



## **SURFACE TRANSPORTATION BOARD**

**[Docket No. FD 36825]**

### **Central New York Railroad Corporation—Amended Lease and Operation Exemption Containing Interchange Commitment—Norfolk Southern Railway Company**

Central New York Railroad Corporation (CNY), a Class III railroad, has filed a verified notice of exemption pursuant to 49 CFR 1150.41, to continue to lease from Norfolk Southern Railway Company (NSR) and operate approximately 123.1 miles of rail line between milepost 89.9 at or near Port Jervis, N.Y., and milepost 213.0 at Binghamton, N.Y., in Broome, Sullivan, Delaware, and Orange Counties, N.Y., and Pike and Susquehanna Counties, Pa. (the Line).

CNY states that it has leased the Line from NSR since 2004.<sup>1</sup> *See Cent. N.Y. R.R.—Lease & Operation Exemption—Norfolk S. Ry.*, FD 34643 (STB served Jan. 21, 2005). According to CNY, the 2004 lease agreement was amended in 2009 (First Amendment) and 2011 (Second Amendment).<sup>2</sup> CNY now seeks authority for a third amendment, which modifies the terms of the 2004 lease agreement to extend the lease term and amend the lease renewal provisions. According to CNY, “[a]ll other terms and conditions of the Lease Agreement and prior amendments remain in full force and effect.”<sup>3</sup> (Notice 3.)

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<sup>1</sup> CNY asserts NSR has retained overhead trackage rights since 2004.

<sup>2</sup> CNY states that it did not seek authority from the Board for the First or Second Amendments because “it was not clear at the time” of their execution that they required Board authority. (Notice 2 n.2.)

<sup>3</sup> The class exemption invoked by CNY does not provide for retroactive effectiveness. *See San Pedro R.R.—Lease & Operation Exemption—Union Pac. R.R.*, FD 35968, slip op. at 1 n.1 (STB served Nov. 6, 2015).

According to the verified notice, the lease contains an existing interchange commitment. CNY has provided additional information regarding the interchange commitment, as required by 49 CFR 1150.43(h).<sup>4</sup>

CNY certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million annually and will not result the creation of a Class II or Class I carrier.

The transaction may be consummated on or after April 12, 2025, the effective date of the exemption (30 days after the verified notice was filed).

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than April 4, 2025 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36825, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on CNY's representative, Crystal M. Zorbaugh, Mullins Law Group PLLC, 2001 L Street, N.W., Suite 720, Washington, DC 20036.

According to CNY, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

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<sup>4</sup> CNY filed a copy of the agreement, including the three amendments, under seal with the verified notice. *See* 49 CFR 1150.43(h)(1) (providing that certain information related to interchange commitments, such as copies of agreements, will be kept confidential without an accompanying motion for a protective order).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: March 25, 2025.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

**Eden Besera,**

*Clearance Clerk.*

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