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March 11, 2011

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings

MAR 11 2011

Part of
Public Record

RE: Finance Docket No. 35465, *Autauga Northern Railroad, L.L.C.—Lease and Operation Exemption—Norfolk Southern Railway Company*

Dear Ms. Brown:

CSX Transportation, Inc. (“CSXT”) is responding to the Notice of Exemption (the “Notice”) filed on February 17, 2011 in the above-entitled proceeding by the Autauga Northern Railroad, L.L.C. (“ANRR”). In the Notice, ANRR seeks to lease and operate 43.62 miles of rail lines from the Norfolk Southern Railway Company (“NS”) between Maplesville and Autauga Creek, AL, obtain incidental trackage rights by the assignment of NS’s trackage rights over a 10.08 mile line of CSXT (the “Trackage Rights Line”), and obtain access to terminal facilities in Montgomery, AL (the “Terminal Facilities”).

An Agreement dated January 3, 1984 between the predecessors of CSXT and NS granted NS trackage rights over 10.08 miles of CSXT’s line between Autauga, milepost 171.02, and the Montgomery Terminal tracks, milepost 181.10 (the “Trackage Rights Agreement”). Section 15 of the Trackage Rights Agreement prohibits assignment of the trackage rights by NS unless CSXT has given written consent to the assignment. As of this time, CSXT has not given written consent for NS to assign the Trackage Rights Agreement to ANRR. Therefore, CSXT is notifying the Board, that ANRR will not be permitted to operate over the Trackage Rights Line unless and until CSXT provides written consent.

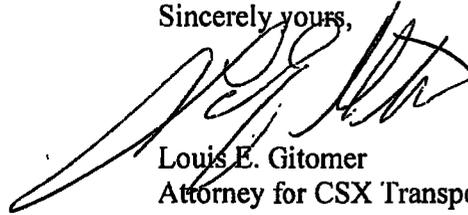
An Agreement dated January 3, 1984 between the predecessors of CSXT and NS granted NS access to the Terminal Facilities in Montgomery, AL (the “Terminal Agreement”). Section 29 of the Terminal Agreement prohibits assignment of the rights and interests in the Terminal Agreement by NS unless CSXT has given written consent to the assignment. As of this time, CSXT has not given written consent for NS to assign the Terminal Agreement to ANRR. Therefore, CSXT is notifying the Board, that ANRR will not be permitted to operate over the Terminal Facilities unless and until CSXT provides written consent.

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CSXT is continuing to negotiate the terms of its consent to an assignment and assumption agreement between NSR and ANRR for ANRR's use of the Trackage Rights Line and the Terminal Facilities. CSXT will advise the Surface Transportation Board once the issue is resolved.

CSXT is e-filing this letter. If you have any questions, please contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name and title.

Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Cc: Karl Morell
John Scheib