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BEFORE THE
SURFACE TRANSPORTATION BOARD

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STB FINANCE DOCKET NO. 34815

CASSATT MANAGEMENT, LLC
D/B/A BAY COAST RAILROAD
-- OPERATION EXEMPTION --
SHENANDOAH VALLEY RAILROAD LINE
IN ROCKINGHAM AND AUGUSTA COUNTIES, VIRGINIA

ENTERED
Office of Proceedings

Public Record

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF OPERATION OF RAIL LINE

ORIGINAL

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

Dated: January 11, 2006

Cassatt Management, LLC d/b/a Bay Coast Railroad ("BCR") has reached an agreement with Shenandoah Valley Railroad, LLC (SVRR), owner of the subject railroad, for BCR to operate its 20.2 mile railroad line between MP 5.0 at Pleasant Valley and MP 25.2 in Staunton, in Rockingham and Augusta Counties, VA. While the current agreement with SVRR expires on Feb. 28, 2006, BCR is currently negotiating a new agreement for its operation of the line. Pursuant to the existing agreement, SVRR has assigned to BCR all necessary rights and licenses to enter upon the property and provide rail service as its exclusive operator.²

BCR plans to commence operations on or after January 18, 2006.

Operator of the Property

49 CFR 1150.33(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, BCR will hold itself out to provide common carrier rail freight service over the subject rail facilities.

Brief Summary of Transaction

49 CFR 1150.33(e)

This exemption involves the operation of SVRR's line by a new class III short line railroad established by Cassatt (BCR). As a result of this transaction, BCR will replace service presently provided under contract with SVRR by the Eastern Shore

² SVRR retains the residual right to conduct rail operations itself or through an agent in the event of BCR's default of its obligations under the agreement.

Railroad, Inc. ("Eastern Shore"), an existing class III short line railroad. Upon consummation Eastern Shore will cease providing service.

Simultaneous with this transaction, BCR seeks authority in STB FD No. 34814 to takeover service presently provided by the Eastern Shore between Pocomoke City, MD, and Norfolk, VA. These two railroad lines do not connect and these two transactions are independent of each other.

Map

49 CFR 1150.33 (f)

A Map depicting the line to be leased and operated is attached as Exhibit A.

Certificate of Carrier Classification

49 CFR 1150.33 (g)

BCR certifies that, with this acquisition, its projected annual revenues will be less than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.33 (g) is attached as Exhibit B to this notice.

Labor Protection

Under 49 U.S.C. 10901 the imposition of labor protective conditions is discretionary. BCR requests that no conditions be imposed as there are no employees who will be adversely affected.

Caption Summary

49 CFR 1150.34

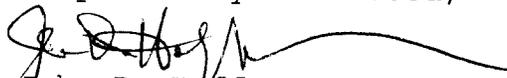
A caption summary in the prescribed form is attached as Exhibit C to this Notice.

Environmental and Historic Preservation Data 49 CFR 1105

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,



John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

Dated: January 11, 2006

EXHIBIT A

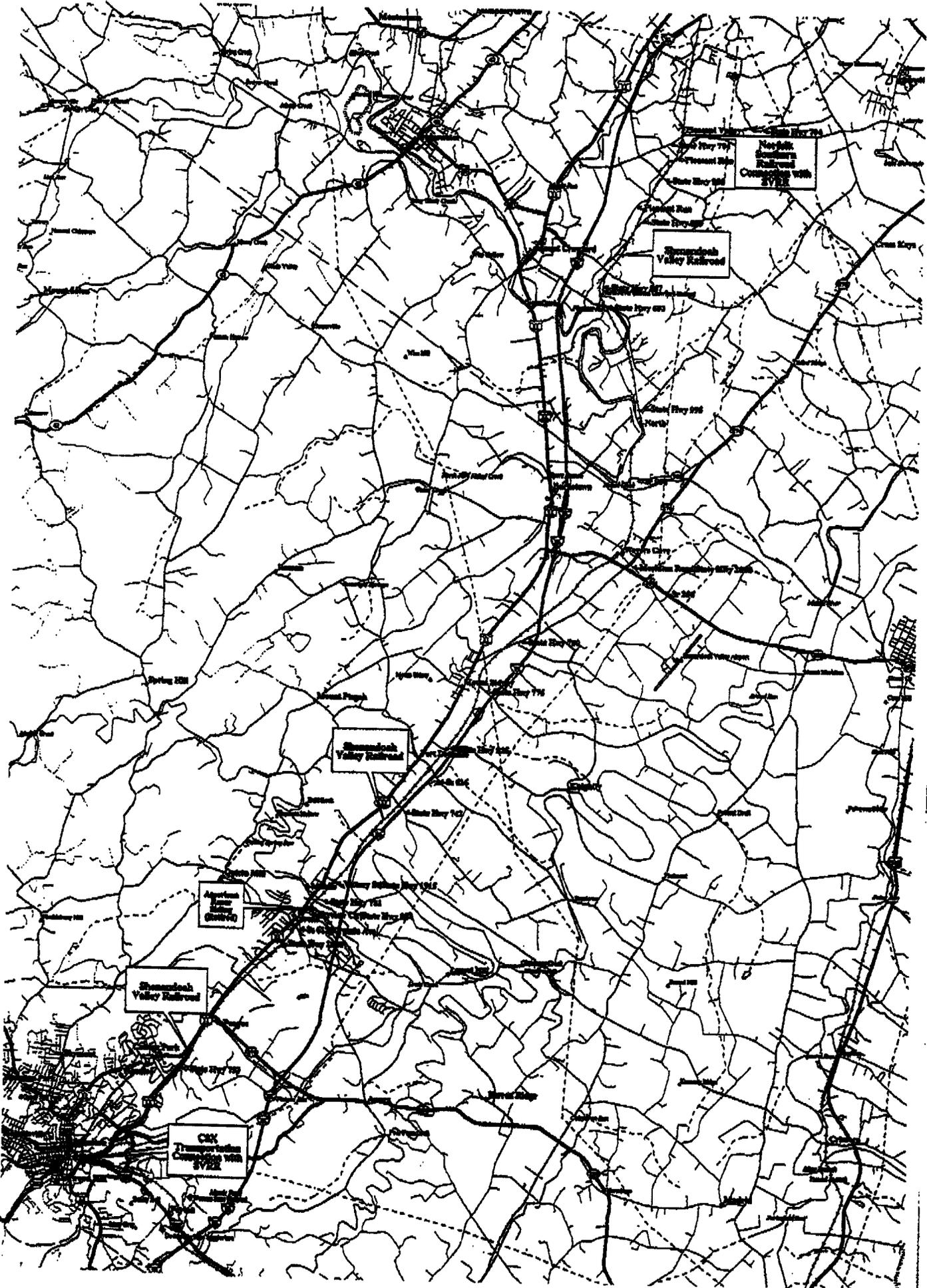


EXHIBIT B

CERTIFICATION

I, Larry E. LeMond, an officer of Cassatt Management, LLC, hereby certify under penalty of perjury that the projected annual revenues of Cassatt Management, LLC, in the aggregate, will not exceed \$5,000,000, and that Cassatt Management, LLC, will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of Cassatt Management, LLC.

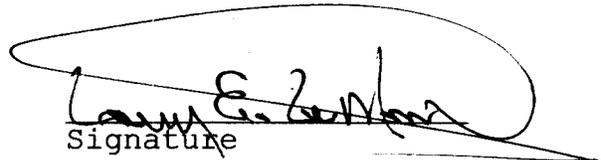

Signature

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34815

CASSATT MANAGEMENT, LLC
D/B/A BAY COAST RAILROAD
-- OPERATION EXEMPTION --
SHENANDOAH VALLEY RAILROAD LINE
IN ROCKINGHAM AND AUGUSTA COUNTIES, VIRGINIA

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF OPERATION OF RAIL LINE

Cassatt Management, LLC d/b/a Bay Coast Railroad (BCR), a newly established noncarrier, has filed a Verified Notice under 49 CFR 1150.31 to operate as a class III short line railroad a rail line owned by Shenandoah Valley Railroad, LLC (SVRR) and currently operated by Eastern Shore Railroad, Inc (Eastern Shore). BCR's service will replace that presently provided by Eastern Shore. The subject line between MP 5.0 at Pleasant Valley and MP 25.2 in Stanton, a distance of 20.2 miles in Rockingham and Augusta Counties, VA.

BCR plans to commence operations on or after
January 18, 2006.

This notice is filed under 49 CFR 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions 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. 34815, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on:

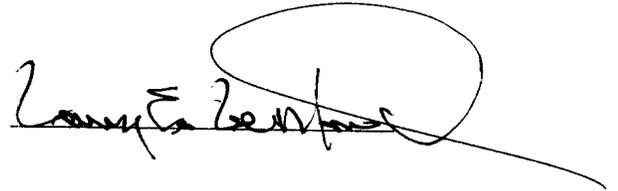
John D. Heffner, Esq.
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1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

(SEAL)

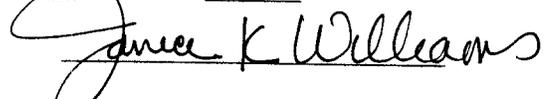
VERIFICATION

STATE OF Virginia)
County) SS
CITY OF)
 Northampton

Larry E. LeMond, being duly sworn according to law, hereby deposes and states that (s)he is authorized to make the Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information and belief.



Subscribed and sworn to before me, a Notary Public, in and for the County of ~~City~~ Northampton in the State of Virginia, this 28 day of December, 2005



Notary Public

My Commission expires: April 30, 2007
