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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35147 (Sub-No. 2)

NORFOLK SOUTHERN RAILWAY COMPANY
--TRACKAGE RIGHTS EXEMPTION--
PAN AM SOUTHERN LLC.--
BETWEEN MECHANICVILLE, NY AND AYER, MA

VERIFIED NOTICE OF EXEMPTION

John V. Edwards
Norfolk Southern Corporation
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888 17th St, N.W
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Attorneys For Norfolk Southern Railway Company

FEE RECEIVED

MAY 30 2008

**SURFACE
TRANSPORTATION BOARD**

Dated: June 16, 2008

FILED

MAY 30 2008

**SURFACE
TRANSPORTATION BOARD**

ENTERED
Office of Proceedings

MAY 30 2008

Part of
Public Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**STB Finance Docket No.35147 (Sub-No. 2)
NORFOLK SOUTHERN RAILWAY COMPANY
--TRACKAGE RIGHTS EXEMPTION--
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VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. Sections 1180.2(d)(7) and 1180.4(g), Norfolk Southern Railway Company ("Norfolk Southern") files this Verified Notice of Exemption (the "Notice") from prior approval requirements of 49 U.S.C. §§ 11323, et seq., to permit Norfolk Southern to acquire and exercise overhead trackage rights over approximately 151.33 miles of track that will be owned or operated by Pan Am Southern LLC ("PAS") between Mechanicville, NY and Ayer, MA. The trackage rights will be based upon a written agreement and are not filed or sought in a responsive application to a rail consolidation proceeding. Accordingly, they are exempt from the prior approval requirements of 49 U.S.C. § 11323

Norfolk Southern files this Notice in furtherance of the transaction, and submits the following information in support thereof, in accordance with the Board's regulations set forth at 49 C.F.R. §§ 1180.4(g)(1) and 1180.6:

Section 1180.6(a)(1)(i)

A brief summary of the proposed transaction, the name of the applicants, their business addresses, telephone numbers, and the name of the counsel to whom questions regarding the transaction can be addressed.

Under the proposed transaction, PAS will grant overhead trackage rights to Norfolk Southern to transport intermodal and automotive traffic with its trains, locomotives, cars and equipment between Mechanicville, NY and Ayer, MA. The transaction is related to a transaction in which Pan Am, Railways, Inc ("PARI"), PARI's wholly-owned subsidiaries, Boston and Maine Corporation ("B&M") and Springfield Terminal Railway Company ("Springfield Terminal ") (collectively, "the Pan Am Parties") and Norfolk Southern propose, with the approval of the Surface Transportation Board ("STB"), to form and jointly own and manage PAS pursuant to a Transaction Agreement and other related agreements executed on May 15, 2008, including a Master Norfolk Southern Joint Use Agreement whereby PAS will grant the trackage rights that are the subject of this Notice of Exemption as well as certain haulage rights to NSR. Copies of the Transaction Agreement and other related agreements are included in Volume II of the Primary Application in Finance Docket No 35147 to which this Notice of Exemption is related.

Pursuant to the Transaction Agreement, B&M will contribute to PAS certain of B&M's lines, including B&M's line between Mechanicville, NY and Fitchburg, MA, and Springfield Terminal will assign to PAS freight trackage rights held by STC over, among other lines, the 13.5 miles of line owned by the Massachusetts Bay Transit Authority ("MBTA") between Fitchburg and Ayer, MA. Pursuant to the Master Norfolk Southern Joint Use Agreement, PAS will grant Norfolk Southern trackage and haulage rights between Milepost 467.40 at Mechanicville, NY and Milepost 316.07 at Ayer, MA.¹ Norfolk Southern may exercise the

¹ PAS will grant NSR trackage rights over the portion of this line between Fitchburg, MA and Ayer, MA, which is owned by MBTA, with MBTA's concurrence

granted trackage rights in the event PAS fails to provide haulage services at a service level required by the agreement. *See* STB F.D. No. 32962, *CSX Transportation, Inc —Trackage Rights—Meridian and Bigbee Railroad Company* (STB notice served June 6, 1996). The trackage rights that are the subject of this Notice of Exemption will enable Norfolk Southern to provide direct transportation of intermodal traffic to and from the existing intermodal terminal at Ayer, MA and a new automotive terminal that Norfolk Southern and the Pan Am Parties intend for PAS to construct at nearby Sanvel, MA.

Norfolk Southern is a Virginia corporation whose business address and phone number are:

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510
(757) 629-2600

Norfolk Southern is a Class I rail carrier, and a wholly-owned subsidiary of Norfolk Southern Corporation, a holding company. *Norfolk Southern Corp —Control—Norfolk & W. Ry Co.*, 366 I.C.C. 173 (1982). Norfolk Southern (with its subsidiaries) operates a rail system extending 21,000 miles throughout 22 states in the eastern United States and the District of Columbia.

The rail carrier that will grant the trackage rights that are the subject of this Notice will be Pan Am Southern LLC, a Delaware limited liability company that will be formed pursuant to the above-referenced Transaction Agreement after the STB's approval of the Primary Application in Finance Docket No. 35147. Its business address will be:

Pan Am Southern LLC
1700 Iron Horse Park
Billerica, MA 01862

The persons to whom correspondence with respect to this Notice should be sent are:

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888 Seventeenth Street
Washington, DC 20006-3939
(202) 298-866

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Three Commercial Place
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Section 1180.6(a)(1)(ii)

The proposed time schedule for consummation of the proposed transaction.

Norfolk Southern will not exercise any rights under the Master Norfolk Southern Joint Use Agreement until the latest of the effective date of this Notice of Exemption (including compliance with any condition(s) imposed by the STB in connection with this Notice of Exemption) or the closing of the agreements for which the STB's approval is being sought by the Primary Application in F.D. No. 35147.

Section 1180.6(a)(1)(iii)

The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving financial viability of the applicants.

The purpose of the proposed trackage rights is to provide Norfolk Southern an effective means of providing direct transportation of intermodal and automotive traffic between Mechanicville, NY and Ayer, MA in the event PAS fails to provide haulage service to Norfolk Southern for such movements at a level agreed to by Norfolk Southern and PAS

Section 1180.6(a)(5)

A list of the State(s) in which any part of the property of each applicant carrier is situated.

Norfolk Southern operates in the States of Alabama, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. Norfolk Southern also operates in the District of Columbia.

Section 1180.6(a)(6)

Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relation to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map should be filed with the Board.

A map depicting the trackage rights that are the subject of this Notice of Exemption is attached hereto as Exhibit 1.

Section 1180.6(a)(7)(ii)

Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements described at § 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

A copy of the form of the Norfolk Southern Joint Use Agreement that will grant Norfolk Southern the trackage rights that are the subject of this Notice of Exemption will be filed within 10 days after the execution of the agreement.

Section 1180.4(g)(i) – Labor Protection

Any employees who are adversely affected by the acquisition of the trackage rights that are the subject of this Notice of Exemption will be entitled to protection under the conditions imposed in *Norfolk and Western Railway Co –Trackage Rights—Burlington Northern, Inc* , 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Railway, Inc —Lease and Operate—California Western Railroad*, 360 I.C.C. 653 (1980).

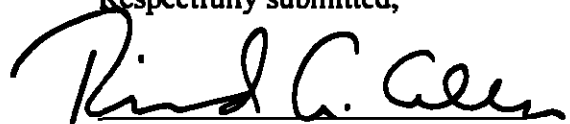
A. Environmental and Historical Reports

In accordance with 49 C.F.R. § 1105.6(c)(4), no environmental documentation is required in connection with the transaction that is the subject of this Notice of Exemption. Likewise, in accordance with 49 C.F.R. § 1105.8(b)(3), no historical report is required in connection with the transaction that is the subject of this Notice.

B. Caption Summary

A caption summary suitable for publication in the Federal Register is attached hereto as Exhibit 2

Respectfully submitted,



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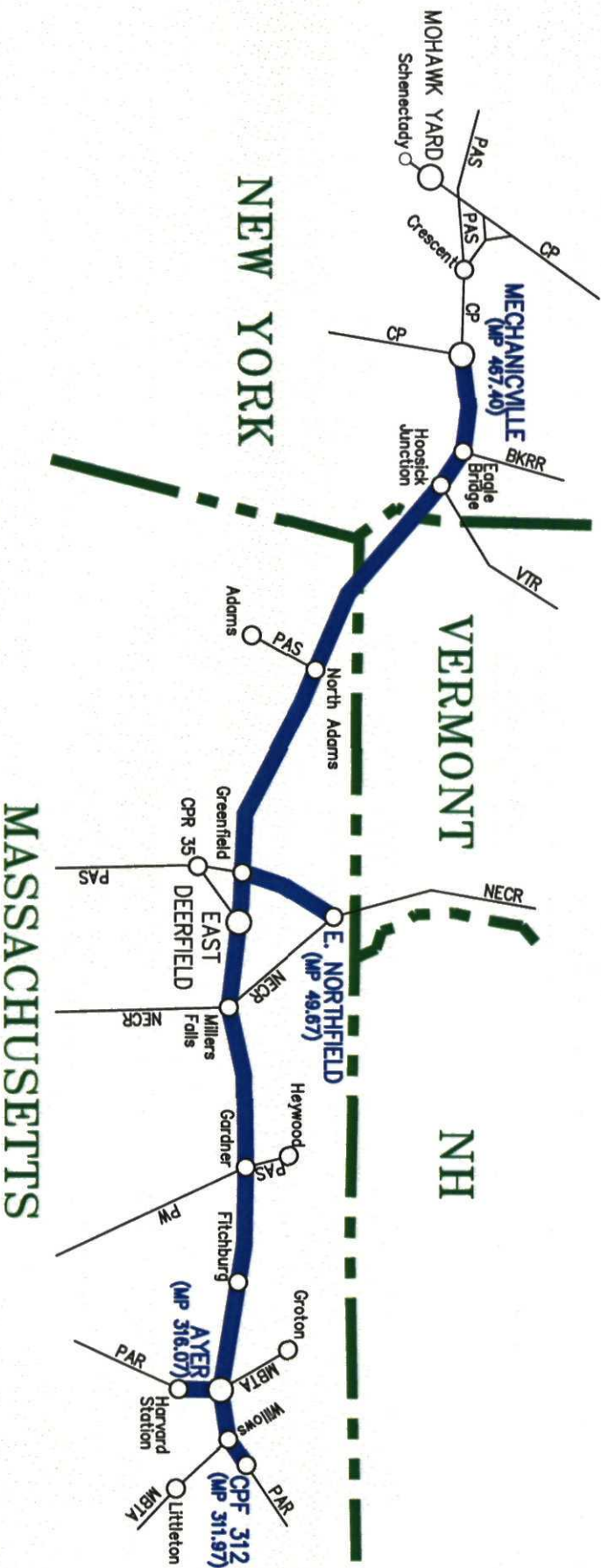
Attorneys for Norfolk Southern Railway Company

May 30, 2008

VERIFICATION

I, John H. Friedmann, Vice President Strategic Planning for Norfolk Southern Railway Company, hereby verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption. Executed on May 28, 2008.





LEGEND

- NORFOLK SOUTHERN TRACKAGE RIGHTS
- OTHER TRACK



OFFICE OF THE VICE PRESIDENT – ENGINEERING

PAN AM SOUTHERN, LLC (PAS) SYSTEM MAP
MECHANICVILLE TO AYER & E. NORTHFIELD
NORFOLK SOUTHERN TRACKAGE RIGHTS

REVISIONS		LINE		FREIGHT MAIN LINE	
NO.	DATE	BY	CHKD.	NO.	DATE
1	5/29/08	M.S.		1	5/29/08
2				2	
3				3	
4				4	
5				5	
6				6	
7				7	
8				8	
9				9	
10				10	

DESIGNED BY: M.S.

CHECKED BY: V.C.M.

DATE: 5/29/08

APPROVED BY: R.E.M.

Exhibit 2

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35147 (Sub-No. 2)

Norfolk Southern Railway Company – Trackage Rights Exemption – Pan Am Southern LLC

Pan Am Southern LLC (“PAS”), an entity to be formed, will grant overhead trackage rights to Norfolk Southern Railway Company (“Norfolk Southern”) to permit Norfolk Southern to operate over the PAS line between Milepost 467.4 at Mechanicville, NY and Milepost 316.07 at Ayer, MA, a distance of approximately 151.3 miles.

The trackage rights will be effective upon the latest of the effective date of this Notice (including compliance with any condition(s) imposed by the Board in connection with this Notice) or the closing of the transactions for which approval of the Board is being sought by the Primary Application in Finance Docket No. 35147.

This notice is filed under 49 C.F.R. § 1180.2(d)(7). 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 stay the transaction.

Dated:

By the Board

Anne K. Quinlan

Acting Secretary