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231581

December 27, 2011

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

REC'D
DEC 28 2011
MANAGEMENT
STB

Re: Southwest Pennsylvania Railroad Company – Acquisition Exemption – Laurel Hill Development Corporation; Finance Docket No. 35584

Dear Ms. Brown:

Enclosed for filing in the above captioned proceeding are an original and ten copies of the Verified Notice of Exemption pursuant to 49 C.F.R. §1150.41 dated December 27, 2011. Also enclosed please find a check in the amount of \$1,800.00 representing the filing fee for this Notice of Exemption.

Please time and date stamp the extra copy of this letter of transmittal to indicate your receipt and filing of this Notice and return it to the undersigned in the enclosed self addressed, stamped envelope provided for that purpose.

Thank you for your assistance in this matter.

Very truly yours,

RICHARD R. WILSON, P.C.

Richard R. Wilson
Richard R. Wilson, Esq.
Attorney for Southwest Pennsylvania
Railroad Company

FEE RECEIVED
DEC 28 2011
SURFACE
TRANSPORTATION BOARD

ENTERED
Office of Proceedings
DEC 28 2011
Part of
Public Record

RRW/bab
Enclosures
xc: Eric Hocky, Esq.
Southwest Pennsylvania Railroad Company
Laurel Hill Development Corporation

FILED
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SURFACE TRANSPORTATION BOARD

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DEC 28 2011
MANAGEMENT
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SOUTHWEST PENNSYLVANIA RAILROAD COMPANY – ACQUISITION
EXEMPTION – LAUREL HILL DEVELOPMENT CORPORATION

FINANCE DOCKET NO. 35584

231581

FILED
DEC 28 2011
SURFACE
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VERIFIED NOTICE OF EXEMPTION UNDER 49 U.S.C. §10902
PURSUANT TO 49 C.F.R. §1150.41

ENTERED
Office of Proceedings
DEC 28 2011
Part of
Public Record

SUMMARY

This Verified Notice of Exemption is filed pursuant to 49 C.F.R. §1150.41, et seq. by Southwest Pennsylvania Railroad Company (“SPRC” or “applicant”). SPRC is a Pennsylvania for profit corporation and a Class III railroad common carrier which operates certain lines of railroad previously acquired by Fay Penn Industrial Development Corporation (“Fay Penn”), now known as Laurel Hill Development Corporation (“LHDC”), and Westmoreland County Industrial Development Corporation¹ in Fayette and Westmoreland Counties, Pennsylvania.

Applicant seeks to exempt from regulation under 49 U.S.C. §10902 its acquisition of lines of railroad (“rail properties”) now owned by LHDC, a non operating rail carrier,

¹ Fay Penn IDC obtained acquisition authority and SPRC obtained operating authority for the subject rail facilities between Greene Jct. and Smithfield, PA together with incidental trackage rights from Green Jct. to Broad Ford, PA in Fay Penn IDC Acquisition Exemption – CSXT, Inc., Finance Docket No. 33051 and Southwest Pennsylvania Railroad Company – Operation Exemption – CSXT, Inc., Finance Docket No. 33051 (Sub. No. 1) service date October 4, 1996. Fay Penn IDC successor in interest to Fay Penn Land Trust obtained acquisition authority as the designee of the Commonwealth of Pennsylvania to acquire rail facilities between Broadford and Everson, PA under OFA procedures in CSXT, Inc. – Abandonment Exemption – In Fayette and Westmoreland Counties, PA, Docket No. AB-55 (Sub No. 420X) service date Nov. 28, 1994. SPRC obtained operating authority for the Broadford-Everson line segment in Southwest Pa Rail Co. – Lease and Operation Exemption – Lines of Westmoreland County, IDC and Fay Penn Land Trust, Finance Docket No. 32737, (service date July 21, 1995). On August 25, 2011, Fay-Penn IDC changed its name to Laurel Hill Development Corporation by amendment of its Articles of Incorporation filed with the Pennsylvania Department of State and recorded in the Fayette County Record Book 3163, Page 1388.

extending generally between Everson, PA and Broadford, PA and between Greene Junction, PA and Smithfield, PA including Bowest Yard, together with various branch lines comprising a total distance of 29.09 miles as described on Appendix A and B hereto².

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

A. The full name and address of Applicant is: Southwest Pennsylvania Railroad Company, 519 Cedar Way, Bldg. 1, Ste. 100, Oakmont, PA 15139.

B. The name, address and telephone number of the representative of Applicant who should receive correspondence is: Richard R. Wilson, Esq., 518 N. Center Street, Ste. 1, Ebensburg, PA 15931, counsel for SPRC.

C. Pursuant to an Agreement dated December 27, 2011 between SPRC and LHDC, LHDC will sell its rail properties from Everson, PA to Broadford, PA and from Green Junction, PA to Smithfield, PA to SPRC. The rail properties will continue to be operated by SPRC.

D. The present operator of the rail properties is SPRC.

E. Brief summary of the proposed transaction:

1. The entity selling the rail properties is LHDC.

2. SPRC will acquire the rail properties from LHDC after the

effective date of this notice and SPRC will thereafter continue to provide common carrier rail service on the rail properties acquired.

² SPRC operates over CSX Transportation, Inc. via incidental trackage rights previously granted by CSX Transportation, Inc. to SPRC in Finance Docket No. 33051 (Sub No. 1) for approximately 4+/- miles of CSXT between Broadford, PA and Greene Junction, PA including rights via various lead and yard tracks within Connellsville Yard to permit the integrated and continuous operation of the two rail properties to be acquired hereunder. SPRC has used these trackage rights since 1995 under a trackage rights agreement with CSX Transportation, Inc. and will continue to use those rights after acquisition of LHDC's rail properties.

3. and 4. The mileage of the rail properties which are presently owned by LHDC from Everson, PA to Broadford, PA and from Green Junction, PA to Smithfield, PA is as stated on Exhibit A. The total route miles for the line segments being acquired are 29.09 miles.

F. Attached as Appendix B to this Notice of Exemption is a map of the rail properties to be acquired by SPRC.

G. Applicant certifies that its projected revenues as a result of this transaction will not exceed those that would qualify for Class III rail carrier status.

H. This transaction does not involve the imposition of any interchange commitments or restrictions.

Pursuant to 49 C.F.R. §1105.6(c) no environmental documentation is required because this proceeding involves authority for acquisition under 49 U.S.C. §10902 which will not exceed the thresholds established in 49 C.F.R. §1105.7(c)(4) or (5).

No historic report is required because the transaction involves the transfer of lines for the purposes of continued rail operations and further Board approval is required to abandon any service. Applicant has no plans to dispose or alter the property subject to Board jurisdictions that are 50 years old or older.

Applicant will preserve intact all sites and structures more than 50 years old until compliance with the requirements of Section 106 of the National Historic Preservation Act, 16 U.S.C. §470 is achieved.

The caption summary required by 49 C.F.R. §1150.34 is attached hereto as Appendix C.

Respectfully submitted,

A handwritten signature in black ink, reading "Richard R. Wilson", with a long horizontal flourish extending to the right.

Richard R. Wilson, Esq.
Attorney for Southwest Pennsylvania
Railroad Company
518 N. Center Street, Ste. 1
Ebensburg, PA 15931

Dated: December 27, 2011

Appendix A

Description of Rail Properties to be Acquired by Southwest Pennsylvania Railroad Company

(A) A 21.67 mile right-of-way and real property in Fayette County situated between Greene Junction (Rail Valuation Station 4+06.3) and Smithfield (Rail Valuation Station 1148+43.8), as shown generally on Valuation Maps V69.1/s-43a, V69.11/1 to 6, and V82.1/1 to 6.

(B) A 3.28 mile right-of-way and real property situated in Fayette County, between Broadford, PA (Rail Valuation Station 1+30) and Everson, PA (Rail Valuation Station 174+56).

(C) A portion of the Smithfield & Masontown Branch adjacent to the rail line described in (A) above, in Smithfield, as show generally on Valuation Map 82.1/S 5-6 and 82.4/1.

(D) A 2.26 mile portion of the right-of-way known as the South West Branch, between Rail Valuation Station 1926+00 and 2045+45, in Uniontown, as shown on Valuation Maps V. 20.01/37 to 39.

(E) A 0.27 mile portion of the South West Branch, between Rail Valuation Stations 2271+39 and 2285+55, in Fairchance, as shown generally on Valuation Map V.20.01/44.

(F) A 1.61 mile portion of the right-of-way known as the Fairchance Branch, between Rail Valuation Stations 2+10 to 87+20, in Fairchance, as shown on Valuation Maps V.20.025/1 & 2.

(G) All the tract or parcel of land and rights-of-way referred to as "the Bowest Yard" situate, lying and being adjacent to the rail line described in (A) above in Dunbar Township, Fayette County, Pennsylvania.

(H) all those tracts or parcels of land and rights-of-way comprising or adjacent to the former CSXT Smithfield and Masontown Branch Line connecting with the parcels at S.& M. Junction near Smithfield extending from the northerly property line of the parcel described in Paragraph (C) above to State Route 119; and

(I) that industrial side track easement located in the Fayette Business Park and connecting to the former CSXT FM & P Subdivision in Georges Township, Fayette County, Pennsylvania.

APPENDIX B

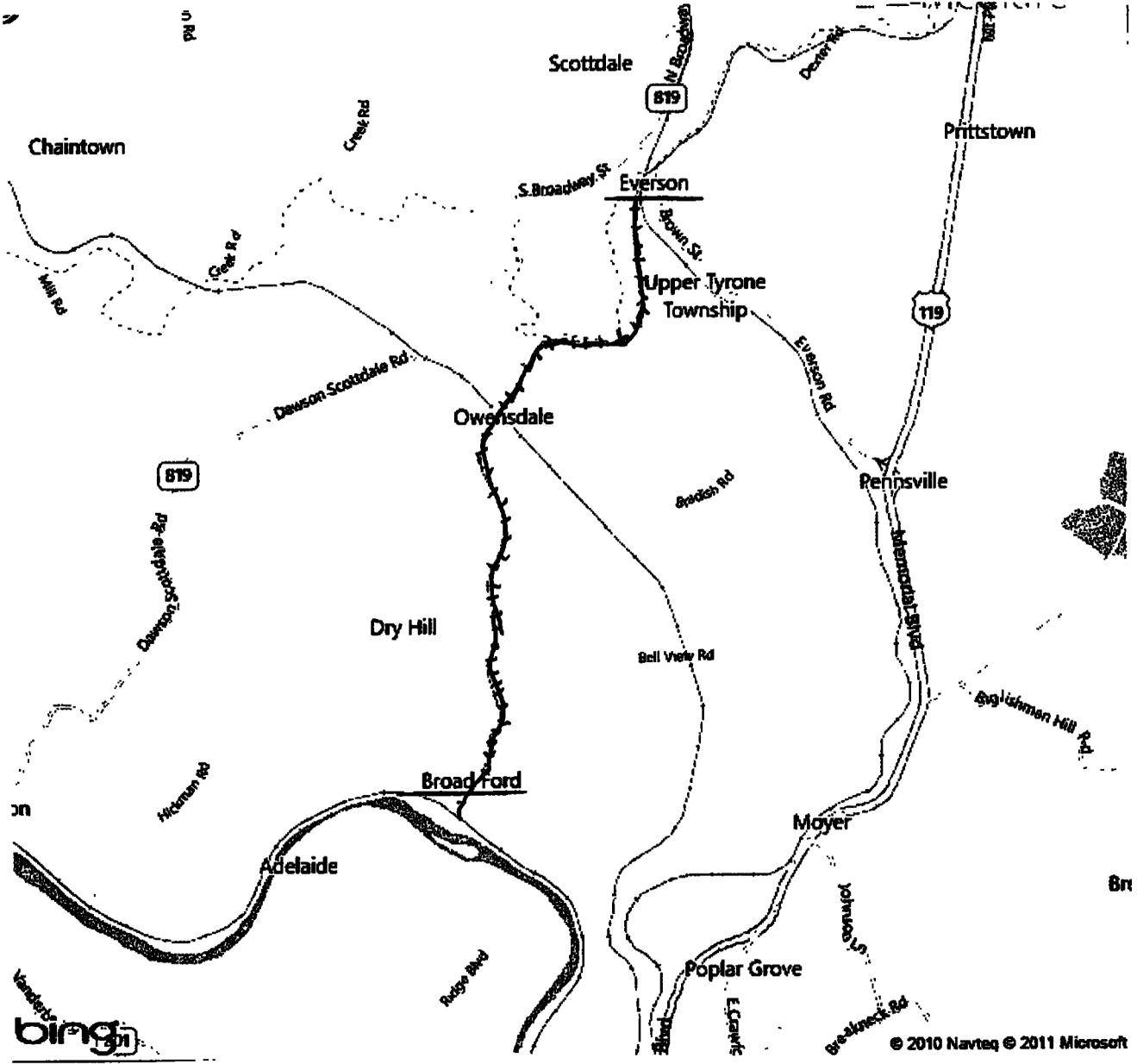
**Before the
SURFACE TRANSPORTATION BOARD**

**SOUTHWEST PENNSYLVANIA RAILROAD COMPANY – ACQUISITION
EXEMPTION – LAUREL HILL DEVELOPMENT CORPORATION**

FINANCE DOCKET NO. 35584

VERIFIED NOTICE OF EXEMPTION

RAIL MAP



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APPENDIX C

Before the
SURFACE TRANSPORTATION BOARD

SOUTHWEST PENNSYLVANIA RAILROAD COMPANY – ACQUISITION
EXEMPTION – LAUREL HILL DEVELOPMENT CORPORATION

FINANCE DOCKET NO. 35584

VERIFIED NOTICE OF EXEMPTION

Southwest Pennsylvania Railroad Company (“SPRC”), a Class III rail carrier, has filed a Verified Notice of Exemption to acquire the following lines of railroad now owned by Laurel Hill Development Corporation: (A) A 21.67 mile right-of-way and real property in Fayette County situated between Greene Junction (Rail Valuation Station 4+06.3) and Smithfield (Rail Valuation Station 1148+43.8), as shown generally on Valuation Maps V69.1/s-43a, V69.11/1 to 6, and V82.1/1 to 6; (B) A 3.28 mile right-of-way and real property situated in Fayette County, between Broadford, PA (Rail Valuation Station 1+30) and Everson, PA (Rail Valuation Station 174+56); (C) A portion of the Smithfield & Masontown Branch adjacent to the rail line described in (A) above, in Smithfield, as show generally on Valuation Map 82.1/S 5-6 and 82.4/1; (D) A 2.26 mile portion of the right-of-way known as the South West Branch, between Rail Valuation Station 1926+00 and 2045+45, in Uniontown, as shown on Valuation Maps V. 20.01/37 to 39; (E) A 0.27 mile portion of the South West Branch, between Rail Valuation Stations 2271+39 and 2285+55, in Fairchance, as shown generally on Valuation Map

V.20.01/44; (F) A 1.61 mile portion of the right-of-way known as the Fairchance Branch, between Rail Valuation Stations 2+10 to 87+20, in Fairchance, as shown on Valuation Maps V.20.025/1 & 2; (G) All the tract or parcel of land and rights-of-way referred to as “the Bowest Yard” situate, lying and being adjacent to the rail line described in (A) above in Dunbar Township, Fayette County, Pennsylvania; (H) all those tracts or parcels of land and rights-of-way comprising or adjacent to the former CSXT Smithfield and Masontown Branch Line connecting with the parcels at S.& M. Junction near Smithfield extending from the northerly property line of the parcel described in Paragraph (C) above to State Route 119; and (I) that industrial side track easement located in the Fayette Business Park and connecting to the former CSXT FM & P Subdivision in Georges Township, Fayette County, Pennsylvania totaling 29.09 route miles.

Comments must be filed with the Board and served on Applicant’s representative Richard R. Wilson, Esq. 518 N. Center Street, Ste. 1, Ebensburg, PA 15931.

This notice is filed under 49 C.F.R. §1150.41. If the notice contains false or misleading information, the exemption is void ab initio. A petition to revoke the exemption under 49 U.S.C. §10505(d) may be filed at any time. The filing for a petition to revoke will not automatically stay the transaction.

VERIFICATION

I, Russell A. Peterson, declare, under the penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Notice on behalf of Southwest Pennsylvania Railroad Company, of which I am an officer.

Executed this 27th day of December, 2011.



Russell A. Peterson