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Public Record

DID# 0102041002

October 2, 2002



BY HAND

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

Re: STB Finance Docket No. 34262, Illinois Indiana Development Company, LLC -- Acquisition and Operation Exemption -- Chicago SouthShore & South Bend Railroad Co.

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are an original and 10 copies of the verified notice of exemption of Illinois Indiana Development Company, LLC, pursuant to 49 C.F.R. § 1150.41. In addition, enclosed is a check for \$1,300 to cover the cost of the filing.

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Rose-Michele Weinryb".

Rose-Michele Weinryb

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**ILLINOIS INDIANA DEVELOPMENT COMPANY, LLC
--ACQUISITION AND OPERATION EXEMPTION--
CHICAGO SOUTHSHORE & SOUTH BEND RAILROAD CO.**

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

STB FINANCE DOCKET NO. 34262



Applicant's name and current mailing address:

Illinois Indiana Development Company, LLC
53 W. Jackson Boulevard
Suite 335
Chicago, IL 60604
(312) 362-1888

Applicant's representative to receive correspondence:

Rose-Michele Weinryb, Esq.
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW, Fifth Floor
Washington, D.C. 20036
(202) 628-2000

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Information concerning the agreement:

Chicago SouthShore & South Bend Railroad Co. ("CSS"), a class III carrier, will convey to Illinois Indiana Development Company, LLC ("IIDC"), also a class III rail carrier, its interest in certain rail property located in Cook County, IL (the "Subject Line"). This conveyance will occur on or after October 9, 2002.

Operator of the property:

IIDC intends to enter into a railroad operating agreement under which CSS will have the nonexclusive right to conduct freight operations over the Subject Line. Currently, it is anticipated that CSS will be the primary freight operator over the Subject Line. However, IIDC retains the right to operate over the Subject Line contemporaneously with CSS. Accordingly, IIDC seeks Board authority both to acquire and operate the Subject Line.

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Brief summary of the proposed transaction:

CSS is located at 505 North Carroll Avenue, Michigan City, IN, 46360-5082. IIDC and CSS expect to consummate the sale of the Subject Line on or after October 9, 2002. The Subject Line, which totals approximately 6.2 miles of rail line, extends approximately from 115th Street in Chicago, IL (milepost 0.0) to the Illinois-Indiana state line in Burnham, IL, opposite Hammond, IN (milepost 6.2). A map of the Subject Line is attached hereto as Exhibit A.

Related proceedings:

In connection with this proceeding, CSS, a class III rail carrier, has filed a verified notice of exemption to operate over the Subject Line pursuant to 49 C.F.R. § 1150.41. *See* STB Finance Docket No. 34263, *Chicago SouthShore & South Bend Railroad Co. – Operation Exemption—Illinois Indiana Development Company, LLC*.

Environmental Issues

Pursuant to the Interstate Commerce Commission's decision in *Ex Parte* No. 55 (Sub-No. 22A), *Implementation of Environmental Laws*, 7 I.C.C.2d 807 (1991) ("*Environmental Laws*"), environmental documentation normally need not be prepared for an acquisition that does not involve the diversion from rail to motor carriage of more than (A) 1,000 rail carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected line (49 C.F.R. § 1105.7(e)(4)), on the one hand, and that does not involve (A) an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment (49 C.F.R. § 1105.7(e)(5)), on the other hand. *See* 49 C.F.R. § 1105.6(c)(2).

Neither IIDC's acquisition of the Subject Line from CSS, nor IIDC's anticipated operations over the Subject Line, will result in changes in rail operations that exceed the above-listed thresholds. Therefore, no environmental documentation is required for this Verified Notice of Exemption.

Pursuant to the *Environmental Laws* decision, transactions involving a sale, lease or transfer of a rail line for the purpose of continued rail operations are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if termination of such operations requires further approval by the Surface Transportation Board (the "Board") and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. *See* 49 C.F.R. § 1105.8(b)(1).

Common carrier service on the Subject Line will be continued and abandonment of IIDC's operations on the Subject Line would require Board approval. IIDC has no plans

to dispose of or alter properties subject to Board jurisdiction that are 50 or more years old.
Therefore, a historic report is not required for this filing. See 49 C.F.R. § 1105.8(b).

Certificate of projected revenue:

In accordance with 49 C.F.R. § 1150.43(g), a certificate concerning IIDC's projected revenue is attached as Exhibit B.

Respectfully submitted,



Rose-Michele Weinryb
Weiner Brodsky Sidman Kider PC
Fifth Floor
1300 19th Street, NW
Washington, D.C. 20016

Attorneys for:

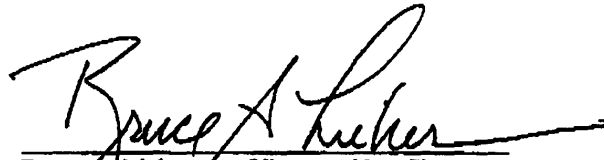
Illinois Indiana Development Company, LLC

Dated: October 2, 2002

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VERIFICATION

I, Bruce A. Lieberman, certify under penalty of perjury that the foregoing notice of exemption is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to cause this Verified Notice of Exemption to be filed.


Bruce A. Lieberman, Vice President/Treasurer
Illinois Indiana Development Company, LLC

Dated: October 2 2002

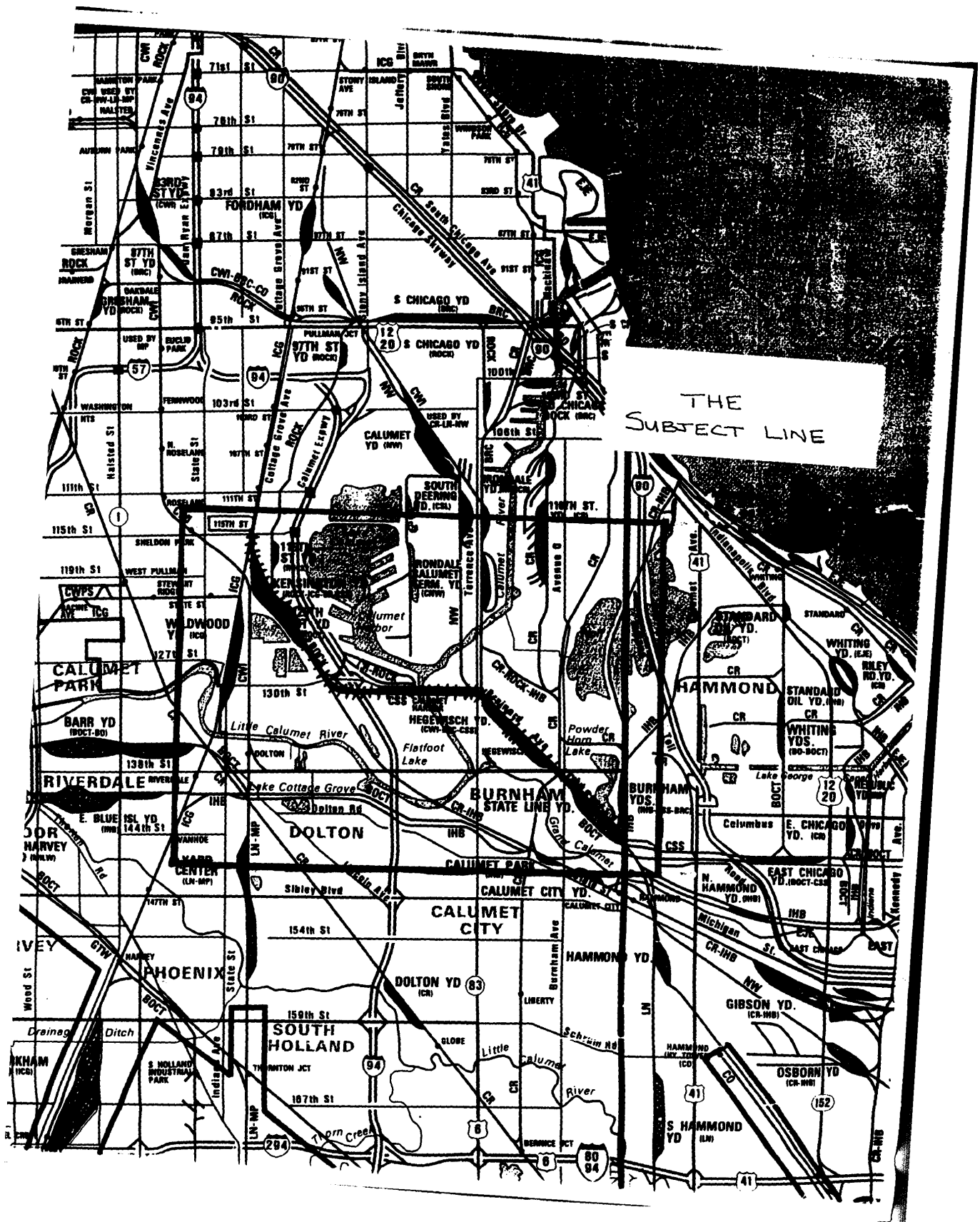
**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

STB Finance Docket No. 34262

**ILLINOIS INDIANA DEVELOPMENT COMPANY, LLC
-- ACQUISITION AND OPERATION EXEMPTION --
CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO.**

EXHIBIT A

MAP OF SUBJECT LINE



THE
SUBJECT LINE

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

STB Finance Docket No. 34262

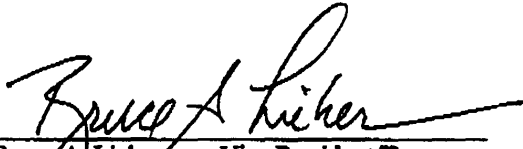
**ILLINOIS INDIANA DEVELOPMENT COMPANY, LLC
-- ACQUISITION AND OPERATION EXEMPTION --
CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO.**

EXHIBIT B

CERTIFICATE OF REVENUE

CERTIFICATE OF REVENUE

In accordance with 49 C.F.R. § 1150.43(g), I do hereby certify that the revenue projected for IIDC as a result of this transaction will not result in the creation of a Class II or Class I rail carrier.


Bruce A. Lieberman, Vice President/Treasurer
Illinois Indiana Development Company, LLC

Dated: October 2, 2002

SURFACE TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 34262

**ILLINOIS INDIANA DEVELOPMENT COMPANY, LLC
-- ACQUISITION AND OPERATION EXEMPTION --
CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO.**

Illinois Indiana Development Company, LLC, a class III carrier, has filed a notice of exemption under 49 C.F.R § 1150.41 to acquire and operate¹ Chicago SouthShore & South Bend Railroad Co.'s rail line totaling approximately 6.2 miles that extends approximately from 115th Street in Chicago, IL (milepost 0.0) to the Illinois-Indiana state line in Burnham, IL, opposite Hammond, IN (milepost 6.2) (the "Subject Line).

Comments must be filed with the Surface Transportation Board, Office of the Secretary, 1925 K Street, N.W., Washington, D.C. 20423-0001 and served on Rose-Michele Weinryb, Esq., Weiner Brodsky Sidman Kider PC, 1300 19th Street, NW, Fifth Floor, Washington, D.C. 20036.

This proceeding is related to STB Finance Docket No. 34263, *Chicago SouthShore & South Bend Railroad Co. – Operation Exemption—Illinois Indiana Development Company, LLC*.

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.

¹ Chicago SouthShore & South Bend Railroad Co. will have a nonexclusive right to operate over the Subject Line pursuant to a railroad operating agreement. Currently, it is anticipated that Chicago SouthShore & South Bend Railroad Co. will be the primary freight operator over the Subject Line. However, under the railroad operating agreement, IIDC retains the right to operate the Subject Line contemporaneously with CSS. Accordingly, IIDC seeks Board authority both to acquire and to operate the Subject Line.

10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.