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SERVICE DATE - DECEMBER 12, 2000

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33951]

Norfolk Southern Railway Company—Corporate Family Transaction Exemption—Yadkin  
Railroad Company

Norfolk Southern Railway Company (NSR), a Class I rail carrier, has filed a notice of exemption to renew its lease<sup>1</sup> and to operate approximately 30 miles of rail line owned by Yadkin Railroad Company (Yadkin), a Class III carrier and a subsidiary of NSR, located in the State of North Carolina.

The transaction is scheduled to be consummated prior to December 31, 2000. The earliest the transaction can be consummated is December 7, 2000, the effective date of the exemption (7 days after the exemption was filed).

NSR has filed its notice of exemption under 49 CFR 1180.2(d)(3) as the proposed renewal of its lease with Yadkin is exempt because it is within the NSR corporate family and will not result in adverse changes in service levels, operational changes, or a change in the competitive balance with carriers outside the NSR corporate family.

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<sup>1</sup> NSR notes that the lease of the rail line by the Carolina and Northwestern Railway Company, a predecessor of NSR, was previously approved in Carolina & Northwestern Railway Company, Control, Etc., 282 I.C.C. 802 (1951). NSR further notes that the extension of the lease contemplated by the transaction in STB Finance Docket No. 33951 extends the term of the lease arrangement until 2025 with an optional 25-year extension thereafter.

As a condition to this exemption, any employee affected by the transaction will be protected by the conditions imposed in Mendocino Coast Ry., Inc.—Lease and Operate, 354 I.C.C. 732 (1978), as modified in Mendocino Coast Ry., Inc.—Lease and Operate, 360 I.C.C. 653 (1980), aff'd sub nom. RLEA v. ICC, 675 F.2d 1248 (D.C. Cir. 1982).

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. 33951, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Maquiling B. Parkerson, Esq., Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-2191.

Decided: December 5, 2000.

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

Vernon A. Williams

Secretary