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BEFORE THE
SURFACE TRANSPORTATION BOARD



FILED

STB FINANCE DOCKET NO. 34528

JUL 21 2004

**SURFACE
TRANSPORTATION BOARD**

INDIANA BOXCAR CORPORATION
-- CONTINUANCE IN CONTROL EXEMPTION --
CHESAPEAKE & INDIANA RAILROAD COMPANY, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR §1180.2(d)(2)

ENTERED
Office of Proceedings

JUL 21 2004

FILED

Respectfully submitted,

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Tel.: (202) 263-4180

Counsel for Petitioner

Dated: July 29, 2004

FEE RECEIVED

JUL 21 2004

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Comes now Indiana Boxcar Corporation ("Boxcar") and states
as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules, 49 C.F.R. §1180 et seq. Boxcar hereby gives notice of a transaction which qualifies for exemption under §1180.2 of those rules.
2. As may be relevant here, Boxcar has established a new non-carrier entity and future class III short line rail carrier, which it will control -- Chesapeake & Indiana Railroad Company, Inc. (hereafter "Chesapeake"). Chesapeake has agreed to operate a line of railroad approximately 32.97 miles in length and extending from Wellsboro (MP 15.2) to LaCrosse, IN (MP 0.6) in LaPorte County, IN, and from Malden (MP 230.9) through LaCrosse,

to North Judson (MP 212.5) in Porter and Starke County, IN.

3. Boxcar currently controls one other class III short line railroad, the Vermilion Valley Railroad Company, Inc. ("Vermilion"). Copies of a Board decision exempting Vermilion's acquisition and operation is attached as Exhibit A.

4. Under Section 1180.2(d)(2) of the Board's consolidation rules certain transactions are automatically exempt from the prior approval requirements for common control under 49 U.S.C. §§11323 - 11324. Specifically, Section 1180.2(d)(2) exempts the continuance-in-control of a nonconnecting carrier where (i) the railroads will not connect with each other or any railroad in their corporate family, (ii) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family, and (iii) the transaction does not involve a class I carrier.

5. The properties presently owned, operated, or managed (or to be owned, operated, or managed) by Boxcar do not physically connect and there are no plans to acquire additional rail lines for the purpose of making a connection. As noted above, each of these companies is a class III short line railroad and, as illustrated by the map attached as Exhibit B, each provides rail service in the eastern part of the United States. Vermilion's property is located in Illinois. Chesapeake's property is

located in northern Indiana. The two properties are located at least 100 miles apart and there are no plans to connect these two railroads.

7. In order to claim the Section 1180.2(d)(2) exemption, Section 1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in Sections 1180.6(1)(i)-(iii); 1180.6(5)-(6); and 1180.6(a)(7)(ii) of those rules and indicating the level of labor protection required.

8. Information about the carriers.:

49 C.F.R. §1180.6(a)(1)(i)

Name: Vermilion Valley Railroad Company, Inc.

Address: c/o Indiana Boxcar Corporation
916 Vine Street
Connersville, IN 47331

Telephone: (765) 825-0316

Name: Chesapeake & Indiana Railroad Company, Inc.

Address: c/o Indiana Boxcar Corporation
916 Vine Street
Connersville, IN 47331

Telephone: (765) 825-0316

Legal counsel to whom questions should be addressed:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Tel.: (202) 263-4180
(for Petitioner)

Schedule for consummation: 49 C.F.R. §1180.6(a)(1)(ii)

July 29, 2004

Purpose to be accomplished by the transaction:
49 C.F.R. §1180.6(a)(1)(iii)

Continuation of rail service on a light density
rail line formerly owned by CSX Transportation
and acquired through the offer of financial assistance
provisions of 49 U.S.C. 10904(d)-(f) by the City of
North Judson for industrial and economic development
purposes.

State(s) where proposed operations will be conducted:
49 C.F.R. 1180.6(a)(5)

Indiana

Map showing relationship between Chesapeake and Vermilion:
49 C.F.R. §1180.6(a)(6)

Attached hereto as Exhibit B.

Copy of Agreement: 49 C.F.R. §1180.6(a)(7)(ii)

N.A.

9. This acquisition of control proceeding is exempt from
environmental review under 49 CFR §1105.6(c)(2)(i) because the
proposed action will not cause any operating changes that exceed
the threshold established in 49 C.F.R. §1105.7(e)(4) or (5). In
addition, this proceeding is exempt from historic review under
49 C.F.R. §1105.8(b)(i) because there are no plans to dispose of
or alter properties subject to Board jurisdiction that are 50

years old or older as this trackage was recently built.

Accordingly, no historic report is required.

10. Labor protection required: None. Under 49 U.S.C.
11326 transactions between class III rail carriers are not
subject to labor protection.

Respectfully submitted,



John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Tel.: (202) 263-4180

Counsel for Petitioner

Dated: July 21, 2004

33570

SERVICE DATE - MAY 16, 2003

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34340]

Vermilion Valley Railroad Company, Inc.—Operation Exemption—FNG Logistics Co.

Vermilion Valley Railroad Company, Inc. (VVRR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to operate approximately 5.91 miles of railroad owned by FNG Logistics Co. (FNG) between milepost QSO-5.18 near the Illinois/Indiana State line and milepost QSO-11.09 near Olin, in Vermillion and Warren Counties, IN.¹ FNG certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier.

The transaction was scheduled to be consummated on or about April 30, 2003, the effective date of the exemption (7 days after the exemption was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding 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.

¹ The subject line was acquired by Flex-N-Gate Corporation (Flex) under the Board's offer of financial assistance procedures at 49 U.S.C. 10904 and 49 CFR 1152.27 in New York Central Lines, LLC—Abandonment Exemption—in Vermillion and Warren Counties, IN, STB Docket No. AB-565 (Sub-No. 4X) (STB served Sept. 17, 2002). In a motion filed on April 22, 2003, Flex and FNG, a wholly owned subsidiary of Flex, requested permission to substitute FNG for Flex as the purchaser of the line. That request was granted by decision served on April 28, 2003.

STB Finance Docket No. 34340

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34340, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Daniel A. LaKemper, P.O. Box 185, Morton, IL 61550.

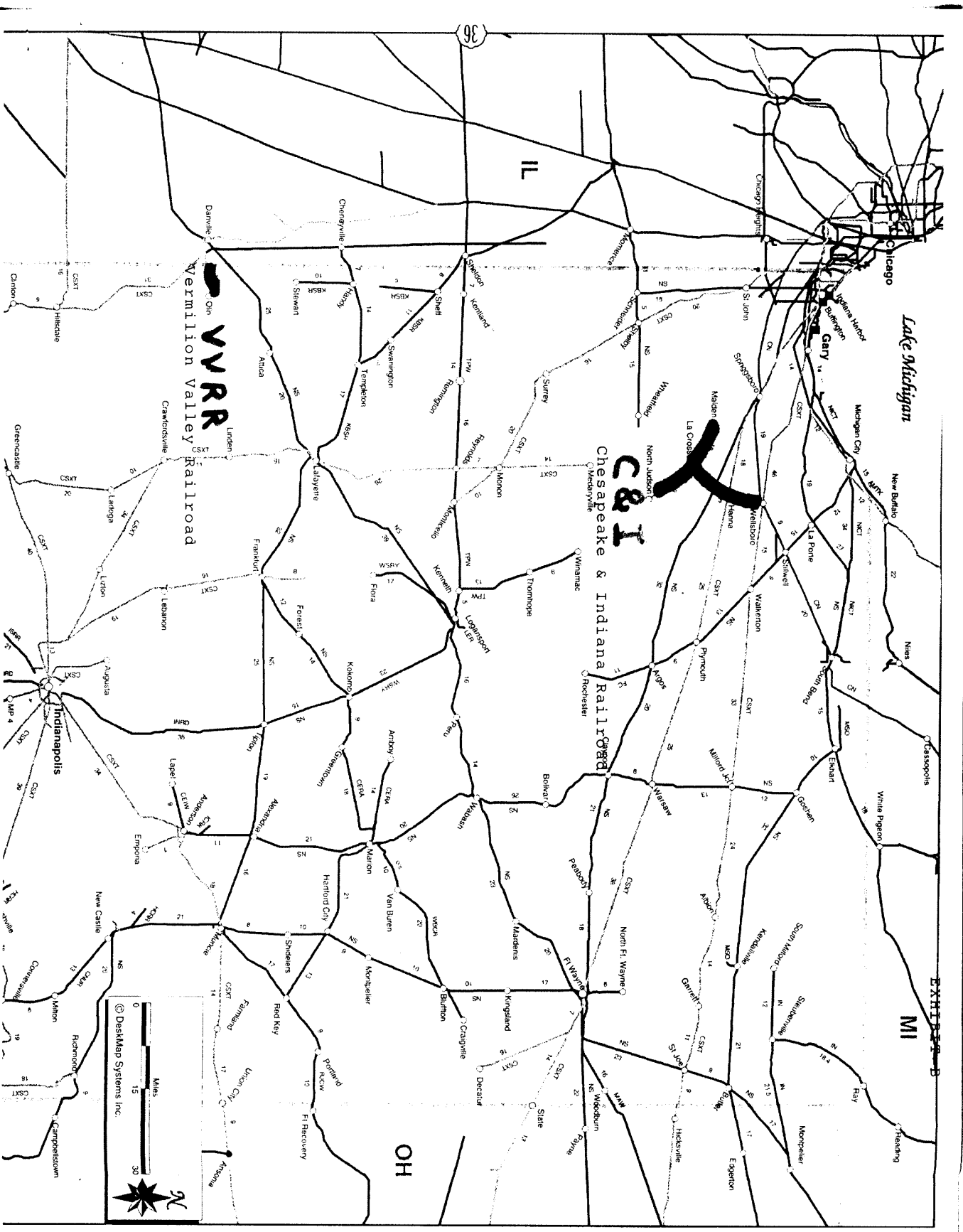
Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Decided: May 7, 2003.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary



VERIFICATION

STATE OF Indiana)
)
CITY OF Fayette) SS

R. Powell Felix, being duly sworn according to law, hereby deposes and states that (s)he is authorized to make the Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information and belief.

R Powell Felt

Subscribed and sworn to before me, a Notary Public, in and for the City of FAYETTE in the State of INDIANA, this 16th day of July, 2004

Notary Public

My Commission expires:

