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**SURFACE
TRANSPORTATION BOARD**

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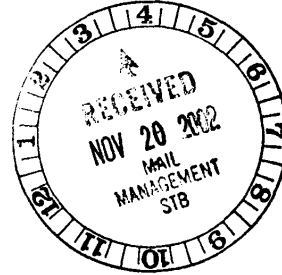
DI D# 0102082002

lgitomer@dc.bjllp.com

November 20, 2002

206686

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423



RE: Finance Docket No. 34283, *RailAmerica, Inc., et al.—Corporate Family
Reorganization Exemption—Western Illinois Railway Company*

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(3), three diskettes with the file Notice.doc, 20 extra copies of the map, and a check covering the \$1,000.00 filing fee. Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for RailAmerica, Inc.

Enclosures

ENTERED
Office of Proceedings

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Part of
Public Record

FEE RECEIVED

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BEFORE THE

SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34283



RAILAMERICA, INC., ET AL.—CORPORATE FAMILY REORGANIZATION
EXEMPTION—WESTERN ILLINOIS RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(3)

FILED

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SURFACE
TRANSPORTATION BOARD

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
RailAmerica, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

FEE RECEIVED

NOV 20 2002

SURFACE
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Louis E. Gitomer, Esq.
Of Counsel
BALL JANI LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorneys for RailAmerica, Inc., et al.

Dated: November 20, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34283



RAILAMERICA, INC., ET AL.—CORPORATE FAMILY REORGANIZATION
EXEMPTION—WESTERN ILLINOIS RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(3)

The Toledo, Peoria & Western Railway Corporation (“TP&W”) is transferring its non-real estate assets on a 71.5-mile rail line between La Harpe, milepost 194.5, and Peoria, milepost 123.0, in Hancock, McDonough, Fulton, and Peoria Counties, IL (the “Line”) to a newly created non-carrier affiliate, the Western Illinois Railway Company (“WIRC”). RailAmerica, Inc. (“RailAmerica”) directly controls Palm Beach Rail Holdings, Inc. (“Palm Beach”), which directly controls WIRC. RailAmerica and Palm Beach will continue to control WIRC when it becomes a Class III railroad. WIRC is currently a subsidiary of RailAmerica Palm Beach and will remain a subsidiary once it acquires the Line. Therefore, this transaction qualifies under 49 C.F.R. § 1180.2(d)(3).

a. **1180.6(a)(1)(i).** A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

RailAmerica, Inc., 5300 Broken Sound Boulevard N.W., Second Floor, Boca Raton, FL

33487, (561) 994-6015, will acquire indirect control of Western Illinois Railway Company, 5300 Broken Sound Boulevard N.W., Second Floor, Boca Raton, FL 33487, (561) 994-6015, when it becomes a Class III railroad, through Palm Beach Rail Holdings, Inc., 5300 Broken Sound Boulevard N.W., Second Floor, Boca Raton, FL 33487, (561) 994-6015, which directly controls WIRC.

In Finance Docket No. 34282, *Western Illinois Railway Company—Acquisition Exemption— Toledo, Peoria & Western Railway Corporation*, filed November 20, 2002, WIRC is going to acquire from TP&W the non-real estate assets on a 71.5-mile rail line between La Harpe, milepost 194.5, and Peoria, milepost 123.0, in Hancock, McDonough, Fulton, and Peoria Counties, IL.

As a result of the transaction, there will not be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. The proposed transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

Counsel to whom questions concerning the transaction can be addressed are: Gary A. Laakso, Esq., Vice President Regulatory Counsel, RailAmerica, Inc., 5300 Broken Sound Boulevard N.W., Boca Raton, FL 33487, (561) 994-6015, and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, D.C. 20005, (202) 638-3307.

b. **1180.6(a)(1)(ii).** The proposed time schedule for consummation of the proposed transaction.

RailAmerica, et al., intend to consummate control on November 27, 2002, or as soon thereafter as possible.

c. **1180.6(a)(1)(iii).** The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

This transaction is intended to improve the financial viability of the applicants.

d. **1180.6(a)(5).** A list of the State(s) in which any part of the property of each applicant carrier is situated.

The Line WIRC is acquiring is in Illinois. RailAmerica's other subsidiary railroads operate in the States of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Illinois, Indiana, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Texas, Vermont, Virginia, and Washington.

e. **1180.6(a)(6). Map (Exhibit 1).** Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit A.

f. **1180.6(a)(7)(ii). Agreement (Exhibit 2).** Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.

There are no executed or draft contracts or other written instruments pertaining to the proposed continuance-in-control transaction.

g. **Labor Protection.**

As a result of this transaction, RailAmerica will continue to control one Class II railroad

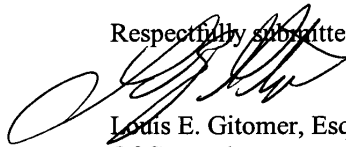
(the Central Oregon and Pacific Railroad, Inc.) and obtain control of one Class III railroad.

Therefore, under 49 U.S.C. § 11326(b), the appropriate level of labor protection to be imposed is *Wisconsin Central Ltd.—Acquisition Exem.—Union Pac. RR*, 2 S.T.B. 218 (1997).

h. Environmental and Historical documentation.

This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) and thus neither an Environmental Assessment nor a Historic Report is required to be filed.

Respectfully submitted,



Gary A. Laakso, Esq.
Vice President Regulatory Counsel
RailAmerica, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
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(561) 994-6015

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(202) 638-3307

Attorneys for RailAmerica, Inc., et al.

November 20, 2002

EXHIBIT A—Map

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Western Railroad
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id Railroad

1 Railroad

Co.

FINANCE DOCKET NO's. 34282, 34283
Sale of Non-Real Estate by TP&W to
WIRC MP 194.5 LaHarpe to MP 123.0 Peoria

Wisconsin

Madison

Milwaukee

Waterloo

Dubuque

Rockford

Savannah

Chicago

Cedar Rapids

Iowa City

Davenport

Moline

Moines

Galesburg

Burlington

Ft. Madison

Peoria

Keokuk

Hamilton

Warsaw

Quincy

Hannibal

Mississippi

MP 194.5

MP 123.0

Bloomington

Pekin

Morton

East Peoria

Washington

Eureka

Secor

El Paso

Gridley

Chenoa

Fort

Gibson

Decatur

Springfield

Decatur

Springfield

Springfield

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Springfield

Springfield

CERTIFICATE

State of Florida)
) ss.
County of Palm Beach)

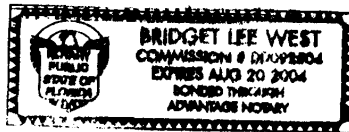
Michael J. Howe, being duly sworn, deposes and says that he is Vice President of RailAmerica, Inc., a Delaware corporation, and that he has read the foregoing, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.

M J Howe

Subscribed and sworn to before me this 19th of November 2002.

Bridget Lee West
Notary Public

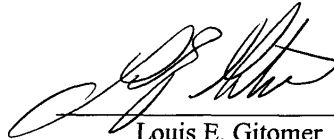
(SEAL)



My Commission Expires: 8/20/04

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 34283, RailAmerica, Inc., et al.— Corporate Family Reorganization Exemption—Western Illinois Railway Company, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the States of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Illinois, Indiana, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Texas, Vermont, Virginia, and Washington.

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over a horizontal line.

Louis E. Gitomer
November 20, 2002