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SERVICE DATE – JUNE 6, 2007

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35034]

Carolina Coastal Railway, Inc.–Lease and Operation Exemption–Norfolk Southern  
Railway Company

Carolina Coastal Railway, Inc. (CLNA), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from Norfolk Southern Railway Company (NSR) and to operate approximately 133.4 miles of rail line known as the Raleigh-Plymouth line extending between (1) milepost NS-132.0 at Chocowinity, Beaufort County, NC, and milepost NS-228.0 at Raleigh, Wake County, NC, and (2) milepost NS-127.4 at Phosphate Junction, Beaufort County, NC, and milepost NS-90.0 at the end of the track at Plymouth, Washington County, NC, including the right-of-way and adjacent real property described as The Pocket Track and the Old Engine/Shop Tracks located in Chocowinity Yard, and the remaining former East Carolina Railway trackage (now industrial spurs) in Farmville, NC. As part of the transaction, CLNA also will acquire 8.6 miles of incidental overhead trackage rights within (a) Raleigh Yard, between milepost NS-228.0 and milepost NS-232.0 for interchange purposes, and (b) Chocowinity Yard, between milepost NS-127.4 and milepost NS-132.0 for interchange purposes and connectivity of its lines.

CLNA certifies that its projected annual revenues as a result of the transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

The transaction is expected to be consummated on or after June 21, 2007.<sup>1</sup>

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than June 14, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35034, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John D. Heffner, John D. Heffner, PLLC, 1920 N Street, N.W., Suite 800, Washington, DC 20036.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

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<sup>1</sup> The lease agreement provides for a term of 20 years from date of the agreement with a renewal term of 10 years. The lease may be terminated by either party prior to the end of the term in accordance with the lease provisions. The parties must seek appropriate Board authority to terminate these provisions.

Decided: May 30, 2007.

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

Vernon A. Williams

Secretary