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SERVICE DATE – AUGUST 2, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34907]

Durbin & Greenbrier Valley Railroad Inc.–Operation Exemption–Greater Shenandoah Valley Development Company

Durbin & Greenbrier Valley Railroad Inc. (DGVR), a Class III rail carrier, has filed a verified notice of exemption¹ under 49 CFR 1150.41 to operate, pursuant to a 3-year agreement entered into with the Greater Shenandoah Valley Development Company (SVDC), an approximately 20.2-mile SVDC line of railroad, extending between milepost 5.0 at Pleasant Valley, VA, and milepost 25.2 near Staunton, VA, in Rockingham and Augusta Counties, VA.² DGVR states that it will interchange traffic

¹ DGVR filed an amendment to its notice on July 18, 2006, clarifying the end points of the line and stating that it would not consummate the transaction until 7 days after the filing of the amendment.

² Cassatt Management, LLC d/b/a Bay Coast Railroad (BCR), previously filed a notice of exemption to operate the above-described rail line. See Cassatt Management, LLC d/b/a Bay Coast Railroad–Operation Exemption–Shenandoah Valley Railroad Line, STB Finance Docket No. 34815 (STB served Feb. 6, 2006). In its notice of exemption, BCR stated that its agreement with the line’s owner was to expire on February 28, 2006, but that it was currently negotiating for a new agreement to operate the subject line.

with Norfolk Southern Railway Company at Pleasant Valley and with CSX Transportation, Inc., at Staunton.³

DGVR certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier and will not exceed \$5 million.

The transaction was scheduled to be consummated no earlier than July 25, 2006 (7 days after the amendment to the notice of exemption was filed).

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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34907, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Kelvin J. Dowd, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, DC 20036.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

³ The current operator of the line continues to be Eastern Shore Railroad, Inc. (ESHR). See Eastern Shore Railroad, Inc.–Operation Exemption–Greater Shenandoah Valley Development Company d/b/a Shenandoah Valley Railroad Company, STB Finance Docket No. 34313 (STB served Mar. 11, 2003). Upon consummation of the transaction, DGVR will assume operations over the line and ESHR will cease its operations over the line.

Decided: July 26, 2006.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary