



KAPLAN KIRSCH ROCKWELL

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July 23, 2007

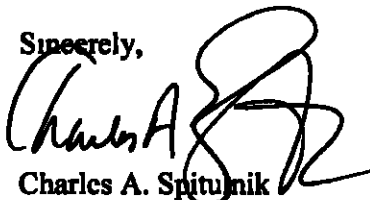
Hon. Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

**Re: Chesapeake Railroad Company – Modified Rail Certificate
Finance Docket No. 32609**

Dear Sir:

I am enclosing the Notice of Consummation of the Maryland Transit Administration with regard to a portion of the property that was previously covered by the Certificate of Interim Trail Use in the above referenced proceeding.

Sincerely,



Charles A. Spitulnik

Enclosure

139624

Attorneys at Law
Denver • New York • Washington, DC

Kaplan Kirsch & Rockwell LLP
1001 Connecticut Ave., N.W., Suite 905
Washington, DC 20036

tel (202) 955-5600
fax (202) 955-5616
www.kaplankirsch.com

**Before the
Surface Transportation Board
Washington, D.C.**

Finance Docket No. 32609

**CHESAPEAKE RAILROAD COMPANY –
CERTIFICATE OF INTERIM TRAIL USE
AND
TERMINATION OF MODIFIED RAIL CERTIFICATE**

**NOTICE OF CONSUMMATION
BY MARYLAND TRANSIT ADMINISTRATION**

The Maryland Transit Administration ("MTA"), by undersigned counsel, hereby submits its Notice that the abandonment authority previously provided with respect to the Easton Spur, a parcel of approximately 5.514 acres on which is situated a spur track extending between the main ROW at approximately milepost 45.3, at Easton, and U.S. Route 50, a distance of approximately 1,645 feet, will now be fully consummated.

In Chesapeake Railroad Company-Modified Rail Certificate, Finance Docket No. 32609 (ICC served Nov. 23, 1994), Chesapeake Railroad Company ("CHRR") was issued a modified certificate of public convenience and necessity ("Modified Certificate") under 49 CFR 1150, subpart C, to operate approximately 54.1 miles of rail line owned by the State of Maryland between milepost 00.0 at Clayton, DE, and milepost 45.3 at Easton, MD, and a connecting branch line between milepost 00.0 at Queen Anne, MD, and milepost 8.8 at Denton, MD (collectively, "Clayton-Easton line").

On July 28, 2005, MTA, on behalf of the State of Maryland, filed notice on behalf of CHRR of its intent to terminate service under the modified certificate over the Clayton-Easton line. Under 49 CFR 1150.24, an operator must provide 60 days' notice of its intent to terminate service over a line covered by a modified certificate. CHRR, however, no longer had an operating agreement with MTA, and CHRR was determined to have ceased existence as a corporate entity in Maryland. Therefore, the Board allowed MTA to file on CHRR's behalf. On that same date, MTA filed a request for issuance of a certificate of interim trail use ("CITU") under the National Trails System Act, 16 U.S.C. 1247(d) ("Trails Act"), for the Clayton-Easton line. MTA submitted a statement indicating its willingness to assume financial responsibility for management of the right-of-way ("ROW") as required at 49 CFR 1152.29, and acknowledged that the use of the ROW for trail purposes is subject to future reconstruction and reactivation for rail service.

On January 9, 2006, STB issued a decision and served a CITU authorizing a 180-day period for MTA to negotiate an interim trail use/rail banking agreement for the Clayton-Easton line. By decisions issued on July 10, 2006, January 5, 2007 and July 5, 2007, STB granted motions by MTA to extend the negotiating period for additional periods of 180 days each to allow MTA to continue to negotiate with the Maryland Department of Transportation ("MDOT") to assume the responsibility of trail user for the Clayton-Easton line (MDOT executed the necessary statement of willingness to assume financial responsibility as an attachment to MTA's supplemental motion filed on June 28, 2006). The current negotiating period for the CITU will expire on January 1, 2008.

On June 13, 2007, MTA filed a notice of intent pursuant to 49 CFR 1152.29(c), to remove the Easton Spur from the CITU. In its decision of July 5, 2007 granting MTA's motion

to extend the period of negotiation for the CITU, STB also granted MTA's request to vacate the CITU for the 5.514 acres of the ROW described above.

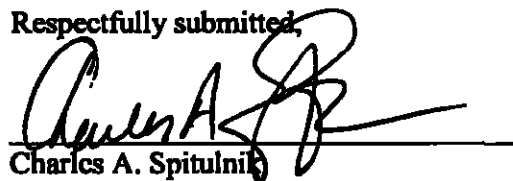
The Clayton-Easton line was abandoned by the Trustees of the former Penn Central Transportation Company ("Trustees") in 1976 pursuant to Section 304 of the Regional Rail Reorganization Act of 1973 (Pub. L. 93-236, 87 Stat. 1008, *codified at* 45 U.S.C. 744). On January 8, 1982, the Trustees sold the Clayton-Easton line to the State of Maryland Department of Transportation, Mass Transit Administration, the predecessor agency of MTA.

By this notice, MTA confirms that the Easton Spur, which is no longer subject to the Modified Rail Certificate or the CITU, is now fully abandoned pursuant to the abandonment proceedings completed by the Trustees in 1976 and in conformance with the requirements of 49 CFR 1152.29(c)(2).

WHEREFORE, in view of the abandonment proceeding completed in 1976 and having complied with all of the conditions required pursuant to 49 CFR 1152.29(c)(2), MTA hereby notifies the Board that the abandonment authority granted with respect to the Easton Spur is now fully consummated.

Dated: July 23, 2007

Respectfully submitted,



Charles A. Spitulnik
Allison I. Fultz
Kaplan Kirsch & Rockwell LLP
1001 Connecticut Avenue, NW
Suite 905
Washington, DC 20036
(202) 955-5600
cspitulnik@kaplankirsch.com
afultz@kaplankirsch.com

Counsel for Maryland Transit
Administration

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served a copy of the foregoing Notice of Consummation upon all parties of record in this proceeding by first class mail with postage prepaid and properly addressed.

Dated this 23rd day of July, 2007.


Charles A. Spitulnik