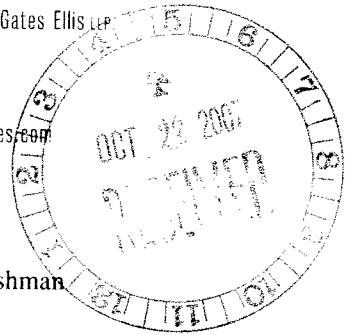


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OCT 22 2007

SURFACE
TRANSPORTATION BOARD



220509

October 22, 2007

Edward J. Fishman
202.778.9456
Fax: 202.778.9100
ed.fishman@klgates.com

Via Hand Delivery

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings

OCT 23 2007

Part of
Public Record

**RE: Finance Docket No. 35098
Genesee & Wyoming Inc. – Control Exemption – Maryland
Midland Railway, Inc.**

Dear Secretary Williams:

On behalf of Genesee & Wyoming Inc. ("GWT"), please find enclosed for filing in the above-referenced docket an original and ten copies of a **Notice of Exemption** filed by GWI under 49 C.F.R. § 1180.2(d)(2) to acquire indirect control of Maryland Midland Railway, Inc. A check in the amount of \$1,100 to cover the applicable filing fee is enclosed. We also have enclosed, pursuant to 49 C.F.R. § 1180.6(a)(6), twenty (20) additional copies of the maps attached to the **Notice of Exemption**. A copy of the Merger Agreement referenced in the **Notice of Exemption** is being filed under seal in a separate envelope (marked "Highly Confidential-Filed Under Seal Subject to a Request for Protective Order") in conjunction with a Motion for Protective Order that is being filed contemporaneously herewith.

Please acknowledge receipt of this filing by file-stamping the attached extra copy of this letter and contact me if you have any questions. Thank you.

Respectfully submitted, .

Edward J. Fishman
Attorney for Genesee & Wyoming Inc.

Enclosure

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35098

GENESEE & WYOMING INC.
-- CONTROL EXEMPTION --
MARYLAND MIDLAND RAILWAY, INC.

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Kevin M. Sheys
Edward J. Fishman
Kirkpatrick & Lockhart
Preston Gates Ellis LLP
1601 K Street NW
Washington, DC 20006
(202) 778-9000

**ATTORNEYS FOR
GENESEE & WYOMING INC.**

Dated: October 22, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35098

GENESEE & WYOMING INC.
-- CONTROL EXEMPTION --
MARYLAND MIDLAND RAILWAY, INC.

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Genesee & Wyoming Inc. ("GWI") hereby files this Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(2) to acquire indirect control of Maryland Midland Railway, Inc. ("MMID") upon consummation of the Agreement and Plan of Merger ("Merger Agreement") entered into by and between GWI, MMID Holding Inc. ("MMID Holding"), MMID Acquisition Sub Inc. ("Merger Sub") and MMID. GWI is a non-carrier holding company that directly or indirectly controls one Class II and numerous Class III railroads. MMID Holding is a non-carrier, majority-owned direct subsidiary of GWI. Merger Sub is a non-carrier, wholly-owned direct subsidiary of MMID Holding. Pursuant to the Merger Agreement, Merger Sub will merge with and into MMID whereupon the existence of Merger Sub will cease and MMID will continue as the surviving corporation whose sole shareholder will be MMID Holding. Thus, upon consummation of the proposed merger transaction, MMID Holding will acquire direct

control of MMID and GWI (which will control MMID Holding through ownership of a majority of its shares) will acquire indirect control of MMID.¹

MMID is a Class III rail carrier that owns and operates lines of railroad located in Maryland and Pennsylvania. MMID does not own or operate any lines of railroad which connect with the rail lines of any existing carrier controlled by GWI. This control transaction is not part of a series of anticipated transactions that would result in any connection between MMID and the rail lines of any existing carrier controlled by GWI. In addition, this control transaction does not involve a Class I carrier. Accordingly, the acquisition of direct control of MMID by MMID Holding and indirect control of MMID by GWI is exempt under 49 C.F.R. § 1180.2(d)(2).

Pursuant to 49 C.F.R. § 1180.4(g), GWI submits the following information:

SECTION 1180.6(a)(1)(i)
DESCRIPTION OF THE PROPOSED TRANSACTION

GWI is a noncarrier holding company that directly or indirectly controls Buffalo & Pittsburgh Railroad, Inc., a Class II rail carrier operating in New York and Pennsylvania, and 24 Class III rail carriers.² GWI also controls additional rail carriers together with two of its wholly

¹ MMID Holding is not listed as an applicant on this Notice of Exemption because it will only obtain control of one rail carrier (MMID) following consummation of the proposed merger transaction and therefore does not need to obtain an exemption from control authority under 49 U.S.C. § 11323.

² These carriers are: Arkansas, Louisiana & Mississippi Railroad Company, which operates in Arkansas and Louisiana; Chattahoochee Bay Railroad, Inc. which operates in Georgia and Alabama; Chattahoochee Industrial Railroad, which operates in Georgia; Commonwealth Railway, Inc., which operates in Virginia; Corpus Christi Terminal Railroad, Inc., which operates in Texas; Dansville and Mount Morris Railroad Company, which operates in New York; First Coast Railroad, Inc., which operates in Florida and Georgia; Fordyce & Princeton Railroad Company, which operates in Arkansas; Genesee & Wyoming Railroad Company, Inc., which operates in New York; Golden Isles Terminal Railroad, Inc., which operates in Georgia; Illinois & Midland Railroad, Inc., which operates in Illinois; Louisiana & Delta Railroad, Inc., which operates in Louisiana; Portland & Western Railroad, Inc., which operates in Oregon; Rochester & Southern Railroad, Inc., which operates in New York; Salt Lake City Southern Railroad Company, which operates in Utah; Savannah Port Terminal Railroad Inc., which operates in Georgia; South Buffalo Railway Company, which operates in New York; St. Lawrence & Atlantic Railroad Company, which operates in Vermont, New Hampshire and Maine; St. Lawrence & Atlantic Railroad (Quebec), Inc., which operates in Vermont; Talleyrand Terminal Railroad, Inc., which operates in

owned subsidiaries that are noncarrier holding companies: RP Acquisition Company One (RP1) and RP Acquisition Company Two (RP2). GWI and RP1 control Rail Partners, L.P.,³ and eight Class III rail carriers formed as limited partnerships.⁴ GWI and RP2 control Rail Partners, L.P.,⁵ KWT Railway Inc., a Class II rail carrier, and five Class III rail carriers organized as limited liability companies.⁶ The common control of all of these carriers was authorized in Finance Docket No. 34913, Genesee & Wyoming Inc. – Continuance in Control Exemption – Chattahoochee Bay Railroad, Inc., (STB served Nov. 9, 2006). MMID Holding is a non-carrier, wholly-owned direct subsidiary of GWI. It does not own or control any rail carriers.

MMID is a Class III rail carrier that owns lines of railroad located generally: (a) between approximately milepost 69.7 at or near Highfield, MD and approximately milepost 19.9 at or near Emory Grove, MD and (b) between approximately milepost 60.1 at or near Walkersville, MD and approximately milepost 39.6 at or near Littlestown, PA.⁷ MMID does not own or

Florida; Tazewell & Peoria Railroad, Inc., which operates in Illinois; Utah Railway Company, which operates in Colorado and Utah; Willamette and Pacific Railroad, Inc., which operates in Oregon; and York Railway Company (York), which operates in Pennsylvania. In addition, GWI has control over Maryland and Pennsylvania, LLC and Yorkrail, LLC, non-operating Class III rail carriers that separately hold the rail assets over which York operates.

³ Rail Partners, L.P., is a noncarrier limited partnership that holds all non-managing membership interests or all limited partnership interests (as applicable) in each of the Class III rail carriers that GWI and RP1 and RP2 control together. RP1 acquired the entire general partnership interest of Rail Partners, L.P.

⁴ These carriers are: Atlantic & Western Railway, Limited Partnership; East Tennessee Railway, L.P.; Galveston Railroad, L.P.; Georgia Central Railway, L.P.; Little Rock & Western Railway, L.P.; Tomahawk Railway, Limited Partnership; Valdosta Railway, L.P.; and Wilmington Terminal Railroad, Limited Partnership.

⁵ RP2 acquired the entire limited partnership interest of Rail Partners, L.P.

⁶ The carriers are: AN Railway, L.L.C.; The Bay Line Railroad, L.L.C. (Bay Line); M&B Railroad, L.L.C.; Riceboro Southern Railway, L.L.C.; and Western Kentucky Railway, L.L.C.

⁷ In Finance Docket No. 35099, MMID concurrently is filing a notice of exemption relating to its prior purchase of the lines of railroad between a) Littlestown, PA and Walkersville, MD and b) Cedarhurst, MD and Westminster, MD (the “Subject Lines”) from the Maryland Transit Administration (“MTA”).

operate any lines of railroad which connect with the rail lines of any existing rail carrier controlled by GWI. MMID Holding plans to acquire direct control and GWI plans to acquire indirect control of MMID upon the consummation of the Merger Agreement.

The full name and address of the applicant is as follows:

Genesee & Wyoming Inc.
66 Field Point Road
Greenwich, CT 06830

Any questions concerning this Notice should be sent to the representative of GWI at the following address:

Kevin M. Sheys
Kirkpatrick & Lockhart Preston Gates Ellis LLP
1601 K Street NW
Washington, D.C. 20006
(202) 778-9000

SECTION 1180.6(a)(1)(ii)
PROPOSED TIME SCHEDULE FOR CONSUMMATION

GWI and MMID Holding intend to consummate their acquisition of control of MMID on or soon after the date that this Notice of Exemption becomes effective.

SECTION 1180.6(a)(1)(iii)
PURPOSE SOUGHT TO BE ACCOMPLISHED

The exemption sought herein will allow MMID Holding to acquire direct control of MMID and GWI to acquire indirect control of MMID upon consummation of the transaction

MMID began operating the portion of the Subject Lines between Walkersville, MD and Taneytown, MD pursuant to operating authority obtained from the Interstate Commerce Commission ("ICC") in 1981. MMID began operating the portion of the Subject Lines between Cedarhurst, MD and Westminster, MD pursuant to operating authority obtained from the ICC in 1987. In 2006, MMID acquired an ownership interest in the Subject Lines (including the non-active segment between Taneytown, MD and Littlestown, PA) without filing a notice of exemption with the Board.

contemplated in the Merger Agreement. This will permit the efficient operation and management of MMID as part of the GWI system.

SECTION 1180.6(a)(5)
STATES IN WHICH PROPERTY OF APPLICANT IS LOCATED

The members of the GWI family of railroads own and/or operate rail property located in the states and/or commonwealths of Alabama, Arkansas, Colorado, Florida, Georgia, Illinois, Kentucky, Louisiana, Maine, Mississippi, New Hampshire, New York, North Carolina, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, Vermont and Wisconsin. MMID owns or operates property located within the State of Maryland and the Commonwealth of Pennsylvania.

SECTION 1180.6(a)(6)
MAP – EXHIBITS

A map of MMID's rail system is attached hereto as **Exhibit A**. Maps of the rail lines owned and/or operated by the other members of the GWI family of railroads are attached hereto as **Exhibit B**.

SECTION 1180.6(a)(7)(ii)
AGREEMENT

In accordance with the Merger Agreement, Merger Sub will merge with and into MMID whereupon the existence of Merger Sub will cease and MMID will continue as the surviving corporation. Subsequently, the outstanding shares of common stock of MMID will be converted into the right to receive cash, MMID Holding will be the sole shareholder of MMID, and GWI will be the majority holder of the shares of MMID Holding. A copy of the Merger Agreement is being filed under seal in conjunction with a Motion for Protective Order being filed by GWI.

SECTION 1180.4(g)(1)(i)
LABOR PROTECTIVE CONDITIONS

Pursuant to 49 U.S.C. §11326(b), the Surface Transportation Board is required to impose employee protective conditions on this control transaction as it involves the common control of one Class II carrier (Buffalo & Pittsburgh Railroad, Inc.) with a number of Class III carriers (including MMID).

SECTION 1180.4(g)(1)
ENVIRONMENTAL AND HISTORIC PRESERVATION MATTERS

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), no environmental report is required for the acquisition of direct control of MMID by MMID Holding and indirect control of MMID by GWI. The transaction will not result in significant changes in carrier operations, i.e. changes which exceed the threshold established in 49 C.F.R. § 1105.7(e)(4) or (5). Under 49 C.F.R. § 1105.8(b)(3), no historic preservation report is required.

Respectfully submitted,

By:



Kevin M. Sheys
Edward J. Fishman
Kirkpatrick & Lockhart
Preston Gates Ellis LLP
1601 K Street NW
Washington, D.C. 20006
(202) 778-9000

**ATTORNEYS FOR
GENESEE & WYOMING INC.**

Dated: October 22, 2007

EXHIBIT A
MAP OF MMID RAIL SYSTEM

Maryland Midland Network Map

MMID Lines

MMID MTA Lines

Non-Active

Highfield

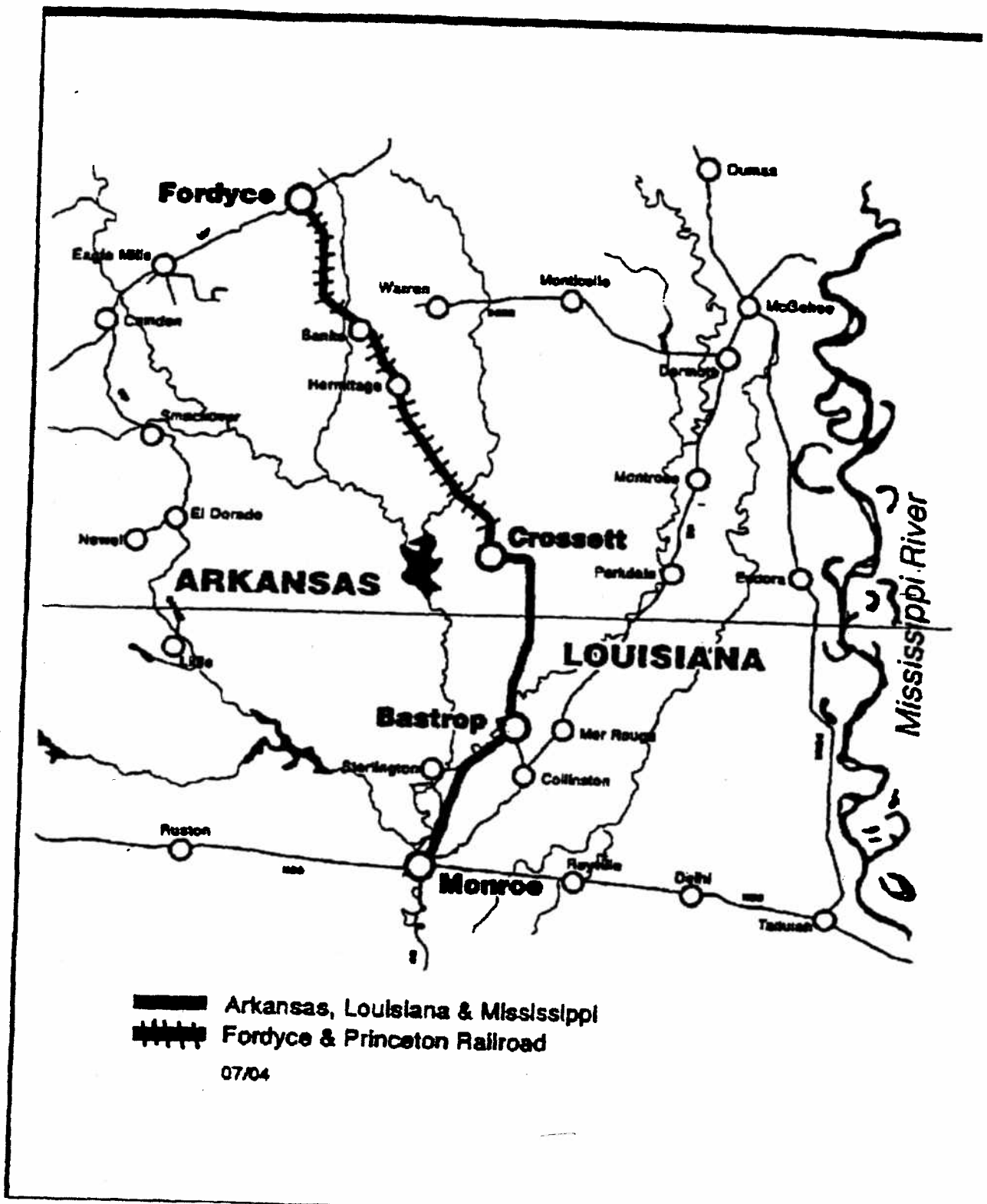
Interchange with CSX

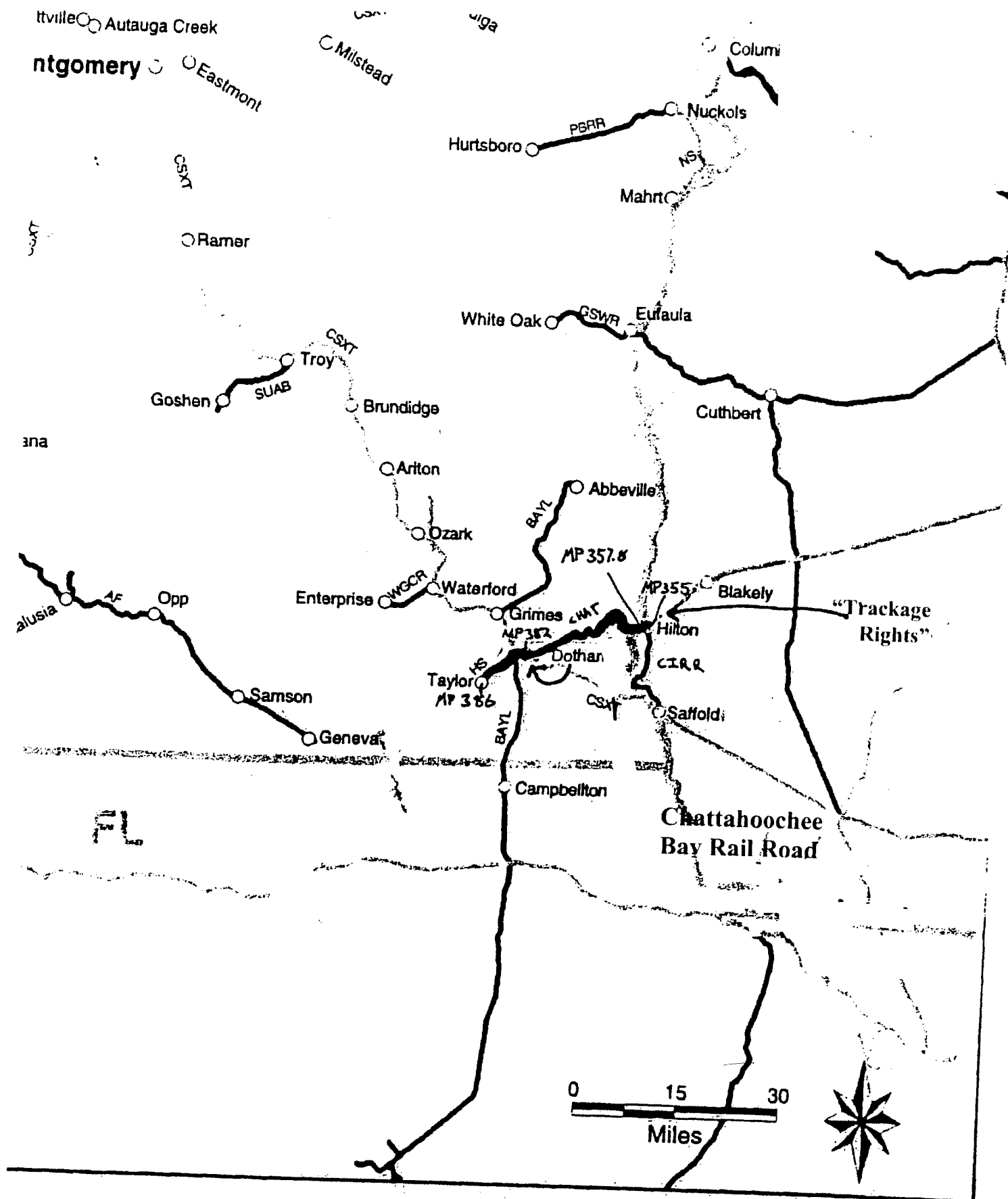
Emory Grove
Interchange with CSX

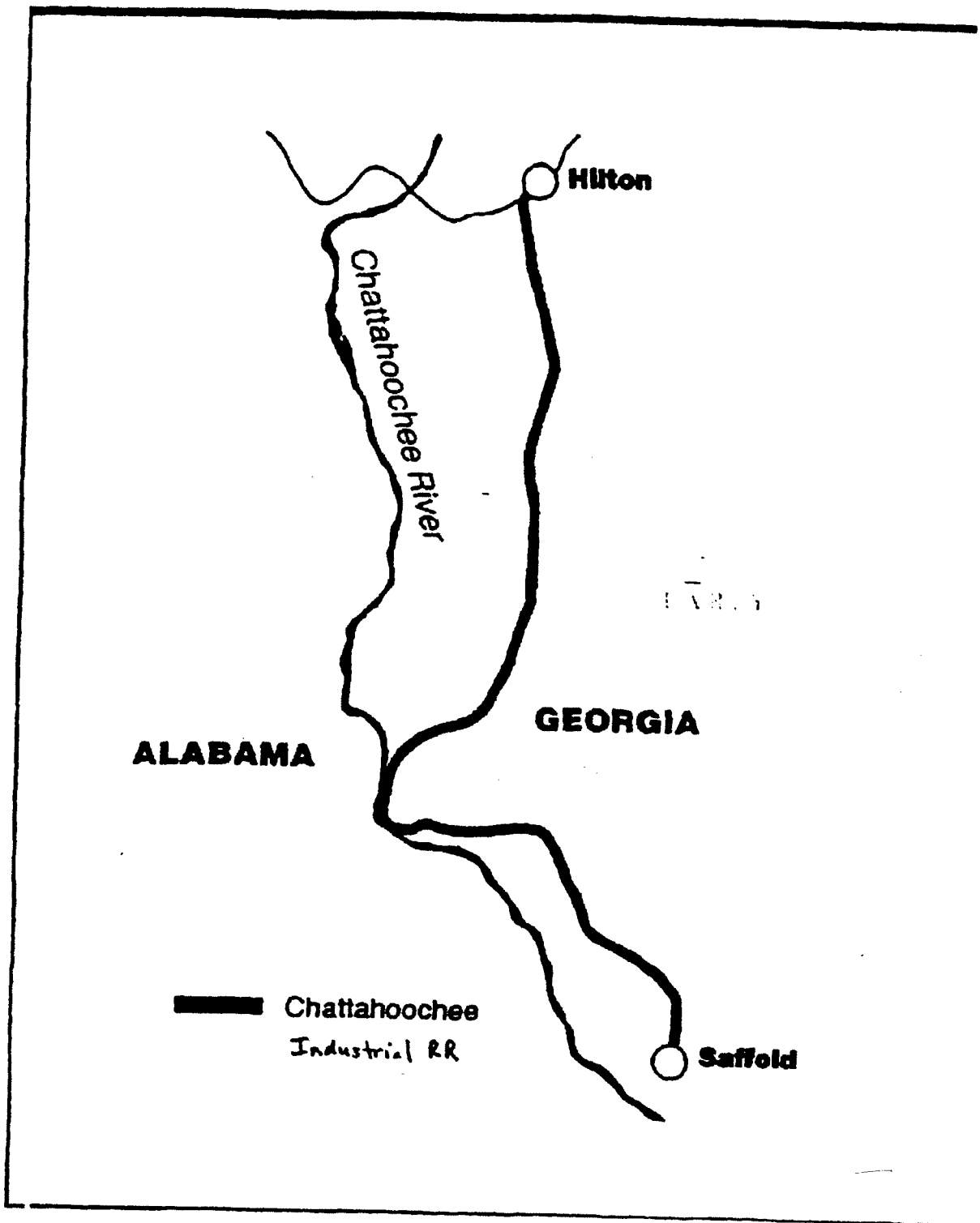


EXHIBIT B

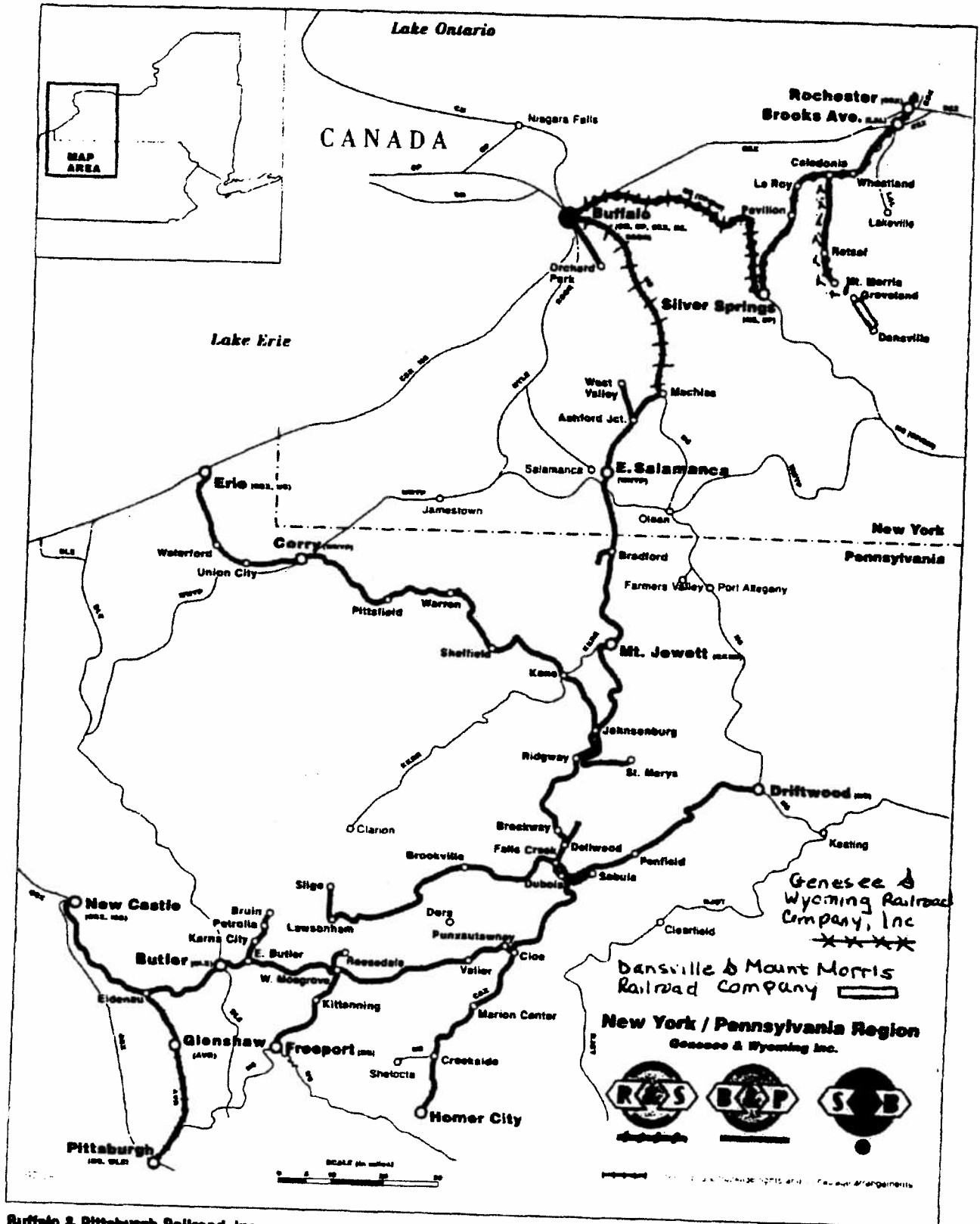
MAPS OF THE RAILROADS OWNED AND/OR OPERATED BY GWI







New York/Pennsylvania Region - Route Map

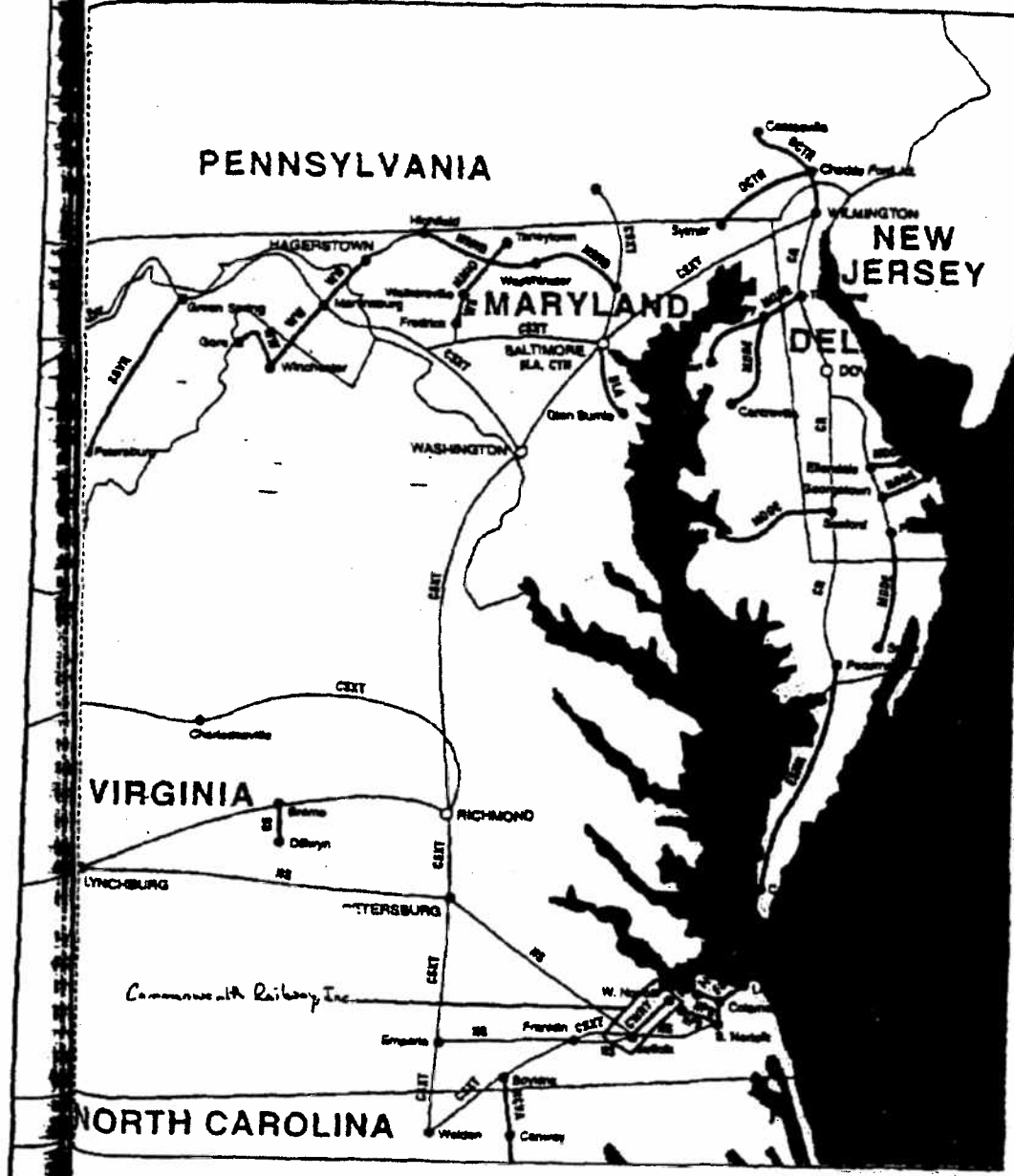


Buffalo & Pittsburgh Railroad, Inc.
Rochester & Southern Railroad, Inc.
South Buffalo Railway Co.

1200-C Scottsville Road, Suite 200
Rochester, NY 14624

Customer Service/Operations
Phone: 800-603-3385
Fax: 800-477-4947

CSE
REGION 7
DC/DE/MD/VA/WV



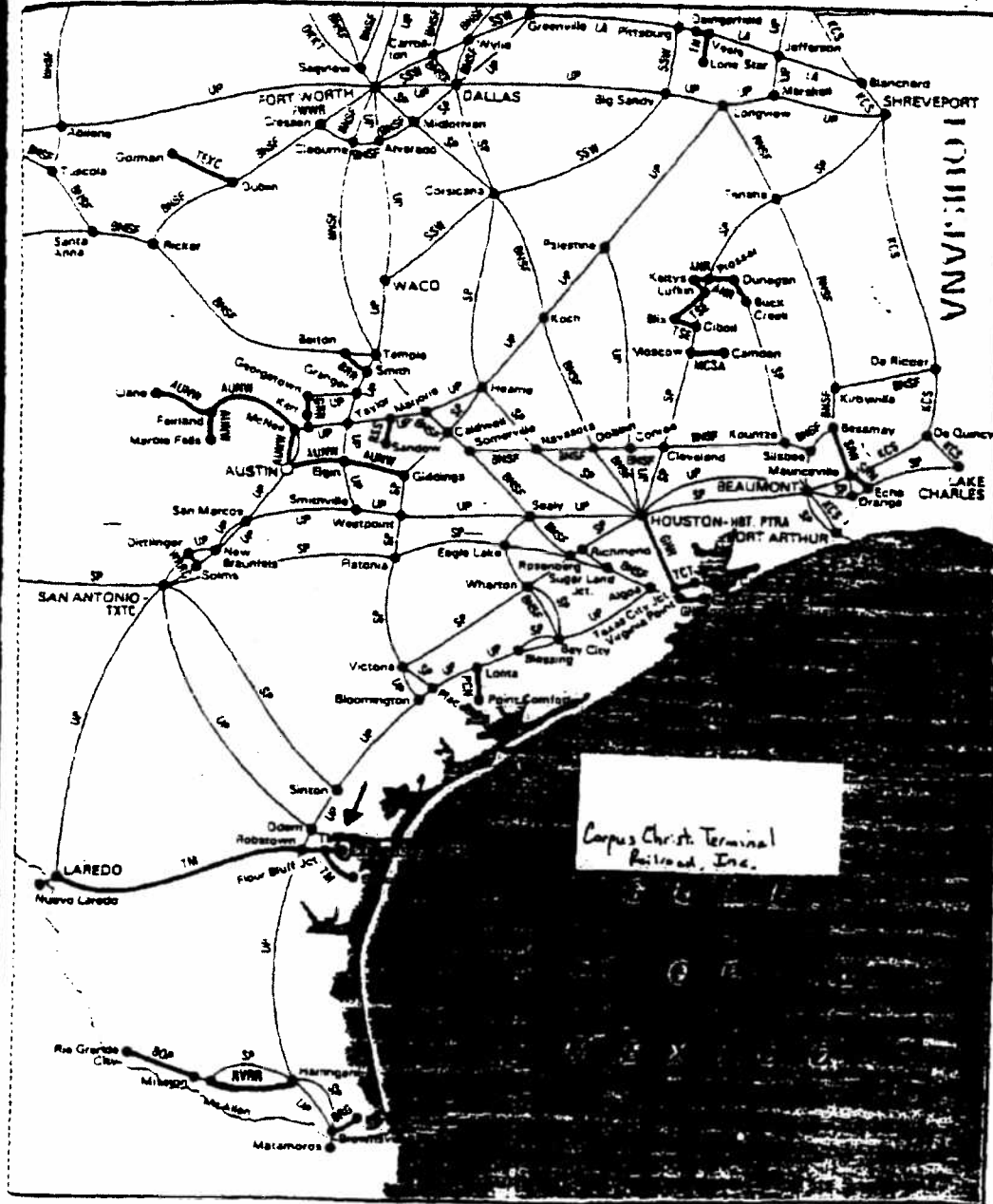
REGION 7 DC/DE/MD/VA/WV

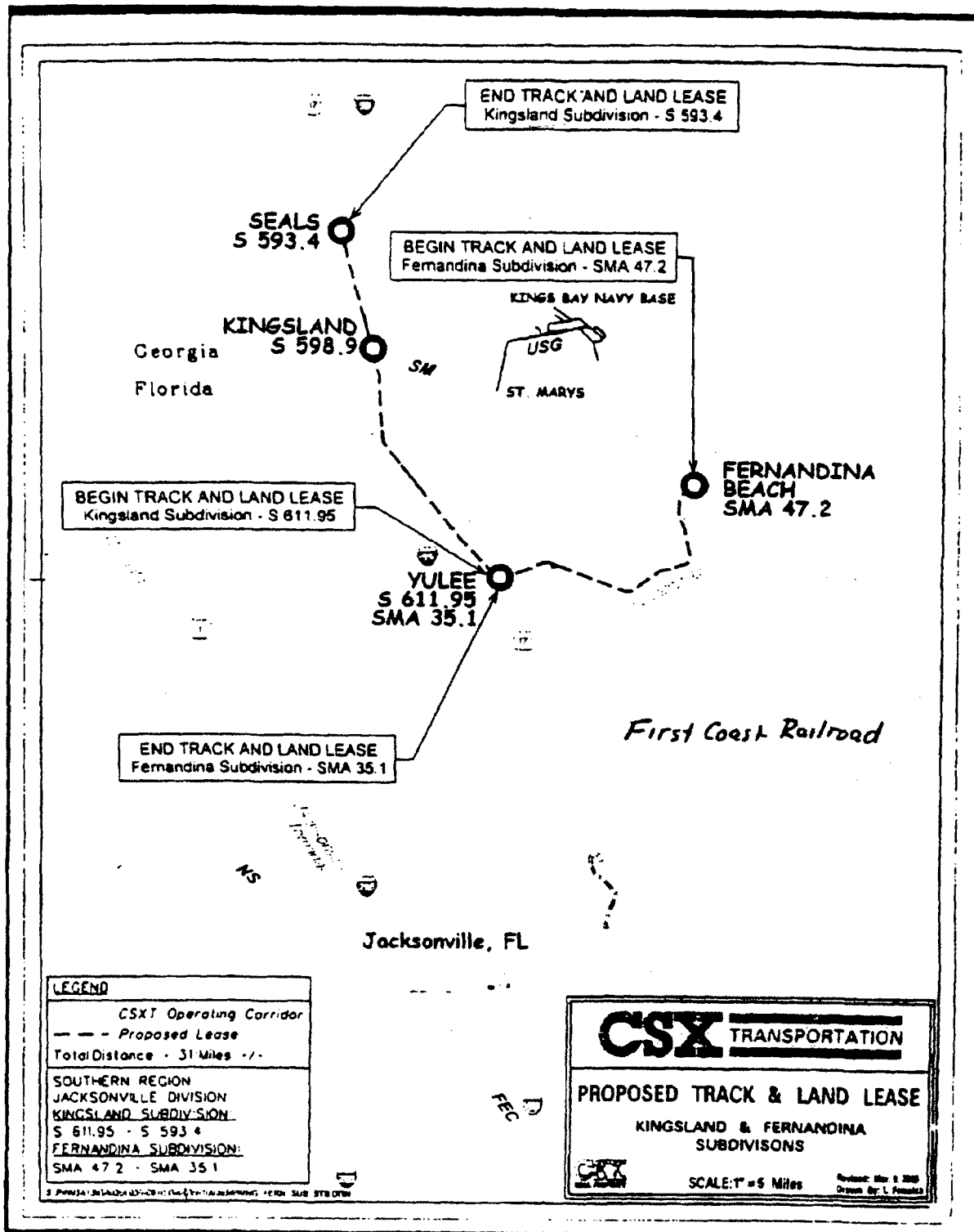
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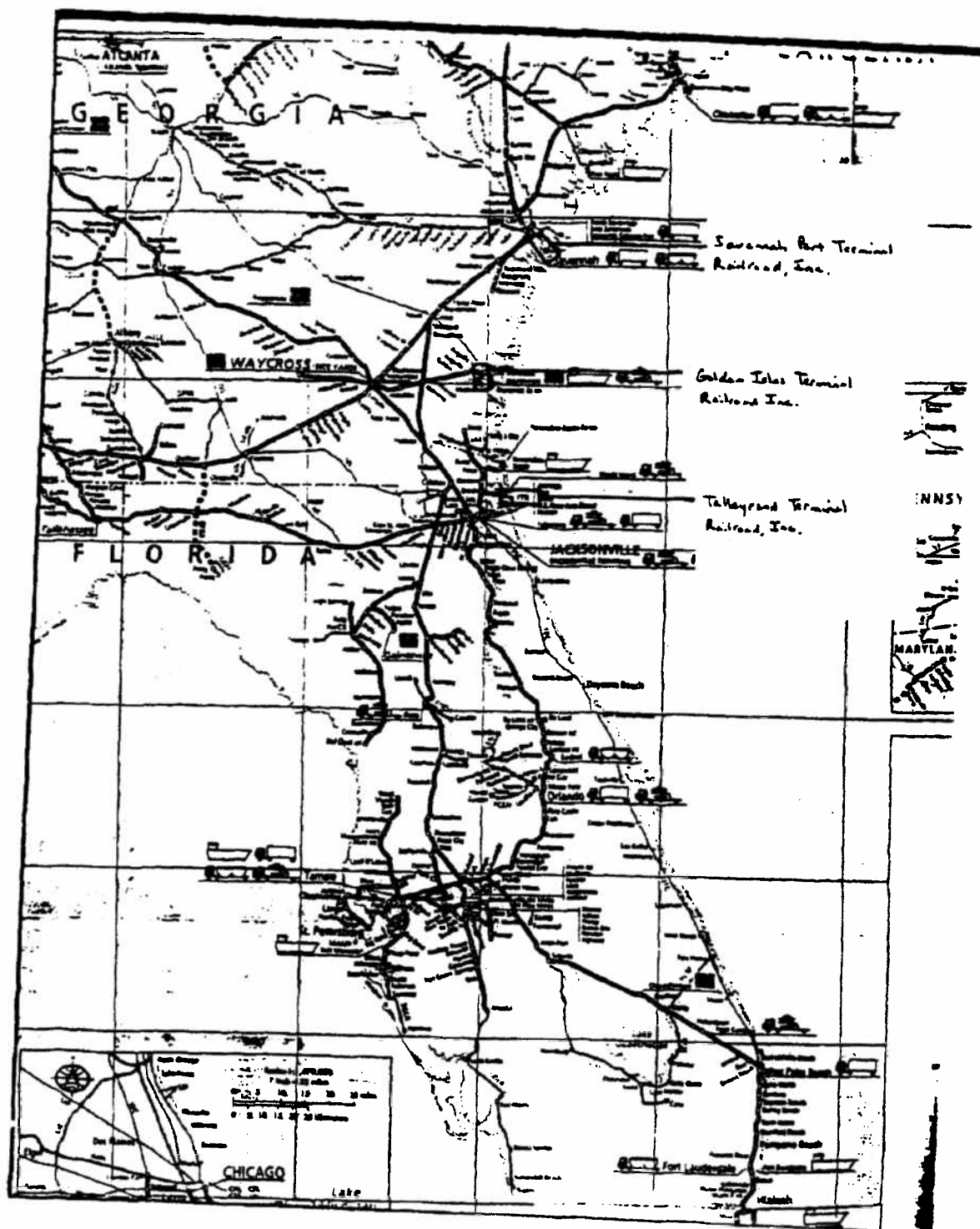
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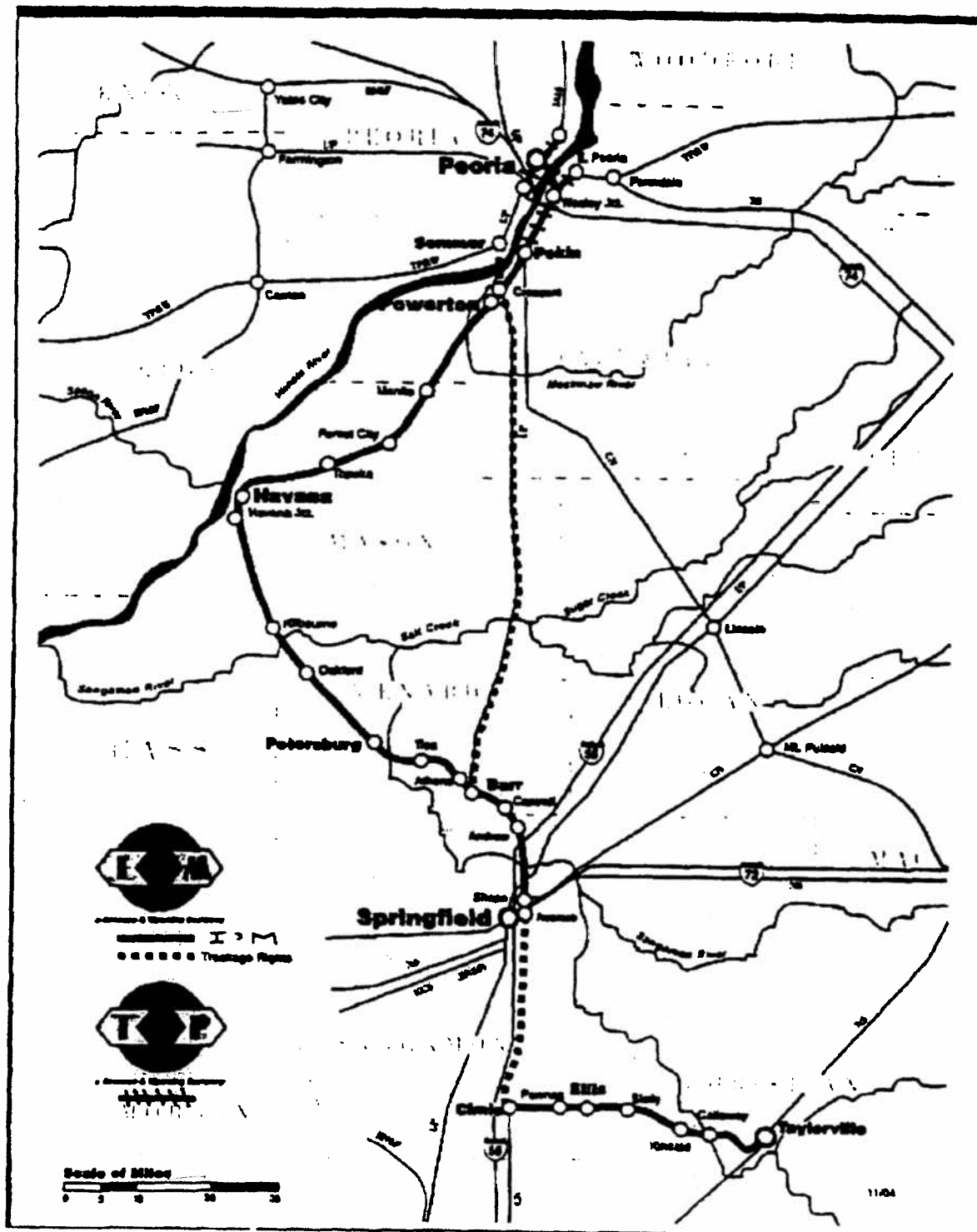
OK/TX

REGION 21 OK/TX









Map of the proposed BNSF Railway route from Lafayette, Louisiana to Baton Rouge, Louisiana. The map shows the route passing through the Atchafalaya River area, with various stations and landmarks labeled. A legend indicates 'Trestle Rights over UP Railroad Jct. to BN Jct.' and 'Other Tracks'.

Legend:

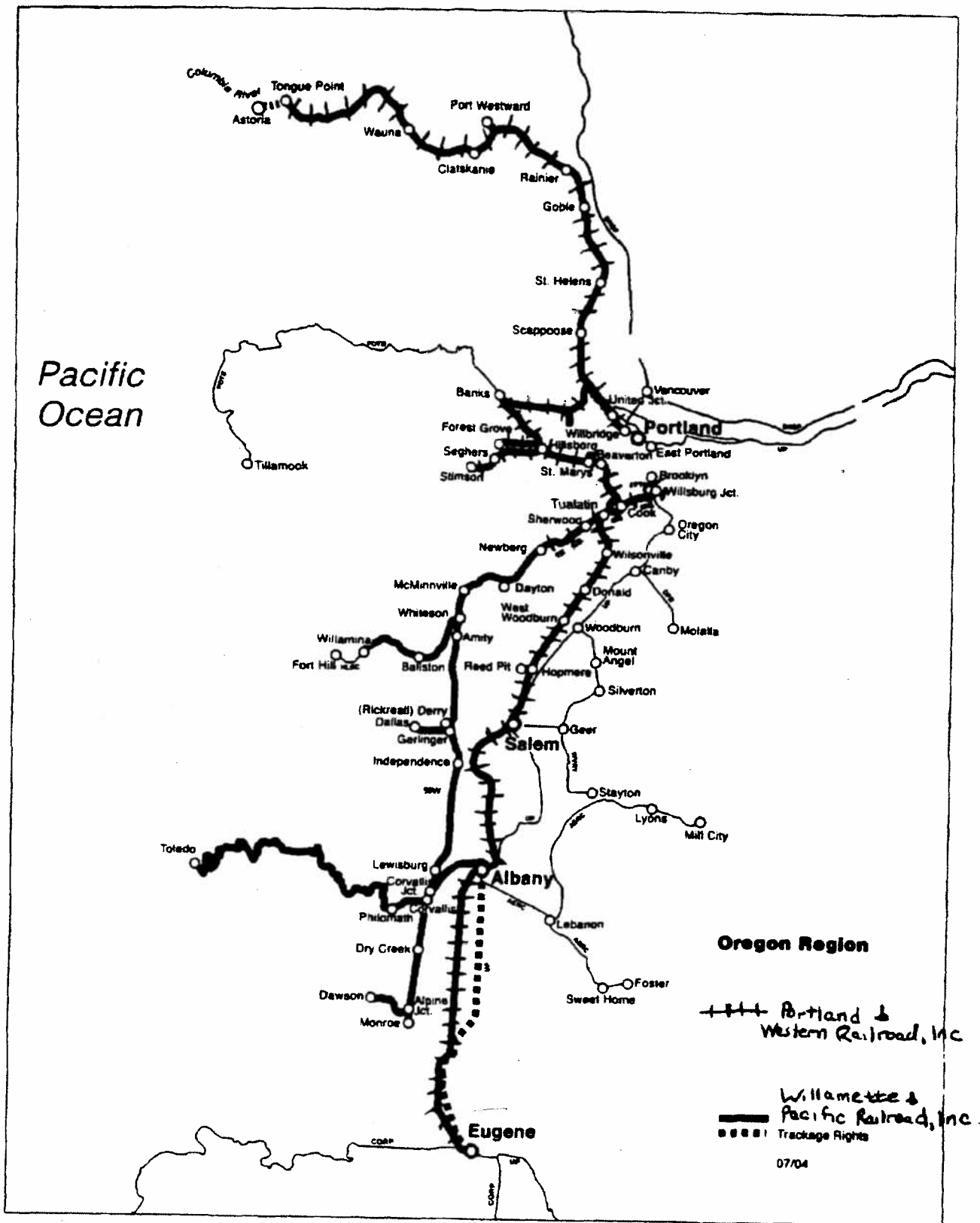
- ==== Trestle Rights over UP Railroad Jct. to BN Jct.
- Other Tracks

Map Labels:

- Lafayette Yard
- Atchafalaya River
- Baton Rouge
- Other Tracks
- Trestle Rights over UP Railroad Jct. to BN Jct.

☐ Tradeage Rights
☐ LID
☐ Other Trade
 07/24

Oregon Region - Route Map

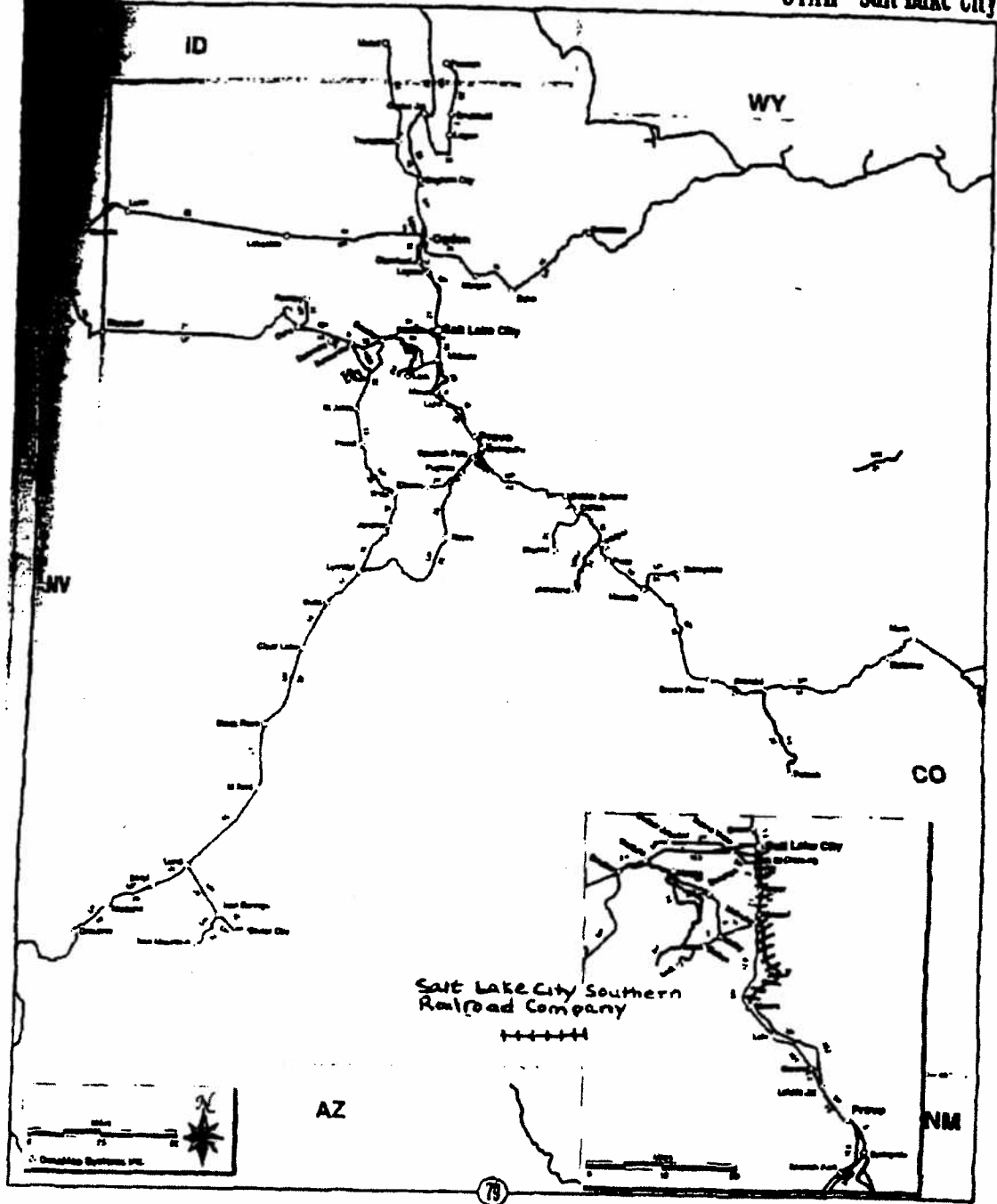


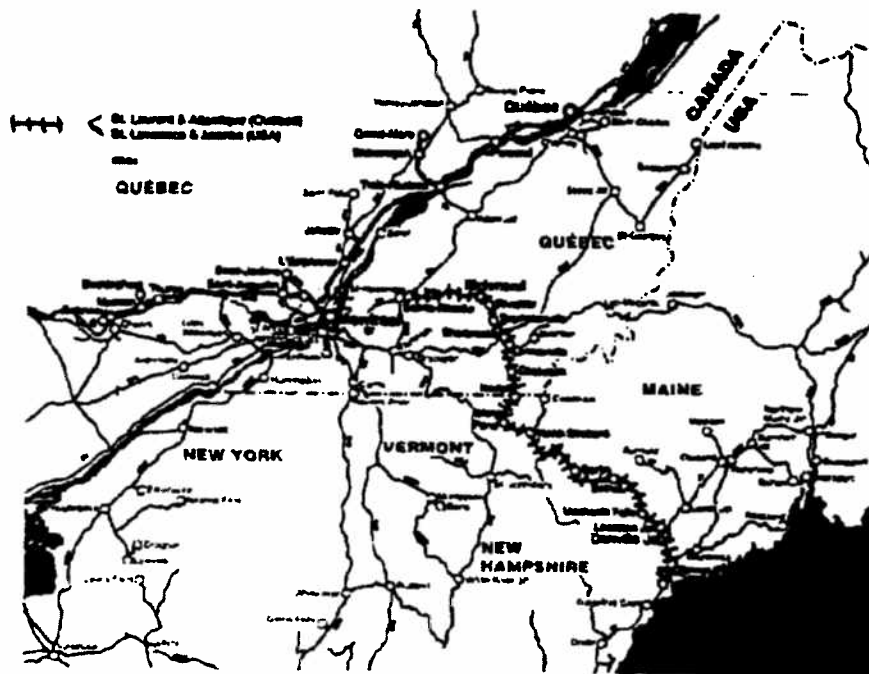
Portland & Western Railroad, Inc.
Willamette & Pacific Railroad, Inc.

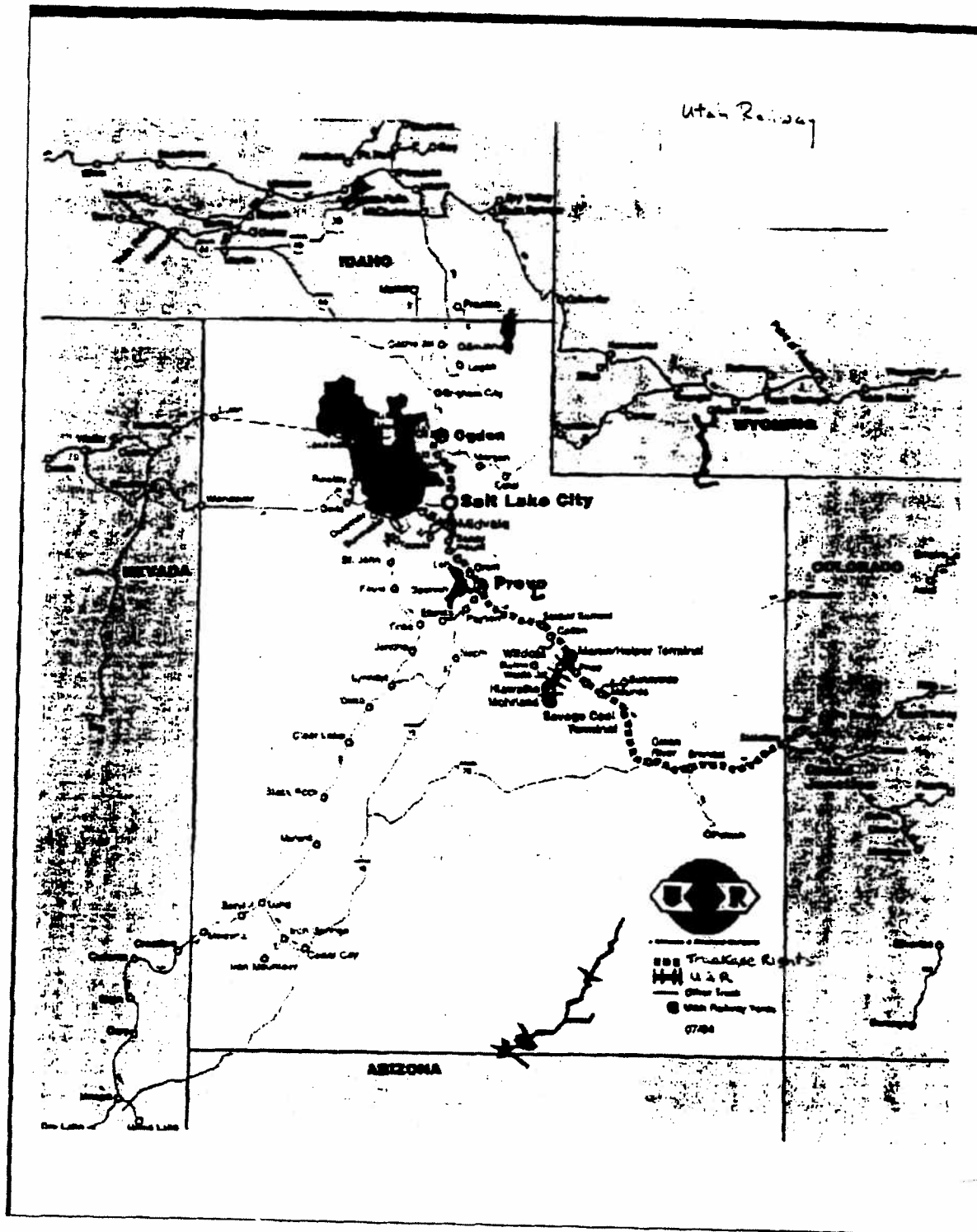
650 Hawthorne Ave. SE , Suite 220
Salem, OR 97301

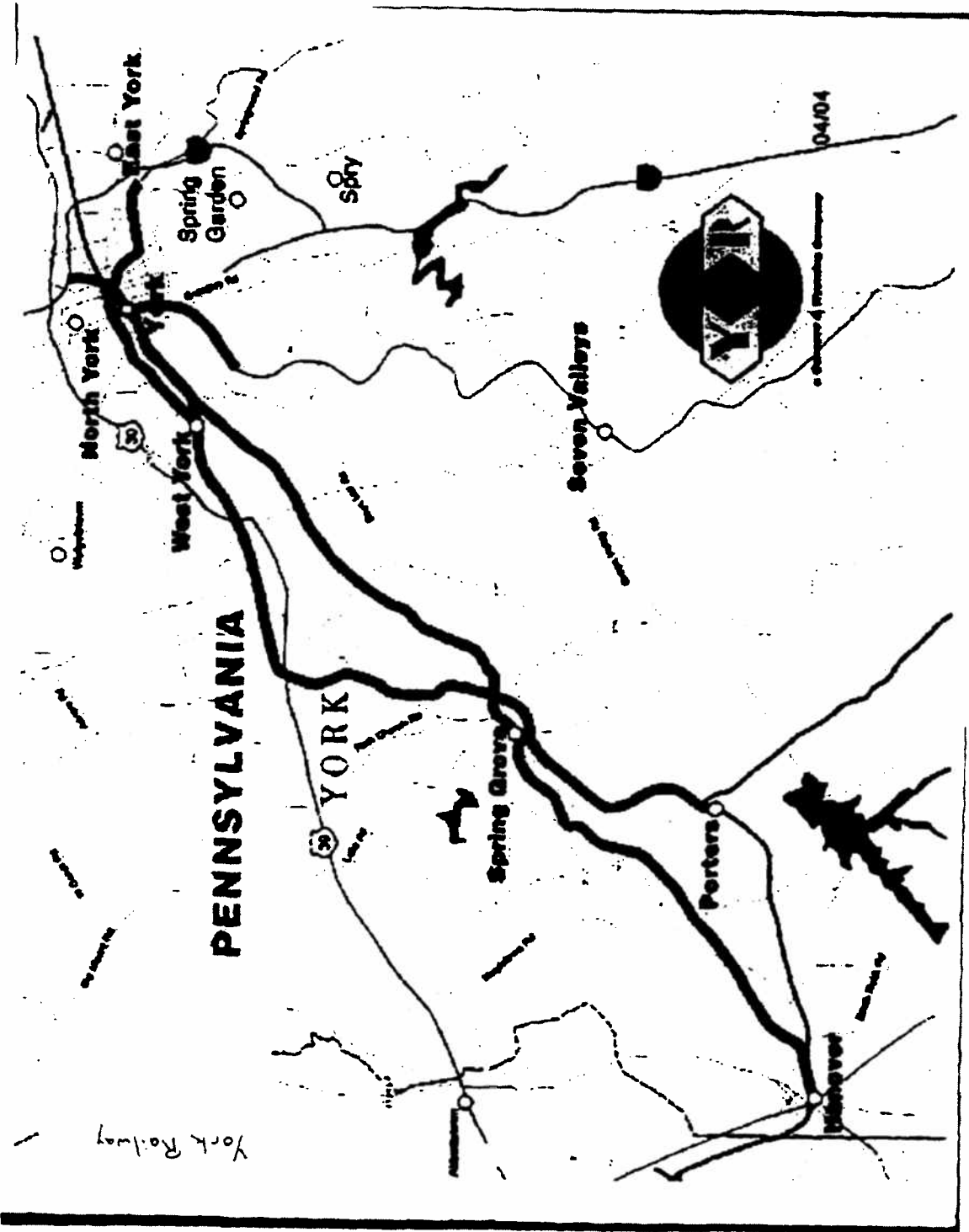
Phone: 503-365-7717
Fax: 503-365-7787

UTAH - SALT LAKE CITY



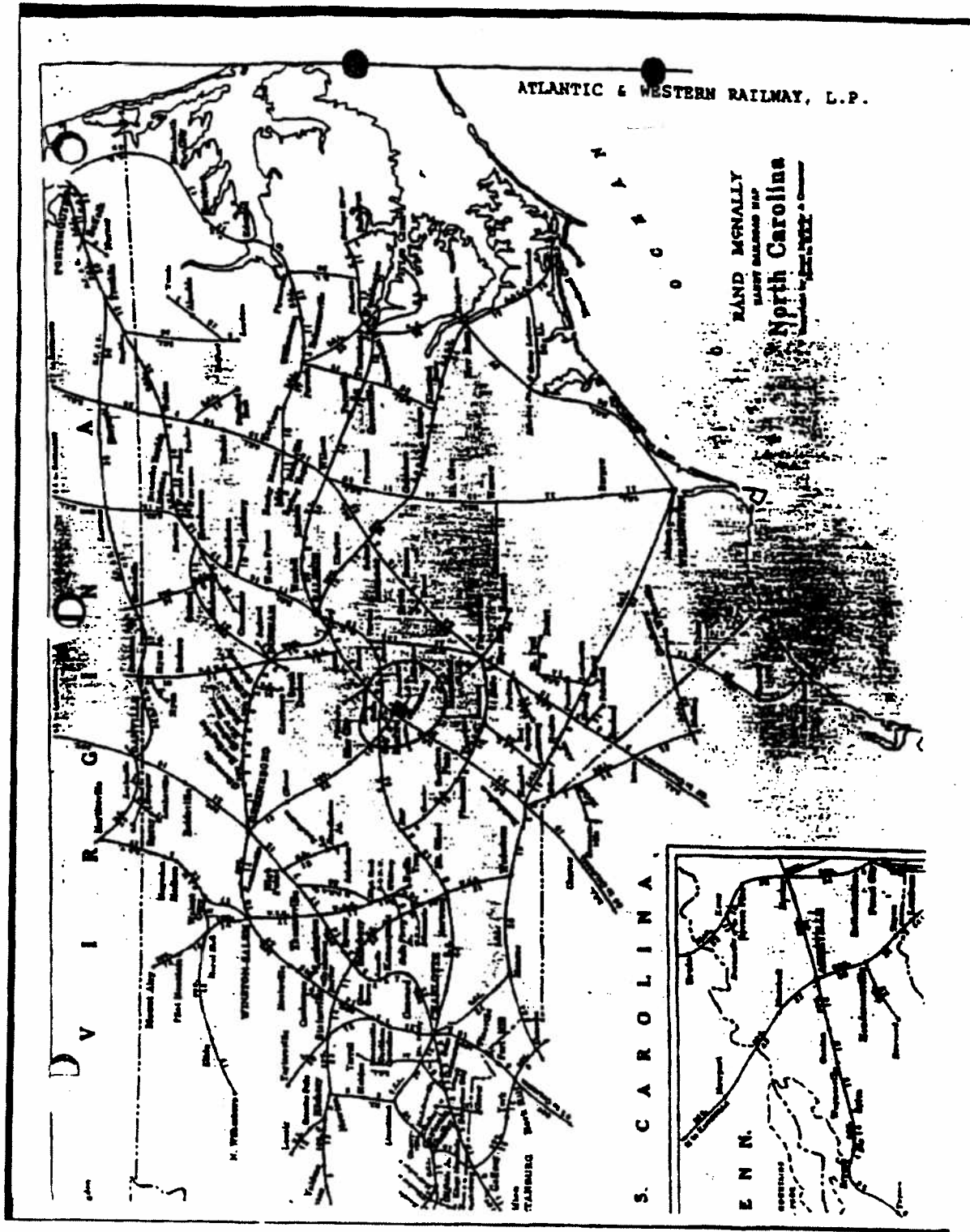








REGION 10



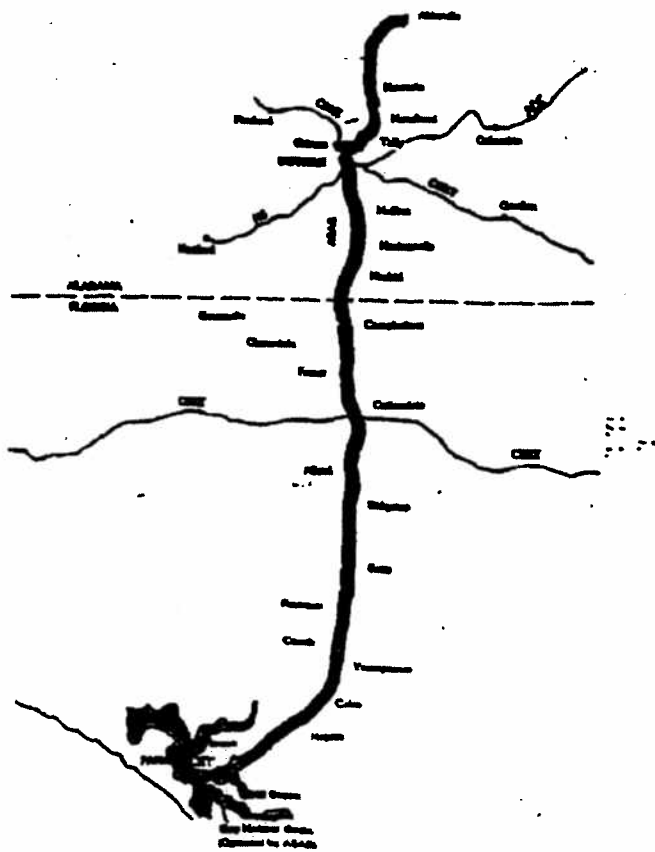
ATLANTIC & WESTERN RAILWAY, L.P.

RAND McNALLY
MAPS
North Carolina

S. CAROLINA

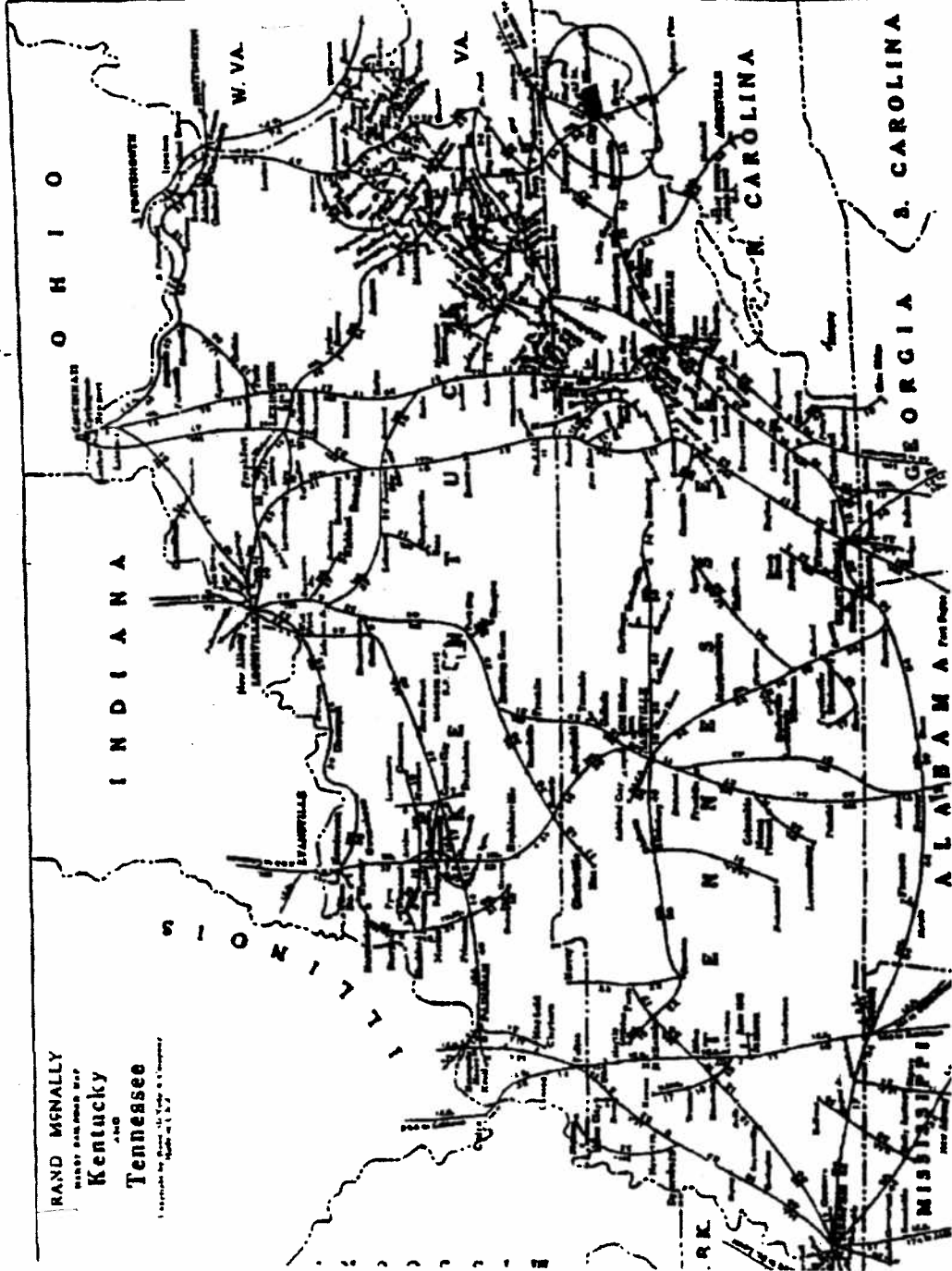
E. N. N.

THE BAY LINE RAILROAD, L.L.C.
SYSTEM MAP
1997



EAST TENNESSEE RAILWAY, L.P.

RAND McNALLY
BEST AND MOST
Kentucky
and
Tennessee
Published by Rand McNally & Co., Chicago, Ill.



GALVESTON RAILROAD, L.P.

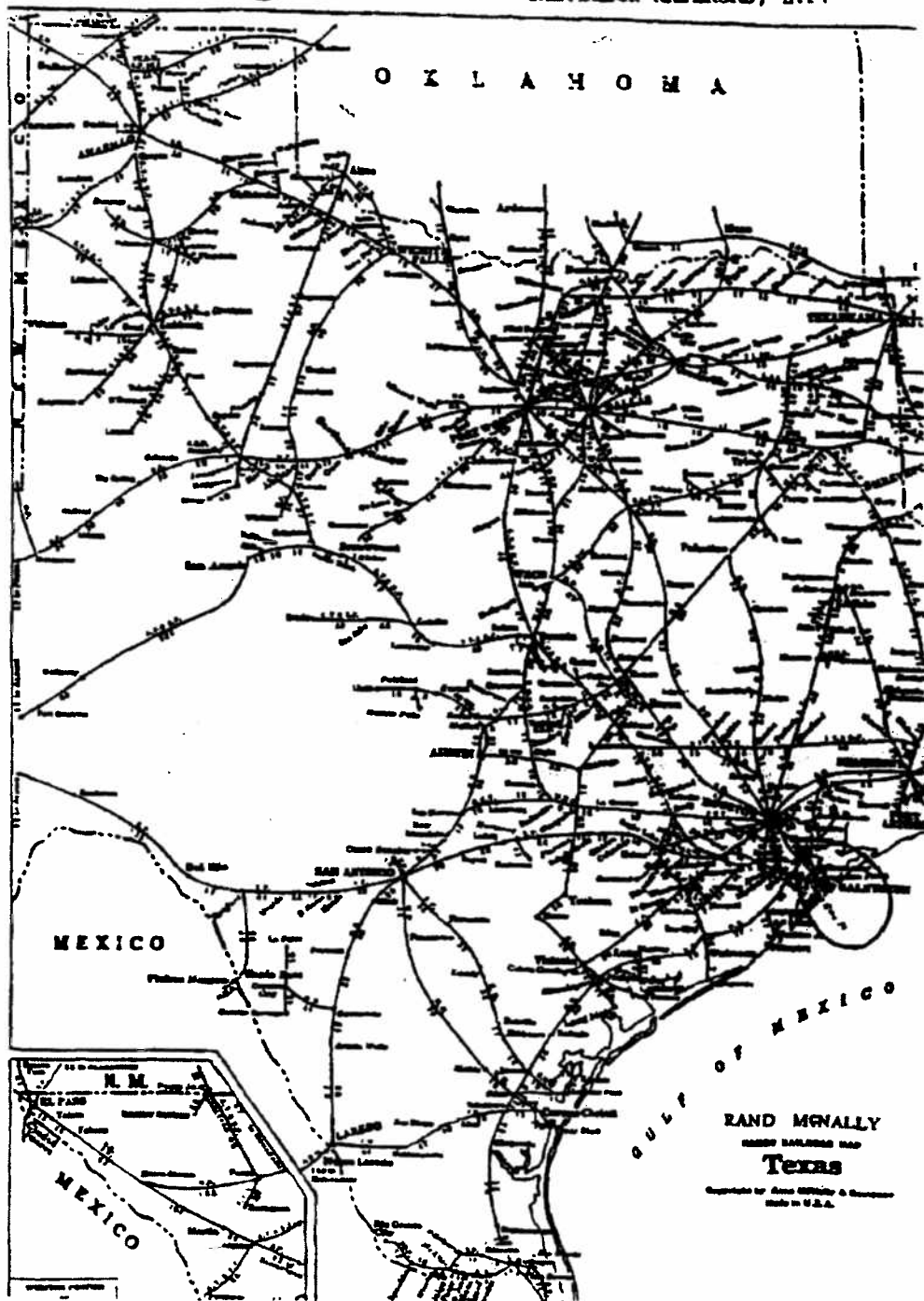
O K L A H O M A

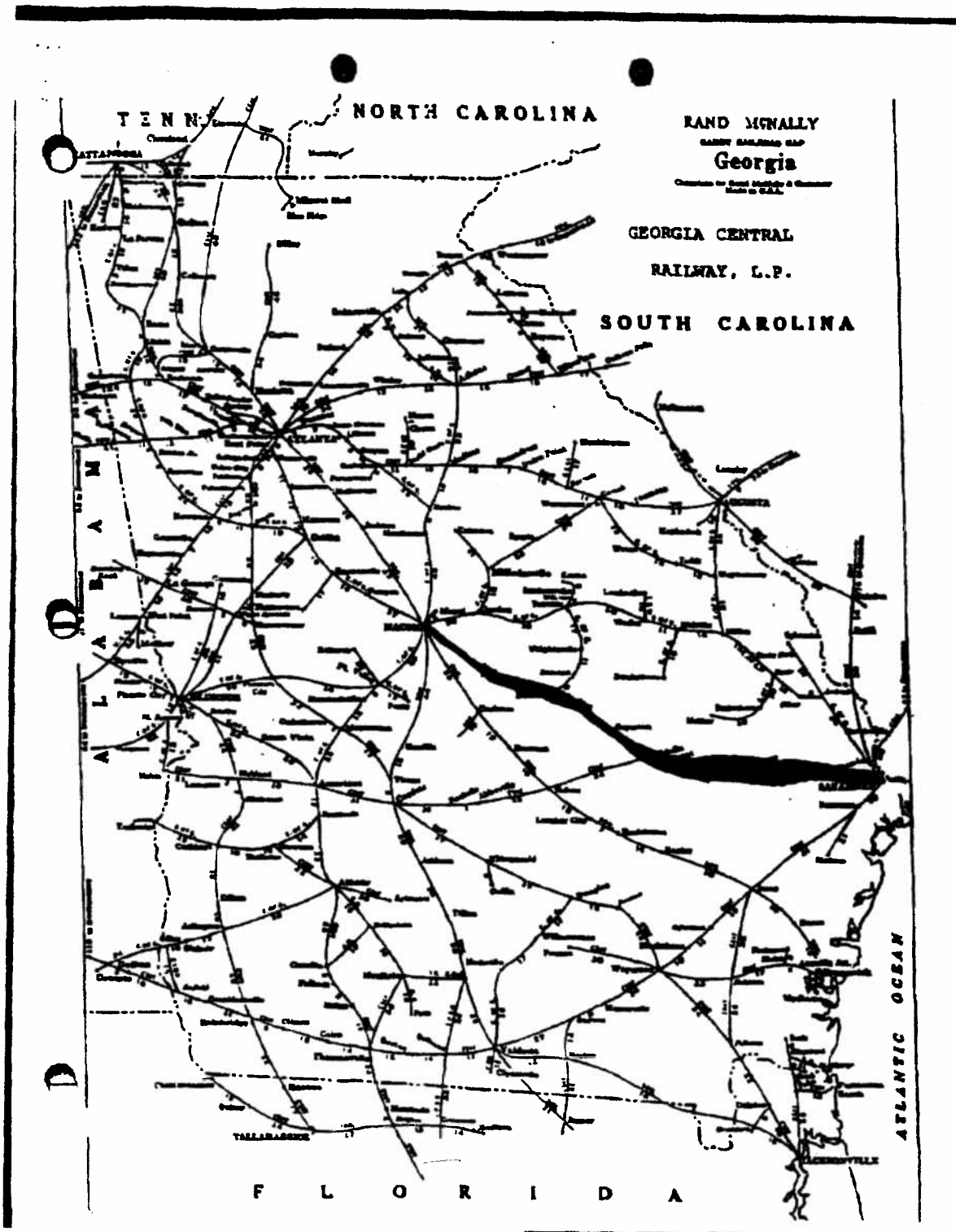
MEXICO

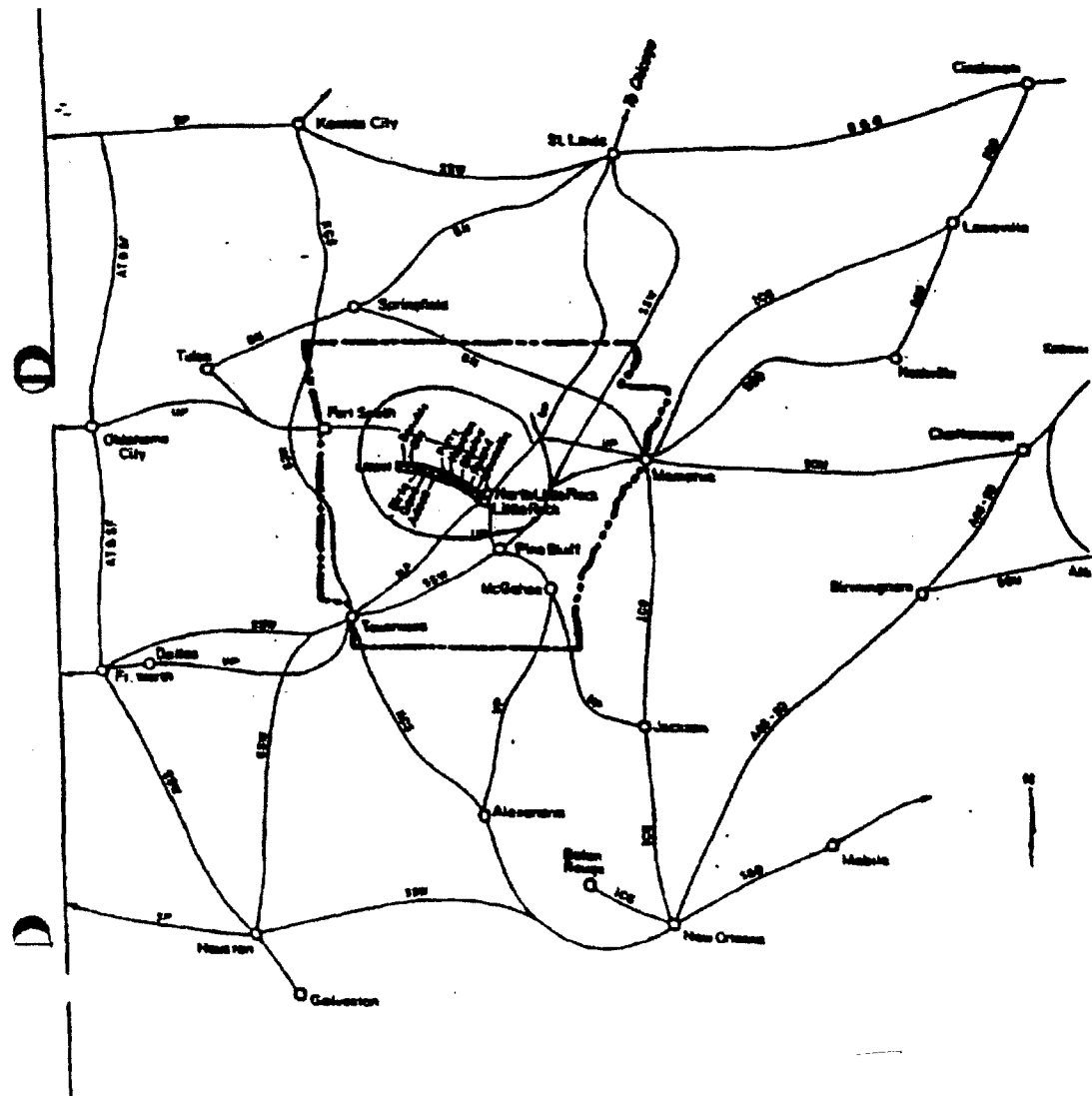
GULF OF MEXICO

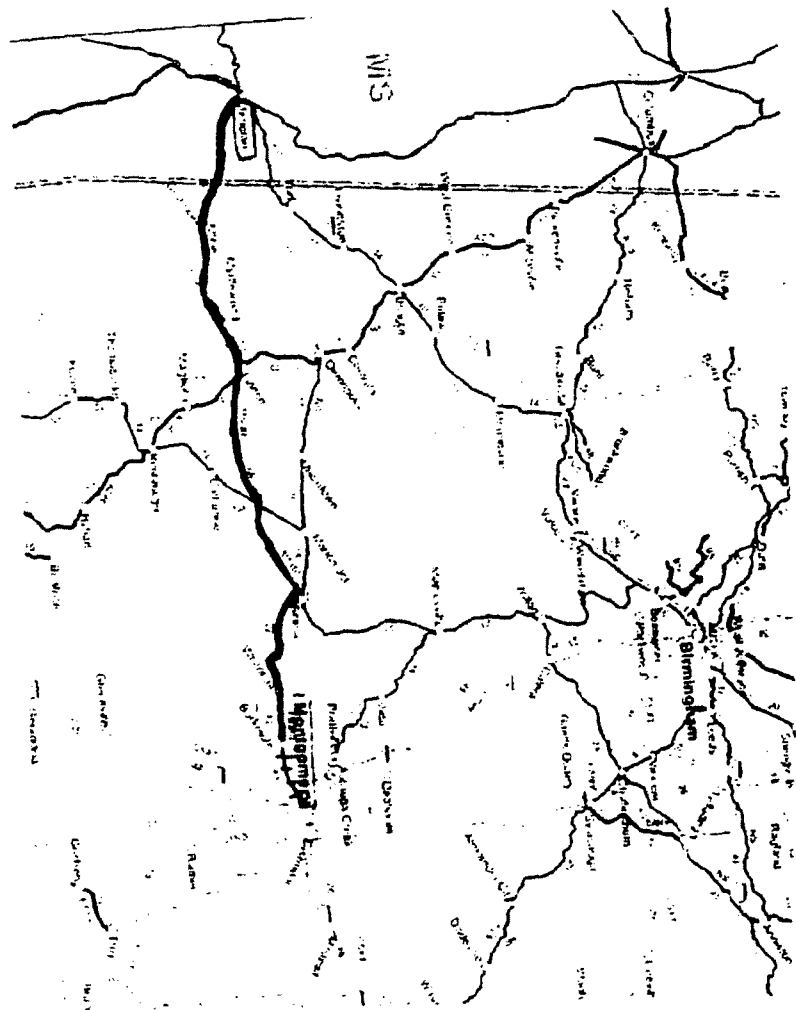
RAND McNALLY
GEOGRAPHIC MAP
Texas

Copyright by Rand McNally & Company
Made in U.S.A.

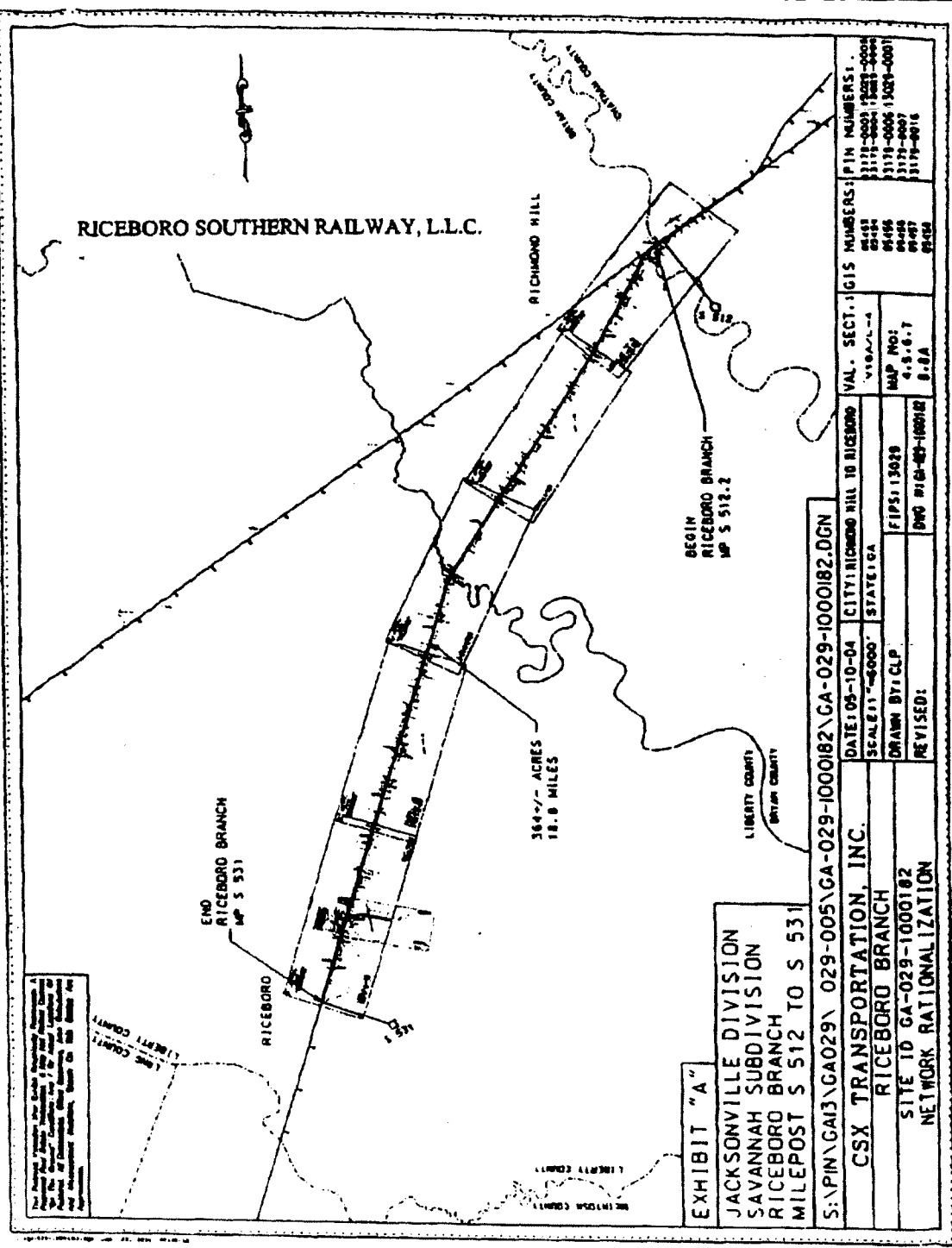




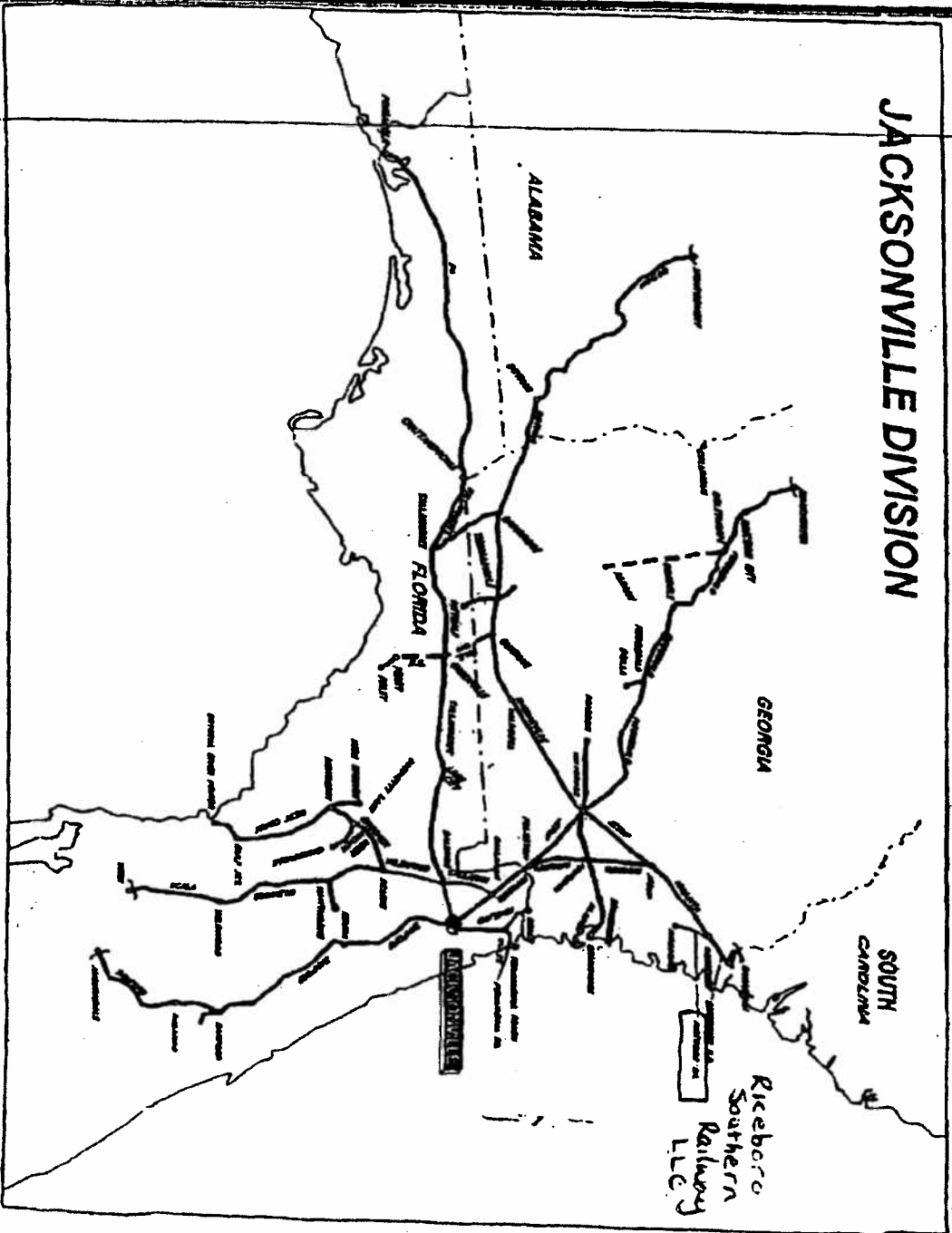


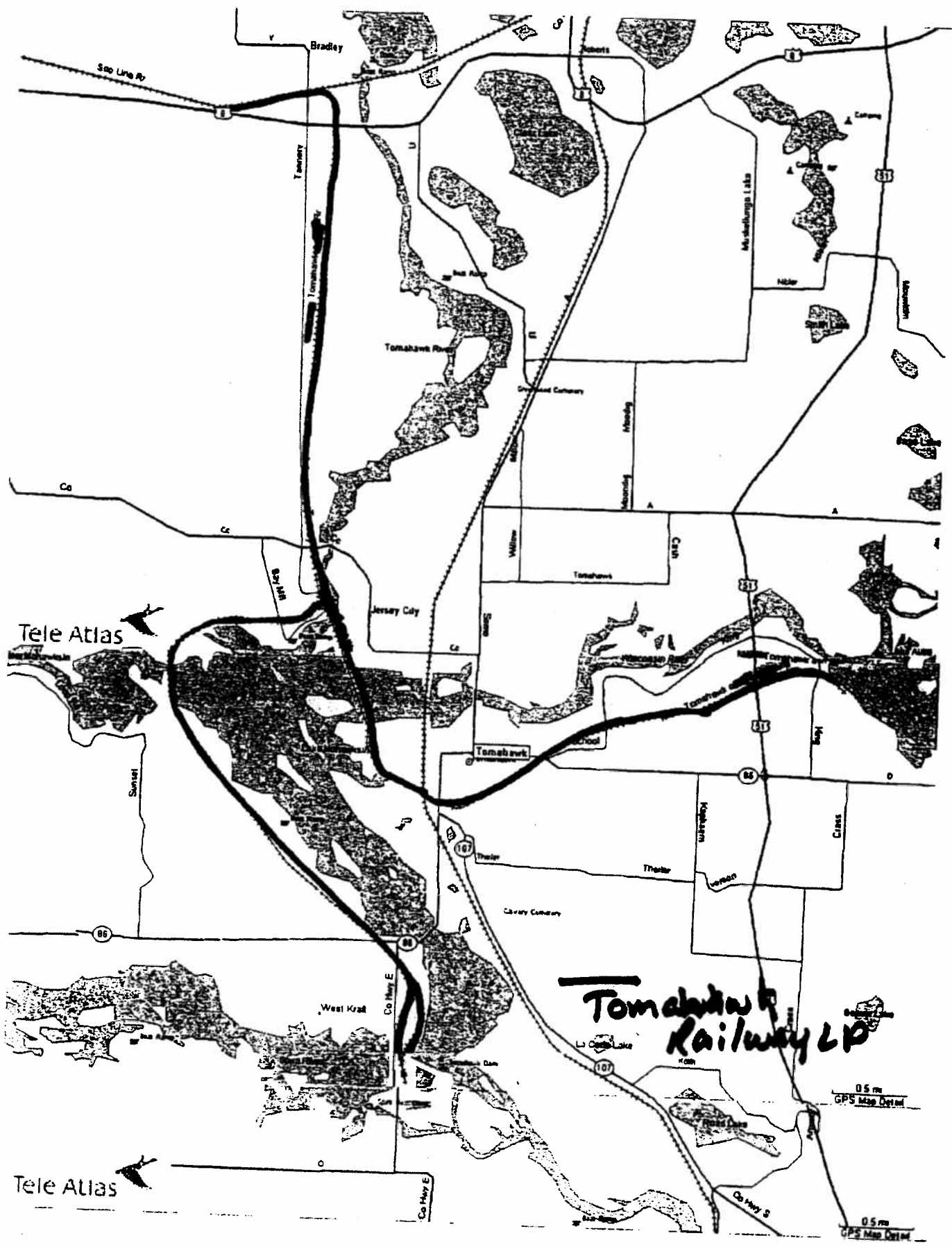


— M3B Railroad LLC
 --- Trackage Rights



JACKSONVILLE DIVISION





Tele Atlas

Tele Atlas

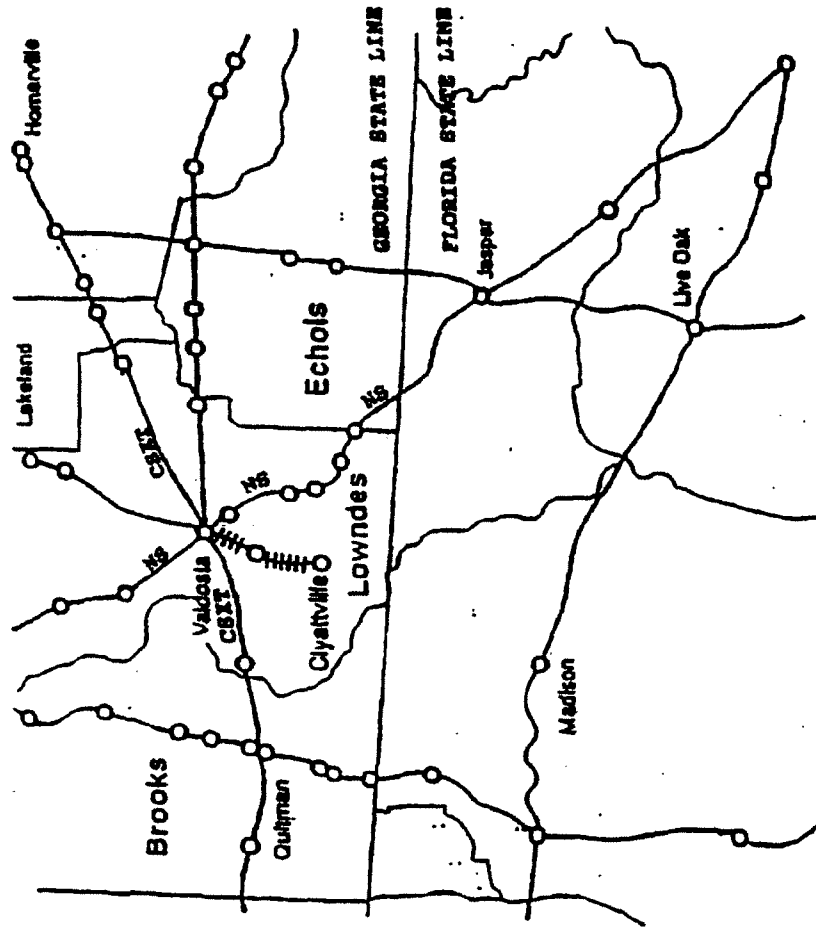
**Tomahawk
Railway LP**

0.5 mi
GPS Map Detail

0.5 mi
GPS Map Detail

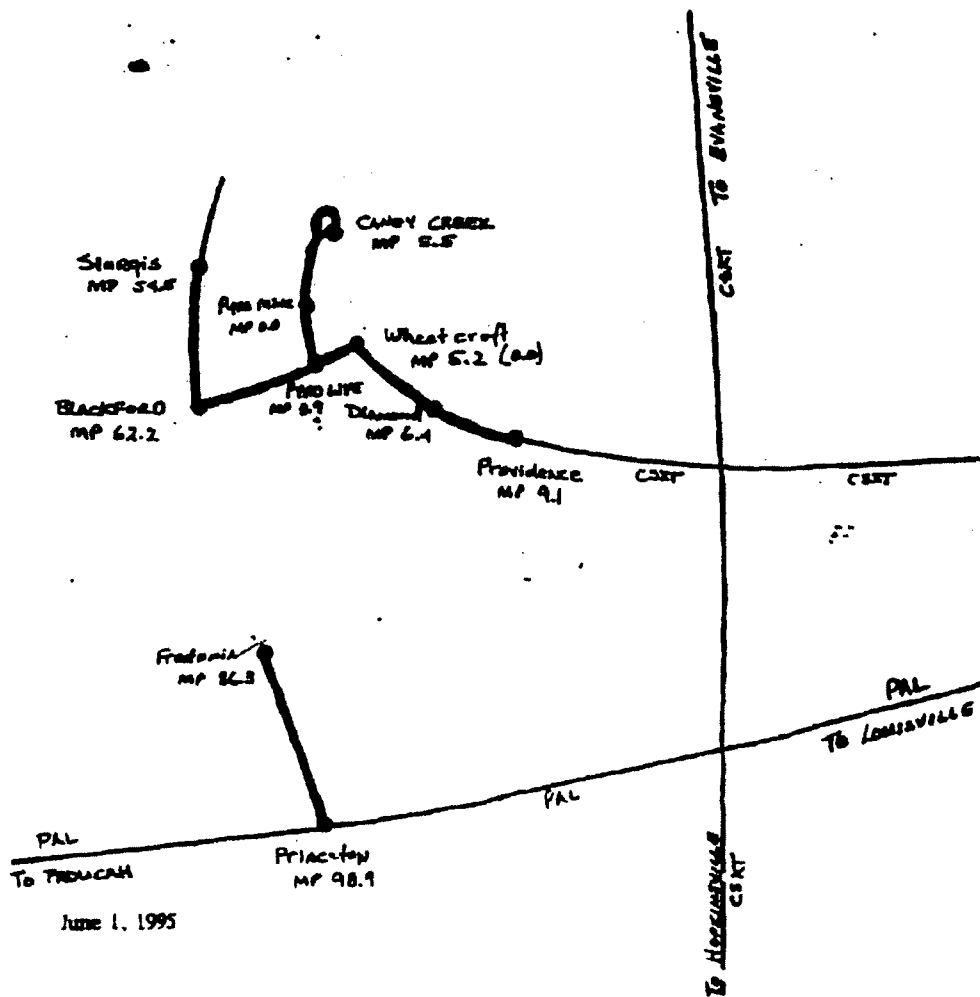
VALDOSTA RAILWAY, L.P.

Valdosta, Miss

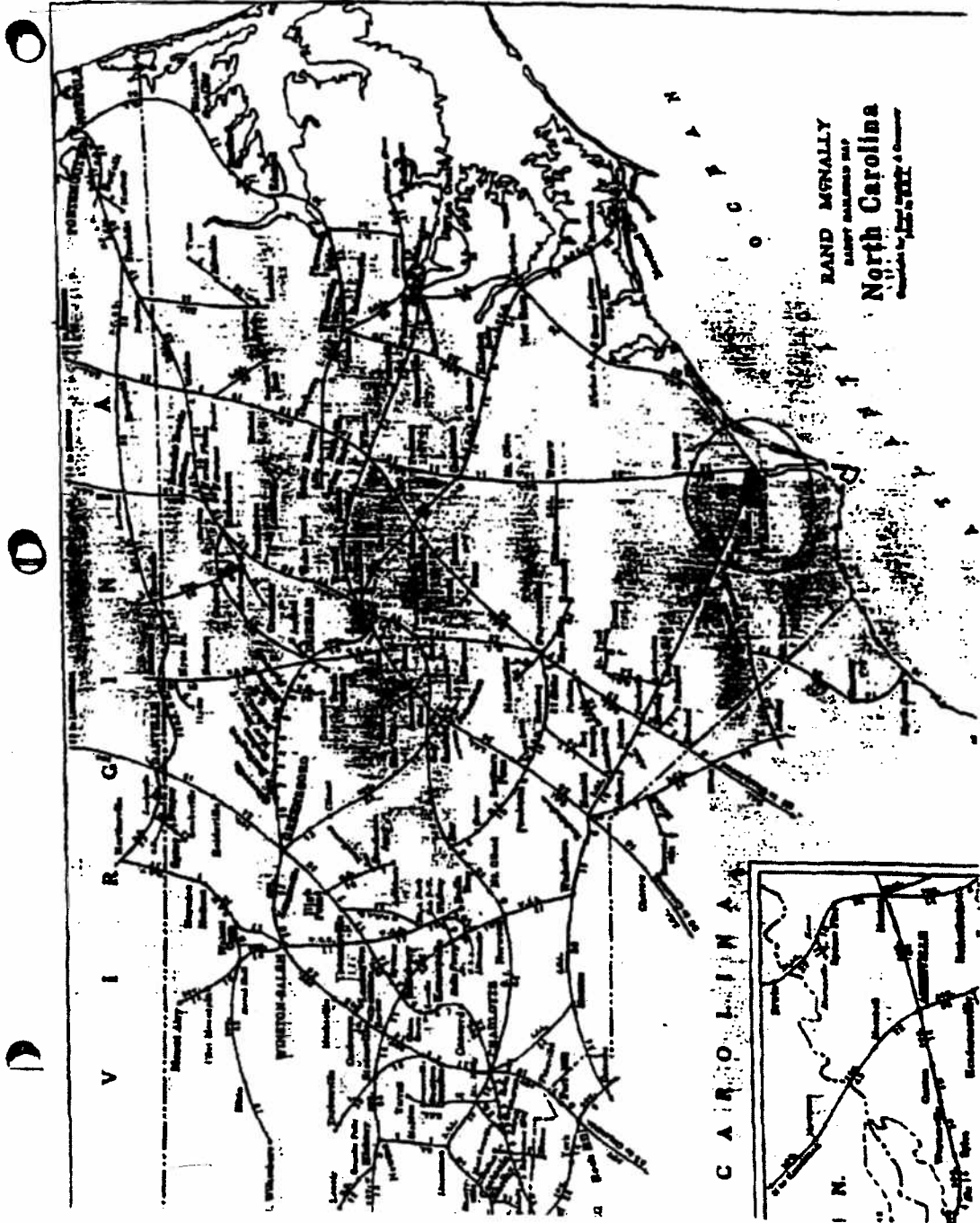


Western Kentucky Railway, L.L.C.
Sturgis, Kentucky

Map Of Railroad



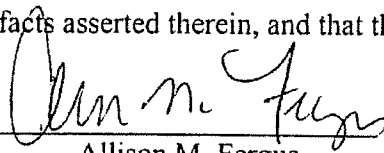
WILMINGTON TERMINAL RAILROAD, L.P.



VERIFICATION

State of Connecticut)
) ss: - - -
County of Fairfield)

Allison M. Fergus, being duly sworn, deposes and says that he is duly authorized to file this verification on behalf of Genesee & Wyoming Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.


Allison M. Fergus
General Counsel and Secretary
Genesee & Wyoming Inc.

SUBSCRIBED AND SWORN TO

before me this 22 day

of October, 2007



