

LAW OFFICES
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 200
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3930

226 440

February 16, 2010

By E-Filing

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

FEB 16 2010

Part of
Public Record

**RE: STB Finance Docket No. 35339, Carolina Coastal
Railway, Inc., Acquisition and Operation Exemption**

Dear Ms. Brown:

I am writing on behalf of Carolina Coastal Railway, Inc. ("CLNA"), petitioner, to clarify a verified notice of exemption notice it filed with the Board on December 30, 2009, and served on January 15, 2010. CLNA had represented to the Board that its exemption covered its acquisition by assignment of railroad trackage that the Morehead & South Fork Railroad Co. ("MHSF") had leased from the North Carolina States Port Authority. CLNA based that representation on a letter from MHSF's general manager which CLNA submitted as an attachment to its filing.

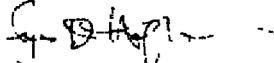
Subsequently, CLNA learned from MHSF's counsel that the rights that MHSF were assigning to CLNA consisted of a freight easement and operating agreement. MHSF's counsel further advised that MHSF is not a party to any lease agreement with the Port.

Accordingly, CLNA is writing to advise the Board of this correction. Should Board choose to publish a corrected notice, it may be advisable to include a reference to MHSF in the *Federal Register* notice inasmuch as the

regulated portion of the transaction is between CLNA and MHSF (as opposed to the Port)

Please contact me if you have any questions regarding this filing

Respectfully submitted,



John D. Helfner
Counsel for Carolina Coastal
Railway, Inc.

cc: Mr. Douglas Golden
Rose Michelle Nardi, Esq.