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April 8, 2011

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Office of Proceedings

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Public Record

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

RE: Finance Docket No. 35488 *Three Notch Railway, LLC—Acquisition and
Operation Exemption—Three Notch Railroad, Co. Inc.*

Dear Ms. Brown:

Enclosed for e-filing is a Verified Notice of Exemption for the Three Notch Railway, LLC, ("TNRW") a Delaware limited liability company, a noncarrier, acquire from Three Notch Railroad Co., Inc. ("TNHR") and operate over about 34 miles of railroad line extending from approximately right-of-way station 22+57, at the interchange point with CSX Transportation, Inc., in Georgiana, AL, to Andalusia, AL, milepost 581.3 (the "Georgiana Line"). Additionally, TNRW will be assigned THNR's lease with Andalusia & Conecuh Railroad Company ("A&C"), which was assigned to TNHR by the A&F, for the lease and operation of the rail line extending from approximately milepost S428+4706 feet to milepost S425+5170 feet ("Andalusia Line").

If you have any questions please call or email me.

Sincerely yours,



Melanie B. Yasbin
Three Notch Railway, LLC

Enclosures

FILED

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**SURFACE
TRANSPORTATION BOARD**

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**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35488

THREE NOTCH RAILWAY, LLC—ACQUISITION AND OPERATION EXEMPTION—
THREE NOTCH RAILROAD CO., INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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Attorneys for Three Notch Railway, LLC

Dated: April 8, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35488

THREE NOTCH RAILWAY, LLC—ACQUISITION AND OPERATION EXEMPTION—
THREE NOTCH RAILROAD CO., INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Three Notch Railway, LLC (“TNRW”) a Delaware limited liability company , a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit TNRW to acquire from Three Notch Railroad Co., Inc. (“TNHR”) and operate over about 34 miles of railroad line extending from approximately right-of-way station 22+57, at the interchange point with CSX Transportation, Inc. (“CSXT”), in Georgiana, AL, to Andalusia, AL, milepost 581.3 (the “Georgiana Line”).¹ Additionally, TNRW will be assigned THNR’s lease with Andalusia & Conecuh Railroad Company (“A&C”), which was assigned to TNHR by the A&F, for the lease and operation of the rail line extending from approximately milepost S428+4706 feet to milepost S425+5170 feet (“Andalusia Line”). The Andalusia Line connects with the Georgiana Line in Andalusia. The Andalusia Line and the Georgiana Line are referred to as the “Line,” and run through Covington, Butler, and Conecuh Counties, AL.

TNRW is acquiring the Line from TNHR as part of the transaction whereby newly

¹ TNRW will be assigned TNHR lease of the real estate underlying the Georgiana Line with CSXT, which was assigned to TNHR by the Alabama & Florida Railway Company (“A&F”).

created non-carrier subsidiaries of RailAmerica Transportation Corp. (“RTC”) are acquiring the railroad assets of certain subsidiaries of Gulf & Ohio Railways, Inc. (“G&O”).²

In support of this Notice of Exemption, TNRW submits the following information as required by 49 C.F.R. § 1150.33:

a. Full name and address of applicant:

Three Notch Railway, LLC
7411 Fullerton Street
Suite 300
Jacksonville, FL 32256
(904) 538-6329

b. Applicant’s Representative:

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou_Gitomer@verizon.net

c. RTC, or its subsidiaries, assigns or affiliates, which includes TNRW, (the “Buyers”) entered an Asset Purchase Agreement dated as of April 8, 2011 (the “Agreement”) with G&O, Conecuh Valley Railroad Company, Inc. (“CVRR”), TNHR, and Wiregrass Central Railroad Company (“WGCR”) (the “Sellers”). Under the Agreement, Buyers will acquire substantially all of the assets of CVRR, TNHR, and WGCR.

d. The operator of the Line will be Three Notch Railway, LLC.

e. Summary of proposed transaction:

1. The name and address of the party transferring the property is:

² TNHR acquired the Line pursuant to *Three Notch Railroad Co., Inc.-Acquisition, Lease and Operation Exemption-Alabama & Florida Railway Company*, STB Finance Docket No. 33981 (STB served June 29, 2001).

Three Notch Railroad Company, Inc.
422 W. Cumberland Avenue
Knoxville, TN 37902

2. The proposed time schedule for the consummation of the transaction is on or after May 8, 2011.

3. The mileposts of the subject property, including any branch lines. The Line runs from approximately right-of-way station 22+57, at the interchange point with CSXT, in Georgiana, AL, to Andalusia, AL, milepost 581.3, and from approximately milepost S428+4706 feet to milepost S425+5170 feet, in Andalusia, all in Covington, Butler and Conecuh Counties, AL.

4. TNRW will own and operate over 34 route miles as a common carrier railroad. TNRW intends to continue to interchange traffic at Georgiana, AL with CSXT.

f. A color map of the Line is attached as Exhibit C.

g. A Certificate of Compliance with the provisions of 49 CFR § 1150.33(g) is attached as Exhibit A.

h. There are no interchange commitments or paper barriers in the Agreement between Buyers and Sellers. Nor will there be any interchange commitments or paper barriers in the Interchange Agreement between TNRW and CSXT.

i. A caption summary, as required by 49 C.F.R. §1150.34, is attached as Exhibit B.

j. No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 CFR §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 CFR §1105.6(b)(4) and (c)(2)(i).

k. An historic report is not required because TNRW will own and operate the Line, will require further Board approval to abandon the Line or any portion of the Line, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. §1105.8(b)(1).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,



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Attorneys for Three Notch Railway, LLC

Scott G. Williams Esq.
Senior Vice President & General Counsel
RailAmerica, Inc.
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256
(904) 538-6329

Dated: April 8, 2011

EXHIBIT A

EXHIBIT B – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35488

THREE NOTCH RAILWAY, LLC—ACQUISITION AND OPERATION EXEMPTION—
THREE NOTCH RAILROAD CO., INC.

Three Notch Railway, LLC, a Delaware limited liability company (“TNRW”) has filed a notice of exemption to acquire from Three Notch Railroad Co., Inc., and operate over about 34 miles of railroad line extending from approximately right-of-way station 22+57, at the interchange point with CSX Transportation, Inc., in Georgiana, AL, to Andalusia, AL, milepost 581.3 in Butler, Conecuh, and Covington Counties, AL and from approximately milepost S428+4706 feet to milepost S425+5170 feet, in Andalusia, AL, in Butler County, AL.

The transaction is scheduled to take place on or after May 8, 2011.

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

A class exemption for RailAmerica, Inc., Palm Beach Holding, Inc., RailAmerica Transportation Corp., Railtex, Inc., Fortress Investment Group, LLC and RR Acquisition Holding, LLC to continue in control of Three Notch Railway, LLC, was concurrently filed in Finance Docket No. 35486, *RailAmerica, Inc., Palm Beach Holding, Inc., RailAmerica Transportation Corp., Railtex, Inc., Fortress Investment Group, LLC and RR Acquisition Holding, LLC – Continuance in Control Exemption—Conecuh Valley Railway, LLC, Three Notch Railway, LLC, and Wiregrass Central Railway, LLC.*

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding 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. Petitions to stay must be filed no later than _____, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35488, 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 Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou_Gitomer@verizon.net.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: _____, 2011.

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

EXHIBIT C-MAP

