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BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 35019

WESTERN NEW YORK & PENNSYLVANIA RAILROAD, LLC
-- LEASE AND OPERATION EXEMPTION --
CERTAIN ASSETS OF NORFOLK SOUTHERN RAILWAY COMPANY AND
CHAUTAUQUA, CATTARAUGUS, ALLEGANY AND STEUBEN SOUTHERN TIER
EXTENSION RAILROAD AUTHORITY

VERIFIED NOTICE OF EXEMPTION
OF
WESTERN NEW YORK & PENNSYLVANIA RAILROAD, LLC
PURSUANT TO 49 C.F.R. § 1150.42

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MAY 17 2007
SURFACE
TRANSPORTATION BOARD

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Public Record

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MAY 17 2007

SURFACE
TRANSPORTATION BOARD

Dated: May 17, 2007

Kevin M. Sheys
Janie Sheng
Kirkpatrick & Lockhart Preston
Gates Ellis LLP
1601 K Street, NW
Washington, DC 20006
(202) 778-9000

ATTORNEYS FOR WESTERN NEW YORK
& PENNSYLVANIA RAILROAD, LLC

BEFORE THE
SURFACE TRANSPORTATION BOARD

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WESTERN NEW YORK & PENNSYLVANIA RAILROAD, LLC
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CERTAIN ASSETS OF NORFOLK SOUTHERN RAILWAY COMPANY, AND
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EXTENSION RAILROAD AUTHORITY



VERIFIED NOTICE OF EXEMPTION
OF
WESTERN NEW YORK & PENNSYLVANIA RAILROAD, LLC
PURSUANT TO 49 C.F.R. § 1150.42

Pursuant to 49 C.F.R. § 1150.41 et seq., Western New York & Pennsylvania Railroad, LLC ("WNYP"), a Class III rail carrier, hereby files this Verified Notice of Exemption to lease and operate certain rail lines owned by Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority ("STERA")¹ and Norfolk Southern Railway Company ("NSR"),² and currently operated by NSR, between Machias Junction, New York and Driftwood, Pennsylvania, comprising a total of approximately 98.3 route miles in Cattaraugus County in New York and McKean, Potter and Cameron Counties in Pennsylvania (collectively referred to herein as the "Subject Line"):

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

49 C.F.R. § 1150.42(e)

¹ STERA acquired that portion of the Subject Line located in New York state from NSR.

² NSR owns that portion of the Subject Line located in Pennsylvania.

Advance Notice

The projected annual revenue of the Subject Line, together with WNYP's projected annual revenue, most likely will exceed \$5 million. Accordingly, the requirements of 49 C.F.R. § 1150.42(e) will apply to this transaction. Labor notices have been posted and served, a copy of which is attached at Exhibit D.

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

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

Western New York & Pennsylvania Railroad, LLC
69 South Dow Street
Falconer, NY 14733

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

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

Kevin M. Sheys
Kirkpatrick & Lockhart Preston Gates Ellis LLP
1601 K Street, NW
Washington, DC 20006
(202) 778-9000

49 C.F.R. § 1150.43I
Statement Concerning Agreement

WNYP has entered into an agreement with NSR providing for WNYP's lease and operation of the Subject Line.

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

WNYP will be the operator of the Subject Line.

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

Pursuant to an agreement between WNYP and NSR, WNYP will lease and operate the Subject Line, which generally extends between Machias Junction, New York and Driftwood, Pennsylvania. The Subject Line is located in Cattaraugus County in New York and McKean, Potter and Cameron Counties in Pennsylvania. The total distance of the rail line to be leased and operated by WNYP is approximately 98.3 route miles. The end points of the Subject Line are as follows: the Buffalo Line between milepost BR 44.7 and milepost BR 134.0; the Farmer's Valley Secondary between milepost FV 0.0 to milepost FV 6.6; and the Olean Branch between milepost YS 114.5 to YS 116.9 (which is the same track known as the West Olean Siding, parallel to the WNYP main line).³ NSR will retain detour rights over the Subject Line pursuant to a standard form detour agreement adopted by the Association of American Railroads. The lease term is 14 years, with a renewal term of 10 years, but the lease may be terminated by either party prior to the end of the term in accordance with the lease provisions. The parties intend to consummate this transaction on or soon after the date this Notice of Exemption becomes effective.

The names and addresses of the owners and current operator of the Subject Line are as follows:

Owner (portion of Subject Line located in New York):

Chautauqua, Cattaraugus, Allegany and Steuben Southern
Tier Extension Railroad Authority
Center for Regional Excellence
4039 Route 219, Suite 200
Salamanca, New York 14779

Owner (portion of Subject Line located in Pennsylvania) and Current
Operator of entire Subject Line:

³ All milepost designations are approximate.

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

49 C.F.R. § 1150.43(f)
Map

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

49 C.F.R. § 1150.43(g)
Certification of Class III Status

A certificate complying with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to the Notice. Based on projected revenues for the Subject Line, WNYP will remain a Class III rail carrier after consummation of the transaction proposed herein.

49 C.F.R. Part 1105
Environmental/Historic Preservation Data

Under 49 C.F.R. § 1105.6(c)(2), the proposed lease and operation of the Subject Line by WNYP 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 lease and operation of the Subject Line by WNYP also is exempt from historic preservation reporting requirements. WNYP's lease of the Subject Line 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.

49 C.F.R. § 1150.44
Caption Summary

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

Respectfully submitted,

By: _____

Kevin M. Sheys

Janie Sheng

Kirkpatrick & Lockhart Preston

Gates Ellis LLP

1601 K Street, NW

Washington, DC 20006

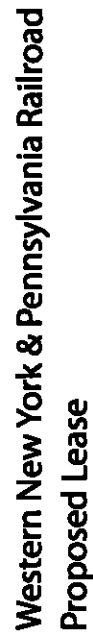
(202) 778-9000

**ATTORNEYS FOR WESTERN NEW YORK
& PENNSYLVANIA RAILROAD, LLC**

Dated: May 17, 2007

EXHIBIT A

MAP



Western New York & Pennsylvania Railroad Proposed Lease

KEY

- Existing WNYP
- Proposed Lease
- Other Railroads
- Interchange
- Station

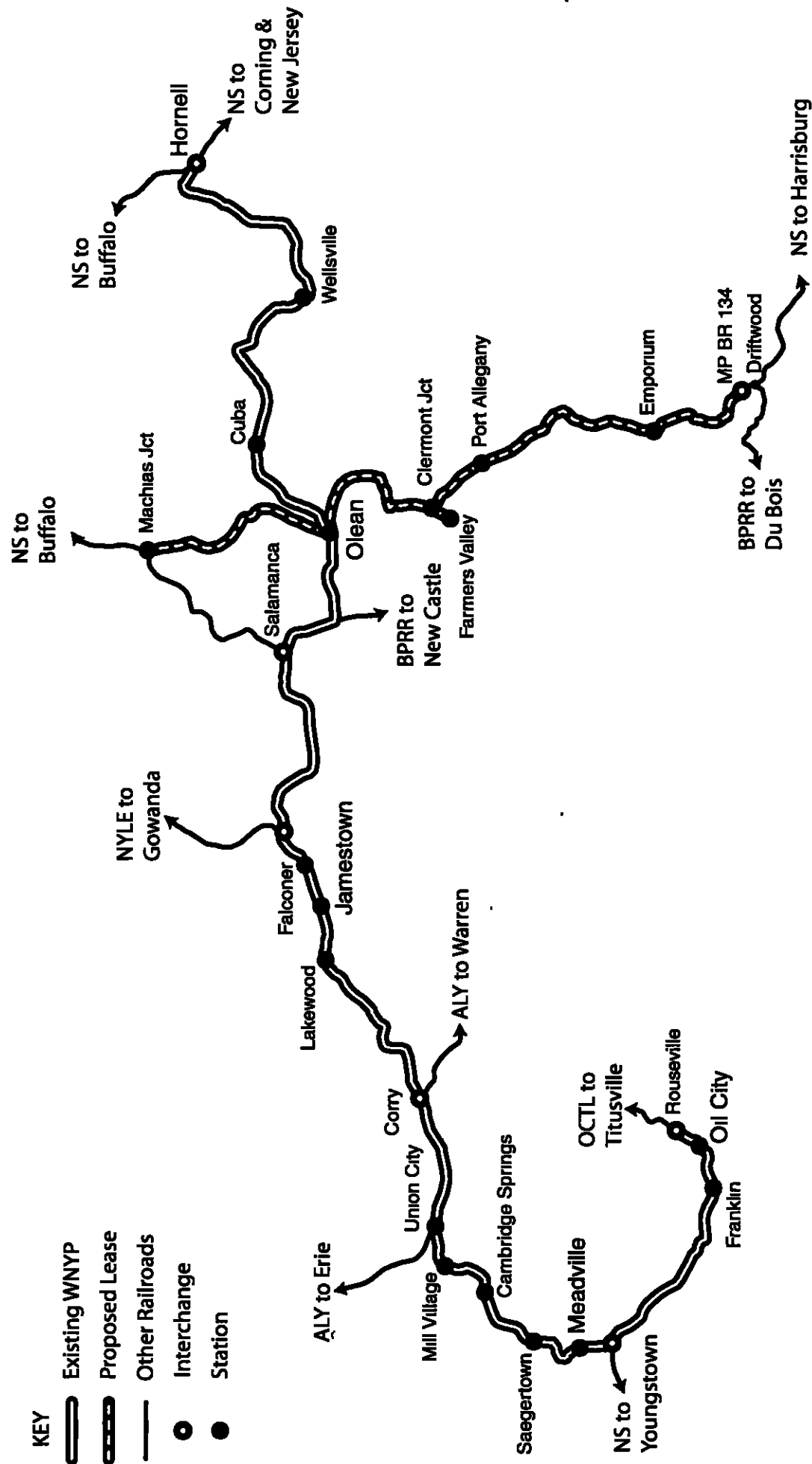
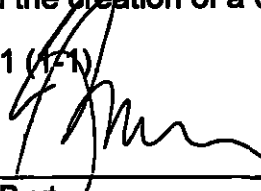


EXHIBIT B

State of New York)
) ss:
County of Livingston)

CERTIFICATION

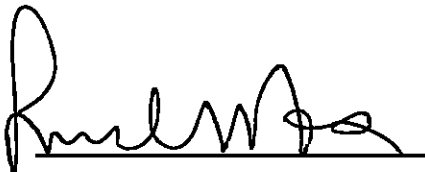
William D. Burt, being duly sworn, certifies that to the best of his information and belief the projected revenues of Western New York & Pennsylvania Railroad, LLC upon consummation of the proposed transaction will not result in the creation of a Class I or Class II rail carrier under the provisions of 49 C.F.R. § 1201 (1-1)



William D. Burt
President and Chief Operating Officer
Western New York & Pennsylvania
Railroad, LLC

SUBSCRIBED AND SWORN TO

before me this 16th day
of May 2007



Notary Public

My Commission expires: 3/10/2010

LINDA M. FOX
No 01F05000242
Qualified in Livingston County
My Commission Expires 3/10/2010

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

FINANCE DOCKET NO. 34801

**WESTERN NEW YORK & PENNSYLVANIA RAILROAD, LLC
-- LEASE AND OPERATION EXEMPTION --
CERTAIN ASSETS OF NORFOLK SOUTHERN RAILWAY COMPANY AND
CHAUTAUQUA, CATTARAUGUS, ALLEGANY AND STEUBEN SOUTHERN TIER
EXTENSION RAILROAD AUTHORITY**

Western New York & Pennsylvania Railroad, LLC ("WNYP"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease and operate certain rail lines owned by the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority ("STERA"),⁴ and Norfolk Southern Railway Company ("NSR"),⁵ and currently operated by NSR, between Machias Junction, New York and Driftwood, Pennsylvania, comprising a total of approximately 98.3 route miles in Cattaraugus County in New York and McKean, Potter and Cameron Counties in Pennsylvania. The end points of the Subject Line are as follows: the Buffalo Line between milepost BR 44.7 and milepost BR 134.0; the Farmer's Valley Secondary between milepost FV 0.0 to milepost FV 6.6; and the Olean Branch between milepost YS 114.5 to YS 116.9 (which is the same track known as the West Olean Siding, parallel to the WNYP main line).⁶ NSR will retain detour rights over the Subject Line pursuant to a standard form detour agreement adopted by the Association of American

⁴ STERA owns the portion of the line located in New York state.

⁵ NSR owns the portion of the line located in Pennsylvania.

⁶ All milepost designations are approximate.

Railroads. The lease term is 14 years, with a renewal term of 10 years, but the lease may be terminated by either party prior to the end of the term in accordance with the lease provisions.

Comments must be filed with the Board and served on Kevin M. Sheys, Kirkpatrick & Lockhart Preston Gates Ellis LLP, 1601 K Street, NW, Washington, DC 20006; (202) 778 – 9000.

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

Date: _____

By the Board

Vernon A. Williams – Secretary

EXHIBIT D

§ 1150.42(e) LABOR NOTICE

April 17, 2007

**D.M. Hahs, International President, BLET
Edwin D. Hill, International President, IBEW
F. Leo McCann, President, ATDA
W.D. Pickett, International President, BRS
Freddie M. Simpson, President, BMWED
Paul C. Thompson, International President, UTU**

Gentlemen:

Pursuant to Surface Transportation Board regulations at 49 C.F.R. Section 1150.42(e), Western New York & Pennsylvania Railroad, LLC (WNYP) hereby provides a copy of a notice to Norfolk Southern employees that will be posted tomorrow, April 18, 2007.

Yours very truly,

**William D. Burt
President and Chief Operating Officer**

**WDB/
Enclosure**

NOTICE TO NORFOLK SOUTHERN EMPLOYEES

April 18, 2007

Pursuant to Surface Transportation Board regulations at 49 C.F.R. § 1150.42(e), Western New York & Pennsylvania Railroad, LLC ("WNYP") hereby provides notice to the employees of the Norfolk Southern Railway Company ("NS") that WNYP intends to lease (or sublease, as applicable) the following lines from NS:

- The Buffalo Line between milepost BR 44.7 +/- at Machias Junction, New York and MP 134.0 at Driftwood, Pennsylvania;
- The Farmers Valley Secondary between MP FV 0.0 and MP FV 6.6,
- The Olean Branch between MP YS 114.5 and MP YS 116.9 (the West Olean siding); and
- All associated sidings, sidetracks, yards, or facilities presently operated by NS that are accessed via the lines above, including that portion of WNYP's Hornell-Meadville main line within the interlocking limits of CP-OLEAN.

As a result of the transaction, WNYP expects to have employment opportunities as shown on the attached list. This information is preliminary and subject to change. The type and number of employees to be hired, and their compensation, may vary significantly from the positions set forth herein. No representation is made that positions will be held open for any period of time.

Generally, WNYP employment benefits include (but are not limited to):

- Railroad Retirement benefits
- Medical and dental insurance
- Life insurance
- Holidays
- Paid time off
- 401(k) plan

WNYP will select employees on the basis of some or all of the following criteria and other considerations: (1) demonstrated work ethic that is customer-driven and customer-oriented; (2) commitment and ability to work within a short line team environment; (3) demonstrated stable work history and commitment to safety, including but not limited to a record of compliance with safety and operating rules; (4) commitment to being accountable for work product; (5) ability to communicate effectively, both orally and in writing; (6) relevant work experience and ability to perform duties, with or without reasonable accommodation, required for particular job; (7) results of personal interview(s); and (8) demonstration of relevant work skills through non-discriminatory testing. No one factor listed above will be determinative in the employee selection process.

Candidates will be selected without regard to race, creed, color, religion, national origin, sex, age, marital status, disability, veteran, National Guard or military reserve status, and other characteristics protected by law. Applicants who have been conditionally offered positions will be required to pass a pre-employment drug and alcohol screen, complete a medical questionnaire, and pass a physical exam.

NS employees interested in applying for employment at WNYP should write T.A. Collard, General Manager, Western New York & Pennsylvania Railroad, 69 South Dow Street, Falconer, NY 14733. This notice is being posted in accordance with the requirements of 49 C.F.R. § 1150.42(e).

<u>Job Description</u>	<u>Approximate Number To Be Hired</u>	<u>Approximate Pay Range (hourly)</u>
Engineer/Conductor	4	14.00-17.00
Conductor	3	13.00-16.00
Shop Mechanic	1	11.00-14.00
Car Inspector/ Mechanic	1	12.00-15.00
Track Supervisor	1	14.00-17.00
Track Foreman	1	13.00-16.00
Trackman	1	12.00-15.00
C&S Maintainer	2	13.00-16.00

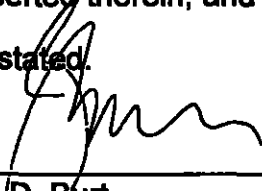
VERIFICATION

State of New York)

) ss:

County of Livingston)

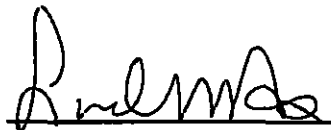
William D. Burt, being duly sworn, deposes and says that he is the President of Western New York & Pennsylvania Railroad, LLC, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that to the best of his information and belief the same are true as stated.



William D. Burt
President and Chief Operating Officer
Western New York & Pennsylvania
Railroad, LLC

SUBSCRIBED AND SWORN TO

before me this 16th day
of May 2007



Notary Public

My Commission expires: 8/10/2010

LINDA M FOX
ID: 01F05000242
Qualified in Livingston County
My Commission Expires 8/10/2010