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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 31923

ORIGINAL

JUN 14 2006
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THE CHICAGO, LAKE SHORE AND SOUTH BEND
RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
NORFOLK SOUTHERN RAILWAY COMPANY

FILED

JUN 14 2006

SURFACE
TRANSPORTATION BOARD

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

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

ORIGINAL

TRANSPORTATION BOARD

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

ENTERED
Office of Proceedings

JUN 14 2006

Part of
Public Record

Dated: June 14, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34893

THE CHICAGO, LAKE SHORE AND SOUTH BEND
RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
NORFOLK SOUTHERN RAILWAY COMPANY

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

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.33

Name and Address of Applicant 49 CFR 1150.33(a)

The Chicago, Lake Shore and
South Bend Railway Company
515 Sheridan
Michigan City, IN 46360¹

Applicant's Representative 49 CFR 1150.33(b)

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

¹ Address of owner is Norfolk Southern Railway, Three Commercial Place,
Norfolk, VA 23510.

Statement of Agreement(s)

49 CFR 1150.33(c)

The Chicago, Lake Shore And South Bend Railway Company ("CLS&SB") has reached an agreement with Norfolk Southern Railway Company ("NSR"), owner of the subject railroad, for CLS&SB to purchase and operate about 3.2 route miles of railroad between MP UV0.0 and MP UV2.8 and between MP ZO9.48 and MP ZO9.9 including any ownership interest in the spur leading to Notre Dame University in the City of South Bend, IN.

CLS&SB plans to close after all applicable notice periods have run, more than seven days from the date of filing this notice, and commence operations at a later date.

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, CLS&SB 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 purchase and operation of NSR's line by a new class III short line railroad [CLS&SB]. As a result of this transaction, CLS&SB will furnish service formerly provided by Consolidated Rail Corporation ("Conrail") prior to its acquisition by NSR and CSX Transportation. See, STB FD. No. 33388, CSX Corp. et al. - Control - Conrail Inc. et al.,

3 S.T.B. 196 (1998).² Neither Conrail nor NSR has provided service over this trackage since the 1990's due to lack of customer demand; however, the track remains an "active" line and a part of the NSR rail network.

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)**

CLS&SB 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. CLS&SB requests that no conditions be imposed as there are no employees who will be adversely affected.

² This trackage was part of the Conrail System designated for acquisition and operation by NSR.

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: June 14, 2006

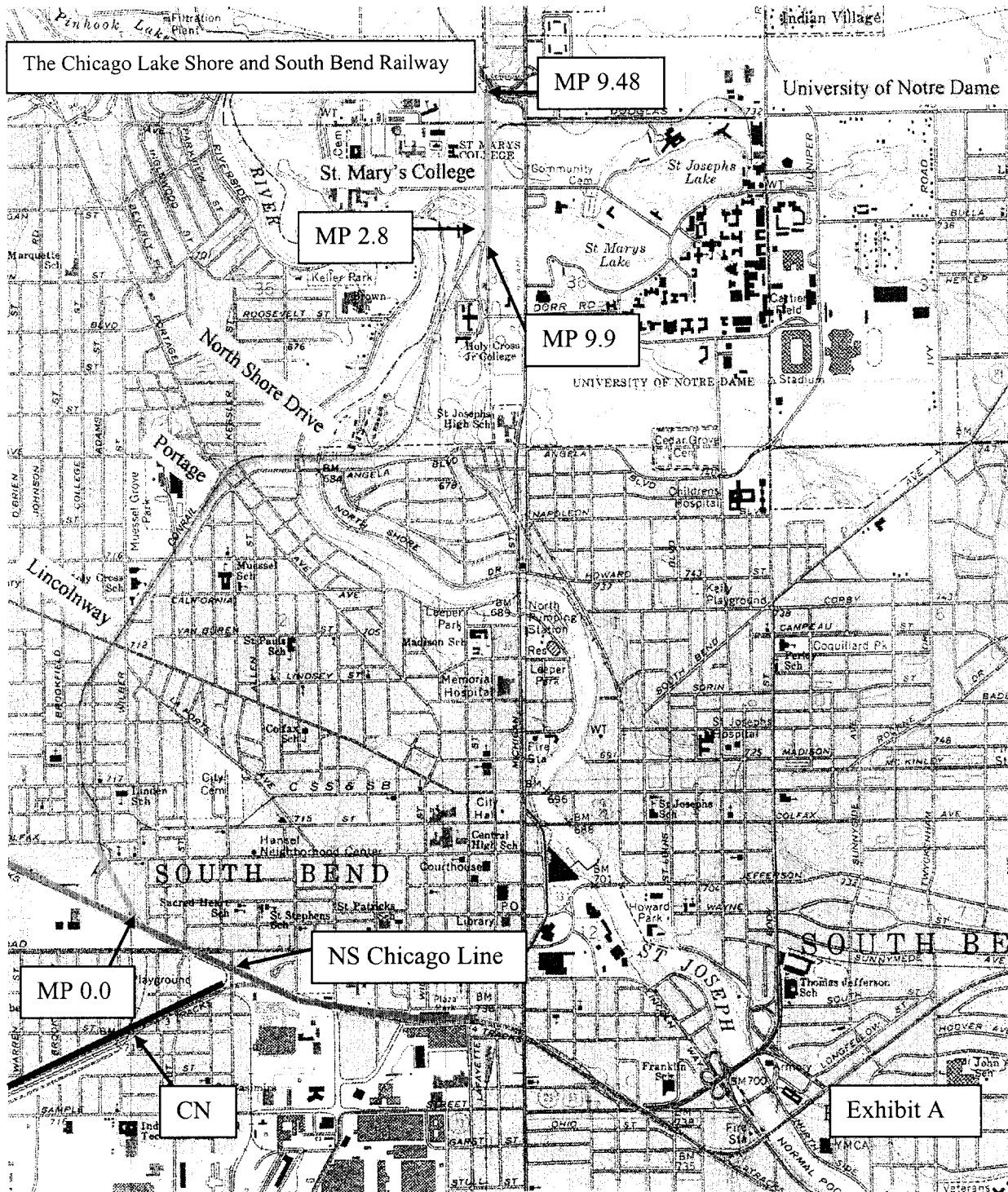


Exhibit A

EXHIBIT B

CERTIFICATION

I, Robert S. Harris, an officer of the Chicago, Lake Shore and Michigan Southern Railway ("CLS+SB") hereby certify under penalty of perjury that the projected annual railroad operating revenues of CLS+SB, in the aggregate, will not exceed \$5,000,000, and that CLS+SB 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 CLS+SB.

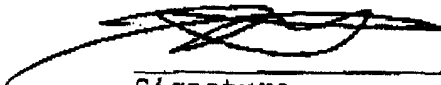

Signature

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34893

THE CHICAGO, LAKE SHORE AND SOUTH BEND
RAILWAY COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
NORFOLK SOUTHERN RAILWAY COMPANY

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

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINE
INFORMATION REQUIRED BY 49 CFR 1150.31

The Chicago, Lake Shore And South Bend Railway Company ("CLS&SB"), a newly established noncarrier, has filed a Verified Notice of Exemption under 49 CFR 1150.31 to purchase and operate the following railroad line currently owned by Norfolk southern Railway Company ("NSR"). The subject rail lines consist of 3.2 miles of railroad between MP UV0.0 and MP UV2.8 and between MP ZO9.48 and MP ZO9.9 including any ownership interest in the spur leading to Notre Dame University in the City of South Bend, IN.

CLS&SB plans to consummate this transaction after any applicable notice periods.

This notice is filed under 49 C.F.R. 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. 34893, 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:

For CLS&SB:

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

For NSR:

Greg E. Summy
General Solicitor
Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510
Telephone: (757) 533-4890

(seal)

Vernon A. Williams
Secretary

VERIFICATION

STATE OF Colorado
CITY OF Greeley
County of Mesa

SS



Robert S. Harris, 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.

A handwritten signature of Robert S. Harris, consisting of a stylized, cursive script.

Subscribed and sworn to before me, a Notary Public, in and for
the ^{County} City of Mesa in the State of Colorado, this 9th
day of June 2006

A handwritten signature of the Notary Public, appearing to be "Thomas L. Orem", written in a cursive style.

Notary Public

My Commission expires:

October 3, 2009