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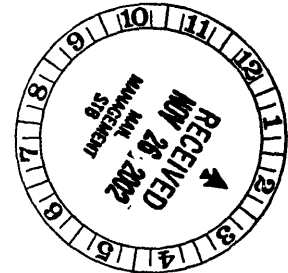
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DID# 0102089001

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November 26, 2002

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423



RE: Finance Docket No. 34290, *CSX Transportation, Inc. —Corporate Family
Merger Exemption—The Western Railway of Alabama*

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(3), three diskettes with the file Notice.doc, 20 extra copies of the map, and a check covering the \$1,300.00 filing fee. Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosures

ENTERED
Office of Proceedings

NOV 26 2002

Part of
Public Record

FILED

NOV 26 2002

TRANSPORTATION BOARD

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PORTLAND, OREGON WASHINGTON, D.C. BEND, OREGON

FEE RECEIVED

NOV 26 2002

TRANSPORTATION BOARD

ORIGINAL

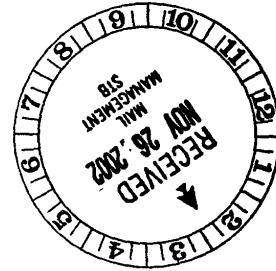
CSXT-1

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34290

CSX TRANSPORTATION, INC.
—CORPORATE FAMILY MERGER EXEMPTION—
THE WESTERN RAILWAY OF ALABAMA

VERIFIED NOTICE OF EXEMPTION



Paul R. Hitchcock, Esq.
Assistant General Counsel
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1192

Louis E. Gitomer, Esq.
Of Counsel
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1455 F Street, N.W., Suite 225
Washington, DC 20005
(202) 638-3307

Attorneys for: CSX TRANSPORTATION,
INC.

Dated: November 26, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34290

CSX TRANSPORTATION, INC.
—CORPORATE FAMILY MERGER EXEMPTION—
THE WESTERN RAILWAY OF ALABAMA

VERIFIED NOTICE OF EXEMPTION

CSX Transportation, Inc. ("CSXT") and The Western Railway of Alabama ("WRA"), pursuant to 49 C.F.R. §§ 1180.2(d)(3) and 1180.4(g), file this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 11323 with the Surface Transportation Board (the "STB"). This Verified Notice of Exemption is being filed to permit WRA to merge into CSXT. CSXT is a Class I railroad and WRA is a wholly owned subsidiary of CSXT.

a. **1180.6(a)(1)(i).** A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

CSXT directly controls WRA, both located at 500 Water Street, Jacksonville, FL 32202, (904) 359-3100.

This is a transaction within a corporate family. WRA will merge into CSXT. Two corporations will be reduced to one. This transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. The transaction will reduce corporate overhead and duplication by eliminating one corporation while retaining the same assets to serve customers. In addition, CSXT will obtain certain savings as a result of the transaction.

CSXT owns and operates about 23,297 miles of railroad in the States of Alabama, Connecticut, District of Columbia, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, and the Provinces of Ontario and Québec. WRA owns about 128.23 miles of railroad in the State of Alabama.

Counsel to whom questions concerning the transaction can be addressed are: Paul R. Hitchcock, Esq., Assistant General Counsel, CSX Transportation, Inc., 500 Water Street, Jacksonville, FL 32202, (904) 359-1192, and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, D.C. 20005, (202) 638-3307.

b. **1180.6(a)(1)(ii).** The proposed time schedule for consummation of the proposed transaction.

CSXT intends to merge WRA into itself on or after December 3, 2002.

c. **1180.6(a)(1)(iii).** The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The merger of WRA into CSXT is intended to simplify the corporate structure and reduce overhead costs.

d. **1180.6(a)(5).** A list of the State(s) in which any part of the property of each applicant carrier is situated.

CSXT and its subsidiary railroads operate in the States of Alabama, Connecticut, District of Columbia, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. WRA operates in Alabama.

e. **1180.6(a)(6). Map (Exhibit 1).** Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit 1.

f. **1180.6(a)(7)(ii). Agreement (Exhibit 2).** Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.

The Agreement and Plan of Merger necessary to effectuate the merger of WRA into CSXT is in Exhibit 2.

g. **Labor Protection.**

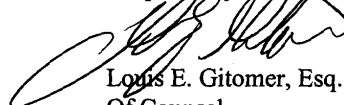
Under 49 U.S.C. § 11326(a), the level of labor protection to be imposed is *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979).

h. **Environmental and Historical documentation.**

This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) and thus neither an Environmental Assessment nor a Historic Report is required to be filed.

Paul R. Hitchcock, Esq.
Assistant General Counsel
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1192

Respectfully submitted,



Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, DC 20005
(202) 638-3307

Attorneys for: CSX TRANSPORTATION,
INC.

Dated: November 26, 2002

EXHIBIT 1

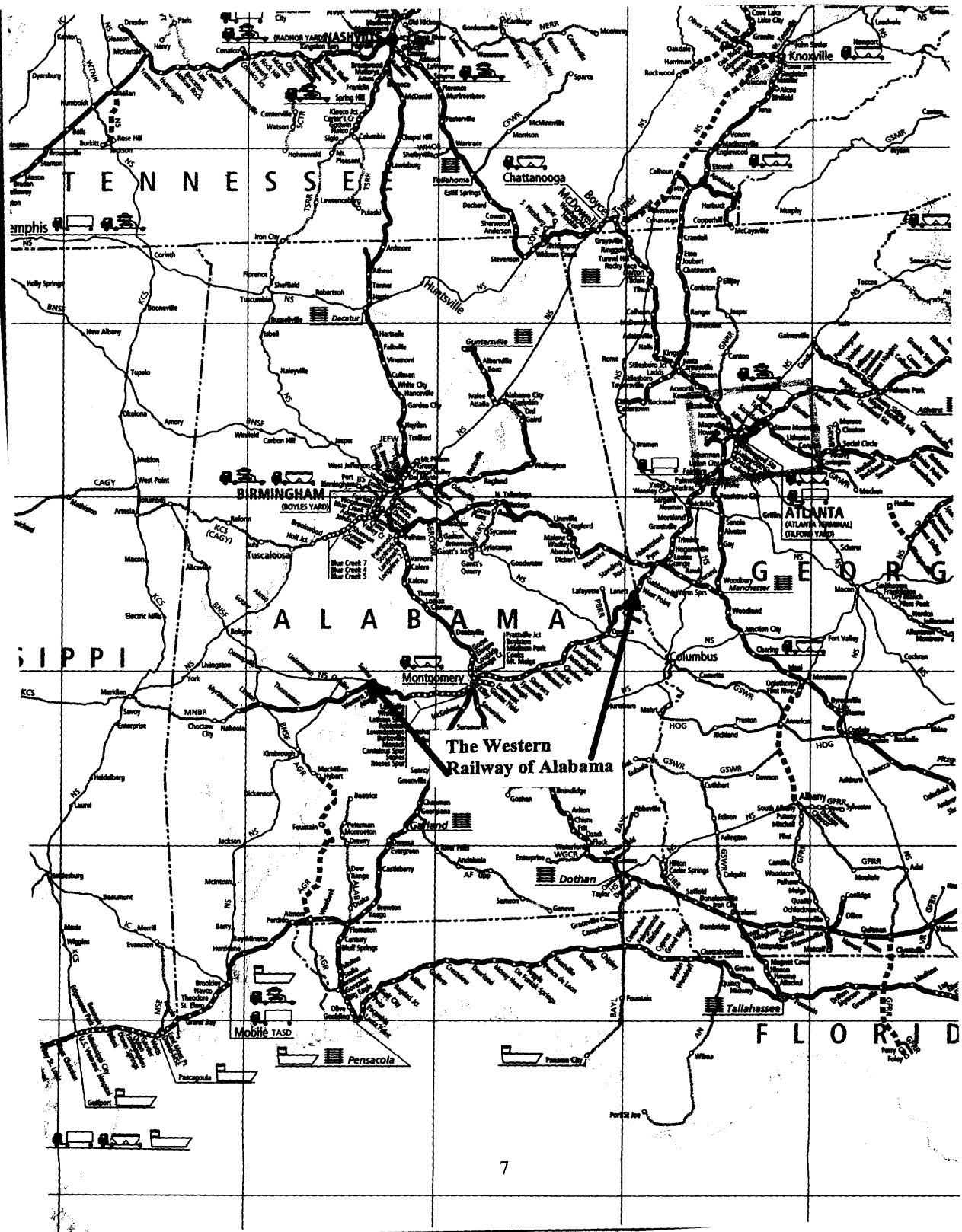


EXHIBIT 2

AGREEMENT OF MERGER

AGREEMENT OF MERGER dated as of November 6, 2002, between WESTERN RAILWAY, an Alabama corporation, hereinafter designated as the "Subsidiary Corporation," and CSX TRANSPORTATION, INC., a Virginia corporation, hereinafter designated as the "Parent Corporation", such corporations being herein sometimes collectively called the "Constituent Corporations".

The respective Boards of Directors of the Constituent Corporations consider the merger (the "Merger") of the Subsidiary Corporation into the Parent Corporation, the sole stockholder of the Subsidiary Corporation, to be in the best interests of the Constituent Corporations. To that end, each such Board has approved this Agreement and the Plan of Merger attached hereto as Exhibit A and made a part hereof.

The Constituent Corporations adopt this Agreement, together with the Plan of Merger, as a plan of reorganization under Section 332 of the United States Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the premises, the Constituent Corporations agree as follows:

ARTICLE I

Merger, Conversion and Exchange

1.1. Merger. The Merger shall become effective upon the exemption by the Surface Transportation Board.

1.2. Cancellation of Stock. The shares of common stock of the Subsidiary Corporation shall be cancelled by the Parent Corporation as provided in the Plan of Merger.

ARTICLE II

Rights, Liabilities, Notice of Exemption

1.1. Rights of the Parent Corporation. Upon merger, all the rights, privileges and franchises possessed by the Subsidiary Corporation, and all property and every other interest owned by the Subsidiary Corporation shall be taken and deemed to be transferred to and vested in the Parent Corporation.

1.2. Liabilities. Upon merger, the Parent Corporation shall be responsible for and shall assume any and all debts, liabilities and obligations of the Subsidiary Corporation.

1.3. Notice of Exemption. A Notice of Exemption shall be filed by the Parent Corporation with the Surface Transportation Board.

ARTICLE II

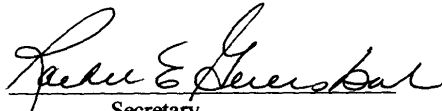
Amendments

This agreement (but not the Plan of Merger unless permitted by law at the time in effect) may, subject to applicable law, be amended by action of the Boards of Directors of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Attest:

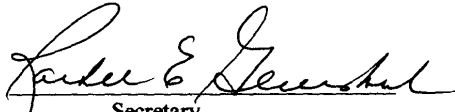
CSX TRANSPORTATION, INC.

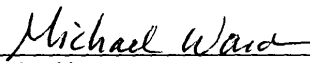

Secretary

By: 
President

Attest:

THE WESTERN RAILWAY OF ALABAMA


Secretary

By: 
President

**PLAN OF MERGER
OF
THE WESTERN RAILWAY OF ALABAMA
INTO
CSX TRANSPORTATION, INC.**

Plan of Merger dated as of the 6th day of November 2002, by and between CSX TRANSPORTATION, INC., a Virginia corporation ("Parent Corporation") and THE WESTERN RAILWAY OF ALABAMA, an Alabama corporation ("Subsidiary Corporation"), such corporations being herein sometimes collectively called the "Constituent Corporations."

WHEREAS, the Parent Corporation owns 100% of the outstanding shares of stock of the Subsidiary Corporation and the Boards of Directors of the Constituent Corporations deemed it advisable that the Subsidiary Corporation be merged into the Parent Corporation;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants herein contained, the Subsidiary Corporation shall be merged with and into the Parent Corporation and subject to the terms hereinafter set forth:

I. Terms, Conditions and Effective Date of Merger

1.1 Following adoption of this Plan of Merger by the Boards of Directors of the respective Constituent Corporations and after such notice of the Merger as is required by law is mailed to the stockholders, of the Subsidiary Corporation, the parties hereto shall cause Articles of Merger to be filed with the Secretary of State of Alabama and the State Corporation Commission of Virginia. The separate existence of the Subsidiary Corporation shall cease as of the close of business on the Effective Date (as hereinafter defined) and the Subsidiary Corporation shall thereupon be merged into the Parent Corporation.

1.2 The Effective Date of the Merger shall be upon the exemption by the Surface Transportation Board.

1.3 The Merger may be abandoned at any time before the Effective Date by the majority vote of the Board of Directors of the Parent Corporation or the Subsidiary Corporation or may be amended by a majority vote of the Parent Corporation and the Subsidiary Corporation.

II. Conversion and Cancellation of Shares

2.1 The manner and basis of converting, canceling or exchanging shares of capital stock of the Constituent Corporations on the Effective Date shall be as follows:

(a) Each share of the Parent Corporation's common stock which is issued and outstanding on the Effective Date shall remain issued and outstanding as capital stock of the Parent Corporation.

(b) Each share of the Subsidiary Corporation's common stock shall be canceled and no new shares or other securities or obligations or cash shall be issuable in respect thereto.

III. Effect of the Merger

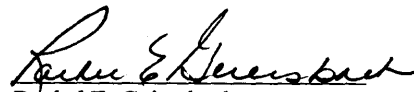
3.1 Upon the Effective Date the assets and liabilities of Subsidiary Corporation shall be taken on the books of the Parent Corporation at the amount at which they shall at the time be carried on the books of Subsidiary Corporation, subject to such adjustments, if any, as may be necessary to conform to the accounting procedures of the Parent Corporation.

3.2 After the Effective Date, the Parent Corporation shall possess all the rights, privileges, immunities, powers, franchises and authority, both public and private, of each of the Constituent Corporations. All property of every description, including every interest therein and all obligations of or belonging or due to each of the Constituent Corporations, shall thereafter be taken and deemed to be transferred to and vested in the Parent Corporation without further act or deed, but after the Effective Date when required by the Parent Corporation the officers of the Parent Corporation, on behalf of Subsidiary Corporation, shall execute and deliver or cause to be executed and delivered all such deeds and other instruments and shall take or cause to be taken such further action as the Parent Corporation may deem necessary or desirable in order to confirm the transfer to and vesting in the Parent Corporation of title to and possession of all such rights, privileges, immunities, franchises and authority. All rights of creditors of each Constituent Corporation shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the Effective Date, and the Parent Corporation shall thereafter be liable for all the obligations of each of the Constituent Corporations.

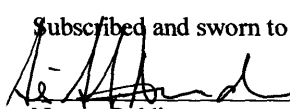
CERTIFICATION

State of Florida)
)ss
County of Duval)

Rachel E. Geiersbach, being duly sworn, deposes and says that she is the Corporate Secretary of CSX Transportation, Inc., a Virginia corporation, and that she has read the foregoing, knows the contents thereof, and that the same are true as stated to the best of her knowledge, information and belief.


Rachel E. Geiersbach
Corporate Secretary
CSX Transportation, Inc.

Subscribed and sworn to before me this 22nd day of November 2002.

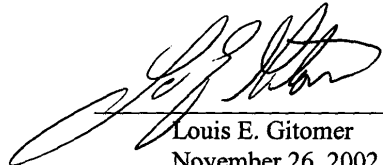

Notary Public

 Ines Saint-Amand
My Commission CC809107
Expires February 14, 2003

My Commission expires: Feb 14, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 34290, CSX Transportation, Inc.—Corporate Family Merger Exemption—The Western Railway of Alabama, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the States of Alabama, Connecticut, District of Columbia, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.



Louis E. Gitomer
November 26, 2002