

LAW OFFICES  
**JOHN D. HEFFNER, PLLC**  
1750 K STREET, N.W.  
SUITE 200  
WASHINGTON, D.C. 20006  
PH: (202) 296-3333  
FAX: (202) 296-3939



January 19, 2011

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

228653

**RE: STB Finance Docket No. 35461, Carolina Coastal  
Railway, Inc.- Lease and Operation Exemption-  
Norfolk Southern Railway Company**

**FEE RECEIVED**  
JAN 19 2011  
SURFACE  
TRANSPORTATION BOARD

Dear Ms. Brown:

On behalf of Carolina Coastal Railway, Inc., Petitioner, I am filing an original and ten copies of a Verified Notice of Exemption under 49 CFR 1150.41 in the above-captioned proceeding. I am enclosing with this filing a check for \$1800 to cover the applicable filing fee as well as a copy of the filing on a computer disk formatted for MS word.

Please date stamp and return one copy in the self addressed envelop marked "Stamp and Return."

ENTERED  
Office of Proceedings

JAN 19 2011

Part of  
Public Record

Sincerely yours,

John D. Heffner

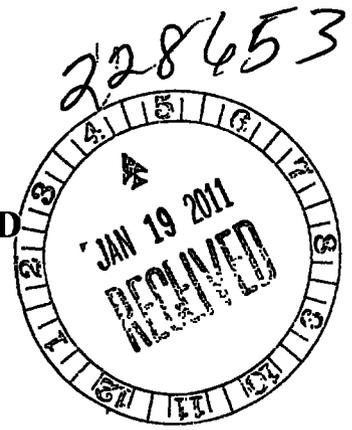
cc: Mr. Douglas Golden

**FILED**

JAN 19 2011

SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD



STB FINANCE DOCKET NO. 35461

CAROLINA COASTAL RAILWAY, INC.  
—LEASE AND OPERATION EXEMPTION—  
NORFOLK SOUTHERN RAILWAY COMPANY

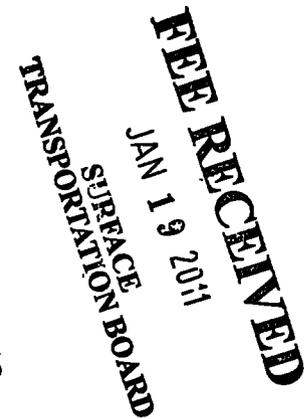
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VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

Submitted By:

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

Counsel for Petitioner



ENTERED  
Office of Proceedings  
JAN 19 2011  
Part of  
Public Record

Dated: January 19, 2011

**FILED**

JAN 19 2011

SURFACE  
TRANSPORTATION BOARD

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**STB FINANCE DOCKET NO. 35461**

**CAROLINA COASTAL RAILWAY, INC.  
—LEASE AND OPERATION EXEMPTION—  
NORFOLK SOUTHERN RAILWAY COMPANY**

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**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41**

Carolina Coastal Railway, Inc. (“CLNA”), a class III short line railroad common carrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit it to lease and operate about 7.5 miles of railroad line known as the Norfolk Southern Railway Company’s (“NS”) SB Line between Kings Creek, SC, at milepost 134.2 and Blacksburg, SC, at milepost 141.35, all in Cherokee County, SC (hereafter the “SB Line”). This lease and operation transaction includes the connecting track between the SB-line and NS’ Blacksburg Yard, approximately .3 miles. It also includes operating rights for interchange purposes in NS’ Blacksburg Yard.

CLNA will operate the SB Line pursuant to an amendment of its existing lease with NS dated June 22, 2007, that covers its other trackage.

**INFORMATION REQUIRED BY 49 CFR 1150.43**

Name and Address of Applicant **49 CFR 1150.43(a)**  
Carolina Coastal Railway, Inc.  
116 North Bellevue Avenue,  
Suite 206  
Langhorne, PA 19047

Applicant's Representative **49 CFR 1150.43(b)**  
John D. Heffner  
John D. Heffner, PLLC  
1750 K Street, N.W.  
Suite 200  
Washington, D.C. 20006  
(202) 296-3333

Statement of Agreement **49 CFR 1150.43(c)**

CLNA has executed an amendment to its existing lease with NS dated June 22, 2007, that covers the proposed lease and operation of the SB Line.

Operator of the Property **49 CFR 1150.43(d)**

CLNA will hold itself out to provide common carrier rail freight service over the SB Line.

Brief Summary of Transaction **49 CFR 1150.43(e)**

CLNA is an existing class III short line railroad common carrier that leases and operates several other lines of railroad owned by NS as well as a line owned by the North Carolina State Ports Authority.

CLNA will enter into an amendment of its existing lease with NS dated June 22, 2007, which expires on June 30, 2027, and that may be terminated by either

party in accordance with its terms. The purpose of this transaction is to continue providing service to International Minerals, Inc., the sole remaining customer located at Kings Creek, SC. International Minerals supports this transaction as evidenced by the letter attached hereto as Exhibit D.

Other information required

(1) The name and address of the railroad transferring the subject property:

Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510

(2) The proposed time schedule for consummation of the transaction:

CLNA will consummate this transaction 30 days from the date of filing this notice.

The mileposts of the subject property, including any branch lines:

The SB Line extends from Kings Creek, SC, at milepost 134.2, to Blacksburg, SC, at milepost 141.35, all in Cherokee County. Also included is the connecting track between the SB-line and NS' Blacksburg Yard, approximately .3 miles. It also includes operating rights for interchange purposes in NS' Blacksburg Yard.

(3) The total route miles to be operated:

About 7.5 miles plus operating rights for interchange purposes in NS' Blacksburg Yard

Map

**49 CFR 1150.43(f)**

A map depicting the railroad trackage to be leased and operated is attached as Exhibit A.

Certificate of Carrier Classification **49 CFR 1150.43(g)**

CLNA certifies that its projected annual revenues from operating the SB Line will be less than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this notice.

Transactions Imposing Interchange Commitments **49 CFR 1150.43(h)**

Not applicable. SB Line only connects with NS' mainline between Washington, D.C., and Atlanta, GA, at Blacksburg. There is no provision in this lease amendment between CLNA and NS containing any language limiting CLNA's ability to interchange with other carriers.

Disclosure of Intent to Transport Waste

CLNA does not presently intend to provide facilities for the collecting, sorting, loading, unloading, transferring, or transporting of municipal solid waste ("MSW") or construction and demolition ("C&D") material.

Labor Protection

Labor protective conditions are not applicable to transactions under 49 U.S.C. 10902.

Caption Summary      **49 CFR 1150.44**

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.

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

Counsel for Petitioner

Dated:      January 19, 2011

# EXHIBIT A

# Norfolk Southern Line to be Leased to Carolina Coastal Railway

North Carolina

South Carolina

# Blacksburg

mp SB-141.4

Norfolk Southern main line

to Atlanta

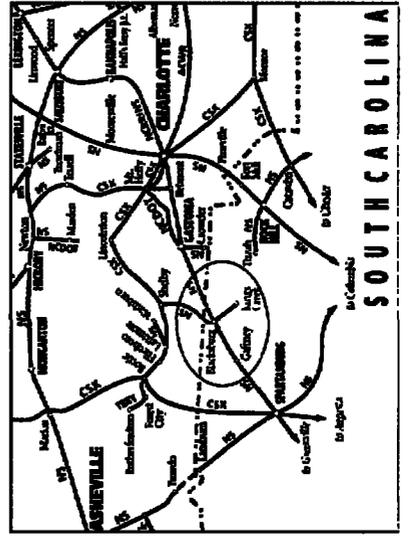
mp SB-134.2

Line to be leased to Carolina Coastal

Line to be discontinued

to Charlotte

Connection between SB-Line and Blacksburg Yard



# Kings Creek

Exhibit B

**Certification**

I, Deonius Golden certify that I am President (state position) of Caroline Coastal Railway Inc (name of carrier) and that applicant's projected revenues will not exceed \$5 million annually and will not result in the applicant becoming a Class I or Class II carrier under the provisions of 49 CFR 1201(1-1).

Dated: 4/14, 2011

Signature

A handwritten signature in black ink, appearing to read "Deonius Golden", is written over a horizontal line.

**EXHIBIT C**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**STB FINANCE DOCKET NO. 35461**

**CAROLINA COASTAL RAILWAY, INC.  
—LEASE AND OPERATION EXEMPTION—  
NORFOLK SOUTHERN RAILWAY COMPANY**

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**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41**

Carolina Coastal Railway, Inc. (“CLNA”) an existing class III short line rail carrier, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to lease and operate a railroad line currently owned and operated by Norfolk Southern Railway Company (“NS”) known as the SB Line between Kings Creek, SC, at milepost 134.2 and Blacksburg, SC, at milepost 141.35, all in Cherokee County, SC. This lease and operation transaction also includes the connecting track between the SB-line and NS’ Blacksburg Yard, approximately .3 miles. It also includes operating rights for interchange purposes in NS’ Blacksburg Yard.

The lease term is 16 years but the lease may be terminated by either party prior to the end of the term in accordance with the lease provisions.

This lease and operation transaction involves approximately

7.5 route miles of track plus operating rights for interchange purposes in NS' Blacksburg Yard.

CLNA plans to consummate this transaction on or about 30 days from the date of filing this notice, approximately February 20, 2011.

CLNA certifies that its projected annual revenues as a result of this transaction would not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than February 13, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Finance Docket No. 35461, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John D. Heffner, Esq., John D. Heffner, PLLC, 1750 K Street, N.W. – Suite 200, Washington, D.C. 20006, Telephone:

(202) 296-3334 and Karin Stamy, Norfolk Southern Railway Company,  
Three Commercial Place, Norfolk, VA 23510, Telephone: 757-629-2864.

Board decisions and notices are available on our website at  
[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).

Decided:

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

# EXHIBIT D

Customer  
Grinding  
Services



TELEPHONE: (864) 833-2707  
FAX: (864) 833-6331  
www.iminco.com

## INDUSTRIAL MINERALS, INC.

141 Mineral Drive  
BLACKSBURG, SOUTH CAROLINA 29702

Mr. Doug Golden  
Carolina Coastal Railway  
116 North Bellevue Ave.  
Suite 206  
Langhorm. PA 19047

17 January, 2011

Subj: Railroad Service To Our Facility  
Blacksburg / Kings Creek, South Carolina

Dear Mr. Golden:

Thank you for the telephone conversation regarding train service for our facility.

As you are aware, Norfolk Southern Corp., abruptly came to us and told us that they had made a firm decision to terminate train service to our facility in Kings Creek, South Carolina. As you might expect, this was devastating news to us, since it is vital that we have train service in order to continue our business (this is for BOTH inbound AND outbound shipments). Our company is based upon processing imported raw material, therefore we need train service to and from our plant.

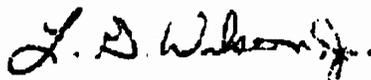
It is my understanding that your company is willing to provide train service to our facility for a limited timeframe, or at least as long as the nearby Kings Creek rail bridge continues to be safe to operate on.

We would be extremely pleased to have your company provide train service to our facility with the aforementioned understanding regarding the condition of the Kings Creek rail bridge. In brief, for your company to provide this service would be a true lifeline for us.

Mr. Doug Golden  
17 January, 2011  
Page 2.

We will be happy to work with you in any way possible in an effort to help you get into a position to provide service to us. Please feel free to have anyone contact me directly with any questions regarding this issue.

Very truly yours,



L. G. Wilson, Jr.  
President  
Industrial Minerals, Inc.  
864-839-2797 x-12  
lgwilson@lminco.com

**VERIFICATION**

STATE OF )  
 )  
CITY OF ) SS

Douglas Golden, being duly sworn according to law,  
hereby deposes and states that (s)he is holds the position of President  
with petitioner, is authorized to make this Verification, has read the  
foregoing document, and knows the facts asserted therein are true an  
accurate as stated, to the best of (her) his knowledge, information, and  
belief.

*Douglas Golden*

Subscribed to and sworn to before me, a Notary Public, in and for the City of  
Langhorne in the State of PA, this 14<sup>th</sup> day of January 2011

*Jan B. Goodwin*  
Notary Public

My commission expires:

