

TRANSPORT COUNSEL PC

ATTORNEYS AT LAW

March 9, 2016

240271

BY HAND DELIVERY

Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
March 9, 2016
Part of
Public Record



Re: Finance Docket No. 36009 , Gulf & Ohio Railways, Inc., H. Peter Claussen and Linda C. Claussen -- Continuance in Control Exemption -- North Carolina & Atlantic Railroad Co., Inc.

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceeding are an original and 10 copies of the notice of exemption of Gulf & Ohio Railways, Inc., H. Peter Claussen and Linda C. Claussen, pursuant to 49 C.F.R. 1180.2(d)(2).

Also enclosed are (1) a check in the amount of \$1,400 to cover the filing fee for this proceeding, and (2) 20 additional copies of the maps attached as Exhibit A to this filing, pursuant to 49 C.F.R. 1180.6(a)(6).

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Sincerely,

Rose-Michele Nardi /ETJ

Rose-Michele Nardi

Enclosures

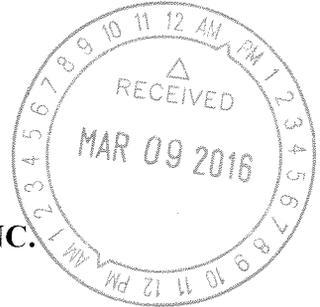
FEE RECEIVED
March 9, 2016
SURFACE
TRANSPORTATION BOARD

FILED
March 9, 2016
SURFACE
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 36009

**GULF & OHIO RAILWAYS, INC.,
H. PETER CLAUSSEN AND LINDA C. CLAUSSEN
--CONTINUANCE IN CONTROL EXEMPTION--
NORTH CAROLINA & ATLANTIC RAILROAD CO., INC.**



VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. section 1180.2(d)(2), Gulf & Ohio Railways, Inc. ("G&O"), and H. Peter and Linda C. Claussen (the "Claussens") file this Notice of Exemption from the prior approval requirements of 49 U.S.C. section 11323.

1. Name, Business Address and Phone Number:

Gulf & Ohio Railways, Inc.
P.O. Box 2408
Knoxville, TN 37901
Tel (865) 525-9400

H. Peter Claussen and Linda C. Claussen
P.O. Box 2408
Knoxville, TN 37901
Tel (865) 525-9400

2. Counsel for Correspondence

Rose-Michele Nardi
Transport Counsel PC
1701 Pennsylvania Ave., NW
Suite 300
Washington, DC 20006
Tel (202) 349-3660

3. Brief Summary of Proposed Transaction:

G&O and the Claussens seek to control North Carolina & Atlantic Railroad Co., Inc. ("NCAR"). NCAR is a newly-established entity, formed for the purpose of becoming a class III railroad. Contemporaneously with this filing, NCAR is filing with the Surface Transportation Board, under 49 C.F.R. section 1150.31, for authority to lease and operate a certain rail line in North Carolina. *See* STB Finance Docket No. 36008, *North Carolina & Atlantic Railroad Co.*,

Inc. -- Lease and Operation Exemption -- North Carolina Department of Transportation
("Related Proceeding").

The Claussens own a controlling share of voting stock of G&O. G&O in turn wholly owns the following other class III rail carriers: (a) Knoxville & Holston River Railroad Co., Inc., which operates in Tennessee; (b) Laurinburg & Southern Railroad Co., Inc., which operates in North Carolina; (c) Lancaster & Chester Railroad, LLC, which operates in South Carolina; and (d) Piedmont & Atlantic Railroad Co., Inc., d/b/a Yadkin Valley Railroad, which operates in North Carolina. The class III rail carrier controlled by G&O and the Claussens are referred to herein as the "Affiliates".

NCAR will not connect with any of the Affiliates, nor is this transaction part of a series of anticipated transactions that would connect NCAR with any of the Affiliates. There are no class I carriers involved in this transaction.

4. Proposed Consummation Schedule

NCAR is not expected to perform common carrier operations until April 8, 2016, or a date thereafter. *See* Related Proceeding.

5. Purpose of Transaction:

By establishing a separate entity to lease and operate the rail line described in the Related Proceeding, G&O and the Claussens are able to insulate their other railroads from the financial, legal and operational risks associated with the transaction described in that proceeding.

6. States Where Property Located:

The rail line NCAR will lease and operate in the Related Proceeding is located wholly within the State of North Carolina.

7. Maps of Lines:

A map of the line to be acquired by NCAR in the Related Proceeding is attached as Exhibit A. Also attached at Exhibit A are maps identifying the general location of the Affiliates' rail lines.

8. Agreement:

Neither G&O nor the Claussens will enter into any agreement to control NCAR as a class III railroad. Control will result from the ownership interest of the Claussens in G&O and G&O's ownership interest in NCAR.

9. Labor Protection:

No labor protection may be imposed in this case. NCAR is a class III railroad, and the transaction does not involve any Class I or Class II railroads. In addition, the transaction does not involve any non-carriers that control Class I or Class II railroads.

10. Environmental and Historic Reporting Requirements

Under 49 C.F.R. section 1105.6(c)(2)(i), environmental documentation normally will not be prepared for an action that will not exceed the quantitative thresholds set forth in 49 C.F.R. sections 1105.7(e)(4) or 1105.7(e)(5). This control transaction will not result in changes in carrier operations that exceed the above-referenced thresholds. Therefore, no environmental documentation is required for this Verified Notice of Exemption.

Similarly, historic documentation generally will be prepared only for "an action identified in § 1105.6(a) or (b), or an action in § 1105.6(c) that will result in the lease, transfer, or sale of a railroad's line, sites or structures". See 49 C.F.R. section 1105.8(a). This proceeding does not involve one of those actions. Therefore, no historic documentation is required for this Verified Notice of Exemption.

11. Interchange Commitments

The proposed control transaction does not involve interchange commitments, as described in 49 C.F.R. section 1180.4(g)(4).

Respectfully submitted,

Rose-Michele Nardi / EJY

Rose-Michele Nardi
Transport Counsel PC
1701 Pennsylvania Ave., NW
Suite 300
Washington, DC 20006

Attorneys for:

GULF & OHIO RAILWAYS, INC.,
H. PETER CLAUSSEN AND LINDA C.
CLAUSSEN

March 9, 2016

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

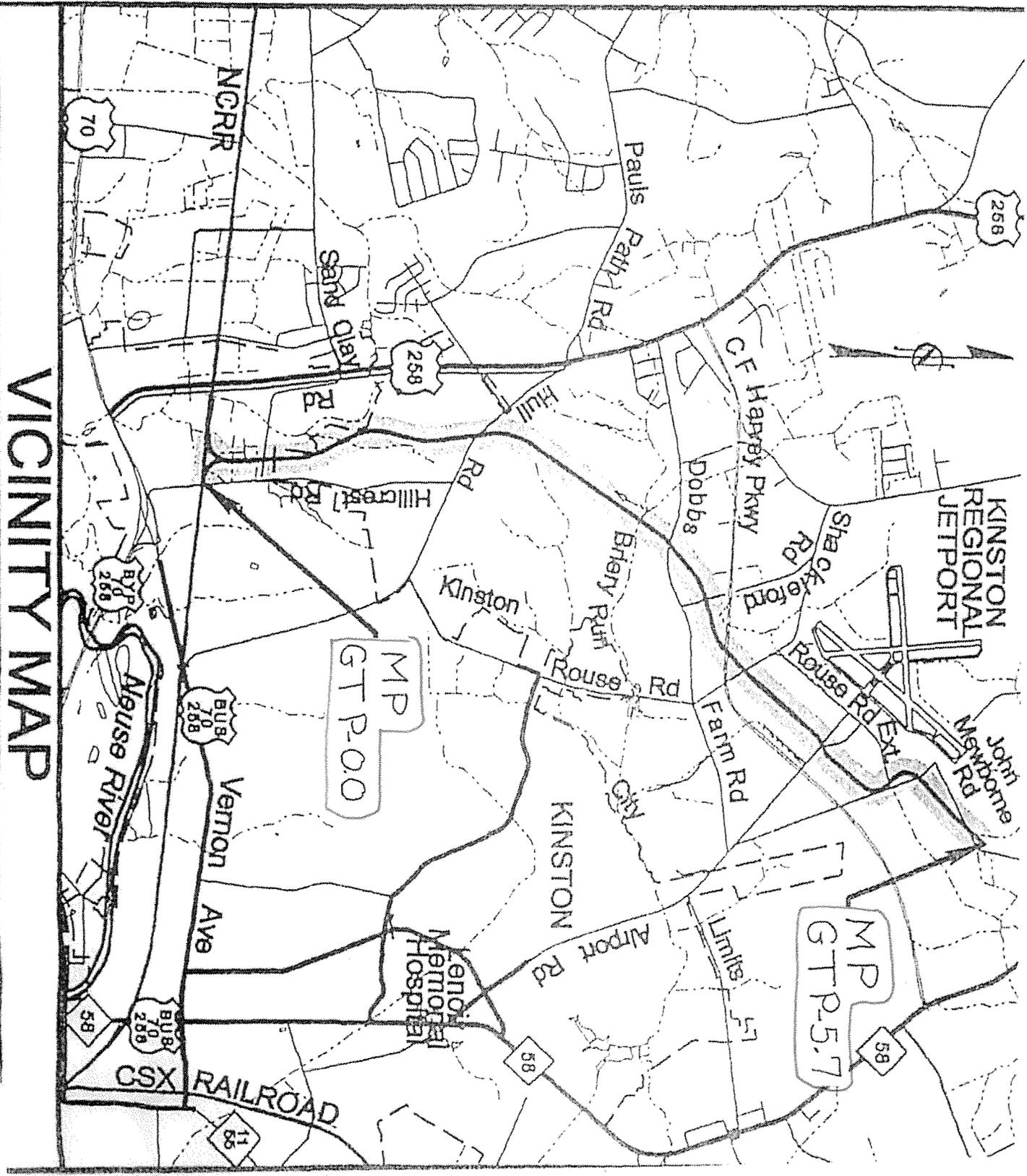
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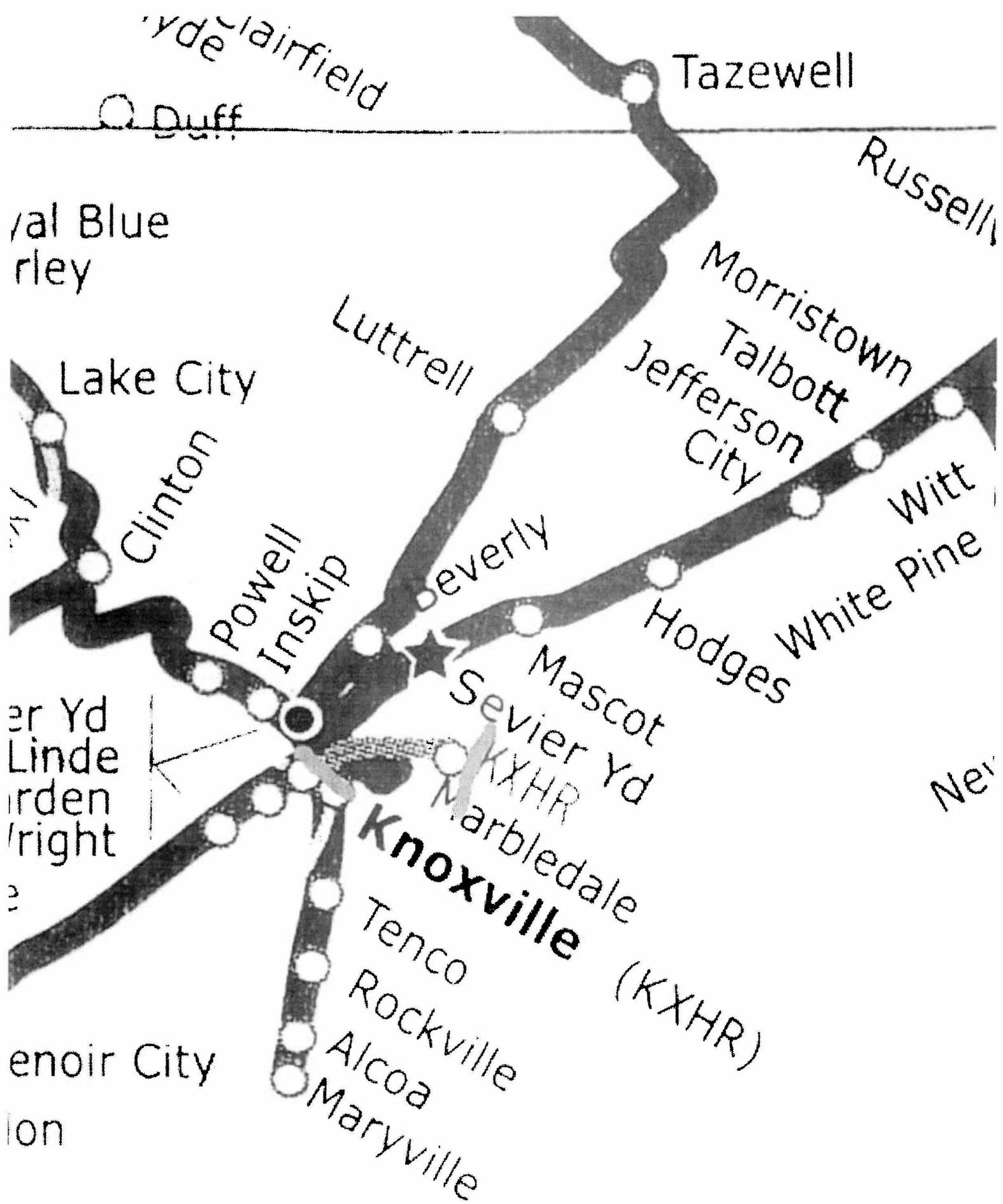


EXHIBIT A

MAPS

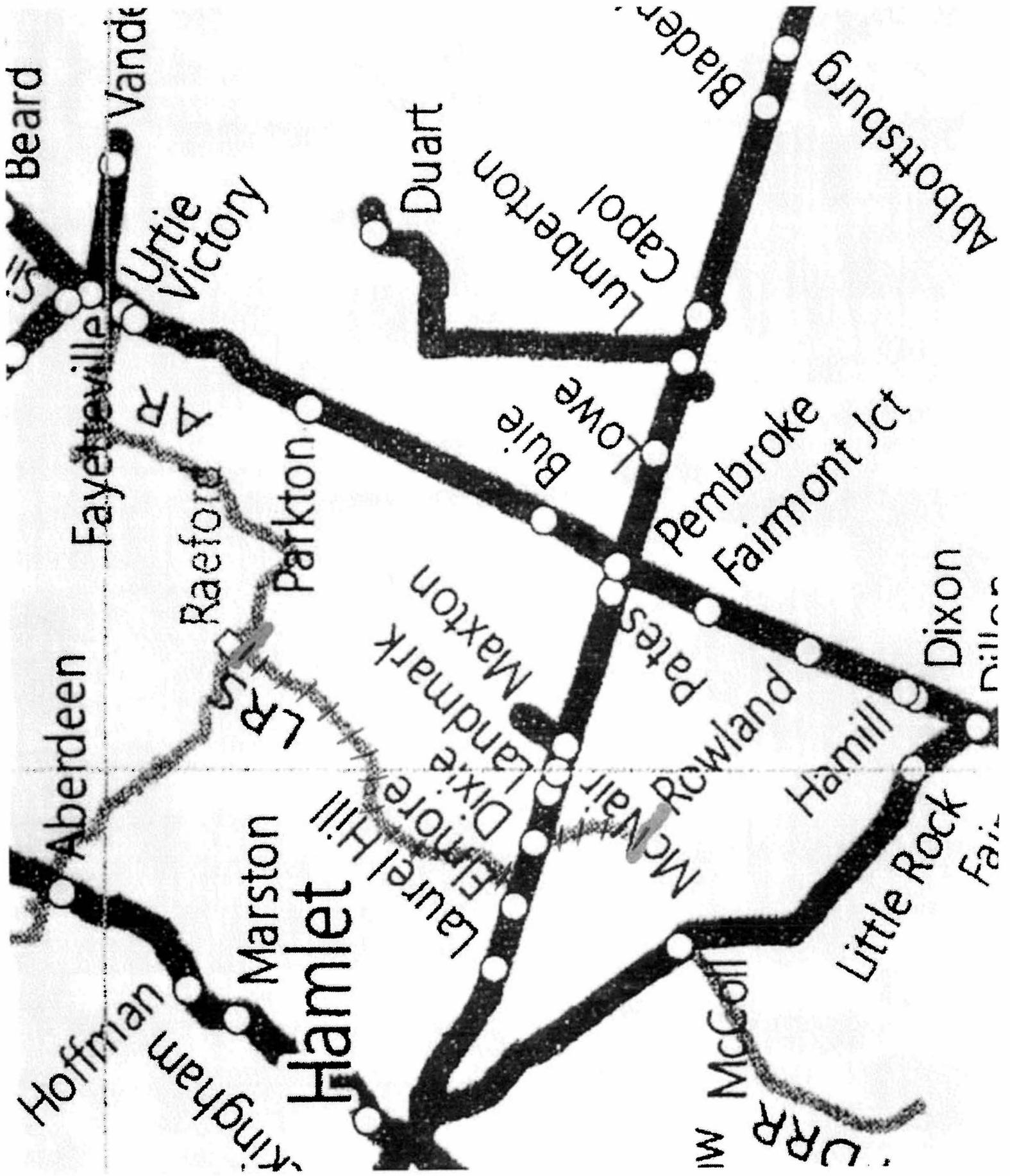


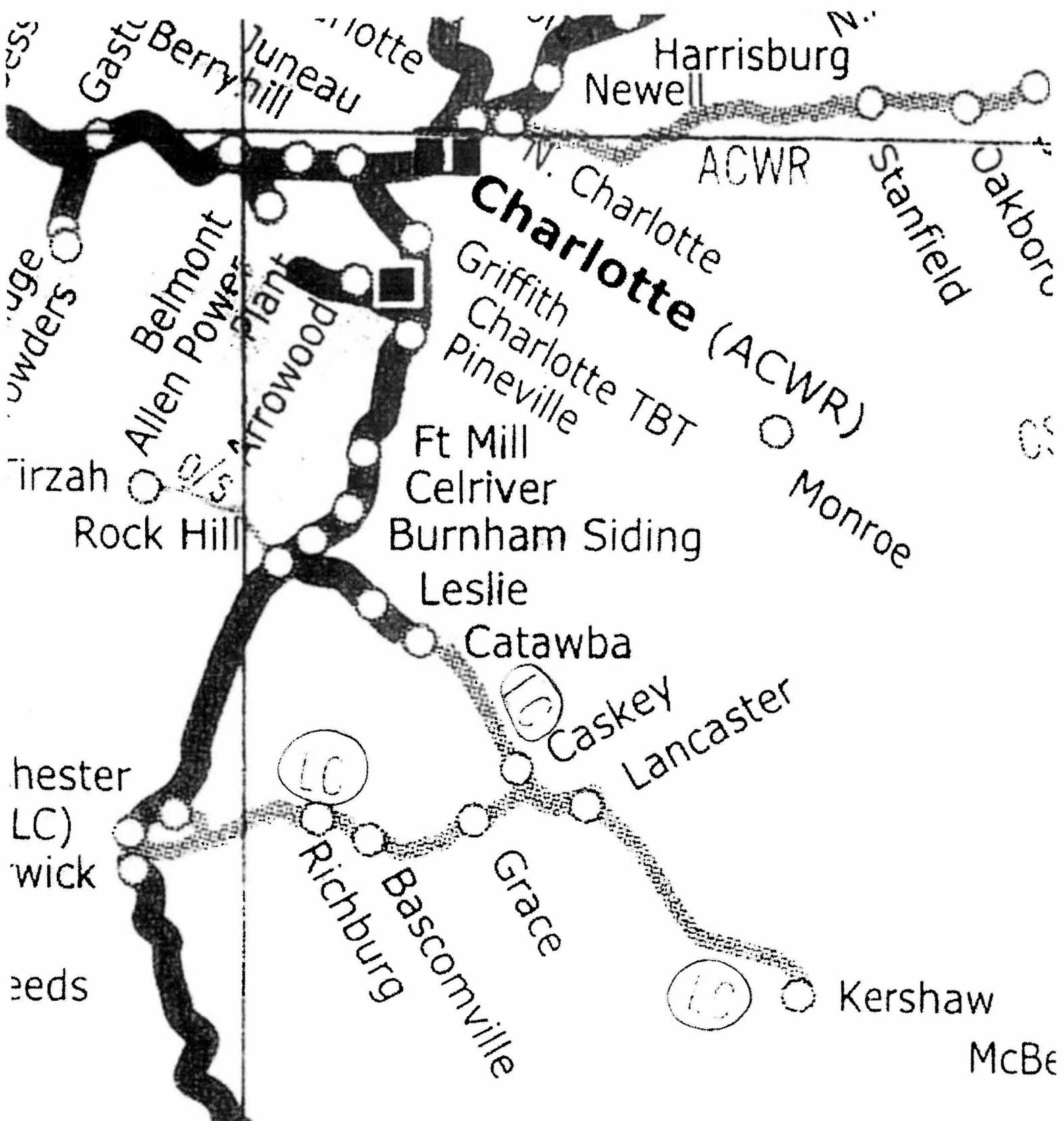
North Carolina & Atlantic Railroad Co., Inc.



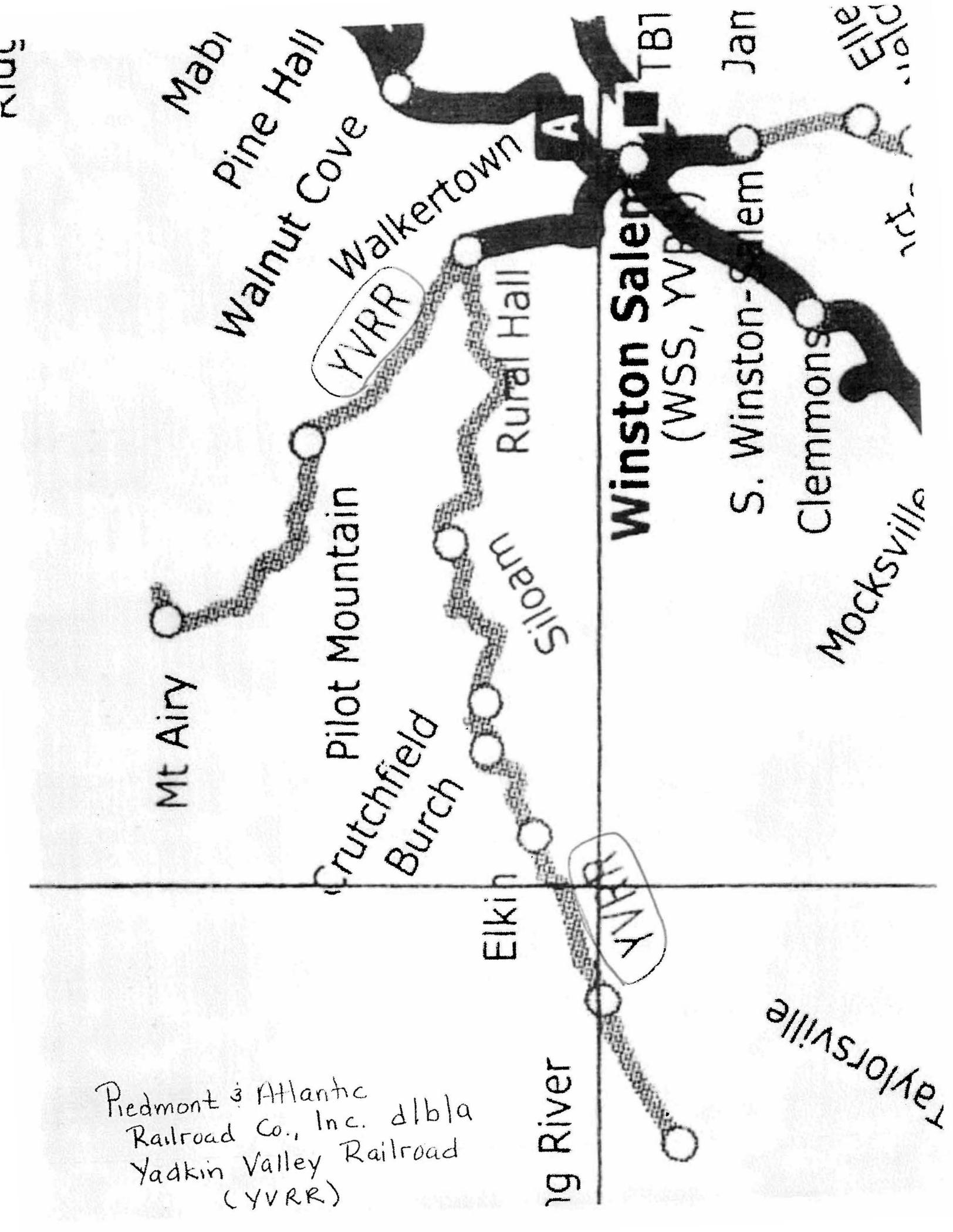
Knoxville & Holston River Railroad Co., Inc.
(KXHR)

Laurensburg & Southern Railroad Co., Inc. (1925)





Lancaster & Chester Railroad, LLC (LC)



Piedmont & Atlantic
 Railroad Co., Inc. dbla
 Yadkin Valley Railroad
 (YVRR)

Winston Salem
 (WSS, YVRR)

YVRR

YVRR

Mt Airy

Pilot Mountain

Crutchfield
 Burch

Elkin

Big River

Siloam

Rural Hall

Walkertown

Walnut Cove

Mabi

Pine Hall

TBT

S. Winston-Salem

Jan

Clemmons

Mocksville

Taylorville

VERIFICATION

I certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to cause this Verified Notice of Exemption to be filed.



H. Peter Claussen



Linda C. Claussen



Gulf & Ohio Railways, Inc.
H. Peter Claussen, Chairman

Dated: 3/9, 2016