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August 3, 2004

BY HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423-0001

211726

Re: Finance Docket No. 34524, Riceboro Southern
Railway, L.L.C – Acquisition and Operation Exemption
– Rail Line of CSX Transportation, Inc. Between
Ogeechee and Riceboro, GA

Dear Secretary Williams:

Enclosed for filing in the referenced docket please find an original and 10 copies of the Verified Notice of Exemption of the Riceboro Southern Railway, L.L.C., together with a WordPerfect diskette containing the filing in electronic form. We are also submitting a check in the amount of \$1,400.00 to cover the requested filing fee.

An additional copy of the Notice also is enclosed. Kindly indicate receipt of the filing by time-stamping this extra copy and returning it to the bearer of this letter. Thank you for your consideration in this matter.

Sincerely,

Andrew B. Kolesar III
An Attorney for the Riceboro
Southern Railway, L.L.C.

Enclosures

211726

BEFORE THE
SURFACE TRANSPORTATION BOARD



RICEBORO SOUTHERN RAILWAY, L.L.C.)
– ACQUISITION AND OPERATION)
EXEMPTION – RAIL LINE OF CSX)
TRANSPORTATION, INC. BETWEEN)
OGEECHEE AND RICEBORO, GA)

Finance Docket No. 34524

VERIFIED NOTICE OF EXEMPTION

The Riceboro Southern Railway, L.L.C. (“RSOR”), pursuant to 49 C.F.R. Part 1150.31-34, files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 10901, to permit RSOR to purchase from CSX Transportation, Inc. (“CSXT”) and operate a total of approximately 18.8 route miles of rail line between Milepost S512.2 at Ogeechee, GA (near Richmond Hill, GA) in Bryan County and Milepost S531.0 at Riceboro, GA in Liberty County. The transaction also includes incidental trackage rights granted by CSXT to RSOR over approximately fourteen miles of CSXT’s line from milepost S512.2 at Ogeechee, GA to milepost S498.0 at CSXT’s Southover Yard at Savannah, GA.

In support hereof, RSOR shows as follows:

a. Full Name and Address of Applicant

Riceboro Southern Railway, L.L.C.
2605 Thomas Drive
Panama City Beach, FL 32408

b. Name and Address of Applicant's Representative

Andrew B. Kolesar III
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

c. Statement Regarding Agreement

RSOR and CSXT have reached agreement on terms to govern the purchase of the line that is the subject of this Notice.

d. Operation of the Property

Following the effective date of the exemption noticed hereby, RSOR will be the operator of the property in question.¹

¹ RSOR presently is a non-carrier, and is controlled by K. Earl Durden ("Durden"), Rail Management Corporation ("RMC") and Rail Partners, L.P., ("Partners"), which are non-carriers that control other carriers. RSOR will become a Class III carrier following consummation of the subject transaction. In addition to RSOR, Durden, RMCC and Partners currently control 14 Class III carriers, including AN Railway, Inc., Atlantic & Western Railway, L.P.; Bay Line Railroad, L.L.C.; Copper Basin Railway, Inc.; East Tennessee Railway, L.P.; Galveston Railroad, L.P.; Georgia Central Railway, L.P.; KWT Railway, Inc.; Little Rock & Western, L.P.; M&B Railroad, L.L.C.; Tomahawk Railway, L.P.; Valdosta Railway, L.P.; Western Kentucky Railway, L.L.C.; and Wilmington Terminal Railroad, L.P. The continuance in control of RSOR is the subject of a Verified Notice of Exemption filed simultaneously with this Notice in Finance Docket No. 34525, K. Earl Durden, Rail Management Corporation and Rail Partners, L.P. – Continuance In Control Exemption – Riceboro Southern Railway, L.L.C.

e. Summary of the Transaction

RSOR will purchase from CSX Transportation, Inc. ("CSXT") and operate a total of approximately 18.8 route miles of rail line between Milepost S512.2 at Ogeechee, GA (near Richmond Hill, GA) in Bryan County and Milepost S531.0 at Riceboro, GA in Liberty County. RSOR will purchase the track along the line from CSXT and will lease the underlying right-of-way.²

The transaction also includes incidental trackage rights granted by CSXT to RSOR over approximately fourteen miles of CSXT's line from milepost MP S512.2 at Ogeechee, GA to milepost S498.0 at CSXT's Southover Yard in Savannah, GA. It is contemplated that the transaction described herein will be consummated on or about August 25, 2004.

Pursuant to Board regulations, RSOR states that CSXT's corporate address is 500 Water Street, Jacksonville, Florida 32202.

f. Map

See Exhibit No. 1.

² In recent years, traffic on the Line has included a combination of paper products and chemicals, with certain additional commodities (e.g., woodchips) moving as well.

g. Certificate of Projected Revenue

Pursuant to 49 C.F.R. Part 1150.33(g), RSOR hereby certifies that its projected revenues do not exceed those that would qualify it as a Class III carrier, nor will they exceed \$5 million.

h. Environmental and/or Historical Documentation

The proposed transaction qualifies under 49 C.F.R. Part 1105.6(c)(2), and as such, no environmental documentation is required. Likewise, inasmuch as the transaction involves the continuation of rail services and RSOR has no plans to alter or dispose of any assets that are fifty years old or older, the transaction does not require an historic report, in accordance with 49 C.F.R. Part 1105.8(b).

i. Caption Summary

See Exhibit No. 2.

Respectfully submitted,

RICEBORO SOUTHERN RAILWAY, L.L.C.
2605 Thomas Drive
Panama City Beach, FL 32408

OF COUNSEL:

SLOVER & LOFTUS
1224 17th Street, N.W.
Washington, D.C. 20036

Dated: August 3, 2004

By: Kelvin J. Dowd
Andrew B. Kolesar III 
Slover & Loftus
1224 17th Street, N.W.
Washington, D.C. 20036
(202) 347-7170

Attorneys & Practitioners

This Revised Valuation Map Exhibit Graphically Represents A
Proposed Real Estate Transaction. It May Not Reflect Current
"On The Ground" Conditions And / Or Actual Locations Of
Features. All Dimensions, Office Notes, Easements, Encumbrances,
And Other Information Shown On This Exhibit Are
Approximate.

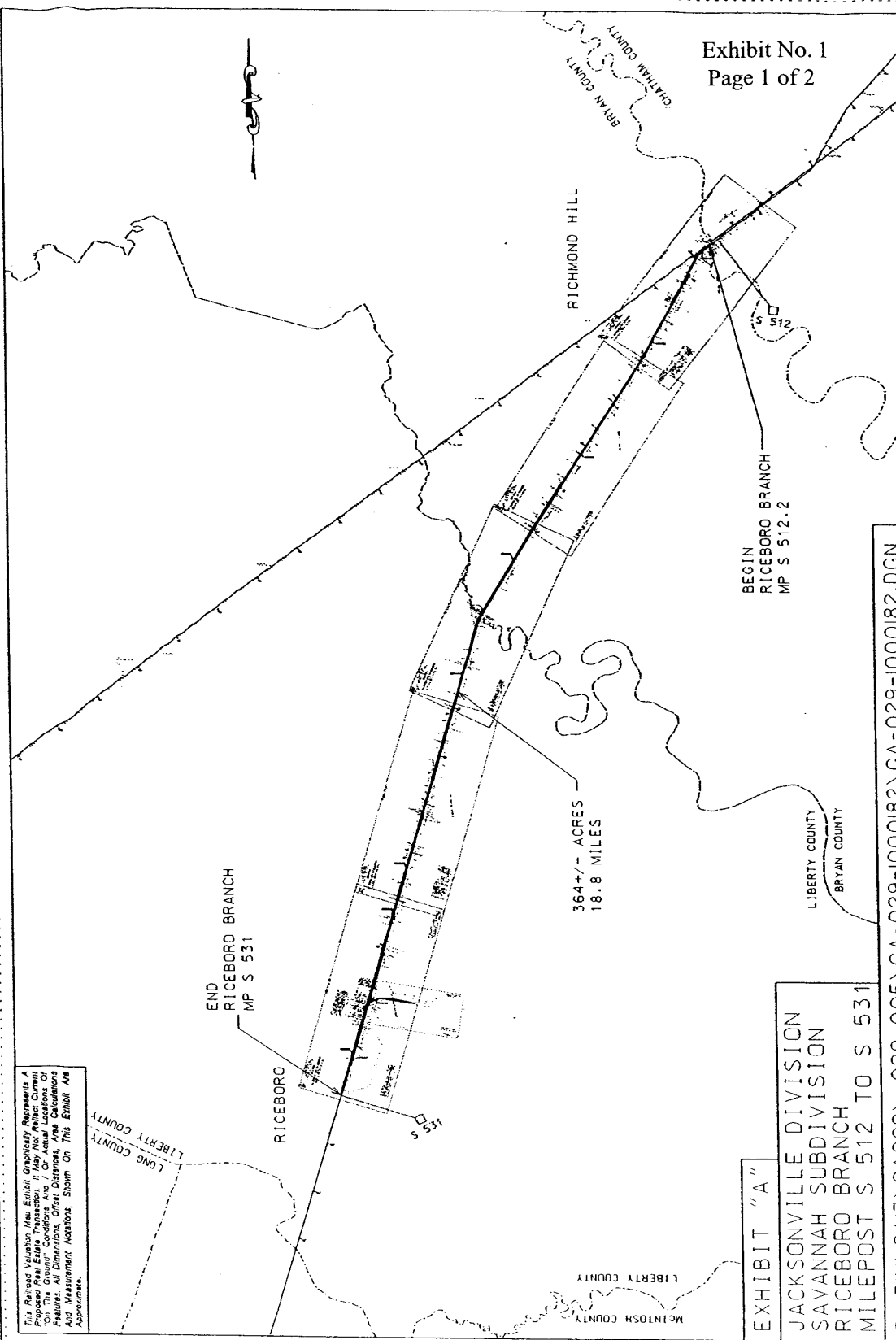


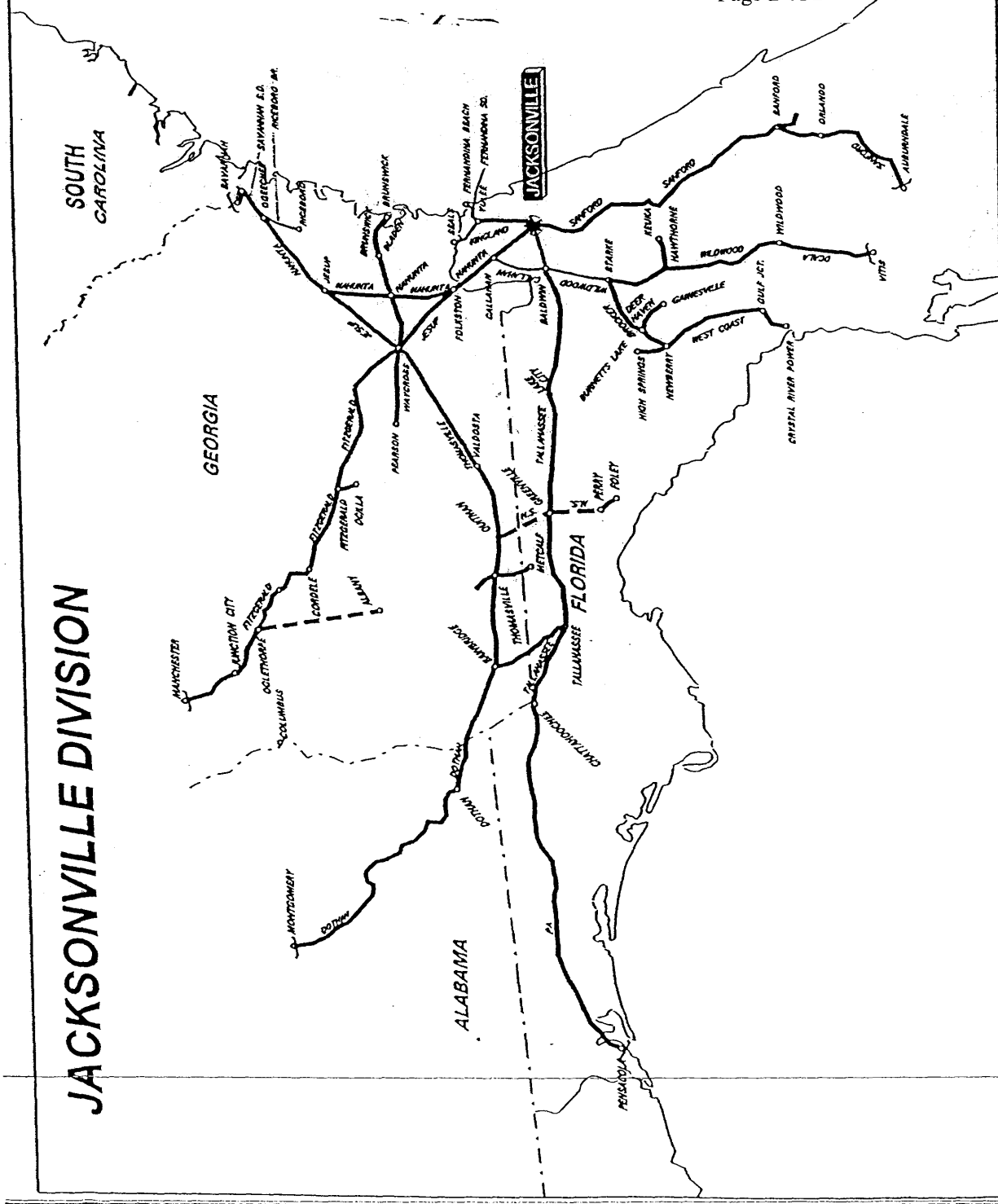
EXHIBIT "A"

JACKSONVILLE DIVISION
SAVANNAH SUBDIVISION
RICEBORO BRANCH
MILEPOST S 512 TO S 531

S:\PIN\GA13\GA029\ 029-005\GA-029-1000182\GA-029-1000182.DGN

CSX TRANSPORTATION, INC.		DATE: 05-10-04	CITY: RICHMOND HILL TO RICEBORO	VAL. SECT.: GIS NUMBERS:	PIN NUMBERS:
RICEBORO BRANCH		SCALE: 1"=6000'	STATE: GA	05453	13179-0003 13029-0005
SITE ID GA-029-1000182		DRAWN BY: CLP	FIPS: 13029	05454	13179-0004 13029-0006
NETWORK RATIONALIZATION		REVISED:	DWG #: GA-029-1000182	05455	13179-0006 13029-0007
				05456	13179-0007
				05457	13179-0016
				05458	

JACKSONVILLE DIVISION



Finance Docket No. 34524

**RICEBORO SOUTHERN RAILWAY, L.L.C.
– ACQUISITION AND OPERATION EXEMPTION –
RAIL LINE OF CSX TRANSPORTATION, INC.
BETWEEN OGEECHEE AND RICEBORO, GA**

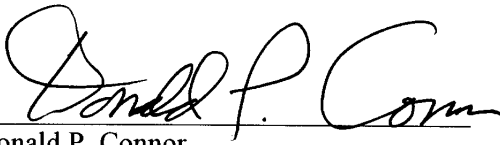
The Riceboro Southern Railway, L.L.C. (“RSOR”) has filed a Verified Notice of Exemption to acquire by purchase from CSX Transportation, Inc. and to operate approximately 18.8 route miles of rail line between Milepost S512.2 at Ogeechee, GA (near Richmond Hill, GA) in Bryan County and Milepost S531.0 at Riceboro, GA in Liberty County. The transaction also includes approximately fourteen miles of incidental trackage rights granted by CSXT to RSOR over CSXT’s line from milepost S512.2 at Ogeechee, GA to milepost S498.0 at CSXT’s Southover Yard at Savannah, GA. Comments must be filed with the Board and served on Andrew B. Kolesar III, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, D.C. 20036 (202) 347-7170. The continuance in control of RSOR is the subject of a Verified Notice of Exemption filed simultaneously with this Notice in Finance Docket No. 34525, K. Earl Durden, Rail Management Corporation and Rail Partners, L.P. – Continuance In Control Exemption – Riceboro Southern Railway, L.L.C.

This Notice is filed under 49 C.F.R. Part 1150.31, et seq. If the 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 transaction.

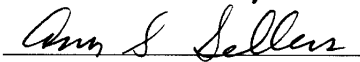
VERIFICATION

STATE OF FLORIDA)
)
) ss:
COUNTY OF BAY)

Donald P. Connor, being duly sworn, deposes and says that he is Vice
Chairman of the Riceboro Southern Railway, L.L.C., that he has read the foregoing
Notice and knows the contents thereof, and that the same are true as stated to the best of
his knowledge, information and belief.


Donald P. Connor

Sworn and subscribed before me
this 2 day of August, 2004

 Notary Public

My Commission expires: 2-15-08



Ann S. Sellers
My Commission DD269737
Expires February 15, 2008