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ATTORNEYS AT LAW SINCE 1895

VIA OVERNIGHT DELIVERY SURFACE TRANSPORTATION BOARD

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

November 18, 2011

Re: Pennsylvania & Southern Railway LLC
- Acquisition, Lease and Operation Exemption -
CSX Transportation, Inc.
STB Docket No. FD 35572

Dear Ms. Brown:

Enclosed for filing are the original and 10 copies of a Notice of Exemption under 49 CFR 1150.41 being filed on behalf of Pennsylvania & Southern Railway, LLC. Also enclosed is our check in the amount of \$1800 representing the filing fee.

Please time stamp the extra copy of the Notice of Exemption and return it to me in the stamped, self-addressed envelope provided for your convenience.

Please let me know if there are any questions regarding this filing.

Respectfully,

Counsel for
Pennsylvania & Southern
Railway, LLC

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SURFACE TRANSPORTATION BOARD

EMH/e
Enclosures
cc: Louis E. Gitomer, Esq. (w/encl., via e-mail)

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Office of Proceedings

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Public Record

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NOV 21 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 35572

PENNSYLVANIA & SOUTHERN RAILWAY, LLC
- ACQUISITION, LEASE AND OPERATION EXEMPTION -
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

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TRANSPORTATION BOARD

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SURFACE
TRANSPORTATION BOARD

ERIC M. HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500
ehocky@thorpreed.com

Dated: November 18, 2011

Attorneys for
Pennsylvania & Southern Railway, LLC

BEFORE THE
SURFACE TRANSPORTATION BOARD
STB DOCKET NO. FD 35572

**PENNSYLVANIA & SOUTHERN RAILWAY, LLC
– ACQUISITION, LEASE AND OPERATION EXEMPTION –
CSX TRANSPORTATION, INC.**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902**

This Verified Notice is filed pursuant to 49 C.F.R. §1150.41 by a Class III carrier, Pennsylvania & Southern Railway LLC (“PSCC”), to exempt from regulation under 49 U.S.C. §10902 its acquisition from CSX Transportation, Inc. (“CSXT”) of the improvements comprising the 2.5-mile line of railroad between Milepost BAV 22.4 and Milepost BAV 24.9, and its lease of the improvements comprising the 1.95-mile connecting line of railroad between Milepost BAV 24.9 and Milepost BAV 26.85 (together, the “Rail Line”) near Chambersburg, Franklin County, Pennsylvania (together with approximately 12,000 feet of track in the adjacent Culbertson Yard, the acquisition of which does not require Board authorization), all as shown on the map attached as Exhibit A. PSCC is leasing the underlying property from CSXT.

Notice

In accordance with 49 C.F.R. §1150.43, PSCC hereby states as follows:

(a) The full name and address of Applicant are: Pennsylvania & Southern Railway, LLC, One Gateway Center, Suite 501B, Newton, MA 02458.

(b) The name, address and telephone number of the representative of PSCC who should receive correspondence are: Eric M. Hocky, Thorp Reed & Armstrong, LLP,

One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

(c) PSCC and CSXT are entering into an agreement under which PSCC is acquiring certain rail improvements, and leasing other rail improvements comprising the Rail Line. PSCC will be leasing the underlying real property. PSCC will also be leasing additional tracks and property in Culbertson Yard, the acquisition of which does not require Board authorization.

(d) The current operator of the Rail Line is CSXT. PSCC will operate the Rail Line and Culbertson Yard after the transaction with CSXT is completed.

(e) Brief Summary of the Proposed Transaction:

PSCC is an existing experienced carrier that operates connecting rail lines in the Cumberland Valley Business Park and Letterkenny Army Depot. *Pennsylvania & Southern Railway, LLC – Operation Exemption – Franklin County General Authority*, STB Finance Docket No. 34461 (served February 12, 2004). PSCC currently uses a portion of the Rail Line and yard tracks to interchange with CSXT. Acquiring the Rail Line will allow PSCC to operate more efficiently in providing service to and from its existing operations and customers, and in conducting interchange with CSXT. Further, PSCC can use its local operating and marketing presence to develop additional business along the Rail Line. PSCC is agreeing to acquire, lease and operate the Rail Line and to provide all of the common carrier freight operations over the Rail Line.

(1) The name and address of the railroad transferring the Rail Line: CSX Transportation, Inc., 500 Water Street, J200, Jacksonville, FL 32202.

(2) PSCC expects to commence operation of the Rail Line on or after December 23, 2011 (more than thirty days after the filing of this Notice).

(3) The mileposts of the Rail Line are between Milepost BAV 22.4 and Milepost BAV 26.85 near Chambersburg in Franklin County, Pennsylvania.

(4) The total route miles to be acquired, leased and operated is approximately 4.45 miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Line.

(g) PSCC certifies that its projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier.

(h) PSCC will continue to interchange with CSXT. There are no interchange commitments that will be required as part of this transaction. (There are no interchange commitments in connection with PSCC's existing interchange with CSXT.)

(i) PSCC certifies that its total annual revenues after the transaction will not exceed \$5,000,000. Accordingly, no notice to labor was required to be posted under 49 CFR 1150.42(e).

Environmental and Historic Reports

Pursuant to 49 C.F.R. §1105.6(c)(2), no environmental documentation should be required because this proceeding involves authority for a contract for continued operations that will not exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5).

No historic report under 49 C.F.R. §1105.8(b)(1) should be required because the transaction merely involves a sale and lease for continued rail operations, and further Board approval is required to discontinue or abandon any service. PSCC has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

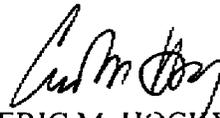
Labor Protection

PSCC is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions.

Caption Summary

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.44.

Respectfully submitted,



ERIC M. HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500
ehocky@thorpreed.com

Dated: November 18, 2011

Attorneys for
Pennsylvania & Southern Railway, LLC

VERIFICATION

I, Eyal Shapira, President of Pennsylvania & Southern Railway, LLC verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on November 17, 2011

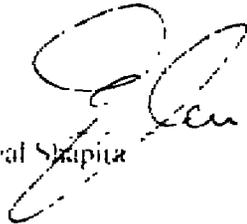
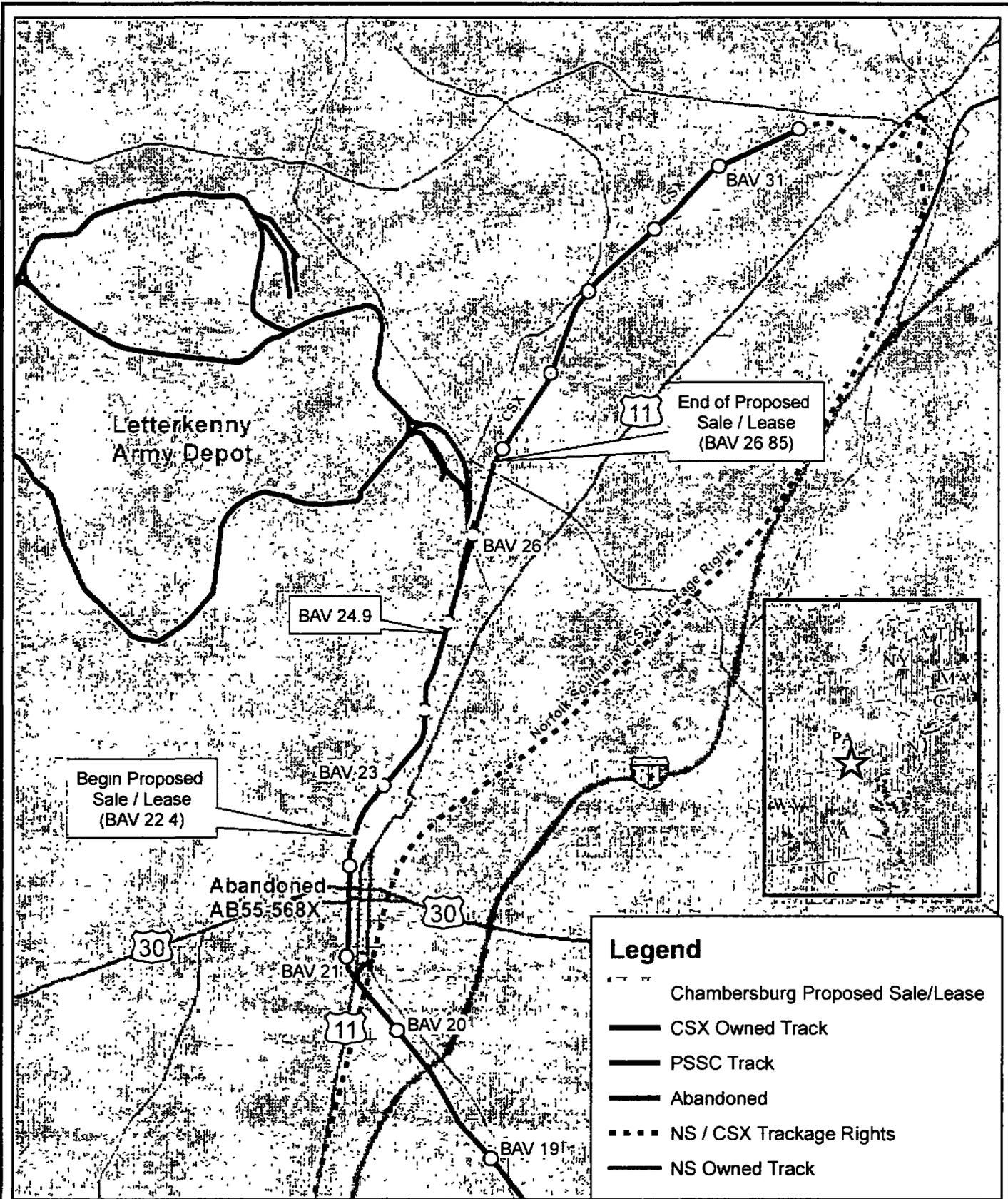

Eyal Shapira _____

EXHIBIT A

MAP



Legend

- Chambersburg Proposed Sale/Lease
- CSX Owned Track
- PSSC Track
- Abandoned
- NS / CSX Trackage Rights
- NS Owned Track



CSX Transportation, Inc.
Proposed Sale / Lease of 4.45 Miles of Track:
Sale of Regulated Mainline from BAV 22.4 to BAV 24.9,
Lease of Regulated Mainline from BAV 24.9 to BAV 26.85 + Yard Tracks
Culbertson Yard near Chambersburg PA

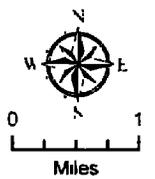


EXHIBIT B

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 35572

**PENNSYLVANIA & SOUTHERN RAILWAY, LLC
– ACQUISITION, LEASE AND OPERATION EXEMPTION –
CSX TRANSPORTATION, INC.**

Pennsylvania & Southern Railway, LLC (“PSCC”), has filed a Notice of Exemption to acquire the improvements comprising the 2.5-mile line of railroad between Milepost BAV 22.4 and Milepost BAV 24.9, and to lease the improvements comprising the 1.95-mile connecting line of railroad between Milepost BAV 24.9 and Milepost BAV 26.85 (the 4.45 total miles referred to together as the “Rail Line”) near Chambersburg, Franklin County, Pennsylvania (together with approximately 12,000 feet of track in the adjacent Culbertson Yard, the acquisition of which does not require Board authorization). PSCC is leasing the underlying real property from CSXT.

Comments must be filed with the Board and served on PSCC’s representative, Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

The Notice is filed under 49 C.F.R. §1150.41. 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.