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October 21, 2003

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

FILED

OCT 21 2003

**SURFACE
TRANSPORTATION BOARD**

Re: Finance Docket No. 34423, M & B Railroad, L.L.C. --Exemption--
Acquisition and Operation of a Line of Railroad in Lowndes, Dallas,
Wilcox and Marengo Counties, AL--CSX Transportation, Inc.

Dear Mr. Secretary:

Enclosed for filing in the captioned docket please find an executed original and 10 copies of the Verified Notice of Exemption of M & B Railroad, L.L.C. to acquire and operate, pursuant to 49 U.S.C. § 10902 and 49 C.F.R. §§ 1150.41 *et seq.*, a line of railroad presently owned and operated by CSX Transportation, Inc. and located in southern Alabama.

Also enclosed please find a check for \$1,400.00 in payment of the filing fee for this Notice, and a 3.5" computer diskette with an electronic copy of the filing in Wordperfect 9.0 format.

Thank you for your consideration of this matter.

Sincerely,

Donald G. Avery
An Attorney for M & B Railroad, L.L.C.

ENTERED
Office of Proceedings

OCT 21 2003

Part of
Public Record

Encl.

FEE RECEIVED

OCT 21 2003

**SURFACE
TRANSPORTATION BOARD**

FILED

OCT 21 2003

SURFACE TRANSPORTATION BOARD **BEFORE THE SURFACE TRANSPORTATION BOARD**



In the Matter of)

M & B RAILROAD, L.L.C.-EXEMPTION-)
ACQUISITION AND OPERATION OF A)
LINE OF RAILROAD IN LOWNDES,)
DALLAS, WILCOX AND MARENGO)
COUNTIES, AL-CSX)
TRANSPORTATION, INC.)

Finance Docket No. 34423

ENTERED
Office of Proceedings

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OCT 21 2003

SURFACE TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

The M & B Railroad, L.L.C. ("MNBR") hereby submits its Verified Notice of Exemption pursuant to 49 C.F.R. §§ 1150.41 *et seq.* to acquire by purchase and lease, and to operate, a line of railroad that runs between the cities of Burkeville and Myrtlewood in Alabama, a distance of approximately 96 miles. The line is presently owned and operated by CSX Transportation, Inc. ("CSXT").

The line being acquired consists of two sections, one of which is 63.4 miles in length and runs from Myrtlewood station (where it connects with a line presently operated by MNBR) to Western Junction station at Milepost 716.30, in what CSXT refers to as its Southern Alabama Subdivision. The other section being acquired is about 33.0 miles long and runs from Western Junction at Milepost 222.00 to Burkeville station, in what CSXT refers to as its Selma Subdivision.

The line being acquired includes CSXT's Selma Yard, located in Selma, AL, and the following stations (all in AL): Myrtlewood (Milepost ORS 781), Linden (ORS 771), Hugo, Thomaston (ORS 760), Central Mills, Orville (ORS 736), Selma (ORS

720), Western Junction (ORS 717/XXB 222), Alamet (XXB 219), Tyler (XXB 213), Benton (XXB 207), Laneville (XXB 204), Whitehall (XXB 200), Latham Spur (XXB 198), Lowndesboro (XXB 194), Robinsons (XXB 190), and Burkeville (XXB 189).

MNBR will lease the underlying right of way from CSXT for a term of 20 years, with an option to renew for another 20-year term. It will also lease CSXT's office building and radio tower at Selma Yard. It will purchase outright all of the rails and other track materials on the subject line. It will not be purchasing any rolling stock or other personal property from CSXT.

As part of the transaction, MNBR will also acquire incidental operating rights over approximately 14 miles of CSXT trackage between Burkeville and Montgomery, AL, in order to be able to interchange traffic with CSXT at CSXT's Montgomery Yards.

MNBR is a Class III rail carrier subject to the jurisdiction of the Surface Transportation Board, and will remain a Class III rail carrier following the subject acquisition.¹ However, because MNBR's annual revenues following the acquisition are expected to exceed \$5 million, **MNBR hereby certifies that on August 22, 2003, it duly served the Notice of Intent required by 49 C.F.R. §1150.42(e) upon the national offices of each of the labor organizations that, according to CSXT, represent CSXT employees on the affected line. MNBR also provided a copy of the notice to CSXT, which CSXT duplicated and posted at the workplaces of employees on the subject line, as required by §1150.43(e).** A copy of said notice is attached as Exhibit B.

¹Although MNBR is controlled by Rail Management Corporation (RMC), which also controls 13 other Class III carriers, MNBR is not operated as part of a system of railroads and no change in control of MNBR will result from the subject acquisition. Accordingly, MNBR's revenues are not consolidated with those of RMC's other carriers for classification purposes, and a companion Notice of Exemption under 49 C.F.R. § 1180.2(d) is not required.

Information Required by
49 U.S.C. § 1150.43

**(a) Full Name and Address of the
Class III Applicant**

M & B Railroad, L.L.C.
2605 Thomas Drive
Panama City Beach, FL 32408

**(b) Name and Address of Representatives
To Receive Correspondence**

Donald G. Avery
Kelvin J. Dowd
Slover & Loftus
1224 17th Street NW
Washington, DC 20036
phone (202) 347-7170
fax (202) 347-3619

(c) Statement Regarding Agreement

MNBR and CSXT have agreed on the essential terms of the purchase, lease, and operating rights that will be included in this transaction, and expect to execute written agreements covering the same prior to consummation of the acquisition.

(d) The Operator of the Property

MNBR will be the operator of the line it is acquiring.

(e) Brief Summary of the Transaction, including

**(1) Name and Address of the Railroad Transferring the Property to
the Class III Applicant**

The railroad selling and leasing the subject lines to MNBR is

CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

(2) Proposed Timetable

The parties intend to consummate the subject transaction on November 16, 2003, or as soon thereafter as possible.

**(3) Mileposts of the Subject Property
Including Branch Lines**

See the description on pages 1-2 of this Notice, and the property description and maps attached hereto as Exhibits A through A-2.

(4) Total Route Miles Being Acquired

The line being acquired totals 96.41 miles in length, not counting the incidental operating rights for interchange described on page 2.

(5) Purpose of the Transaction

The primary purpose of this transaction is to enable MNBR, an efficient short line railroad with its operational headquarters in nearby Meridian, MS and whose existing lines already connect with the subject line at Myrtlewood, AL, to maintain and improve the quality of rail service received by shippers on the subject line, while at the same time freeing CSXT from the financial burden of continuing to operate a line that has become marginal for it. The parties anticipate that MNBR will be able to generate increased traffic on, and improved revenues from, the line in question, to the mutual benefit of MNBR, CSXT, and the affected shippers.

(f) Map

See Exhibits A-1 and A-2, attached.

(g) Certificate Regarding Revenues

MNBR hereby certifies that its annual revenues following the subject acquisition will not reach the level that would cause it to be classified as a Class I or II carrier.

(h) Environment and Historic Preservation

Under 49 C.F.R. § 1105.6(c)(2), no environmental documentation is required for the subject acquisition, which does not involve construction or significant changes in rail operations. Under 49 C.F.R. § 1105.8(b)(1), no historic report is required because the subject transaction is for continued rail service and any abandonment thereof would be subject to STB jurisdiction.

A Caption Summary prepared in accordance with 49 C.F.R. § 1150.44 is attached as Exhibit C. Additionally, all shippers who have received local rail service on the subject lines since January 1, 2002 have been or are being notified of the transaction and of this exemption proceeding, in accordance with 49 C.F.R. § 1150.42(b).

Respectfully submitted,

By: Donald G. Avery
Kelvin J. Dowd
Slover & Loftus
1224 17th Street NW
Washington DC 20036
(202) 347-7170



Of Counsel:

Slover & Loftus
1224 Seventeenth Street, NW
Washington, DC 20036

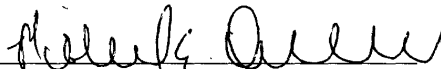
Dated: October 21, 2003

Attorneys for Applicant M & B
Railroad, L.L.C.

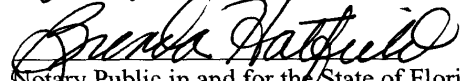
VERIFICATION

STATE OF FLORIDA)
) ss:
COUNTY OF BAY)

Michael E. Durden, being duly sworn, deposes and says that he is the
President of Rail Management Corporation, the sole shareholder of the M&B Railroad,
L.L.C., that he has read the foregoing Notice of Exemption, knows the contents thereof,
and that the same are true as stated to the best of his knowledge, information and belief.


Michael E. Durden

SUBSCRIBED AND SWORN TO before me
this 20 day of October, 2003.


Notary Public in and for the State of Florida.

My Commission expires: 12/15/04



EXHIBIT **A**
"Property"

Description of lease area: Burkville to Myrtlewood, AL
To: Meridian and Bigbee Railroad
PIN: 01047-0030
Site: AL-047-0997350

Segment One

A strip of land varying in width situate in the Counties of Lowndes and Dallas, State of Alabama, being a portion of what is commonly known as CSX Transportation's (CSXT's) Selma Subdivision, lying on either side of the following described centerline: **BEGINNING** at or near Burkville at the centerline of the Selma Subdivision Railroad track at Railroad Valuation Station 722+53.5 (Railroad Mile Post XXB 189.00), being 1,276.5 ft., more or less, east of the west line of Section 26, T. 16 N., R. 15 E., Lowndes County, Alabama, such **BEGINNING POINT** being indicated on a fragment print of CSXT's Railroad Valuation Map V-433, sheet 4, marked Exhibit B-1, attached hereto; thence extending generally in a westerly direction along the centerline of the Selma Subdivision Railroad track a distance of 30.22 miles, more or less, to the **ENDING POINT** at or near Western Junction at Railroad Valuation Station 2318+21.5 (Railroad Mile Post XXB-222.00), being 70 ft., more or less, northwest of (as measured along the centerline of the railroad track) the east line of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 7, T. 16 N., R. 11 E., Dallas County, Alabama, such **ENDING POINT** being indicated on a fragment print of Railroad Valuation Map V-433, sheet 12, marked Exhibit B-2, attached hereto.

All as shown in detail on CSXT's Railroad Valuation Maps V-433, sheets 4 through 12, inclusive, reduced copies of which are attached hereto and incorporated herein.

Segment Two

A strip of land varying in width situate in the County of Dallas, State of Alabama, being a portion of what is commonly known as CSXT's Southern Alabama Subdivision, lying on either side of the following described centerline:

BEGINNING at or near Western Junction at the end of Segment One at or near Railroad Valuation Station 5732+40 (Railroad Mile Post OOR 716.25), being 70 ft., more or less, northwest of (as measured along the centerline of the railroad track) the east line of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 7, T. 16 N., R. 11 E., Dallas County, Alabama, such **BEGINNING POINT** being indicated on a fragment print of Railroad Valuation Map V-66, sheet 55, marked Exhibit B-3, attached hereto; thence extending generally in a northerly direction along the centerline of the Southern Alabama Subdivision Railroad track a distance of 2.51 miles, more or less, to the **ENDING POINT** at Selma at or near Railroad Valuation Station 5865+08 (Railroad Mile Post OOR 718.76), being 316 ft., more or less, north of (as measured along the centerline of the railroad track) the centerline of Mulberry Road, such **ENDING POINT** being indicated on a fragment print of CSXT's Railroad Valuation Map V-434/S-1 & V-435/1, marked Exhibit B-4, attached hereto.

All as shown in detail on CSXT's Railroad Valuation Maps V-66, sheets 55 and 56, and V-434/S-1 & V-435/1, reduced copies of which are attached hereto and incorporated herein.

Segment Three

A strip of land varying in width situate in the County of Dallas, State of Alabama, being a portion of what is commonly known as CSXT's Southern Alabama Subdivision, lying on either side of the following described centerline:

BEGINNING at Selma at the end of Segment Two at Railroad Valuation Station 2451+77.7 (Railroad Mile Post OOR 718.76), being 316 ft., more or less, north of (as measured along the centerline of the railroad track) the centerline of Mulberry Road, such **BEGINNING POINT** being indicated on Exhibit B-4; thence extending generally in a northwesterly direction along the centerline of the Southern Alabama Subdivision Railroad track a distance of 0.80 miles, more or less, to the **ENDING POINT** at Selma at Railroad Valuation Station 2493+79 (Railroad Mile Post OOR 719.56), being 145 ft., more or less, north of (as measured along the centerline of the railroad track) the south line of Section 25, T. 17 N., R. 10 E., such **ENDING POINT** being indicated on a fragment print of CSXT's Railroad Valuation Map V-56, sheet S-57A, marked Exhibit B-5, attached hereto.

All as shown in detail on CSXT's Railroad Valuation Maps V-434/S-1 & V-435/1, and V-66, sheet S-57A, reduced copies of which are attached hereto and incorporated herein.

Segment Four

A strip of land varying in width situate in the County of Dallas, State of Alabama, being a portion of what is commonly known as CSXT's Southern Alabama Subdivision, lying on either side of the following described centerline:

BEGINNING at Selma at the end of Segment Three at Railroad Valuation Station 5907+11 (Railroad Mile Post OOR 719.56), being 145 ft., more or less, north of (as measured along the centerline of the railroad track) the south line of Section 25, T. 17 N., R. 10 E., such **BEGINNING POINT** being indicated on Exhibit B-5; thence extending generally in a westerly direction along the centerline of the Southern Alabama Subdivision Railroad track a distance of 1.44 miles, more or less, to the **ENDING POINT** at Selma at Railroad Valuation Station 5983+02 (Railroad Mile Post ORS 721.00), being 375 ft., more or less, west of (as measured along the centerline of the railroad track) the east line of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 35, T. 17 N., R. 10 E., such **ENDING POINT** being indicated on a fragment print of CSXT's Railroad Valuation Map V-56, sheet S-57B, marked Exhibit B-6, attached hereto.

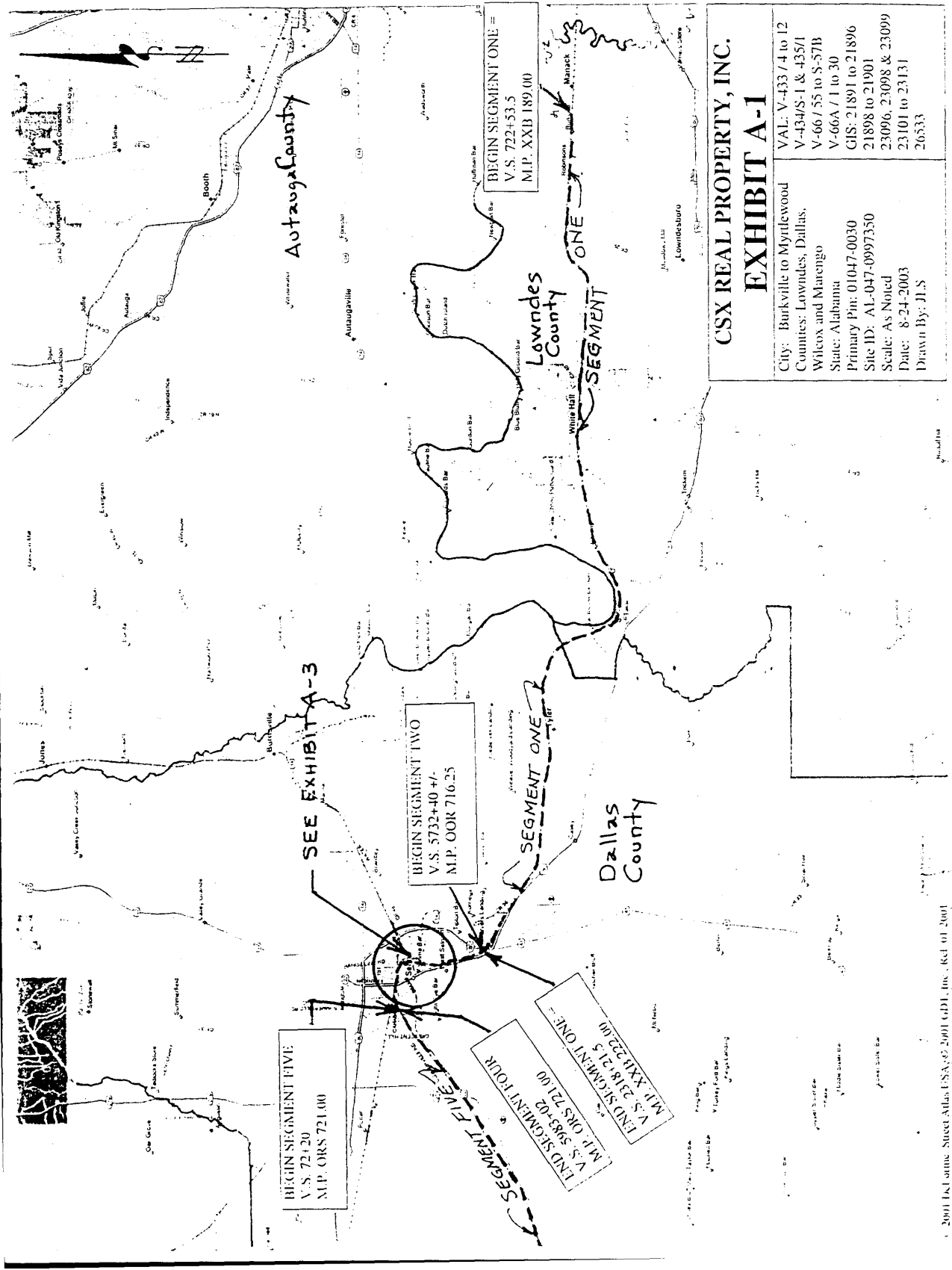
All as shown in detail on CSXT's Railroad Valuation Maps V-66, sheets S-57A and S-57B, reduced copies of which are attached hereto and incorporated herein.

Segment Five

A strip of land varying in width situate in the Counties of Dallas, Wilcox and Marengo, State of Alabama, being a portion of what is commonly known as CSX Transportation's (CSXT's) Southern Alabama Subdivision, lying on either side of the following described centerline:

BEGINNING at Selma at the end of Segment Four at Railroad Valuation Station 72+20 (Railroad Mile Post ORS 721.00), being 375 ft., more or less, west of (as measured along the centerline of the railroad track) the east line of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 35, T. 17 N., R. 10 E., such **BEGINNING POINT** being indicated on a fragment print of CSXT's Railroad Valuation Map V-66A, sheet 1, marked Exhibit B-7, attached hereto; thence extending generally in a westerly direction along the centerline of the Southern Alabama Subdivision Railroad track a distance of 58.71 miles, more or less, to the **ENDING POINT** at Myrtlewood at Railroad Valuation Station 3171+89 (Railroad Mile Post ORS 779.71), being 215 ft., more or less, southwest of (as measured along the centerline of the railroad track) the north line of Section 23, T. 15 N., R. 1 E., such **ENDING POINT** being indicated on a fragment print of CSXT's Railroad Valuation Map V-66A, sheet 30, marked Exhibit B-8, attached hereto. All as shown in detail on CSXT's Railroad Valuation Maps V-66A, sheets 1 through 30, inclusive, reduced copies of which are attached hereto and incorporated herein.

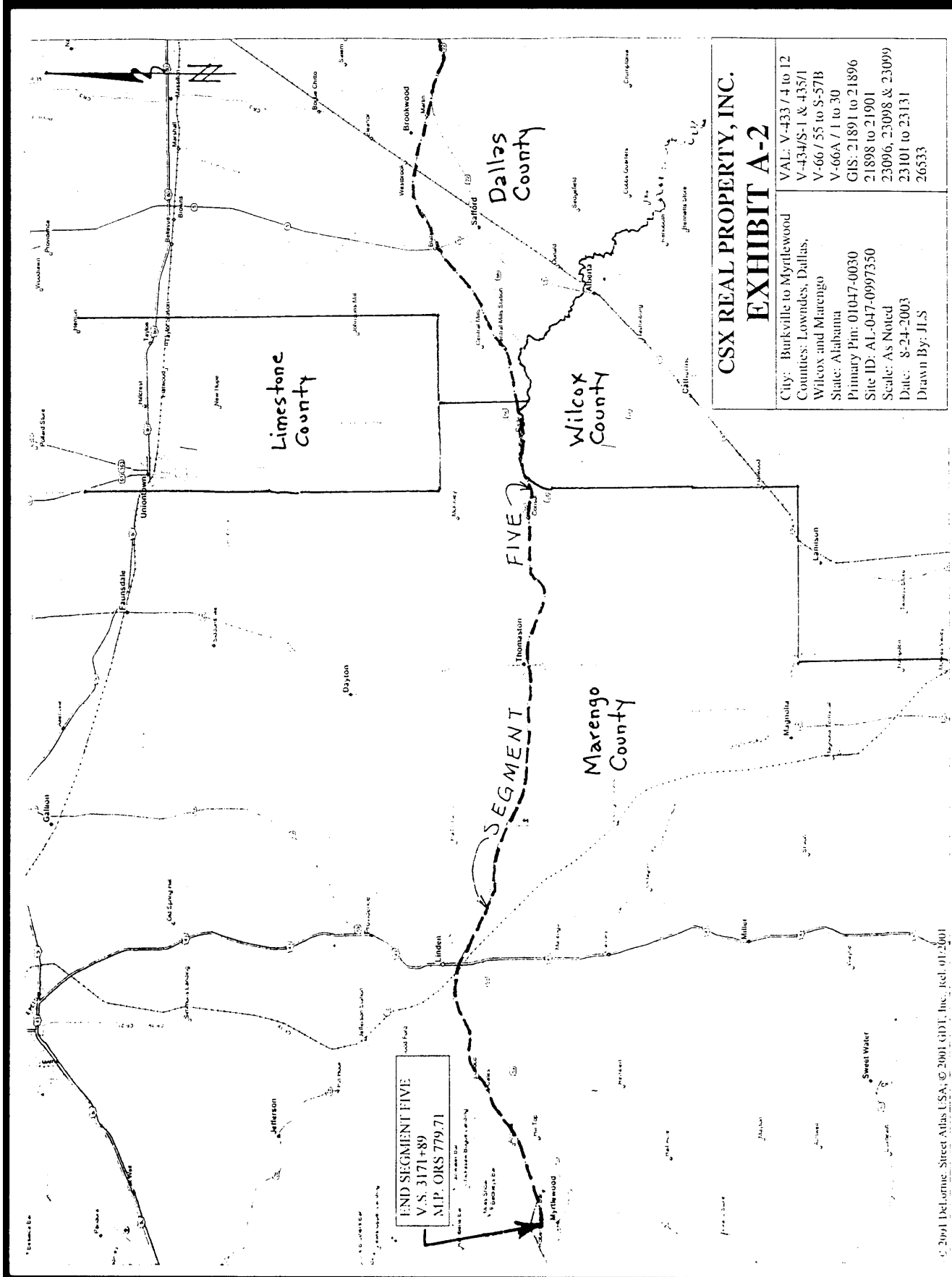
Containing a total area of 1,222 acres, more or less.



CSX REAL PROPERTY, INC.
EXHIBIT A-1

City: Burkville to Myrtlewood
Counties: Lowndes, Dallas,
Wilcox and Marengo
State: Alabama
Primary Pin: 01047-0030
Site ID: AL-047-0997350
Scale: As Noted
Date: 8-24-2003
Drawn By: JLS

VAL: V-433 / 4 to 12
V-434/S-1 & 435/I
V-66 / 55 to S-57/B
V-66A / 1 to 30
GIS: 21891 to 21896
21898 to 21901
23096, 23098 & 23099
23101 to 23131
26333



CSX REAL PROPERTY, INC.
EXHIBIT A-2

City: Burkville to Myrtlewood	VAL: V-433 / 4 to 12
Counties: Lowndes, Dallas, Wilcox and Marengo	V-434/S-1 & 435/1
State: Alabama	V-66 / 55 to S-57B
Primary Pin: 01047-0030	V-66A / 1 to 30
Site ID: AL-047-0997350	GIS: 21891 to 21896
Scale: As Noted	21898 to 21901
Date: 8-24-2003	23096, 23098 & 23099
Drawn By: JLS	23101 to 23131
	26533

Exhibit B

M&B RAILROAD, L.L.C.
P.O. Box 551
Meridian, MS 39301

August 22, 2003

NOTICE TO CSXT EMPLOYEES

Pursuant to Surface Transportation Board regulations at 49 C.F.R. §§ 1150.42(e), the M&B Railroad, L.L.C. ("M&B") hereby provides notice to the employees of CSX Transportation Co. that M&B intends to acquire and operate approximately 96.7 miles of CSXT's lines of railroad from Burkeville, AL, milepost XXB 189.0, to Myrtlewood, AL, milepost RS 780.0, on or after October 21, 2003. CSXT will retain ownership of the underlying and appurtenant real estate and will lease that real estate to M&B. The acquisition will include CSXT's yard facility located in Selma, AL.

As a result of this acquisition, M&B expects to hire approximately seven (7) operating employees (train & engine service), and approximately three (3) other employees to perform mechanical, signal, clerical, and other functions. This estimate is preliminary and is subject to modification prior to commencing operations. Employees will be provided wages and benefits comparable to those on other M&B lines. M&B will select employees on the basis of skills and aptitudes required for each position. The most qualified candidates will be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status or disability. Successful candidates must have a stable work record and demonstrate a commitment to safety and customer service. The ability to work in a team environment is critical. Successful applicants will be required to pass a pre-employment drug and alcohol screen and complete a medical questionnaire, and may be required to take a physical exam.

CSXT employees interested in seeking employment with M&B should contact Mr. Herb Strange, General Manager, M&B Railroad, L.L.C., P.O. Box 551, Meridian, MS 39301, telephone (601) 693-4351.

Caption Summary

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 34423

**M & B RAILROAD, L.L.C.-EXEMPTION-
ACQUISITION AND OPERATION OF A
LINE OF RAILROAD IN LOWNDES,
DALLAS, WILCOX AND MARENGO
COUNTIES, AL-CSX
TRANSPORTATION, INC.**

The M & B Railroad, L.L.C. (MNBR) has filed a notice of exemption to acquire from CSX Transportation, Inc. (CSXT) and operate a line of railroad extending from Milepost ORS 779.71 at Myrtlewood, AL to Milepost XXB 189.00 at Burkeville, AL, a distance of 96.41 miles, together with incidental overhead operating rights on CSXT tracks from Burkeville to Montgomery Yard in Montgomery, AL, a distance of 14 miles. The line being acquired includes CSXT's Selma Yard at Selma, AL, and the following stations (all in AL): Myrtlewood, Linden, Hugo, Thomaston, Central Mills, Orville, Selma, Western Junction, Alamet, Tyler, Benton, Laneville, Whitehall, Latham Spur, Lowndesboro, Robinsons, and Burkeville. The parties intend to consummate their transaction on November 16, 2003.

Comments must be filed with the Board and served on Applicant's representative: Donald G. Avery, Slover & Loftus, 1224 17th Street NW, Washington, DC 20036.

The notice is filed under 49 CFR 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.