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SERVICE DATE – OCTOBER 6, 2010

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35418]

Jackson & Lansing Railroad Company—Trackage Rights Exemption—Norfolk Southern Railway Company

Pursuant to a written Assignment of Trackage Rights and Other Joint Facility Agreements (Trackage Agreement) dated September 16, 2010, Norfolk Southern Railway Company (NSR) has agreed to grant non-exclusive overhead and local trackage rights to Jackson & Lansing Railroad Company (JAIL) over approximately 1.06 miles of NSR's Lansing Secondary¹ between milepost LZ 36.8 in Lansing, Mich., and milepost LZ 37.86 in North Lansing, Mich.²

This transaction is related to the concurrently filed notice of exemption in Docket No. FD 35411, Jackson & Lansing Railroad Company—Lease and Operation Exemption—Norfolk Southern Railway Company, wherein JAIL seeks to lease and

¹ By Lease Agreement dated April 21, 1995, Consolidated Rail Corporation (Conrail) leased this trackage to CSX Transportation, Inc. (CSXT). By Trackage Rights Agreement (TRA) of the same date, CSXT granted local and bridge trackage rights back to Conrail. Upon acquisition of the Lansing Secondary from Conrail in 1998, NSR succeeded to Conrail's rights under both the Lease Agreement and the TRA. Now, pursuant to the Trackage Agreement, NSR, with CSXT's consent, assigns its rights under the TRA to JAIL.

² A redacted, executed trackage rights agreement between NSR and JAIL and an executed Trackage Agreement, along with CSXT's consent of the assignment, were filed with the notice of exemption. The unredacted version, as required by 49 C.F.R. § 1180.6(a)(7)(ii), was concurrently filed under seal along with a motion for protective order. The motion is being addressed in a separate decision.

operate 44.5 miles of rail property owned by NSR, consisting of 36.9 miles of the Lansing Secondary, 5.1 miles of the Lansing Manufacturers Railroad, 1.8 miles of the Lansing Industrial Track, and 0.7 miles of the Lansing Industrial Track. JAIL also will acquire 2.96 miles of incidental trackage rights over NSR's Michigan Main Line for interchange purposes with NSR at NSR's Jackson Yard. This transaction also is related to the concurrently filed notice of exemption in Docket No. FD 35410, Adrian & Blissfield Rail Road Company—Continuance in Control Exemption—Jackson & Lansing Railroad Company, in which Adrian & Blissfield Rail Road Company seeks to continue in control of JAIL once JAIL becomes a Class III rail carrier.

The earliest the transaction may be consummated is October 20, 2010, the effective date of the exemption (30 days after the exemption was filed).

The purpose of the transaction is to improve service by establishing a rail link allowing JAIL to interchange traffic originating or terminating on NSR's Lansing Secondary line with CSXT at North Lansing.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk & Western Railway Co.—Trackage Rights—Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified in Mendocino Coast Railway, Inc.—Lease and Operate—California Western Railroad, 360 I.C.C. 653 (1980).

This notice is filed under 49 C.F.R. § 1180.2(d)(7). 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 effectiveness of the exemption. Stay petitions must be filed by October 13, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35418, 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, PLLC, and James H. M. Savage, Of Counsel, 1750 K Street, N.W., Suite 200, Washington, DC 20006 (for JAIL), and David L. Coleman, General Attorney, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-9241 (for NSR).

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Decided: October 1, 2010.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.