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September 20, 2010

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

227823

ENTERED
Office of Proceedings
SEP 20 2010
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BY HAND DELIVERY

**Re: STB Finance Docket No. 35410
Adrian & Blissfield Rail Road Company—Continuance in
Control Exemption— Jackson & Lansing Railroad Company**

Dear Madam Chief:

Attached for filing are the original and ten (10) copies of a Verified Notice of Exemption under 49 C.F.R. 1180.2(d)(2) and a check for \$1,300 covering the filing fee.

Please time and date stamp the extra copy of the Exemption Notice and return it to our messenger. Should you have any questions about this filing, please contact me by telephone at (202) 296-3335 or by E-mailing jsavagelaw@aim.com.

We thank the Board for its time and consideration.

FILED
SEP 20 2010
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,
John D. Hefner, PLLC


By: James H. M. Savage
Of counsel

227823

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35410

**ADRIAN & BLISSFIELD RAIL ROAD COMPANY
- CONTINUANCE IN CONTROL EXEMPTION -
JACKSON AND LANSING RAILROAD COMPANY**

Office of Proceedings
ENTERED
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**VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR 1180.2(d)(2)**

SEP 20 2010
FEE RECEIVED
SURFACE
TRANSPORTATION BOARD

Submitted By:

John D. Heffner, PLLC
1750 K Street, N.W., Suite 200
Washington, D.C. 20006
(202) 296-3335

James H. M. Savage
Of Counsel

*Attorneys for Applicant
Adrian & Blissfield Rail Road Company*

FILED

SEP 20 2010

**SURFACE
TRANSPORTATION BOARD**

Dated: September 20, 2010


By: James H. M. Savage
Of Counsel

*Attorneys for Applicant
Adrian & Blissfield Rail Road Company*

Dated: September 20, 2010

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35410

**ADRIAN & BLISSFIELD RAIL ROAD COMPANY
-- CONTINUANCE IN CONTROL EXEMPTION --
JACKSON & LANSING RAILROAD COMPANY**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d)(2)**

Adrian & Blissfield Rail Road Company (“ADBF”) hereby files this Verified Notice of Exemption under 49 C.F.R. §1180.2(2)(d) to continue in control of Jackson & Lansing Railroad Company (“JAIL”) once JAIL commences rail operations and becomes a common carrier. JAIL is a non-carrier entity, wholly owned and controlled by ADBF, that will lease from Norfolk Southern Railway Company (“NSR”) the following rail property: a 36.9 mile line of rail extending from Jackson to Lansing, MI (the “Lansing Secondary”), a 5.1 mile line of rail in Lansing, MI (the “Lansing Manufacturers Railroad”), and two segments of rail property totaling 2.5 miles in Lansing, MI (the “Lansing Industrial Track”). The total distance of the rail lines to be operated by JAIL pursuant to the lease is 44.5 miles. JAIL will further acquire incidental trackage rights over 2.96 miles of track

owned by NSR on the Michigan Main Line in Jackson, MI for the purpose of interchange with NSR only.

Additionally, JAIL has entered into an agreement with NSR whereby NSR has assigned to JAIL, NSR's local and bridge trackage rights over 1.06 miles of the Lansing Secondary owned by NSR and leased to CSX Transportation, Inc. ("CSXT") between Milepost LZ 36.8 in Lansing, MI¹ and Milepost 37.86 in North Lansing, MI. CSXT has consented to such assignment.² JAIL is concurrently seeking Board approval for its acquisition of these trackage rights in a separate proceeding under Finance Docket No. 35418, Jackson & Lansing Railroad Company-Trackage Rights Exemption-Norfolk Southern Railroad Company.

This Notice is also related to another Notice filed concurrently in Finance Docket No. 35411, Jackson & Lansing Railroad Company--Lease and Operation Exemption—Line of Norfolk Southern Railway Company in Ingham and Jackson Counties, MI, a verified notice of exemption pursuant to 49 C.F.R. 1150.31 to lease and operate the Lansing Secondary line and other rail property identified herein in Lansing, MI, as well as for JAIL to acquire from NSR incidental trackage

¹ Despite an apparent overlap, the boundary of the assigned trackage rights is distinct from the boundary of the Lansing Secondary (Milepost LZ 36.9). The apparent overlap is the result of an historical rounding error in NSR's engineering maps.

² By Lease Agreement entered into April 21, 1995, Conrail leased this trackage to CSXT. By even date, CSXT granted local and bridge traffic rights back to Conrail. Upon acquiring the Lansing Secondary from Conrail in 1998, NSR succeeded to Conrail's rights under both the April 21, 1995 Lease Agreement and Trackage Rights Agreement ("TRA"). NSR now assigns its rights under the TRA to JAIL.

rights on the NSR Michigan Main Line for purposes of interchange with NSR only.

The rail property to be operated by JAIL as the result of this transaction does not connect with the lines of ADBF or any single other railroad controlled by ADBF's corporate family,³ and this control transaction is not part of a series of anticipated transactions that would result in such a connection. ADBF's continuance in control of JAIL is accordingly exempt under 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), JAIL and ADBF submit the following information:

Description of Proposed Transaction: 49 C.F.R. §1180.6(a)(1)(i)

ADBF is an existing Class III Short Line common carrier freight railroad. ADBF was incorporated in the State of Michigan and was established in 1991 to operate a 19.3 mile long rail line owned by and leased from the State of Michigan Department of Transportation that was formerly operated by the Lenawee County Railway Company. On October 18, 2000, ADBF acquired that line from the State

³ ADBF currently and wholly controls, through stock ownership and management, three other existing class III short line railroad common carriers subject to the ICCTA. Those carriers are the Charlotte Southern Railroad Company ("CHS"), the Detroit Connecting Railroad Company ("DCON"), and the Lapeer Industrial Railroad Company ("LIRR").

pursuant to an exemption issued by the Board in Adrian & Blissfield Rail Road Company-Acquisition Exemption-Michigan Department of Transportation, Finance Docket No. 33938 (STB Served: Nov. 3, 2000).⁴

Subsequently, in late 2009, ADBF acquired approximately 1.3 miles of rail line formerly owned by its subsidiary the Tecumseh Branch Connecting Railroad Company between milepost 44.2 and milepost 45.5, in the City of Adrian, Lenawee County, MI. See, Adrian & Blissfield Rail Road Company—Acquisition and Operation Exemption—Tecumseh Branch Connecting Railroad Company, STB Finance Docket No. 35035 (STB Served: Oct. 23, 2009).

JAIL is a new entity created and controlled by ADBF which will operate the Lansing Secondary Line and related rail properties⁵ pursuant to a lease with NSR. The properties presently directly or indirectly owned, operated, or managed (or to be owned, operated, or managed) by ADBF do not physically connect with the rail line to be leased and operated by JAIL, and there are no plans to acquire additional

⁴ The lines to be acquired were as follows: (1) from east of Riga, MI, at the interchange with the Indiana and Ohio Railway, or its successor, north and west through Riga, Blissfield, Palmyra, Lenawee Junction, Grosvenor Junction, and Adrian, MI, to Porter Highway; (2) from Grosvenor Junction southwest approximately 1.7 miles; and (3) from Lenawee Junction north approximately .25 miles. The lines are described more specifically as follows: the Adrian Main Line Extension: (i) between milepost 315.5 (Interchange with Indiana & Ohio Railway at Riga) and milepost 321.0 (Grosvenor Junction); (ii) between Grosvenor Junction milepost 0.0 and milepost 1.7; (iii) between milepost 321.0 (Grosvenor Junction) and milepost 325.5 (Lenawee Junction); (iv) between Lenawee Junction milepost 0.0 and milepost 0.25; and (v) between milepost 325.5 (Lenawee Junction) and milepost 332.85 (Porter Highway).

⁵ The “related rail properties” are the aforementioned Lansing Manufacturers Railroad and segments of the Lansing Industrial Track described in STB Finance Docket No. FD 35411.

rail lines for the purpose of making a connection.⁶ ADBF proposes to exercise common control of JAIL, once JAIL leases the Lansing Secondary line from NSR.

The full name and address of the applicant herein is:

Adrian & Blissfield Rail Road Company
38235 Executive Drive
Westland, MI 48185-1971

Applicant's representative to whom any questions concerning this Notice should be sent at the following address is:

John D. Heffner, PLLC
James H. M. Savage, of counsel
1750 K Street, N.W. - Suite 200
Washington, D.C. 20006
(202) 296-3335

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

ADBF and JAIL intend to consummate the proposed control transaction as soon as possible after October 16, 2010, but in any event more than 30 days after the filing of this Notice.

Purpose Sought to be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

⁶ ADBF's property is located between Adrian and Riga in southeastern Michigan, just north of the Ohio border. CHS's rail line is located near Charlotte, MI, approximately halfway between Battle Creek and Lansing, in central Michigan. DCON's line is located in downtown Detroit, Wayne County, MI. LIRR's rail line is located in La Peer, just east of the City of Flint, in central Michigan.

The purpose of the proposed transaction will be to allow ADBF to establish a new subsidiary, JAIL, to operate a new line of railroad, the Lansing Secondary and related rail properties, and to separate the existing carrier from the business risks associated with a new enterprise. The exemption sought herein will further allow ADBF to exercise common control of JAIL. In turn, the control exemption will allow JAIL to proceed with the lease and operation of the Lansing Secondary Line as proposed in Finance Docket No. 35411.

States in Which Property of Applicant is Located: 49 C.F.R. § 1180.6(a)(5)

ADBF owns and operates rail property in the State of Michigan. JAIL will lease and operate rail property within the State of Michigan.

Map-Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

A rail map of the State of Michigan is annexed hereto as Exhibit 1-A. A detail from that map depicting the location of the rail lines of ADBF and the rail line to be leased by JAIL is annexed hereto as Exhibit 1-B. A more detailed section of that map depicting the Lansing Secondary Line to be leased by JAIL is annexed hereto as Exhibit 1-C.

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

Not applicable. ADBF already owns and controls JAIL. No additional agreement is contemplated or necessary for ADBF to continue in control of JAIL once JAIL leases the Lansing Secondary Line and becomes a carrier.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed on this transaction. ADBF is currently a Class III rail carrier, and JAIL will become a Class III carrier upon its commencement of operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. ADBF's continuance in control of JAIL will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

Respectfully submitted,

John D. Heffner, PLLC
1750 K Street, N.W. Ste. 200
Washington, D.C. 20006
(202) 296-3333


By: James H. M. Savage
Of Counsel

*Attorneys for Applicant
Adrian & Blissfield Rail Road Company*

Dated: September 20, 2010

VERIFICATION

Mark W. Dobronski, under penalty of perjury, declares and verifies that he is President of Adrian & Blissfield Rail Road Company and President of Jackson & Lansing Railroad Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Mark W. Dobronski

Dated: Sept. 20, 2010

EXHIBIT 1A, B & C – RAIL MAPS

MICHIGAN'S RAILROAD SYSTEM

RAILROADS OPERATING IN MICHIGAN

CLASS I RAILROADS

- Canadian National Railway
- CNX CNX Transportation
- NS Norfolk Southern Railway
- CR Consolidated Rail Corporation (Owned by CNX and NS)

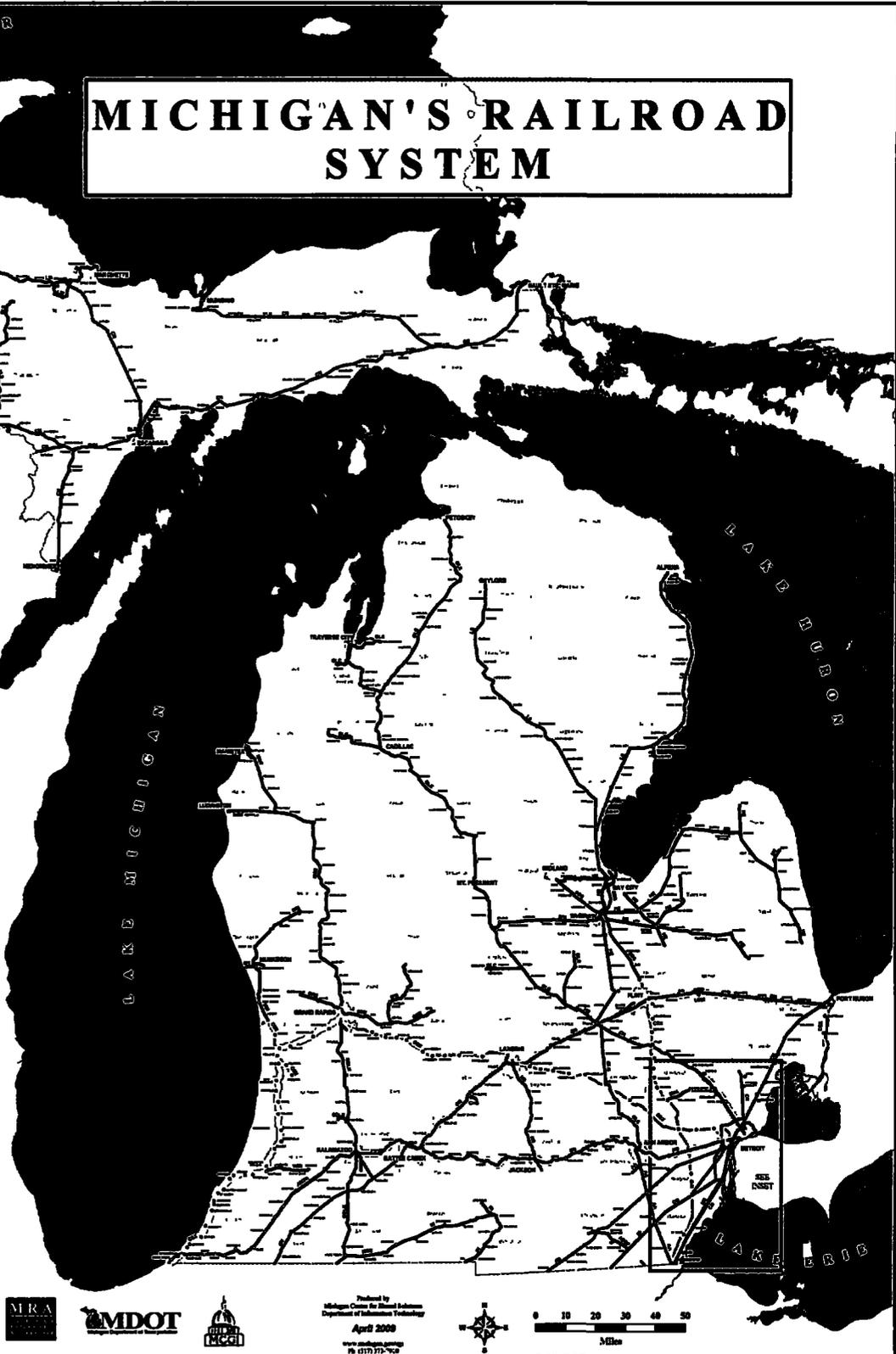
Note: A Class I railroad is one with annual operating revenue greater than \$250 million

OTHER RAILROADS

- ADP Adrian & Dixfield Railroad
- AMTK Amtrak (National Railroad Passenger Corporation)
- AA Ann Arbor Railroad
- CP Canadian Pacific Railway*
- CHS Charlotte Southern Railroad
- DCI Delco Commuter Railroad
- DCOH Detroit Commuter Railroad
- BLS Boscawen & Lake Superior Railroad
- GTRK Grand Trunk Railroad
- GRE Grand Rapids Eastern Railroad
- GRC Grand Rapids Central Railroad
- IER Iron & Eastern Railway
- IN Indiana Northwestern Railroad
- IO Jackson & Orono Railroad
- LS Lake State Railway
- LSI Lake Superior & Ingersoll Railroad
- LIR Lapeer Industrial Railroad
- MPT Marquette Port
- MAL Michigan Air-Line Railway
- MS Michigan State Railroad
- MSO Michigan Southern Railroad
- MNI Mid-Michigan Railroad
- SRS Saginaw Bay Southern
- WMI West Michigan Railroad
- Intercity Passenger Rail Service (Amtrak)

* Canadian Pacific is a Class I railroad but does not have track in Michigan

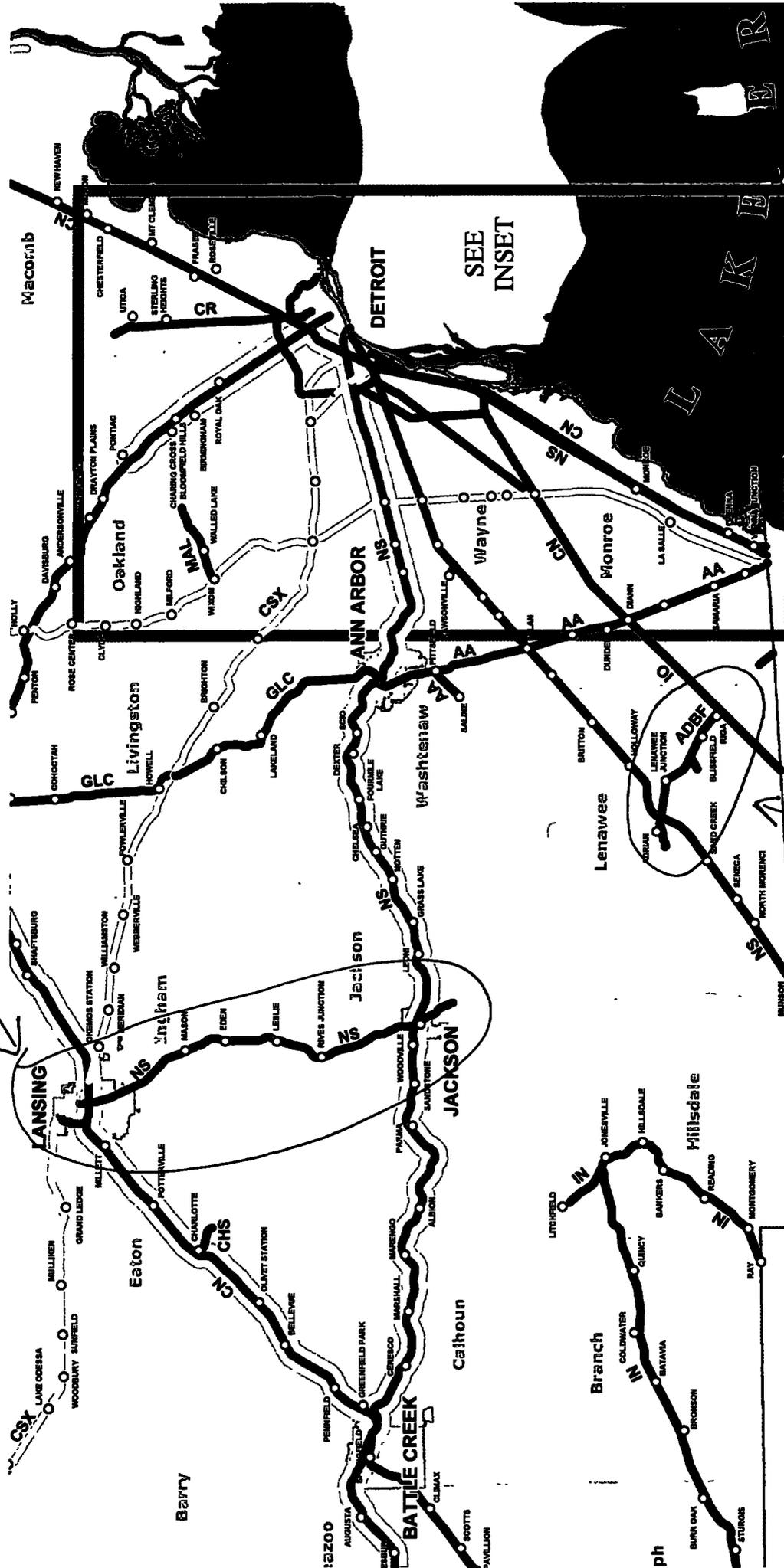
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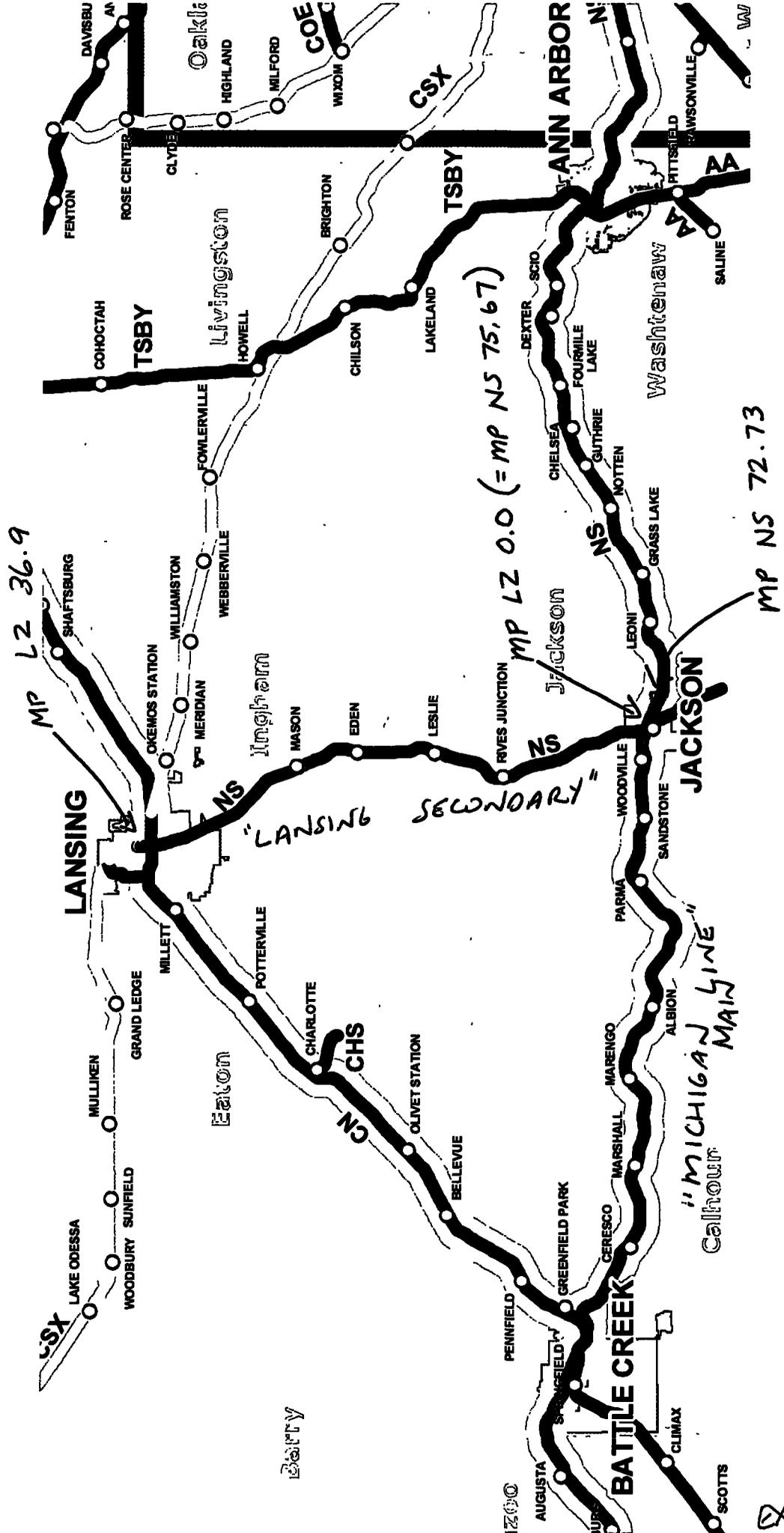
JAIL



SEE INSET

ADBF

EXHIBIT 1B



Barry

EXHIBIT 1 C