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May 19, 2008

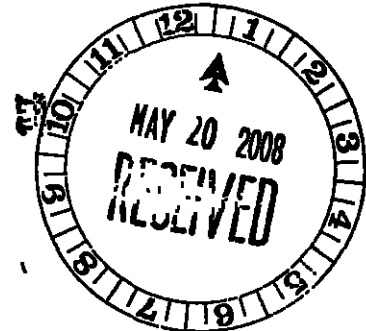
VIA FEDERAL EXPRESS

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

FEE RECEIVED

MAY 20 2008

**SURFACE
TRANSPORTATION BOARD**



Re: **Finance Docket No. 35143**
R.J. Corman Railroad Company/Pennsylvania Lines Inc. –
Acquisition and Operation Exemption – Line of
Norfolk Southern Railway Company

Dear Secretary Quinlan:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of R.J. Corman Railroad Company/Pennsylvania Lines Inc.**, dated May 19, 2008. A check in the amount of \$1,600, representing the appropriate fee for this filing, and a diskette containing the text of the Notice in MS Word 2003 format also are enclosed.

An extra copy of the Notice and of this transmittal letter are included as well. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

Should any questions arise regarding this filing, please feel free to contact me. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,

FILED

MAY 20 2008

**SURFACE
TRANSPORTATION BOARD**


Ronald A. Lane
Attorney for R.J. Corman Railroad Company/
Pennsylvania Lines Inc.

RAL:tjl

Enclosures

ENTERED
Office of Proceedings
MAY 20 2008
Part of
Public Record

ORIGINAL

[Contains Color Map]

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35143



R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION OF
R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.

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TRANSPORTATION BOARD

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SURFACE
TRANSPORTATION BOARD

Ronald A. Lane
Thomas J. Litwiler
Michael J. Barron, Jr.
Fletcher & Sippel LLC
29 North Wacker Drive
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(312) 252-1500

ATTORNEYS FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES INC.

Dated: May 19, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35143

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- ACQUISITION AND OPERATIONS EXEMPTION --
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.**

Pursuant to 49 U.S.C. § 10902 and the class exemption at 49 C.F.R. §1150.41, *et seq.*, R.J. Corman Railroad Company/Pennsylvania Lines Inc. ("RJCP"), a Class III common carrier by rail, files this Verified Notice of Exemption for RJCP's acquisition of the residual common carrier rights and obligations, including the right to reinstitute rail service, of Norfolk Southern Railway Company ("NS," as successor to Consolidated Rail Corporation ("Conrail")) on a rail line extending between Milepost 64.5 near Winburne, Pennsylvania and Milepost 45.5 near Gillintown, Pennsylvania, a distance of approximately 19 miles in Clearfield and Centre Counties, Pennsylvania ("the Snow Shoe Industrial Track"). A Certificate of Interim Trail Use or Abandonment ("CITU") was issued for the Snow Shoe Industrial Track in *Conrail Abandonment of the Snow Shoe Industrial Track in Centre and Clearfield Counties, PA*, Docket No. AB-167 (Sub-No. 1004N) (ICC served November 5, 1993) and remains in place. The Headwaters Charitable Trust ("HCT") uses the railbanked right-of-way as a recreational trail on an interim basis. RJCP intends to restore and operate rail service on a 9.3-mile portion of the Snow Shoe Industrial Track between Milepost 64.5 near Winburne and Milepost 55.2 near

Gorton, Pennsylvania, and is concurrently filing a petition in Docket No. AB-167 (Sub-No. 1004N) seeking vacation of the CITU with respect to that segment.¹

This proceeding also is related to Finance Docket No. 35116, *R.J. Corman Railroad Company/Pennsylvania Lines Inc. -- Construction and Operation Exemption -- Clearfield County, PA*, in which RJCP seeks an exemption to reconstruct and operate the "Western Segment," approximately 10.3 miles of abandoned Conrail right-of-way from Wallaceton Junction to Winburne, Pennsylvania. *See Consolidated Rail Corporation -- Abandonment Exemption -- In Clearfield and Centre Counties, PA*, Docket No. AB-67 (Sub-No. 1146X) (ICC served September 8, 1995). The Western Segment connects at Wallaceton Junction with RJCP's existing rail line. Together, the Eastern and Western Segments will be operated by RJCP as the Beech Creek Branch Line.

In accordance with the requirements of 49 C.F.R. § 1150.43, RJCP submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

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

R.J. Corman Railroad Company/Pennsylvania Lines Inc.
P.O. Box 788
Nicholasville, KY 40356

Applicant's Representative: 49 C.F.R. § 1150.43(b)

Any questions concerning this Notice should be sent to counsel for RJCP at the following address:

¹ The segment to be reactivated is designated as the "Eastern Segment" by RJCP in this and related proceedings at the Board. It is to be distinguished from the longer "Snow Shoe Industrial Track," which is the designation used by Conrail for the subject line in the underlying abandonment proceeding. The Snow Shoe Industrial Track is shown on Exhibit 1 hereto in green, while the Eastern Segment to be reactivated by RJCP is shown in orange.

Ronald A. Lane
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500 Telephone
(312) 252-2400 Facsimile

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

NS has granted RJCP an option to acquire NS/Conrail's residual common carrier rights and obligations, including the right to reinstate rail service, on the former Snow Shoe Industrial Track.² The option agreement includes NS's express consent to RJCP's reactivation of the Eastern Segment. *See N&W -- Aban -- St. Marys and Minster in Auglaize County, OH*, 9 I.C.C.2d 1015, 1019-20 (1993) ("*N&W/Minster*").

Operation of the Property: 49 C.F.R. § 1150.43(d)

Following partial vacation of the CITU in Docket No. AB-167 (Sub-No. 1004N), RJCP will be the operator of the Eastern Segment from Milepost 64.5 near Winburne to Milepost 55.2 near Gorton. HCT will retain possession of the remainder of the former Snow Shoe Industrial Track from Milepost 55.2 near Gorton and Milepost 45.5 near Gillintown pursuant to the CITU and the existing Trails Agreement.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

In 1990 Conrail was authorized to abandon its Snow Shoe Industrial Track, extending between Milepost 64.5³ in the vicinity of Winburne, Pennsylvania and Milepost 45.5

² On August 27, 2004, NS obtained all of Conrail's rights with respect to the Snow Show Industrial Track. See CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation, Finance Docket No. 33388 (Sub-No.94) (STB served November 7, 2003).

³ The exact terminus of the rail-banked right of way at Milepost 64.5 is 1100+ feet from the northwest side of the bridge over Black Bear Run at Engineer Station 336+940±, as set forth

near Gillintown, Pennsylvania, a distance of approximately 19 miles. *Conrail Abandonment of the Snow Shoe Industrial Track in Centre and Clearfield Counties, PA*, Docket No. AB-167 (Sub-No. 1004N) (ICC served February 15, 1990). By decision and certificate of interim trail use or abandonment served on November 5, 1993, the effective date for Conrail's abandonment of the Snow Shoe Industrial Track was postponed to allow Conrail and HCT to negotiate a rail-banking and interim trail use agreement under the National Trails System Act, 16 U.S.C. §1247(d). Such an agreement was subsequently reached between Conrail and HCT for the entire Snow Shoe Industrial Track right-of-way. As required by 16 U.S.C. §1247(d) and 49 C.F.R. §1152.29(d)(2), such trail use is subject to future restoration of rail service.

Recently, a demand for rail service has developed on the Snow Shoe Industrial Track at a point that is currently being used as a trail by HCT.⁴ NS and RJCP have entered into an agreement whereby NS will convey its residual common carrier rights and obligations on the Snow Shoe Industrial Track, including its right to reinstitute rail service on the line, to RJCP. Pursuant to this notice of exemption, RJCP will acquire NS/Conrail's right to reinstate rail service over the entire Snow Shoe Industrial Track from Winburne (Milepost 64.5) to Gillintown

on Map Sheet 20 of the Conrail Deed dated 24 September 1993 conveying interim trail use of the rail-banked line to Headwater Charitable Trust.

⁴ Resource Recovery, LLC ("Resource Recovery") is presently developing a quarry, landfill and industrial park near Gorton, Pennsylvania, at approximately Milepost 55.2, encompassing 2443.78 acres of land that was previously strip mined. As more fully set forth in the petition for exemption being concurrently filed herewith in Finance Docket No. 35116, that facility will require rail service to transport sand and stone, trash and other materials to and from the site. The landfill will be fully permitted by the Pennsylvania Department of Environmental Protection and the U.S. Army Corps of Engineers. RJCP will not engage in any transloading or unloading activity; RJCP will simply deliver trains to Resource Recovery, the permitted operator of the landfill, and Resource Recovery will unload and process such materials pursuant to its permit. Because the landfill will be fully permitted, neither Resource Recovery nor RJCP will seek to preempt the application of any local public health, safety or environmental laws or regulations.

(Milepost 45.5). The concurrently-filed petition to vacate in Docket No. AB-167 (Sub-No. 1004N) applies only to the portion of the line from Milepost 64.5 near Winburne to Milepost 55.2 at the Resource Recovery facilities at Gorton Road near Gorton, Pennsylvania. The balance of the line, between Milepost 55.2 at Gorton Road and Milepost 45.5 near Gillintown, will remain rail-banked and subject to interim trail use by HCT.

An exemption from 49 U.S.C. §10902 under 49 C.F.R. §1150.41, *et seq.*, is appropriate for this acquisition and operation. *See R J Corman Railroad Company/Western Ohio Line -- Acquisition & Operation Exemption -- Certain Lines of Norfolk & Western Railway Company*, Finance Docket No. 32294 (ICC served August 20, 1993), cited with approval in *N&W/Minster*, 9 I.C.C.2d at 1019 (“ . . . RJCW properly sought and obtained an exemption in Finance Docket No. 32294 that permitted it to operate a rail line over the WORA right of way and acquire N&W’s right to reinstitute rail service”); *Browns, Grayville & Poseyville Railway Company -- Acquisition and Operation Exemption -- Owensville Terminal Company, Inc.*, Finance Docket No. 34750 (STB served September 20, 2005). Accordingly, RJCP files this Notice under Section 1150.41 to authorize RJCP’s acquisition of NS’s residual common carrier rights and obligations, including its right to restore rail service, on the Snow Shoe Industrial Track.

The railroad transferring the rights which are the subject of this notice of exemption is Norfolk Southern Railway Company, with its address at 3 Commercial Place, Norfolk, VA 23510.

The transaction is expected to be consummated only following approval of RJCP’s petition for exemption in Finance Docket No. 35116, and in no event earlier than thirty days after this Notice of Exemption is filed with the Board.

The right to reinstitute rail service over 19 route miles of rail line is proposed to be acquired. RJCP concurrently seeks to vacate the CITU and terminate the Trails Agreement as to only 9.3 route miles of the line, from Milepost 64.5 near Winburne to Milepost 55.2 near Gorton.

Map: 49 C.F.R. § 1150.43(f)

A map showing the rail line which is the subject of this notice of exemption is attached as Exhibit A. The Snow Shoc Industrial Track is shown in green on that map exhibit.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this notice.

Advance Notice: 49 C.F.R. § 1150.42(e)

The prior notice requirements of 49 C.F.R. § 1150.42(e) do not apply to this transaction, which involves a railbanked rail line subject to a CITU and over which no operations have been conducted for several years.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

The proposed acquisition and operation does not require environmental or historic assessment. See 49 C.F.R. § 1105.6(c)(2)(i) and 49 C.F.R. § 1105.8(b)(1); *Missouri Central -- Acq. & Oper. Exem. -- Lines of UP*, 4 S.T.B. 391, 395, 397-98 (1999), *aff'd sub nom. Lee's Summit v. STB*, 231 F.3d 39, 41-42 (D.C. Cir. 2000).⁵ There are no plans to alter or dispose of property subject to the Board's jurisdiction that are 50 years old or older.

⁵ This Notice is not affected by the Consolidated Appropriations Act of 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), because RJCP will not be taking any action with respect to solid waste outside the original shipping container (railcars) and because the Board will not be authorizing any activity at any solid waste rail transfer facility. RJCP will not conduct any transfer operations, and the activities at the Resource Recovery landfill will be authorized by

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,

By: 

Ronald A. Lane

Thomas J. Litwiler

Michael J. Barron, Jr.

Fletcher & Sippel LLC

29 North Wacker Drive

Suite 920

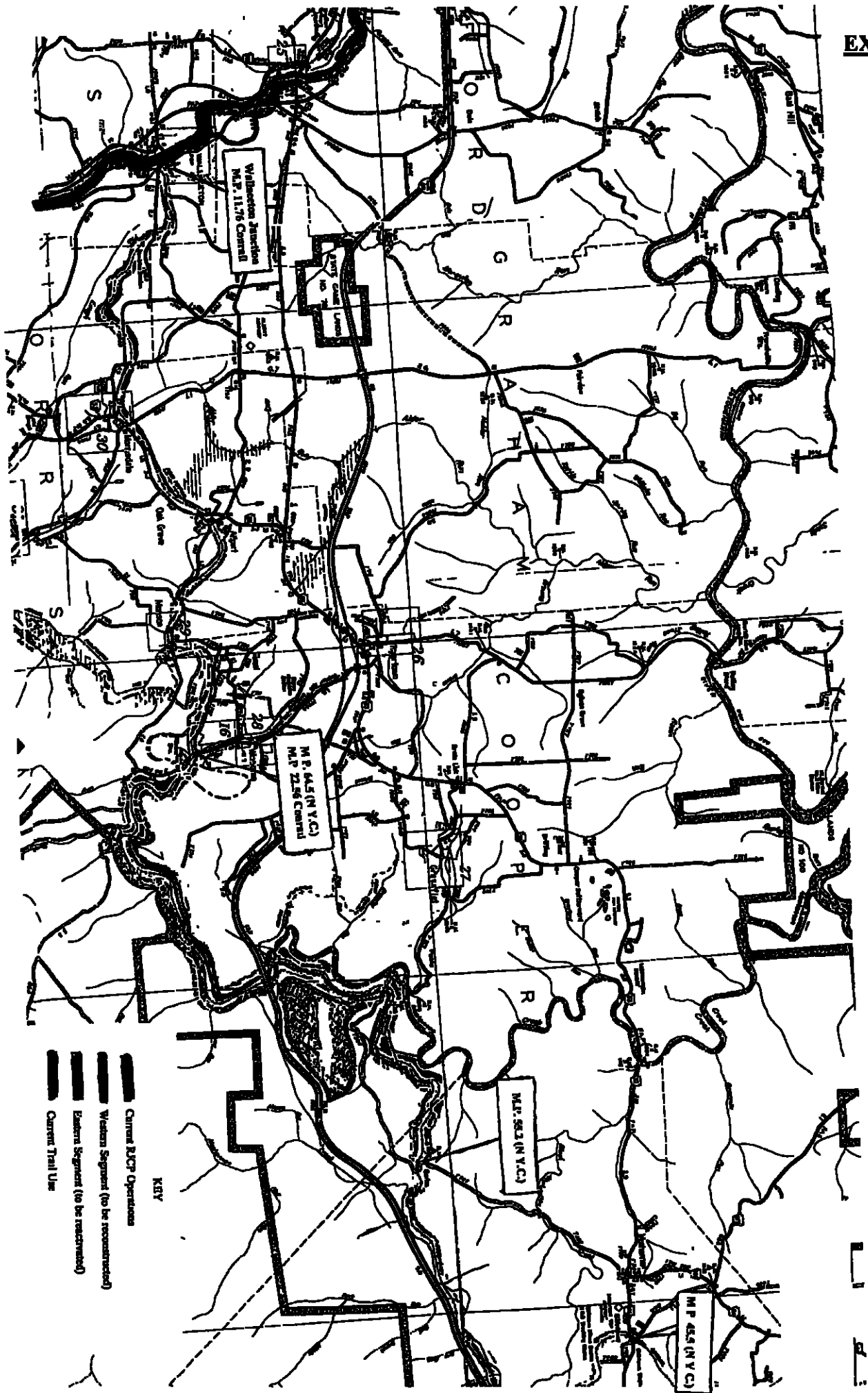
Chicago, Illinois 60606-2832

(312) 252-1500

**ATTORNEYS FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES INC.**

Dated: May 19, 2008

the Pennsylvania Department of Environmental Protection and the U.S. Army Corps of Engineers. Further, in the absence of rail service, the same activities would be conducted at the landfill using solid waste transported to the landfill by truck.



CERTIFICATION

Commonwealth of Kentucky)
) SS:
County of Jessamine)

Kenneth D. Adams, being duly sworn, hereby certifies that the projected annual rail revenue of R.J. Corman Railroad Company/Pennsylvania Lines Inc. does not exceed that which would make it a Class II or Class I carrier under the provisions of 49 C.F.R. § 1201 (1-1).

Kenneth D. Adams
Kenneth D. Adams

SUBSCRIBED AND SWORN TO
before me this 16th day
of May, 2008.

Melina Lyan Estes
Notary Public

My Commission expires:

**MY COMMISSION EXPIRES
MARCH 22, 2009**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35143

**R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY**

R.J. Corman Railroad Company/Pennsylvania Lines Inc. ("RJCP"), a Class III common carrier by rail, has filed a Verified Notice of Exemption under 49 C.F.R. § 1150.41, et seq. to acquire the residual common carrier rights and obligations, including the right to reinstitute rail service under a Certificate of Interim Trail Use or Abandonment ("CITU"), of Norfolk Southern Railway Company (as successor to Consolidated Rail Corporation) on a rail line extending between Milepost 64.5 near Winburne, Pennsylvania and Milepost 45.5 near Gillintown, Pennsylvania, a distance of approximately 19 miles in Clearfield and Centre Counties, Pennsylvania ("the Snow Shoe Industrial Track").

RJCP expects to consummate the proposed transaction no sooner than June 19, 2008.

Comments must be filed with the Board and served on:

Ronald A. Lane
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This proceeding is related to Docket No. AB-167 (Sub-No. 1004N), *Conrail Abandonment of the Snow Shoe Industrial Track in Centre and Clearfield Counties, PA*, in which

RCJP has concurrently filed a petition to vacate the CITU with respect to the 9.3-mile portion of the Snow Shoe Industrial Track between Milepost 64.5 near Winburne and Milepost 55.2 near Gorton, Pennsylvania. This proceeding also is related to Finance Docket No. 35116, *R.J. Corman Railroad Company/Pennsylvania Lines Inc. -- Construction and Operation Exemption -- Clearfield County, PA*, in which RJCP has filed a petition for exemption to reconstruct and operate approximately 10.3 miles of adjacent abandoned right-of-way extending from Winburne to Wallaceton Junction, Pennsylvania.

This Notice is filed under 49 C.F.R. § 1150.41. 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.

Dated: June __, 2008

By the Board

Anne K. Quinlan
Acting Secretary

VERIFICATION

Commonwealth of Kentucky)

County of Jessamine)

SS:

Kenneth D. Adams, being duly sworn, deposes and says that he is Secretary-Treasurer of R.J. Corman Railroad Company/Pennsylvania Lines Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

Kenneth D. Adams
Kenneth D. Adams

SUBSCRIBED AND SWORN TO
before me this 16th day
of May, 2008.

Melina Lyan Estes
Notary Public

My Commission expires:

**MY COMMISSION EXPIRES
MARCH 22, 2009**