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LOUIS E. GITOMER
OF COUNSEL
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December 23, 2002



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DID# 0102106011

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423

RE: Finance Docket No. 34272, *North Carolina & Virginia Railroad, Inc.—Lease and Operation Exemption—Norfolk Southern Railway Company*

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Verified Notice of Exemption under 49 CFR § 1150.41, three diskettes with the file Notice of Exemption.doc, and a check covering the \$1,300.00 filing fee. Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for North Carolina & Virginia
Railroad, Inc.

Enclosures

FILE RECEIVED

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SURFACE
TRANSPORTATION BOARD

Part of
Public Record

SURFACE
TRANSPORTATION BOARD

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34272



NORTH CAROLINA & VIRGINIA RAILROAD, INC.—LEASE AND OPERATION
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
NORTH CAROLINA & VIRGINIA RAILROAD, INC.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorneys for: NORTH CAROLINA & VIRGINIA
RAILROAD, INC.

Dated: December 23, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34272

NORTH CAROLINA & VIRGINIA RAILROAD, INC.—LEASE AND OPERATION
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

North Carolina & Virginia Railroad, Inc., Chesapeake & Albemarle Division (“NCVA”), a Class III carrier, with current annual revenues in excess of \$5 million, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart E—Exempt Transactions Under 49 U.S.C. 10902 for Class III Rail Carriers, with the Surface Transportation Board (the “Board”) for NCVA to lease and operate from Norfolk Southern Railway Company (“NS”) the four-mile rail line between Chesapeake, VA, milepost NS 4.0, and Butts, VA, milepost NS 8.0 (the “Line”).

In support of this Notice of Exemption, NCVA submits the following information as required by 49 C.F.R. § 1150.43:

a. Full name and address of applicant:

North Carolina & Virginia Railroad, Inc., Chesapeake & Albemarle Division
214 North Railroad Street
Ahoskie, NC 27910

b. Applicant's Representatives:

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
North Carolina & Virginia Railroad, Inc.

5300 Broken Sound Boulevard N.W.
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
Ball Janik LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

- c. An agreement has been reached between NS, as lessor, and NCVA, as lessee.
- d. The operator of the property will be NCVA.
- e. Summary of proposed transaction:
 - 1. The name and address of the railroad transferring the property is:

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510-2191
 - 2. The proposed time schedule for the consummation of the transaction is January 4, 2003.
 - 3. The mile-posts of the subject property, including any branch lines that NCVA is leasing from NS are between Chesapeake, VA, milepost NS 4.0, and Butts, VA, milepost NS 8.0.
 - 4. NCVA is leasing about 4.00 miles of track from NS.
- f. A map of the rail Line is attached as Exhibit A.
- g. A Certificate of Compliance with the provisions of 49 CFR § 1150.43(g) is attached as Exhibit B.
- h. A caption summary, as required by 49 C.F.R. §1150.44, is attached as Exhibit C.
- i. No environmental documentation is required because there will be no operational changes that

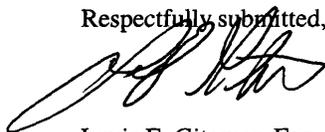
would exceed the thresholds established in 49 CFR §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 CFR §1105.6(b)(4) and (c)(2)(i).

j. An historic report is not required because NCVA will operate the Line, will require further STB approval to discontinue any service, and there are no plans to dispose of or alter properties subject to STB 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).

k. The Certification to the Board and the Notice posted and served on the national offices of all labor unions with employees on the affected line is attached as Exhibit D.

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

Respectfully submitted,



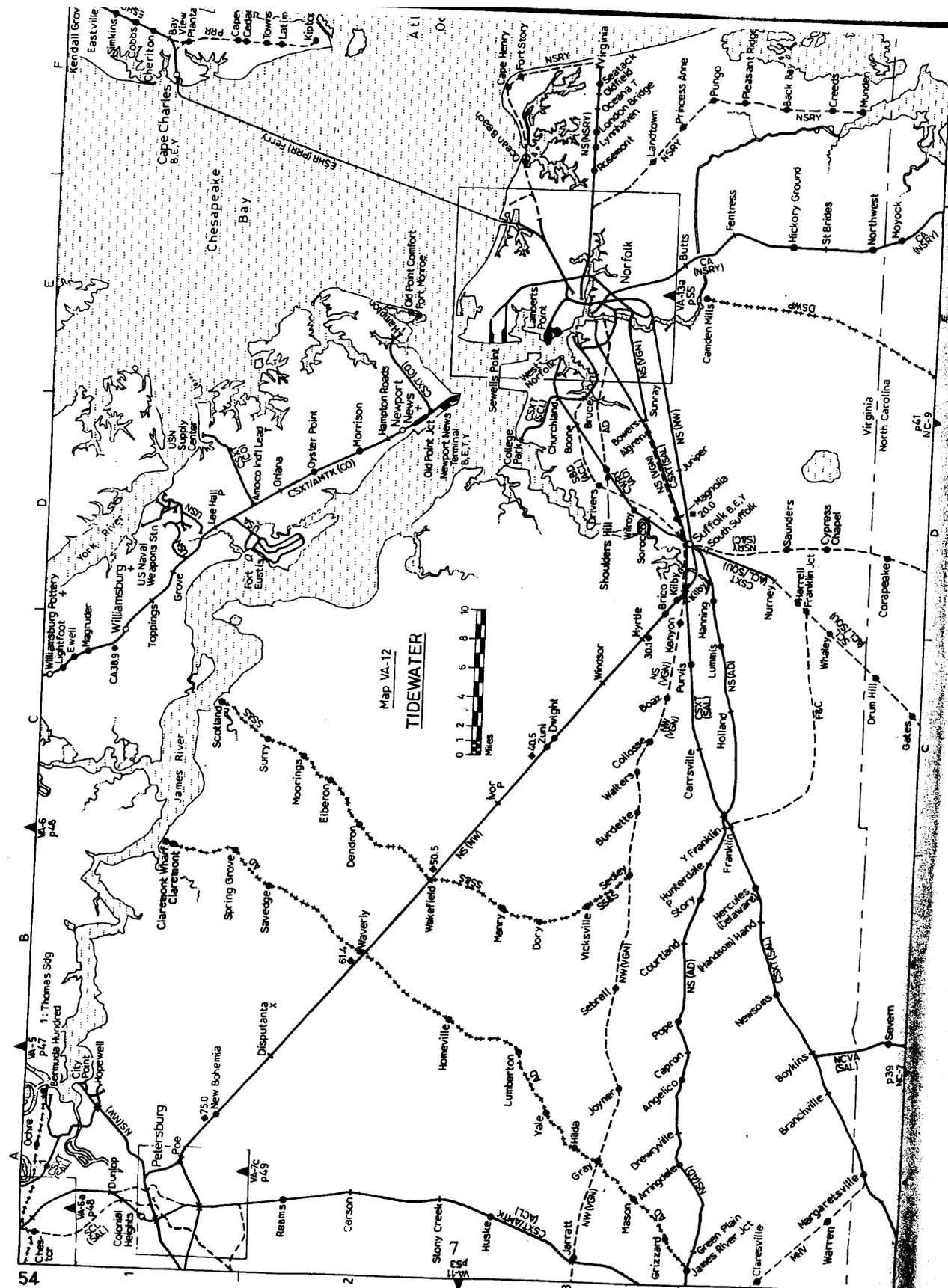
Gary A. Laakso, Esq.
Vice President Regulatory Counsel
NORTH CAROLINA & VIRGINIA RAILROAD, INC.
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Washington, D.C. 20005
(202) 638-3307

Attorneys for: NORTH CAROLINA & VIRGINIA
RAILROAD, INC.

Dated: December 23, 2002

EXHIBIT A - MAP



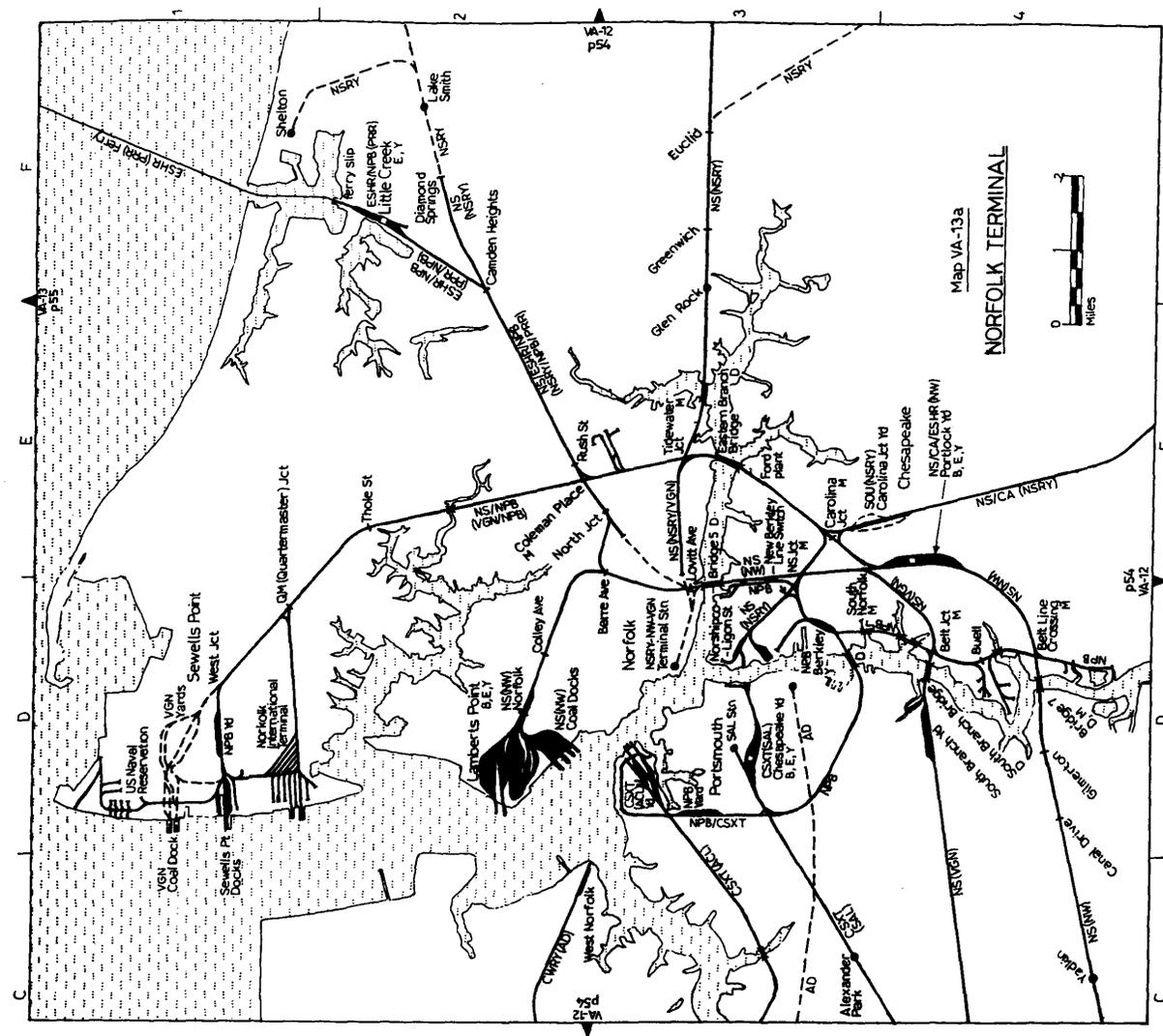
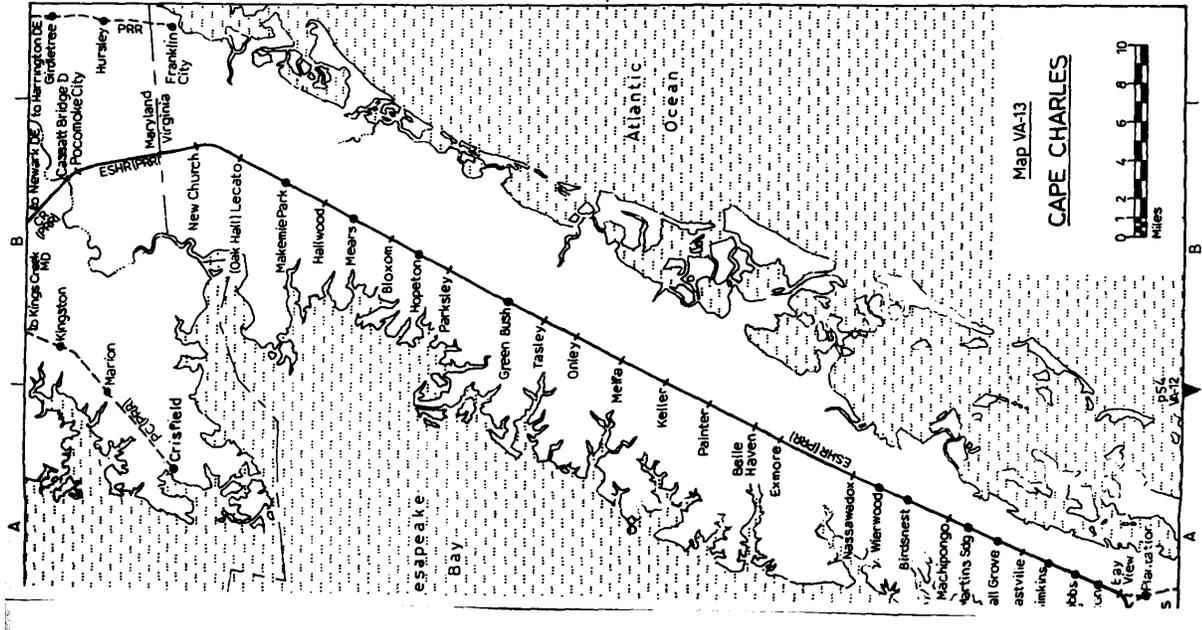
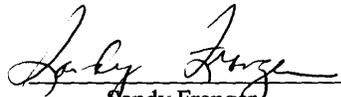


EXHIBIT B—CERTIFICATE OF COMPLIANCE

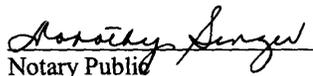
CERTIFICATION

State of Florida)
) ss:
County of Palm Beach)

I, Sandy Franger, being duly sworn depose and state that I am Vice President Contracts and Interline Agreements, and that the projected annual revenues from the rail operations of North Carolina & Virginia Railroad, Inc., would not exceed those that would make it a Class III carrier under 49 CFR Part 1201(1-1).


Sandy Franger

Subscribed and sworn to before me this 16th day of December, 2002.


Notary Public



Dorothy Singer
Commission # DD 031124
Expires July 16, 2005
Bonded Through
Atlantic Bonding Co., Inc.

(SEAL)

My Commission Expires: 07-16-05

EXHIBIT C – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO. 34272

NORTH CAROLINA & VIRGINIA RAILROAD, INC.—LEASE AND OPERATION
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

North Carolina & Virginia Railroad, Inc., the Chesapeake & Albemarle Division has filed a notice of exemption to lease and operate from Norfolk Southern Railway Company a four mile railroad line between Chesapeake, VA, milepost NS 4.0, and Butts, VA, milepost NS 8.0.

The transaction is scheduled to take place on January 4, 2002, or shortly thereafter.

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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34272, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Gary A. Laakso, Esq., Vice President Regulatory Counsel, North Carolina & Virginia Railroad, Inc., 5300 Broken Sound Boulevard N.W., Boca Raton, FL 33487, (561) 994-6015, and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, D.C. 20005, (202) 638-3307.

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

Decided: _____, 2002.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary

EXHIBIT D - LABOR CERTIFICATION AND NOTICE

BALL JANIK LLP

A T T O R N E Y S

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WASHINGTON, D.C. 20005

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LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

lgitomer@dc.bjllp.com

October 22, 2002



Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423

RE: Finance Docket No. 34272, *North Carolina & Virginia Railroad, Inc.--
Lease and Operation Exemption—Norfolk Southern Railway Company*

Dear Secretary Williams:

North Carolina & Virginia Railroad, Inc., the Chesapeake & Albemarle Division (“NCVR”) hereby certifies that on October 22, 2002, NCVR posted the attached Notice at the workplace of the employees on the rail line that is the subject of this transaction and on October 22, 2002 NCVR served a copy of the Notice on the national offices of all labor unions with employees on the affected line. An original and ten copies of this letter and attachment are enclosed.

Please time and date stamp the extra copy of this letter and return it with our messenger.

If you have any questions, please call or email me.

Sincerely yours,

Louis E. Gitomer
Attorney for North Carolina & Virginia
Railroad, Inc.

Enclosure

NOTICE

Pursuant to Surface Transportation Board regulations at 49 C.F.R. § 1150.42(e), Chesapeake & Albemarle Division, North Carolina & Virginia Railroad, Inc. (NCVA) hereby provides notice to the employees of Norfolk Southern Railway Company (NSR, successor to Southern Railway Company) that NCVA will lease from NSR the four miles of right-of-way from Chesapeake to Butts, VA (milepost NS 4.0 to NS 8.0)

The NCVA intends to file prior to December 21, 2002, with the Surface Transportation Board (STB) a Notice of Exemption pursuant to the provisions of 49 CFR § 1150.41-.44 to lease the Chesapeake to Butts Line.

No rearrangement of forces will be required on the NSR as a result of this transaction and it is not anticipated there will be any effect on NSR employees. NCVA expects that no additional jobs will be available on the NCVA.

This notice is being posted in accordance with the requirements of 49 C.F.R. § 1150.42(e) which requires the posting of a notice of intent to undertake a proposed transaction under 49 U.S.C. § 10902 and 49 C.F.R. § 1150.45 that will result in the creation of a Class III rail carrier with projected annual revenues in excess of \$5 million at the workplace of the employees of the affected railroad line(s) at least 60 days before the notice of exemption relating to the proposed transaction becomes effective. A copy of this notice is being served by overnight delivery on the national offices of the labor unions with employees on the affected railroad line(s), and service concurrently certified to the Surface Transportation Board.

Sandra K. Franger
VP-Contracts & Inter-carrier Agreements

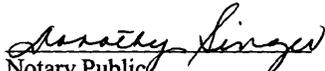
VERIFICATION

State of Florida)
) ss:
County of Palm Beach)

I, Sandy Franger, being duly sworn depose and state that I am Vice President Contracts and Interline Agreements, that I am authorized to make this verification, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.


Sandy Franger

Subscribed and sworn to before me this 16th day of December, 2002.


Notary Public



Dorothy Singer
Commission # DD 031124
Expires July 16, 2005
Bonded Thru
Atlantic Bonding Co., Inc.

(SEAL)

My Commission Expires: 07-16-05