chicago Avenue in the City of Chicago;
- (4) an undivided one-half interest in approximately 976 track feet of track providing a rail connection with Norfolk Southern Railway Company ("NS") at Rock Island Junction near E. 95th Street and South Chicago Avenue as located beginning at approximately EPS 275+44;
- (5) one track comprised of approximately 186 track feet at South Chicago Avenue in the City of Chicago.

SCHI also will acquire CSL's overhead trackage rights over approximately 23.15 miles of the following railroad lines:

- (1) the 0.05±-mile segment between NS's right-of-way line and the point of switch of the new interlocked switch in NS's Chicago Line at milepost 509.5±, in South Chicago, IL;
- (2) the 7.40±-mile segment comprising main tracks (including appurtenant sidings, crossovers, and connecting tracks) of the NS Chicago Line between milepost 502.6±, at Indiana Harbor, IN, and milepost 510.0±, at South Chicago;
- (3) the 0.20±-mile segment of the BRC connection lead between the connection with the NS Chicago Line main track at milepost 509.7±, in South Chicago, thence westerly to NS's property line at Rock Island Junction, IL;
- (4) the 2.0±-mile segment of NS's Calumet River Line between its connection with the Chicago Line at milepost 0.0±, in South Chicago, and milepost 1.9±, at South Chicago, plus 0.1±-mile through 110th Street Yard;

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- (7) Belt Railway of Chicago's District Tracks between Rock Island Junction and South Deering, a distance of approximately 2.5 miles; and
- (8) Chicago Rail Link's railroad line between Rock Island Junction and South Deering, a distance of approximately 3 miles.

Comments must be filed with the Board and served on Kevin M. Sheys, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, N.W., 2nd floor, Washington, DC 20036; (202) 778-9000.

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. § 10505(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Date: April _____, 2002

By the Board

Vernon A. Williams – Secretary

VERIFICATION

State of Ohio)
) ss:
County of Cuyahoga)

Gordon Spelich, being duly sworn, deposes and says that he is duly authorized to file this verification on behalf of ISG South Chicago & Indiana Harbor 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.

Gordon Spelich
Gordon Spelich

SUBSCRIBED AND SWORN TO

before me this 1 day

of April, 2002

Martin A. Kall

Notary Public

My Commission expires:

MARTIN A. KALL, Notary Public
My Commission Expires Feb 3 2003