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SERVICE DATE - JULY 23, 2003

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34372]

Heritage Railroad Corporation—Lease and Operation Exemption—Rail Line of United States Department of Energy

Heritage Railroad Corporation (HRRC), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease and operate a 7-mile rail line owned by the United States Department of Energy (DOE) from milepost 0.0 at a point of connection with a rail line of Norfolk Southern Railway Company at Blair, TN, to the end of the line at milepost 7.0 at East Tennessee Technology Center near Oak Ridge, TN. The lease includes 24 spur tracks, totaling approximately 7.5 miles, for a combined total of approximately 14.5 miles of track. HRRC certifies that the projected revenues as a result of this transaction will not result in the creation of a Class I or Class II rail carrier.

HRRC states that it had entered into a management agreement with Southern Freight Logistics, LLC (SFL), effective September 30, 2000, wherein SFL was given exclusive rights to provide freight service on the line until September 14, 2005.¹ HRRC could terminate the management agreement by providing SFL with 90 days' written

¹ Prior to the management agreement, SFL leased the line from HRRC's predecessor. See Southern Freight Logistics, LLC—Lease and Operation Exemption—Community Reuse Organization of East Tennessee, STB Finance Docket No. 33392 (STB served May 15, 1997).

notice. HRRC provided such notice by letter dated June 16, 2003. Nevertheless, HRRC is willing to allow SFL to continue using the line after September 14, 2003, under new terms and conditions.

HRRC also states that it does not intend to consummate the transaction and take over operations until the 90-day notice of termination of the SFL management agreement has expired, on or about September 14, 2003. The earliest the transaction could have been consummated was July 8, 2003 (7 days after the 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. 34372, 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 Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1194.

Board decisions and notices are available on our website at
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Decided: July 16, 2003.

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

Vernon A. Williams

Secretary