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July 23, 2007

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

219831
FEES RECEIVED
JUL 23 2007
**SURFACE
TRANSPORTATION BOARD**

Re: Finance Docket No. 35043
*Four Rivers Transportation, Inc., Paducah & Louisville Railway, Inc., and
Evansville Western Railway, Inc. v. Exemption For A Transaction Within A
Corporate Family*

Dear Secretary Williams:

Enclosed on behalf of Four Rivers Transportation, Inc. ("Four Rivers"), Paducah & Louisville Railway, Inc. ("P&L"), and Evansville Western Railway, Inc. ("EVWR") are an original and eleven copies of a Notice of Exemption ("Notice") filed under 49 CFR 1180.2(d)(3) for an exemption from the prior approval and authorization requirements governing a transaction within a corporate family. A check in the amount of \$1,200 is enclosed to cover the filing fee for the Notice.

Please acknowledge filing of this Notice by date stamping the extra copy thereof and returning that copy to the courier for return to my offices. If there are any questions concerning this filing, please contact me by telephone at (202) 663-7823 or by e-mail at wmullins@bakerandmiller.com.

Sincerely,

ENTERED
Office of Proceedings

JUL 23 2007

Part of
Public Record


William A. Mullins

FILED
JUL 23 2007
**SURFACE
TRANSPORTATION BOARD**

Enclosures

cc: J. Thomas Garrett

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35043



**FOUR RIVERS TRANSPORTATION, INC, PADUCAH & LOUISVILLE
RAILWAY, INC., AND EVANSVILLE WESTERN RAILWAY, INC. –
EXEMPTION FOR A TRANSACTION WITHIN A CORPORATE FAMILY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

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TRANSPORTATION BOARD

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Office of Proceedings
JUL 23 2007
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SURFACE
TRANSPORTATION BOARD

**J. Thomas Garrett
Executive Vice President and General
Counsel
FOUR RIVERS TRANSPORTATION, INC.
1500 Kentucky Avenue
Paducah, KY 42003-2893
Phone: (270) 444-4430
Fax: (270) 444-4388**

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Robert A. Wimbish
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**Attorneys For Four Rivers Transportation, Inc.,
Paducah & Louisville Railway, Inc., and
Evansville Western Railway, Inc.**

July 23, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35043

**FOUR RIVERS TRANSPORTATION, INC, PADUCAH & LOUISVILLE
RAILWAY, INC., AND EVANSVILLE WESTERN RAILWAY, INC. –
EXEMPTION FOR A TRANSACTION WITHIN A CORPORATE FAMILY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

Four Rivers Transportation, Inc. (“Four Rivers”), Paducah & Louisville Railway, Inc. (“P&L”), and Evansville Western Railway, Inc. (“EVWR”) (collectively, “Parties”) hereby submit this notice, pursuant to 49 C.F.R. §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) of a transaction within a corporate family. The transaction involved in this Notice of Exemption is the restructuring of the Four Rivers corporate family. Four Rivers currently directly owns and controls two rail carrier subsidiaries, P&L and Appalachian & Ohio Railroad, Inc. (“A&O”). P&L directly owns and controls EVWR. The restructuring will result in EVWR, a 100% owned direct subsidiary of P&L, becoming a direct subsidiary of Four Rivers. In support of this Notice of Exemption and in compliance with 49 C.F.R. §1180.4(g), the Parties provide the following information:

49 C.F.R. §1180.6(a)(1)(i)—Description of Transaction and Parties Thereto:

a. **Description of Transaction**

Four Rivers is a privately-held non-carrier holding company which directly and indirectly controls both rail and non-rail subsidiaries. As indicated above, Four Rivers currently controls three common carriers subject to the jurisdiction of the Board: P&L, A&O, and, through P&L, EVWR. P&L is a Class II common carrier railroad that owns and operates approximately 262 miles of rail line, all of which is located within the Commonwealth of Kentucky. P&L is owned 100% by Four Rivers and is directly controlled by Four Rivers.¹ EVWR is owned 100% by P&L and is indirectly controlled by Four Rivers. EVWR is a Class III common carrier railroad that operates approximately 124 miles of rail line in Illinois and Indiana.² A&O is a Class III common carrier railroad that leases and operates over 158 miles of rail line, all of which is located within West Virginia. A&O is 100% owned, and directly controlled, by Four Rivers.³

Pursuant to 49 C.F.R. §1180.2(d)(3), the Parties invoke the Board's class exemption from the prior approval requirements of 49 U.S.C. §11323 for a transaction within the corporate family which involves transferring direct control of EVWR from P&L to P&L's corporate parent, Four Rivers. The proposed corporate family transaction will not result in adverse changes in service levels, significant

¹ See Paducah & Louisville Railway, Inc. – Acquisition And Operation Exemption – Illinois Central Gulf Railroad Company, 5 I.C.C. 2d 729 (1989).

² Paducah & Louisville Railway, Inc. —Acquisition—CSX Transportation, Inc., STB Finance Docket No. 34738 (STB served November 18, 2005); Evansville Western Railway, Inc.—Acquisition and Operation Exemption—Paducah & Louisville Railway, Inc., STB Finance Docket No. 34738 (Sub-No. 1) (STB served November 18, 2005); and Four Rivers Transportation, Inc. And Paducah & Louisville Railway, Inc.—Continuance in Control Exemption—Evansville Western Railway, Inc., STB Finance Docket No. 34738 (Sub-No. 2) (STB served November 18, 2005).

³ Four Rivers Transportation, Inc. – Control Exemption – Appalachian & Ohio Railroad, Inc., STB Finance Docket No. 34856 (STB served May 23, 2006).

operational changes, or changes in the competitive balance with carriers outside the Four Rivers corporate family.

b. Names, Addresses, and Phone Numbers of Involved Parties.

FOUR RIVERS TRANSPORTATION, INC. 1500 Kentucky Avenue Paducah, KY 42003-2893 Phone: (270) 444-4430 Fax: (270) 444-4388	PADUCAH & LOUISVILLE RAILWAY, INC. 1500 Kentucky Avenue Paducah, KY 42003-2893 Phone: (270) 444-4430 Fax: (270) 444-4388	EVANSVILLE WESTERN RAILWAY, INC. 724 W. 3 rd Street Mt. Vernon, IN 47620 (866) 812-3897
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c. Names of Counsel to Whom Questions Can Be Addressed.

Correspondence with respect to this Verified Notice of Exemption should be addressed to:

J. Thomas Garrett Exec. Vice President and Gen. Counsel FOUR RIVERS TRANSPORTATION, INC 1500 Kentucky Avenue Paducah, KY 42003-2893 Phone: (270) 444-4430 Fax: (270) 444-4388	William A. Mullins Robert A. Wimbish BAKER & MILLER PLLC 2401 Pennsylvania Ave., N.W. Suite 300 Washington, D.C. 20037 Tel. (202) 663-7823 Fax: (202) 663-7849
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49 C.F.R. §1180.6 (a) (1) (ii) –Consummation Schedule.

The Parties propose to consummate the proposed transaction on or after August 23, 2007.

49 C.F.R. §1180.6 (a) (1) (iii) – Purpose of the Transaction.

The purpose of this transaction is to provide a more efficient Four Rivers corporate structure, under which all of Four Rivers' common carrier subsidiaries (P&L, A&O, and EVWR) would be under Four Rivers' direct control, whereas today, EVWR is directly controlled by P&L and indirectly controlled by Four Rivers. There are also certain tax and operating advantages to such a corporate structure.

49 C.F.R. §1180.6 (a) (5) – List of States in Which the Parties' Property is Located.

P&L's rail lines are located in the Commonwealth of Kentucky. EVWR's lines are located within Illinois and Indiana.

49 C.F.R. §1180.6 (a) (6) – Map - Exhibit 1.

Maps showing the location of the respective lines of P&L, EVWR, and non-party A&O are attached as Exhibit 1.

49 C.F.R. §1180.6 (a) (7) (ii) – Agreements - Exhibit 2.

The proposed transaction will be governed by an as-yet-unexecuted agreement. A draft copy of this agreement, the terms of which have not yet been finalized, is attached as Exhibit 2.

49 C.F.R. §1180.4 (g) (1) (i) – Level of Labor Protection

The proposed transaction would not affect the day-to-day operations of Four Rivers' subsidiary carriers, which carriers would remain as independent operating carriers. As a result, the Parties do not anticipate any adverse labor impacts because of the transaction. Nevertheless, because this transaction involves one Class II carrier (P&L) and one Class III carrier (EVWR) the Parties acknowledge that this transaction would be governed the employee protective conditions set forth at 49 U.S.C. 11326(b).

49 C.F.R. §1105.6 through 1105.8—Environmental and Historic Report.

The transfer of direct control of EVWR from P&L to P&L's corporate parent, Four Rivers, will not result in changes in the operations of P&L and EVWR. As noted, the transaction would merely place all of Four Rivers' subsidiaries under its direct control. Accordingly, the transaction will not result in significant changes in carrier operation (i.e., changes that exceed the thresholds of 49 C.F.R. §1105.7(e)(4) or (5)), and the transaction is thus exempt from the requirement to provide further environmental documentation pursuant to 49 C.F.R. §1105.6(c)(2) and (4).

Because rail operations will continue, further Board approval would be required if P&L and/or EVWR were to discontinue operations and/or abandon service. Furthermore, there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Hence, pursuant to 49 C.F.R. §1105.8(b)(2-3), the transaction is exempt from historic preservation reporting requirements

Respectfully submitted this 23rd day of July, 2007.

J. Thomas Garrett
Executive Vice President and General
Counsel
Four Rivers Transportation, Inc.
1500 Kentucky Avenue
Paducah, KY 42003-2893
Tel: (270) 444-4430
Fax: (270) 444-4388

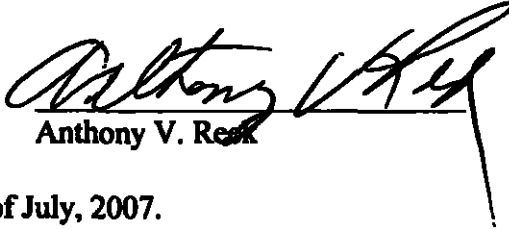


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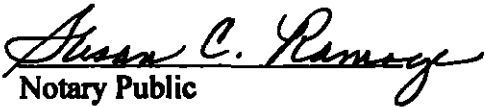
Attorneys For Four Rivers Transportation, Inc.,
Paducah & Louisville Railway, Inc., and Evansville
Western Railway, Inc.

VERIFICATION

Anthony V. Reck, being duly sworn, deposes and says that he is President and Chief Executive Officer of Four Rivers Transportation, Inc., Paducah & Louisville Railway, Inc., Evansville Western Railway, Inc., 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.


Anthony V. Reck

Subscribed and sworn to before me this 13th day of July, 2007.


Notary Public

My Commission expires: 10-20-2009

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35043

**FOUR RIVERS TRANSPORTATION, INC, PADUCAH & LOUISVILLE
RAILWAY, INC., AND EVANSVILLE WESTERN RAILWAY, INC. –
EXEMPTION FOR A TRANSACTION WITHIN A CORPORATE FAMILY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

49 C.F.R. §1180.6 (a) (6) – Map Exhibit 1



PADUCAH & LOUISVILLE RAILWAY, INC.

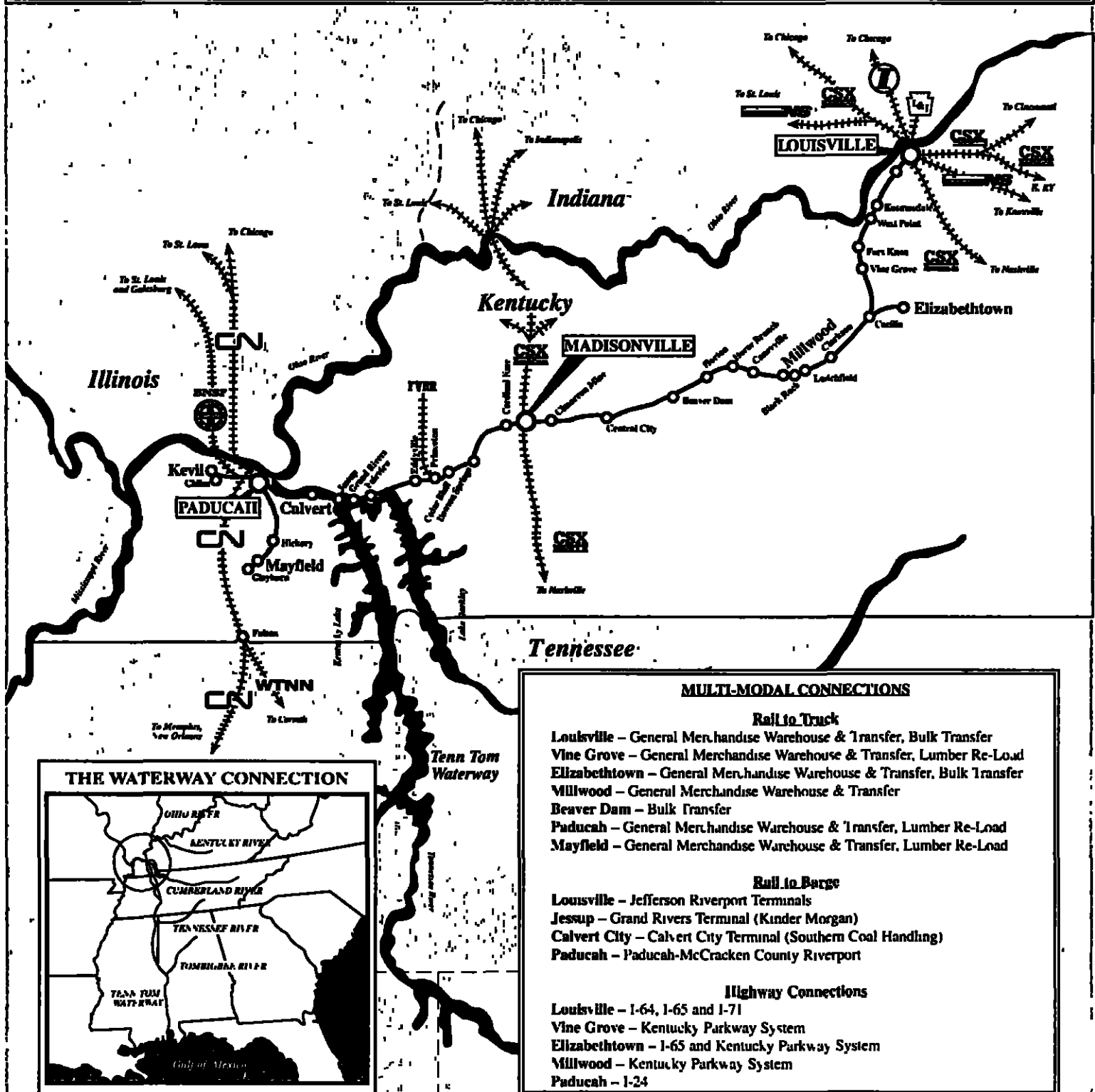
(PAL)

1500 Kentucky Avenue, Paducah, KY 42003

Phone 270-444-4300 or 800-444-2PAL - Web Site: palrr.com

RAIL CONNECTIONS

BNSF	Burlington Northern Santa Fe Railroad at Paducah, KY	FVRR	Fredonia Valley Railroad at Princeton, KY
CN	Canadian National at Paducah, KY	INRD	Indiana Rail Road Company at Louisville, KY
CSXT	CSX Transportation at Louisville, KY	LIRC	Louisville & Indiana Railroad at Louisville, KY
CSXT	CSX Transportation at Madisonville, KY	NS	Norfolk Southern Corporation at Louisville, KY



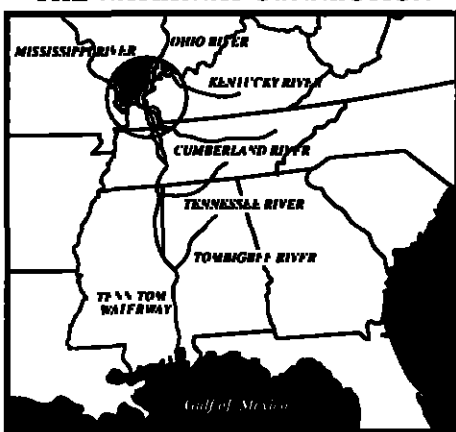
EVANSVILLE WESTERN RAILWAY, Inc. (EVWR)

EVWR Connections

With the CSXT
With the BNSF
With the UP

At Howell Yard in Evansville, IN
At Woodlawn, IL.
At Mt. Vernon, IL.

THE WATERWAY CONNECTION



OKAWVILLE, IL

Mt. Vernon, IL

EVANSVILLE
(Mile Post 324 - West)

Port of Indiana -
Southwind Maritime

Illinois

Kentucky

Missouri

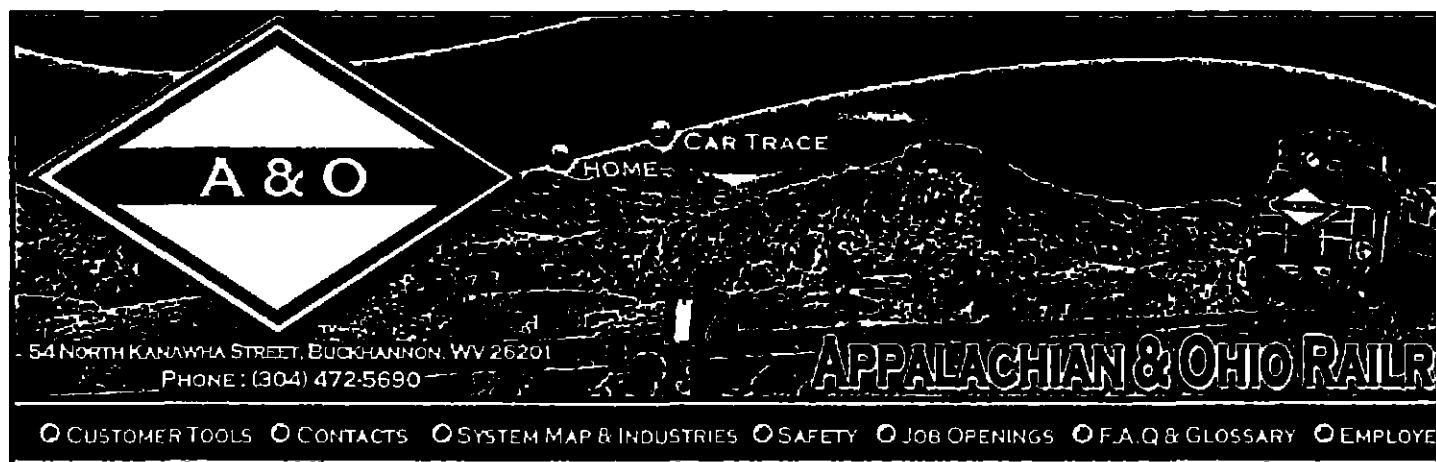
Tennessee

Tennessee River
(Kentucky Lake)

Cumberland River
(Lake Barkley)

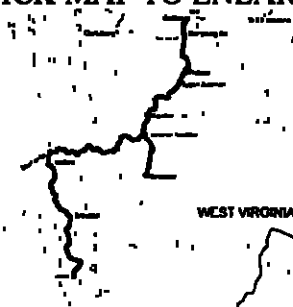
Cumberland River

To Nashville



SYSTEM MAP

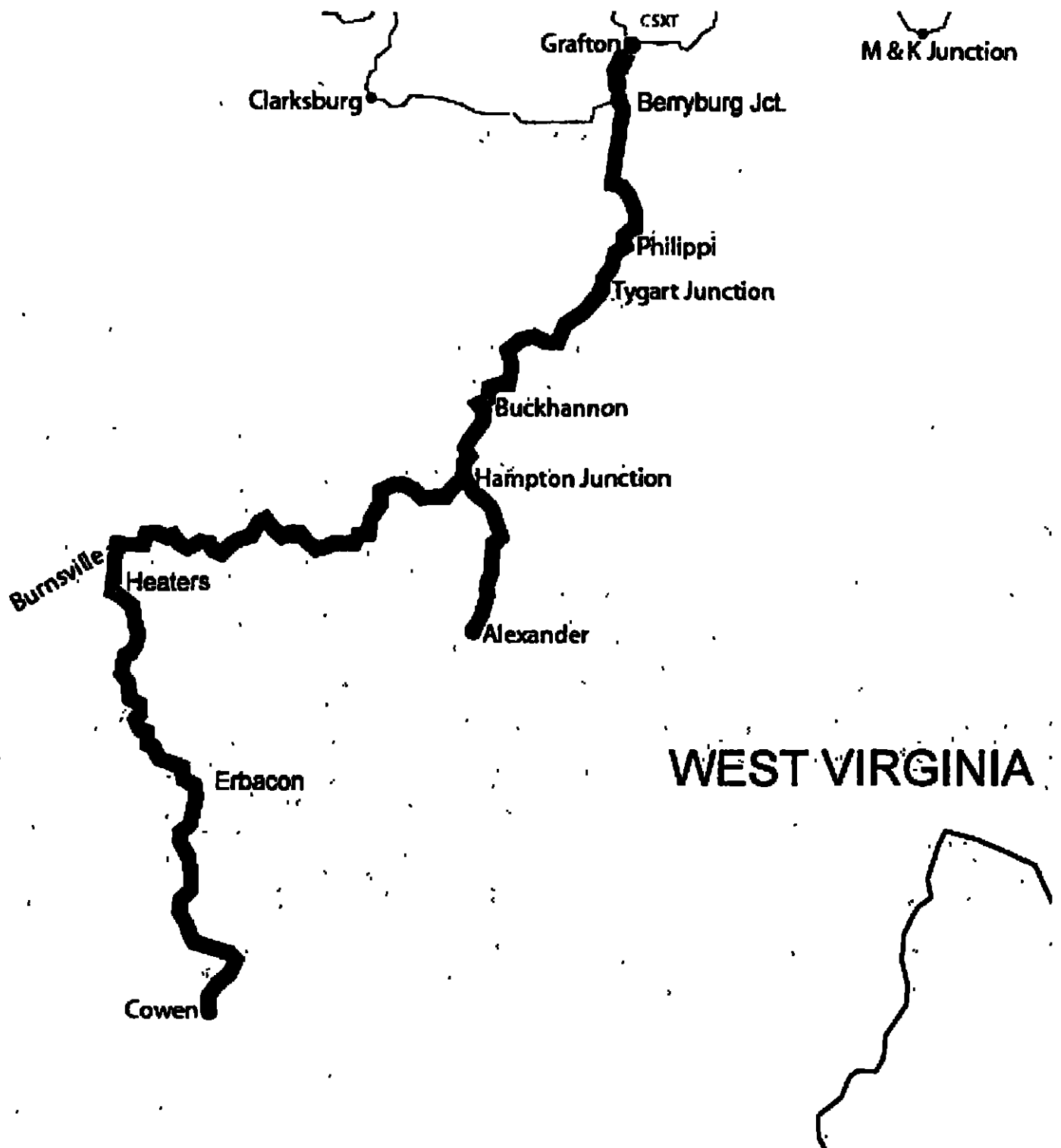
CLICK MAP TO ENLARGE



STATION LIST

(Showing MINES & INDUSTRIES)

70306	GRAFTON	Interchange with CSXT
70431 (78124)	BERRYBURG JCT (SENTINEL)	SENTINAL MINE (Int'l Coal Group)
70433	PHILIPPI	Santago Plastics (Mfg plastic sheets) Snyder Industries (Mfg plastic agri & septic tanks)
70436	TYGART JCT	Interchange with WVC
70582 (78137)	BUCKHANNON (RAWHIDE)	RAWHIDE MINE (Cheyenne Sales)
70582	BUCKHANNON	TEAM TRACK Coastal Lumber (Mfg hardwoods for furniture) PW Eagle (Mfg plastic water & sewer pipe) Trus Joist, a Weyerhaeuser Business (Mfg micro & parallam products for beams/headers)
70588 (78262)	HAMPTON (SAWMILL RUN)	SAGO MINE (Int'l Coal Group)
70590	ALEXANDER	Interchange with BEEM - includes Coal from CARTER ROAG MINE
70540	BURNSVILLE JCT	Interchange with ELKR
70543	HEATERS	Weyerhaeuser (Mfg oriented strand board)
70555 (78428)	ERBACON (BRO RUN)	BROOKS RUN MINE



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49 C.F.R. §1180.6 (a) (7) (ii) – Draft Agreement Exhibit 2

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") is entered into and effective as of the ____ day of _____, 2007, by and between PADUCAH & LOUISVILLE RAILWAY, INC., 1500 Kentucky Avenue, Paducah KY 42003, a Kentucky corporation, ("Seller") and FOUR RIVERS TRANSPORTATION, INC , Nemours Building, Suite 1414, 1007 Orange Street, Wilmington DE, a Delaware corporation ("Purchaser").

WITNESSETH:

WHEREAS, Seller is a subsidiary corporation of Purchaser, and

WHEREAS, Seller presently owns all of the issued and outstanding shares of stock of Evansville Western Railway, Inc , a Delaware corporation (the "Corporation") consisting of 1000 shares of no par value common stock, and

WHEREAS, Seller and Purchaser desire to effect a corporate restructuring and have reached an Agreement for the transfer of such shares of stock from Seller to Purchaser;

NOW, THEREFORE, for and in consideration of the terms and conditions as set forth herein, the parties hereto, intending to be legally bound, agree as follows

Section 1. Sale and Purchase of Shares.

Subject to the terms and conditions of this Agreement, Seller hereby sells and transfers free and clear of all liens, claims, restrictions and encumbrances, and Purchaser hereby purchases for the purchase price set forth and in the manner described in Section 2 hereof, all of the stock of the Corporation consisting of 1000 shares of no par value common stock (the "Shares").

Section 2. Purchase Price and Method of Payment.

The purchase price for the Shares shall be One Dollar (\$1.00), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged

Section 3. Representation and Warranties of Seller.

a. Seller is the owner of the Shares and has the right to and hereby warrants that the transfer of such Shares is free and clear of all liens, security interests, mortgages, pledges, encumbrances or restrictions of every kind and nature.

b. That the Corporation is duly organized, validly existing and in good standing under the laws of Delaware, with full corporate power and authority to conduct its business as it is now being conducted, to own or use properties and assets it purports to own or use.

Section 4. General Provisions.

4.1 This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, supersedes all other agreements or understandings, written or oral, between the parties with respect to the subject matter hereof and cannot be amended, supplemented or changed, nor can any provision hereof be waived, nor can this Agreement or any part hereof of interest herein be assigned, encumbered or otherwise disposed of, except by a written instrument signed by the party against whom enforcement of any such amendment, supplement, modification, waiver or assignment is sought.

4.2 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

4.3 The section headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

4.4 This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, regardless of its conflict of law provisions

4.5 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the day and year first above written.

PADUCAH & LOUISVILLE RAILWAY, INC.

By: _____

Title: _____

FOUR RIVERS TRANSPORTATION, INC.

By: _____

Title: _____