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ORIGINAL



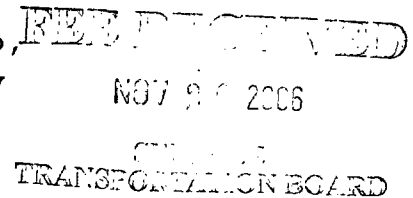
November 20, 2006

BY HAND

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

218110

RE: STB Finance Docket No. 34960, The Chicago,  
Lake Shore And South Bend Railway Company  
- Acquisition And Operation Exemption -  
Norfolk Southern Railway Company

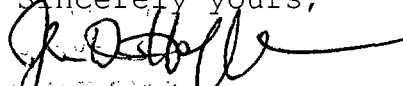


Dear Mr. Williams:

On behalf of The Chicago, Lake Shore And South Bend Railway Company, I am submitting an original and ten copies of a verified notice of exemption for acquisition and operation of a rail line pursuant to 49 U.S.C. 10901 and 49 CFR 1150.31. In addition, I am enclosing a check for \$1,500 to cover the filing fee and a copy of this filing on a disk formatted in MS Word.

Please date stamp and return one copy of this letter.

Sincerely yours,

  
John D. Heffner  
Counsel

cc: Mr. Robert Harris  
Mr. Gary Landrio  
Greg E. Summy, Esq.  
James R. Paschall, Esq.  
Richard H. Streeter, Esq.  
Jeffrey m. Jankowski, Esq.

ENTERED  
Office of Proceedings

NOV 20 2006

Part of  
Public Record

FILED  
NOV 20 2006  
SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34960

THE CHICAGO, LAKE SHORE AND SOUTH BEND  
RAILWAY COMPANY  
-- ACQUISITION AND OPERATION EXEMPTION --  
NORFOLK SOUTHERN RAILWAY COMPANY

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VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

Submitted By:

John D. Heffner  
John D. Heffner, PLLC  
1920 N Street, N.W.  
Suite 800  
Washington, D.C. 20036  
(202) 263-4180

Counsel for Petitioner

Dated: November 20, 2006

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34960

THE CHICAGO, LAKE SHORE AND SOUTH BEND  
RAILWAY COMPANY  
-- ACQUISITION AND OPERATION EXEMPTION --  
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.33

Name and Address of Applicant                      49 CFR 1150.33(a)

The Chicago, Lake Shore and  
South Bend Railway Company  
515 Sheridan  
Michigan City, IN 46360<sup>1</sup>

Applicant's Representative                      49 CFR 1150.33(b)

John D. Heffner  
John D. Heffner, PLLC  
1920 N Street, N.W.  
Suite 800  
Washington, D.C. 20036  
(202) 263-4180

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<sup>1</sup> Address of owner is Norfolk Southern Railway, Three Commercial Place,  
Norfolk, VA 23510.

Statement of Agreement(s)

**49 CFR 1150.33(c)**

The Chicago, Lake Shore And South Bend Railway Company ("The CLSSB"), anticipates reaching an agreement with Norfolk Southern Railway Company ("NSR"), owner of the subject railroad, for the CLSSB to purchase and operate about 3.2 route miles of railroad between MP UV0.0 and MP UV2.8 and between MP ZO9.48 and MP ZO9.9 including any ownership interest in the spur leading to Notre Dame University in the City of South Bend, IN.

The CLSSB plans to close after all applicable notice periods have run, more than seven days from the date of filing this notice, and commence operations at a later date once necessary rehabilitation of the Line is complete.

Operator of the Property

**49 CFR 1150.33(d)**

In all cases anticipated by this Notice, and as described in the transaction summary provided below, The CLSSB will hold itself out to provide common carrier rail freight service over the subject rail facilities.

Brief Summary of Transaction

**49 CFR 1150.33(e)**

This exemption involves the purchase and operation of NSR's line by a new class III short line railroad [The CLSSB]. As a result of this transaction, The CLSSB will furnish service formerly provided by Consolidated Rail Corporation ("Conrail") prior to its acquisition by NSR and CSX Transportation. See,

STB FD. No. 33388, CSX Corp. et al. - Control - Conrail Inc. et al., 3 S.T.B. 196 (1998).<sup>2</sup> Neither Conrail nor NSR has provided service over this trackage since the 1990's due to lack of customer demand; however, the track remains an "active" line and a part of the NSR rail network.

Map

**49 CFR 1150.33(f)**

A Map depicting the line to be purchased and operated is attached as Exhibit A.

Certificate of Carrier Classification

**49 CFR 1150.33(g)**

The CLSSB certifies that, with this acquisition, its projected annual revenues will be less than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.33(g) is attached as Exhibit B to this notice.

Labor Protection

Under 49 U.S.C. 10901 the imposition of labor protective conditions is discretionary. The CLSSB requests that no conditions be imposed as there are no employees who will be adversely affected.

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<sup>2</sup> This trackage was part of the Conrail System designated for acquisition and operation by NSR.

Caption Summary

**49 CFR 1150.34**

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

Environmental and Historic Preservation Data **49 CFR 1105**

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,



John D. Heffner  
John D. Heffner, PLLC  
1920 N Street, N.W.  
Suite 800  
Washington, D.C. 20036  
(202) 263-4180

Counsel for Petitioner

Dated: November 20, 2006

# **EXHIBIT A**



## EXHIBIT B

CERTIFICATION

I, Robert C. Harris, an officer of the  
The Chicago, Lake Shore and  
South Bend Railway Co. ("The CLSSSB") hereby certify under  
penalty of perjury that the projected annual railroad operating  
revenues of The CLSSSB, in the aggregate, will not exceed  
\$5,000,000, and that The CLSSSB will be a Class III rail  
carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I  
certify that I am qualified and authorized to make this  
certification on behalf of The CLSSSB.

  
Signature

EXHIBIT C

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34960

THE CHICAGO, LAKE SHORE AND SOUTH BEND  
RAILWAY COMPANY  
-- ACQUISITION AND OPERATION EXEMPTION --  
NORFOLK SOUTHERN RAILWAY COMPANY

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VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE  
INFORMATION REQUIRED BY 49 CFR 1150.31

The Chicago, Lake Shore And South Bend Railway Company ("The CLSSB"), a newly established noncarrier, has filed a Verified Notice of Exemption under 49 CFR 1150.31 to purchase and operate the following railroad line currently owned by Norfolk southern Railway Company ("NSR"). The subject rail lines consist of 3.2 miles of railroad between MP UV0.0 and MP UV2.8 and between MP Z09.48 and MP Z09.9 including any ownership interest in the spur leading to Notre Dame University in the City of South Bend, IN.

The CLSSB plans to consummate this transaction at least seven days after the filing of this exemption.

This notice is filed under 49 C.F.R. 1150.31. 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34960, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on:

For The CLSSB:  
John D. Heffner, Esq.  
John D. Heffner, PLLC  
1920 N Street, N.W.,  
Suite 800  
Washington, D.C., 20036  
Telephone: (202) 263-4180

For NSR:  
Greg E. Summy  
General Solicitor  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510  
Telephone: (757) 533-4890

(seal)

Vernon A. Williams  
Secretary

VERIFICATION

STATE OF INDIANA

CITY OF PORTER SS

Robert S. Harris

Robert S. Harris, being duly sworn according to law,  
hereby deposes and states that (s)he is authorized to make the  
Verification, has read the foregoing document, and knows the  
facts asserted therein are true and accurate as stated, to the  
best of (her)his knowledge, information and belief.

Subscribed and sworn to before me, a Notary Public, in and for  
the City of PORTER in the State of INDIANA, this 20<sup>th</sup>  
day of Nov. . 2006

Carol McClure  
Notary Public CAROL MCCLURE

My Commission expires:

11-03-2010