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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 34628

**PETER A. GILBERTSON, ET AL. AND
ANACOSTIA RAIL HOLDINGS COMPANY
- CONTROL EXEMPTION -
NORTHERN LINES RAILWAY, LLC**

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 CFR Part 1180.2(d)(2), Peter A. Gilbertson and Bruce A. Lieberman ("Peter A. Gilbertson, et al.") and Anacostia Rail Holdings Company (together, the "Petitioners") file this Notice of Exemption from the prior approval requirements of 49 U.S.C. § 11323.

Applicant's full name and current mailing address:

Peter A. Gilbertson
53 W. Jackson Boulevard
Chicago, IL 60604
(312) 341-1026

Bruce A. Lieberman
555 Fifth Avenue
17th Floor
New York, NY 10017
(212) 687-9500

Anacostia Rail Holdings Company
53 W. Jackson Boulevard
Chicago, IL 60604
(312) 341-1026

ENTERED
Office of Proceedings
DEC 08 2004
Part of
Public Record

FILED
DEC 11 2004

Applicant's representative to receive correspondence:

Rose-Michele Weinryb
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington, D.C. 20036-1609
(202) 628-2000

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SURFACE
TRANSPORTATION BOARD

Description of the proposed transaction:

Peter A. Gilbertson, et al., non-carrier individuals, and Anacostia Rail Holdings Company ("ARH"), a noncarrier holding company¹, seek authority to control Northern Lines Railway, LLC ("NLR") upon its becoming a class III railroad in a related proceeding. *See* STB Docket No. 34627, Northern Lines Railway, LLC -- Lease and Operation Exemption -- The Burlington Northern and Santa Fe Railway Company (the "Related Proceeding"). Currently, NLR is a non-carrier, but it will become a class III rail common carrier upon consummation of the proposed transaction with The Burlington Northern and Santa Fe Railway Company described in the Related Proceeding.

Peter A. Gilbertson et al. and/or ARH also control (directly or indirectly) the following other class III rail carriers (collectively, the "Affiliates"): (i) Chicago SouthShore & South Bend Railroad ("CSS"), which owns and/or operates property in Illinois and Indiana; (ii) Illinois Indiana Development Company, LLC ("IIDC"),² which owns (but does not currently operate) property in Illinois and Indiana; (iii) Pacific Harbor Line, Inc. ("PHL"), which operates property in California; (iv) Louisville & Indiana Railroad Company ("L&I"), which owns and/or operates property in Indiana and Kentucky; and (v) New York & Atlantic Railway Company ("NYA"), which operates property in New York.³

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

Proposed consummation date:

The transaction is expected to be consummated on or after December 14, 2004.

Purpose of the transaction:

By establishing a separate non-carrier entity to consummate the transaction described in the Related Proceeding, Petitioners intend to insulate their other railroads from the financial, legal, and operational risks associated with the transactions contemplated in that proceeding. Petitioners are unwilling to expose themselves or their other railroads' existing assets and operations to the potential losses that may arise in connection with the transaction described in the Related Proceeding; accordingly, NLR has been established

¹ Upon consummation of the lease in the Related Proceeding, ARH will not control NLR; however, because ARH may, at some point in the future, have control over NLR, ARH is now seeking authority for such control.

² SouthShore Corporation ("SouthShore") has 60 percent ownership of CSS and IIDC, and Peter A. Gilbertson, et al. constitute two of the three directors of SouthShore.

³ Peter A. Gilbertson, et al. own and control ARH, which in turn owns and controls PHL, L&I and NYA.

as a separate corporate entity, maintaining financial and operational independence from the Affiliates.

States where property is located:

NLR is wholly located within the State of Minnesota.

Maps of lines:

Maps of the lines of NLR and the Affiliates are attached as Exhibit A. In addition, twenty unbound copies of the maps are also included.

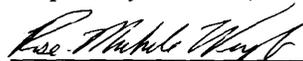
Labor protection:

No labor protection may be imposed in this case, as it involves only class III rail carriers. *See* 49 U.S.C. § 11326(c).

Environmental issues:

A control transaction is not the type of transaction for which an environmental impact statement or an environmental assessment is typically prepared. *See* 49 CFR § 1105.6(a) and (b). A control transaction is also not the type of transaction for which a historic report is required. *See* 49 CFR § 1105.8(a). In addition, neither control of NLR by Petitioners, nor the transaction described in the Related Proceeding, will result in traffic diversions or operating changes exceeding the quantitative thresholds set forth in 49 CFR §§ 1105.7(e)(4) and (5), and NLR does not plan on disposing or altering 50-year old properties or older, over which the Board has jurisdiction. Accordingly, the proposed control transaction would not have a significant impact on the quality of the human environment or on energy conservation.

Respectfully submitted,



Rose-Michele Weinryb
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington, D.C. 20036-1609
(202) 628-2000

Attorneys for Petitioners

Dated: December 7, 2004

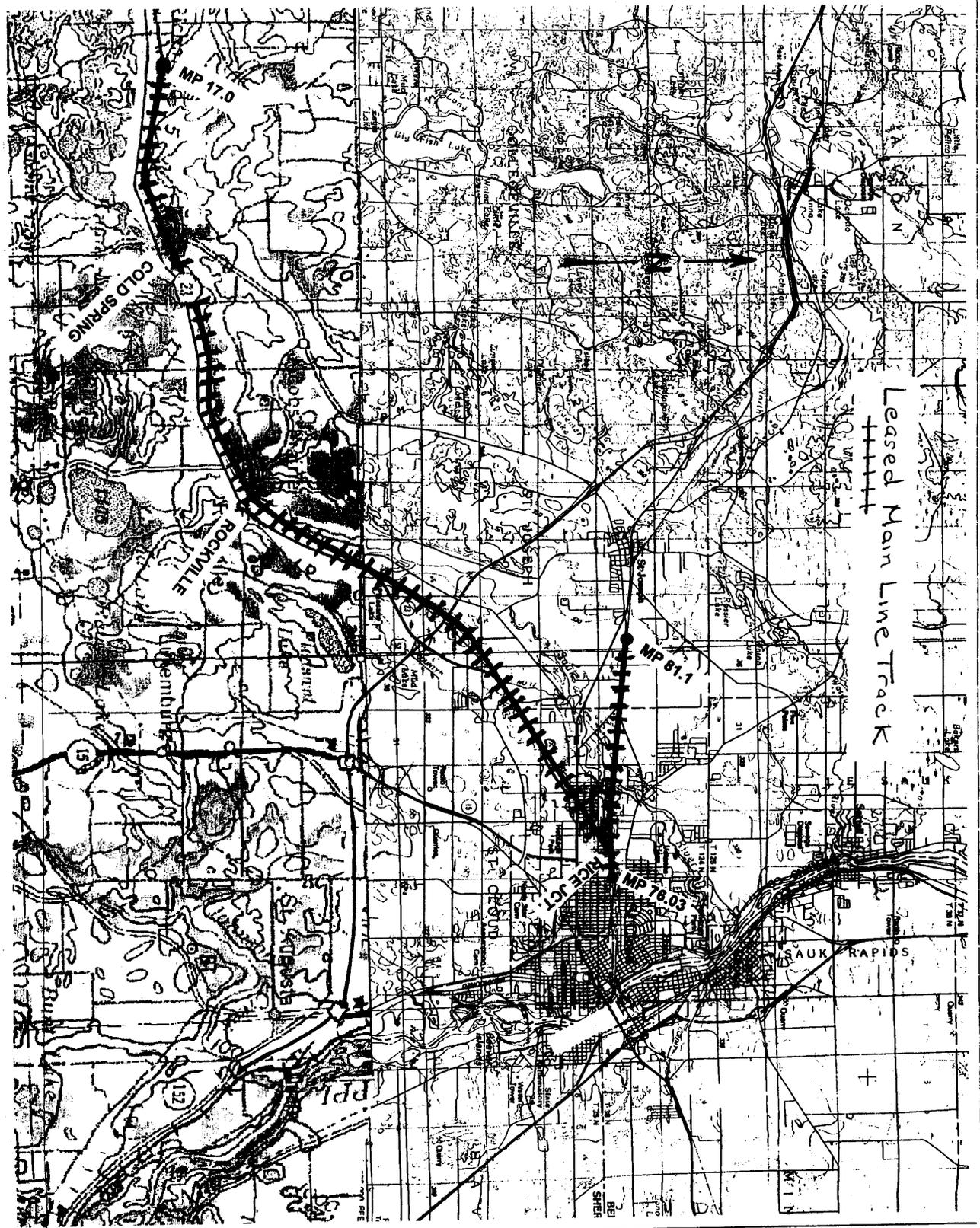
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EXHIBIT A

MAPS OF THE LINES



COLD SPRING

ROCKVILLE

MP 81.1

MP 78.03

SAUK RAPIDS

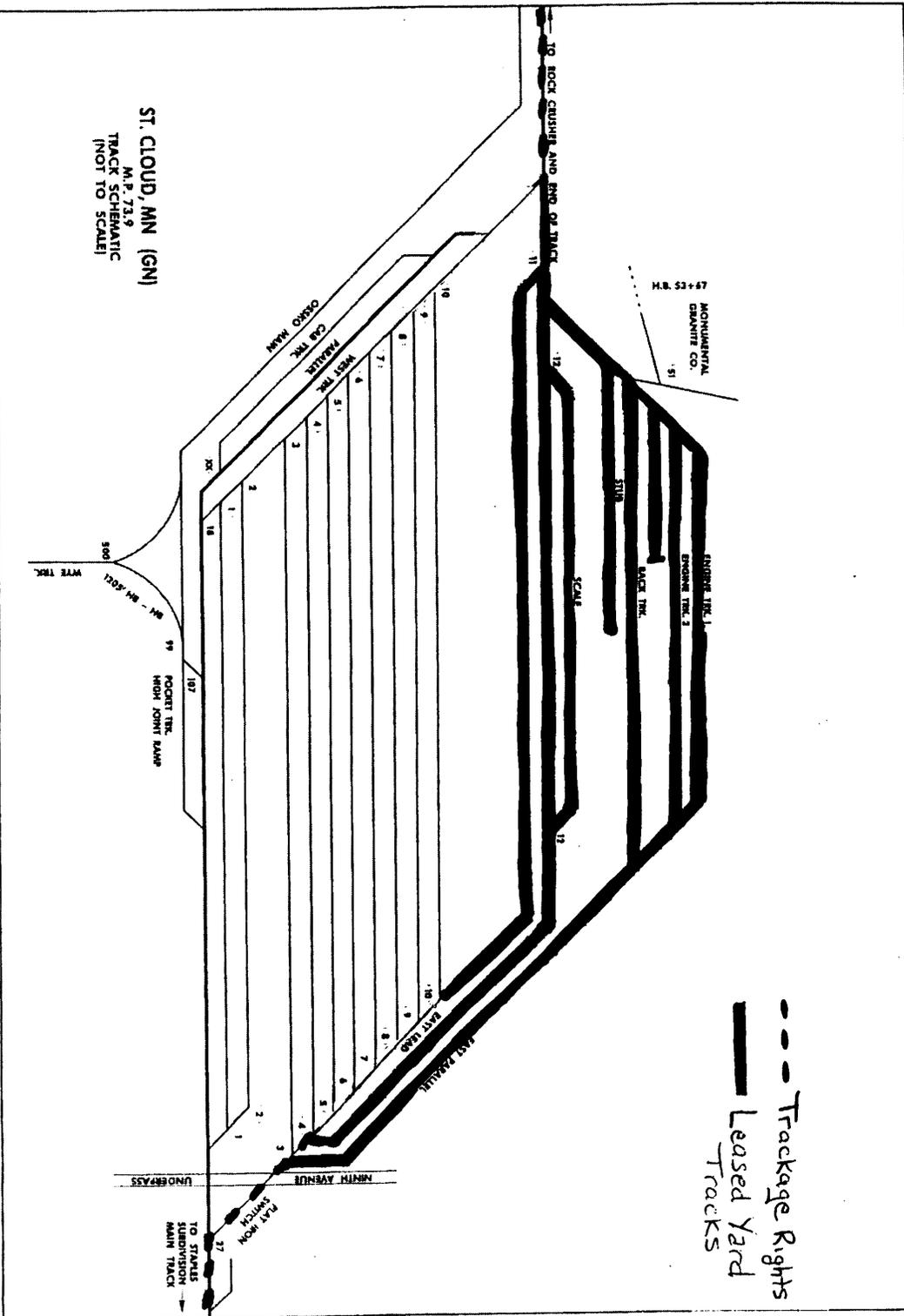
Leased Main Line Track
+ + + + +

East Dilworth, MN

Line Segment 25

Northtown, MN

36B

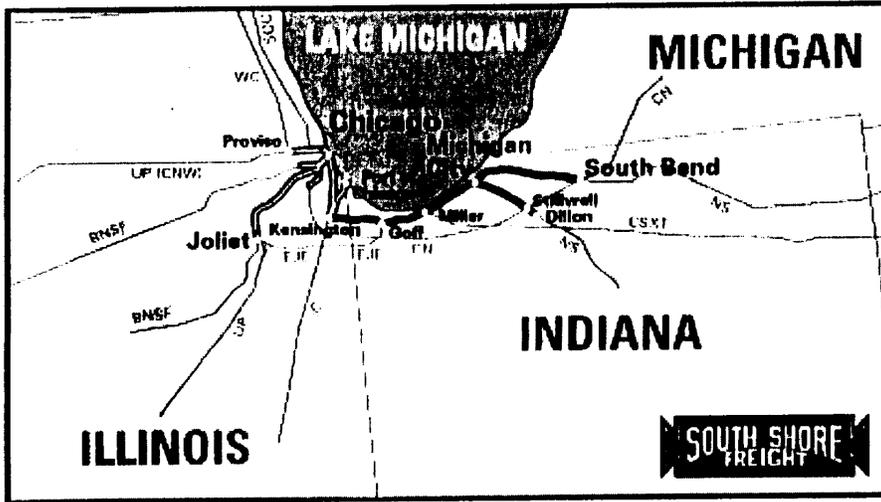


Burlington Northern and Santa Fe Railway Company

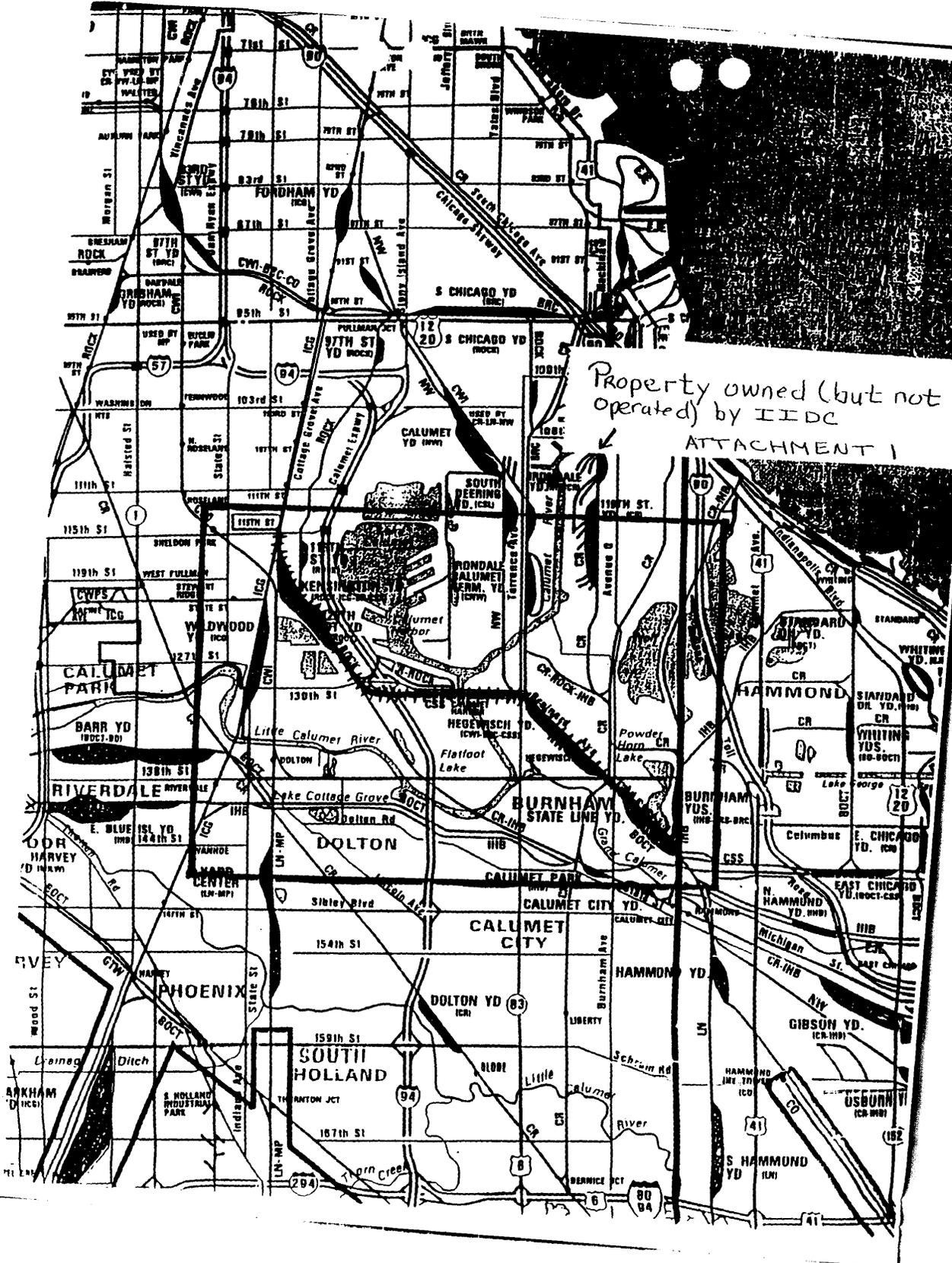
STAC0368.DGN

Revised: 1997

Staples Subdivision



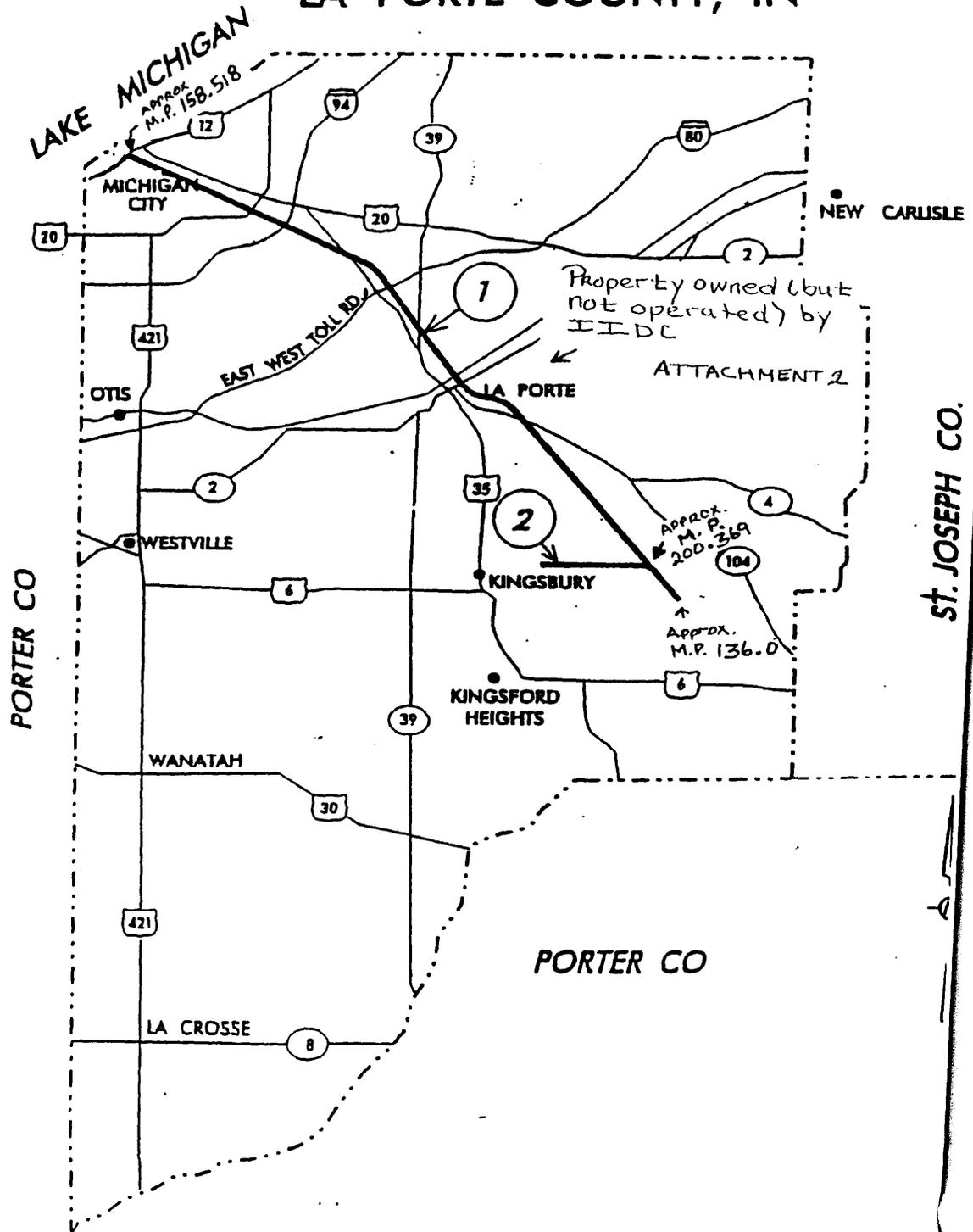
Property owned and/or operated by CSS

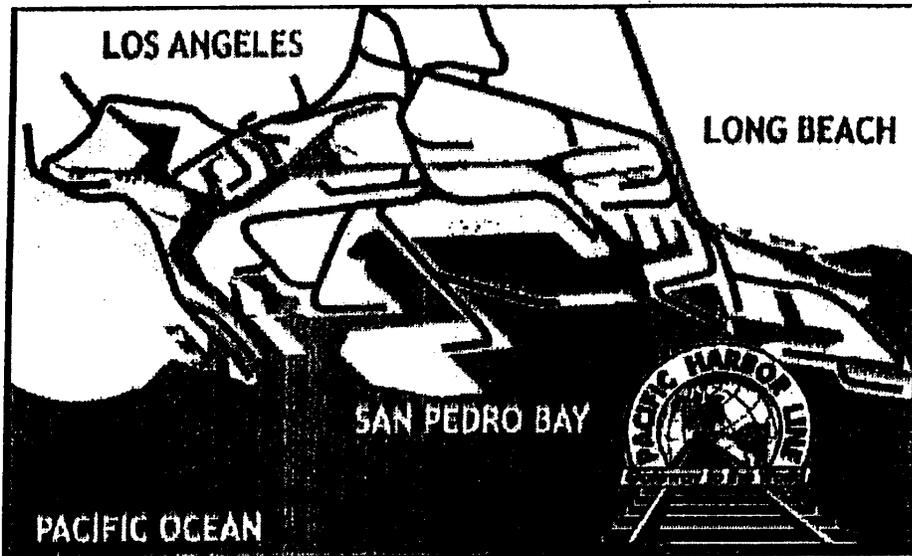


Property owned (but not operated) by IIDC

ATTACHMENT 1

LA PORTE COUNTY, IN





Property operated by PHL



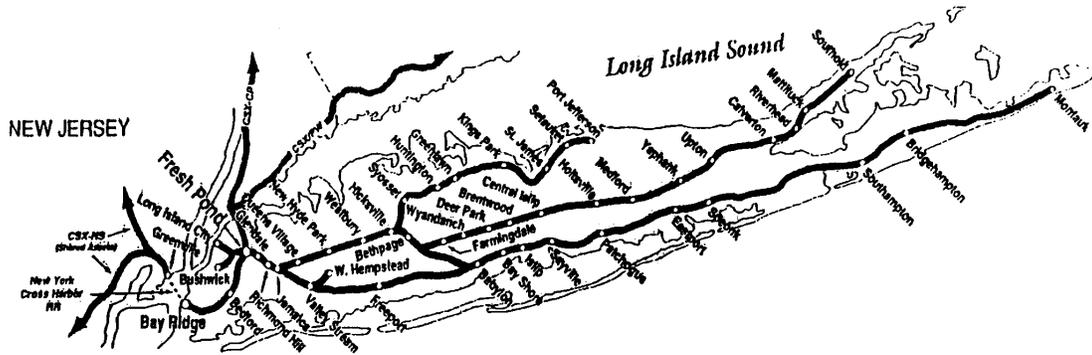
Property owned and/or
operated by L & I



NYA System Map

NEW YORK

CONNECTICUT



CONNECTING RAILROADS	
CP	Canadian Pacific
CSX	CSX Transportation
NYCH	New York Cross Harbor
NS	Norfolk Southern
PW	Providence & Worcester

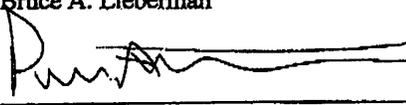
Atlantic Ocean

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.



Peter A. Gilbertson

Bruce A. Lieberman


Anacostia Rail Holdings Company
Peter A. Gilbertson

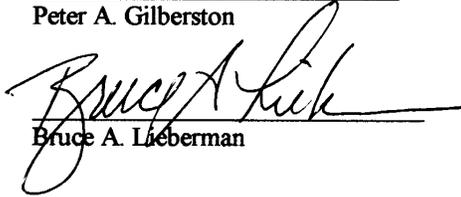
President and Secretary

Dated: December 7, 2004

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.

Peter A. Gilbertson



Bruce A. Lieberman

Anacostia Rail Holdings Company
Peter A. Gilbertson
President and Chief Executive Officer

Dated: December 7, 2004