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kjd@sloverandloftus.com

217054

July 14, 2006

BY HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423-0001

FILED

JUL 14 2006

**SURFACE
TRANSPORTATION BOARD**



Re: Finance Docket No. 34907, Durbin & Greenbrier Valley
Railroad, Inc. - Operation Exemption - Rail Lines In
Rockingham and Augusta Counties, Virginia

Dear Secretary Williams:

Enclosed for filing in the referenced docket please find and original and ten copies of the Verified Notice of Exemption of Durbin & Greenbrier Valley Railroad, Inc., together with a WordPerfect diskette containing the filing in electronic form. We are also submitting a check in the amount of \$1,500.00 to cover the requested filing fee.

An additional copy of the Notice is also enclosed. Kindly indicate receipt of the filing by time-stamping this extra copy and returning it to the bearer of this letter. Thank you for your consideration in this matter.

ENTERED
Office of Proceedings

JUL 14 2006

Part of
Public Record

Sincerely,

Kelvin J. Dowd

An Attorney for Durbin & Greenbrier
Valley Railroad, Inc.

FEE RECEIVED

JUL 14 2006

**SURFACE
TRANSPORTATION BOARD**

Enclosures

217054



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DURBIN & GREENBRIER VALLEY
RAILROAD, INC. – OPERATION
EXEMPTION – RAIL LINES IN
ROCKINGHAM AND AUGUSTA
COUNTIES, VIRGINIA

Finance Docket No. 34907

VERIFIED NOTICE OF EXEMPTION

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Durbin & Greenbrier Valley Railroad, Inc. (“DGVR”), a Class III rail carrier, pursuant to 49 C.F.R. Part 1150.41-44, files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 10902 to permit DGVR to operate approximately 20.2 miles of rail line between Milepost 5.0 near Harrisonburg and Milepost 25.2 at Staunton in Rockingham and Augusta Counties, Virginia, including a 2-mile branch between Pleasant Valley and Harrisonburg (the “Line”). The Line is owned by the Greater Shenandoah Valley Development Company (“SVDC”), and currently is operated by Eastern Shore Railroad, Inc. (“ESHR”).

In support hereof, DGVR shows as follows:

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a Full Name and Address of Applicant

Durbin & Greenbrier Valley Railroad, Inc.
Post Office Box 44
Durbin, West Virginia 26264
John W. Smith, President & C.E.O.

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b. Name and Address of Applicant's Representative

Kelvin J. Dowd
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

c. Statement Regarding Agreement

DGVR has entered into a three-year agreement with SVDC for DGVR to operate the line in common and contract carrier service. *Inter alia*, DGVR will manage freight operations and provide service to shippers located on or adjacent to the Line. Interchanges will be maintained with Norfolk Southern Railway Company at Harrisonburg, and with CSX Transportation, Inc. at Staunton.

Pursuant to the agreement with SVDC, DGVR will assume exclusive operational and managerial control over service on the Line, establish all freight rates, maintain all necessary books and records, and be responsible for standard maintenance and repairs.

d. The Operator of the Property

The Line currently is operated by ESHR. Upon the effectiveness of its agreement with SVDC and subject to the authority invoked by this Notice, DGVR will assume operation of the Line and ESHR no longer will have any operational rights or responsibilities.

e. Summary of the Transaction

DGVR is a West Virginia corporation, which was created in 1996 to operate certain out-of-service rail lines owned by the State of West Virginia. DGVR currently operates approximately 136 miles of line in West Virginia, and moved some 820 freight carloads and 34,000 passengers in 2005.

The Line does not connect with any of DGVR's existing lines, and there are no plans to pursue such connections. Pursuant to its agreement with SVDC, DGVR will operate the Line as the "Shenandoah Valley Division of the Durbin & Greenbrier Valley Railroad, Inc."

f. Map

See Exhibit No. 1.

g. Certificate of Projected Revenue

Pursuant to 49 C.F.R. Part 1150.43(g), DGVR hereby certifies that its projected revenues will not exceed those that would qualify it as a Class III carrier, and that this transaction will not result in the creation of a Class I or Class II carrier.

Although uncertainty regarding the timing and eventual scope of rail services to be provided by DGVR makes a precise estimate impossible at this time, upon information and belief, DGVR's projected total annual operating revenues following its takeover of the Line will not exceed \$5 million.

h. Environmental and/or Historical Documentation

The proposed transaction qualifies under 49 C.F.R. Part 1105.6(c)(2), and as such, no environmental documentation is required. Likewise, inasmuch as the transaction involves the continuation of rail services and DGVR has no plans to alter or dispose of any properties subject to STB jurisdiction that are fifty years old or older, the transaction does not require an historic report, in accordance with 49 C.F.R. Part 1105.8(b).

i. Caption Summary

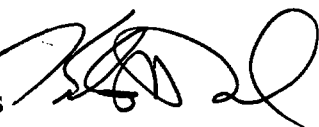
See Exhibit No. 2.

Respectfully submitted,

Durbin & Greenbrier Valley Railroad, Inc.
Post Office Box 44
Durbin, West Virginia 26264

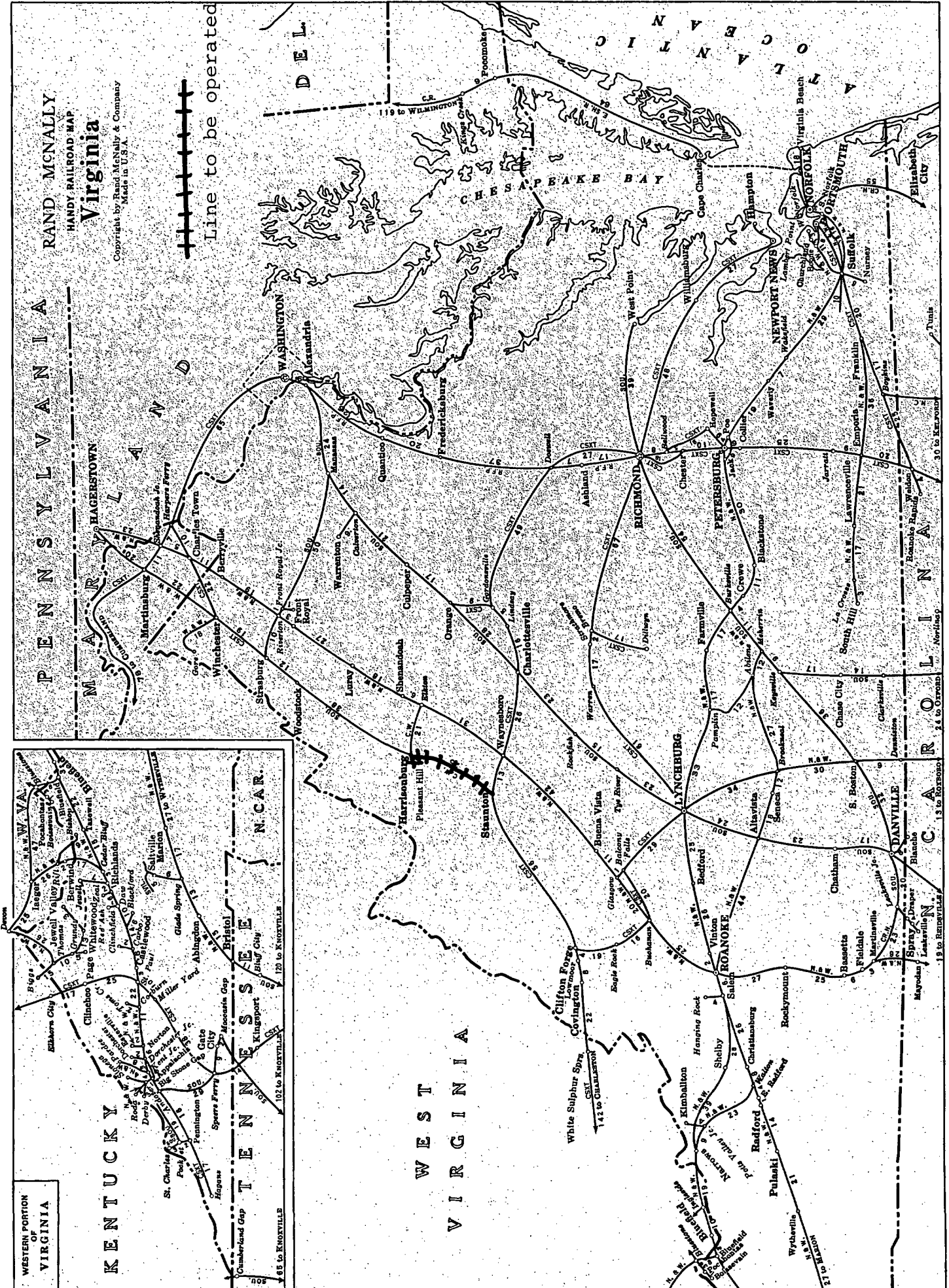
OF COUNSEL

Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Kelvin J. Dowd 
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

Dated: July 14, 2006

Attorney for Applicant



Finance Docket No. 34907

**DURBIN & GREENBRIER VALLEY RAILROAD, INC.
– OPERATION EXEMPTION –
RAIL LINES IN ROCKINGHAM AND
AUGUSTA COUNTIES, VIRGINIA**

Durbin & Greenbrier Valley, Railroad, a Class III carrier, has filed a Verified Notice of Exemption to operate approximately 20.2 miles of rail line owned by the Shenandoah County Development Corporation, located generally between Harrisonburg and Staunton, Virginia. Comments must be filed with the Board and served on Kelvin J. Dowd, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, D.C. 20036, (202) 347-7170.

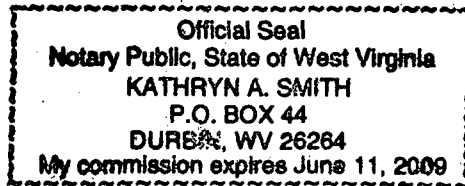
This Notice is filed under 49 C.F.R. Part 1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

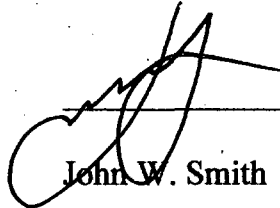
County of Pocahontas)

State of West Virginia)

) SS:

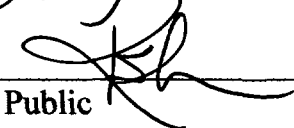


John W. Smith, being duly sworn, deposes and says that he is the President of Durbin & Greenbrier Valley Railroad, Inc., that he has read the foregoing Notice, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.



John W. Smith

Sworn to before me this 11th day of July, 2006.



Notary Public

My Commission Expires: June 11, 2009