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October 7, 2005

ENTERED
Office of Proceedings

OCT - 7 2005

The Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001

Part of
Public Record

214844

Re: Finance Docket No. 34738, *Paducah & Louisville Railway, Inc.-Acquisition-
CSX Transportation, Inc.*
Finance Docket No. 34738 (Sub-No. 1), *Evansville Western Railway, Inc.-
Acquisition and Operation Exemption - Paducah & Louisville Railway, Inc.*
Finance Docket No. 34738 (Sub-No. 2), *Four Rivers Transportation, Inc. and
Paducah & Louisville Railway, Inc. - Continuation in Control Exemption-
Evansville Western Railway, Inc.*

214847

Dear Secretary Williams:

On August 3, 2005 the Paducah & Louisville Railway, Inc. ("PAL"), and CSX Transportation, Inc. ("CSXT") filed an application under 49 U.S.C. § 11323 (the "Application") for PAL to acquire from CSXT approximately 124.5 miles of CSXT's rail line running between Evansville, IN, milepost OOH-324.0, and Okawville, IL, milepost OOH-445.7, including the Mt. Vernon Branch between milepost OZJ-300 and milepost OZJ-302.8 (the "Line"). PAL proposes to purchase the track, ties, and other track material (the "Improvements") and lease the real property (the "Real Property") from CSXT for a term of 20 years with a five year extension available.

In turn, PAL will sell the Improvements and assign the lease of the Real Property to the Evansville Western Railway, Inc. ("EVWR") pursuant to a notice of exemption filed on August 3, 2005 under 49 C.F.R. § 1150.31, et seq. As a result of that proposed transaction, Four Rivers Transportation, Inc. ("Four Rivers") and PAL propose to continue in control of EVWR once it becomes a carrier pursuant to a notice of exemption filed on August 3, 2005 under 49 C.F.R. § 1180.2(d)(2).

The Surface Transportation Board (the "Board") accepted the Application by notice served on August 29, 2005, and established a procedural schedule through which interested parties could participate in these proceedings. The only party to file a notice of intent to participate was the Brotherhood of Maintenance of Way Employees Division of the International

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Brotherhood of Teamsters ("BMWED"). On September 21, 2005, the Board served a list of parties.

In a letter filed on October 3, 2005, BMWED stated that "its representatives recently reached an agreement with the applicants that resolves all outstanding employee protective and collective bargaining issues" and that "the BMWED notes its withdrawal from formal participation in this proceeding." With BMWED's withdrawal from these proceedings, the only active participants are PAL, EVWR, Four Rivers, and CSXT.

PAL and CSXT respectfully request the Board to consider the evidentiary phase of these proceedings under 49 U.S.C. § 11325(d)(2) to be completed upon the filing of this letter and revise the procedural schedule adopted by the Board on August 29, 2005 to serve the final decision in this proceeding no later than November 21, 2005, with that decision effective on November 28, 2005.

PAL and CSXT have demonstrated in the Application that the proposed transaction will increase inter- and intramodal competition and that the proposed transaction will not result in the lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. As the Board noted in accepting the Application, the two the two related notice of exemption are also in compliance with the applicable regulations.

By decision served on September 26, 2005, the Board denied EVWR's request to waive the 60-day notice required by 49 C.F.R. § 1150.32(e). In response to the board's decision, EVWR complied with the requirements of 49 C.F.R. § 1150.32(e), and filed its certification of compliance with the Board on September 29, 2005, beginning the 60-day period that ends on November 28, 2005.

PAL and CSXT contend that the Application meets the requirements of 49 U.S.C. § 11324(d), that there is no opposition to the Application, and that the evidentiary proceedings should be concluded with the filing of this letter. PAL and CSXT respectfully request the Board to serve a decision in these proceedings by November 21, 2005, to be effective on November 28, 2005. PAL and CSXT also respectfully request the Board to grant the Application as filed subject to the labor protective conditions proposed in the Application.

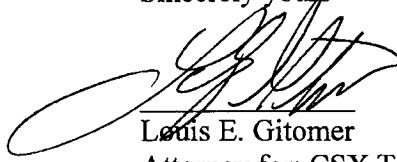
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This letter has been efiled with the Board and served on all parties of record.

If you have any questions please call or email me.

Sincerely yours



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Attorney for: Paducah & Louisville Railway, Inc.

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