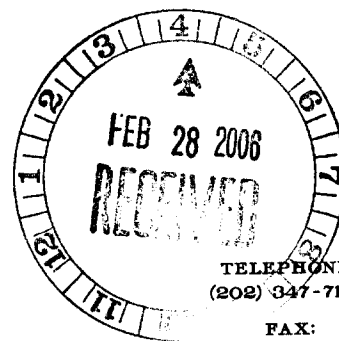


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February 28, 2006

VIA HAND DELIVERY

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

ENTERED
Office of Proceedings

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Public Record

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Re: Docket No. AB-290 (Sub-No. 259X) Tennessee Railway Company
Between Oneida, Tennessee and Nicks Creek, Tennessee
Docket No. AB-290 (Sub-No. 260X), Tennessee Railway Company –
Abandonment Exemption – In Anderson and Campbell Counties, Tennessee

Dear Secretary Williams:

Pursuant to 49 U.S.C. §10904 (d)-(f) and 49 C.F.R. Part 1152.27(f)(2), the purpose of this letter is to advise the Board that NC Railroad, Inc., a wholly-owned subsidiary of National Coal Corporation ("NCC"), and Tennessee Railway Company ("TNR"), have consummated the sale of the lines at issue in the referenced dockets under the Offer of Financial Assistance ("OFA") procedures described in 49 C.F.R. Part 1152.27(c). The parties reached agreement on all terms of purchase and sale of the involved rail lines, and have closed today on NC Railroad's purchase of the subject lines.

Ten copies accompany the original of this communication. All parties of record are being served. Please time and date stamp the additional copy of this letter and return it with our messenger.

The Honorable Vernon Williams

February 28, 2006

Page Two

If you have any additional questions, please do not hesitate to contact us.
Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelvin J. Dowd', with a large, stylized flourish at the end.

Kelvin J. Dowd

An Attorney for

National Coal Corporation

KJD:jml

cc: James Paschall, Esq. (via telefax)
Parties of Record