

DD# 01040407005001
210522

NORFOLK SOUTHERN CORPORATION
THREE COMMERCIAL PLACE
NORFOLK, VA 23510



James R. Paschall
General Attorney

Direct Dial Number
(757) 629-2759
fax (757) 533-4872

APR - 7 - 2004

April 7, 2004

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Docket No. AB-290 (Sub-No. 248X), Norfolk Southern Railway Company
– Abandonment Exemption – Between Mackeys and Plymouth, in
Washington County, North Carolina - Petition for Exemption

Dear Mr. Williams:

Enclosed for filing with the Board in the captioned proceeding are an original and ten copies of Norfolk Southern Railway Company's Petition for Exemption in the captioned docket. The petition contains a draft Federal Register Notice. Also, enclosed are a check in the amount of \$4,700 for the filing fee and a diskette in WordPerfect format that is compatible with the Board's word processing programs.

Please acknowledge receipt on the enclosed copy of this letter and return it to me in the self-addressed, stamped envelope.

Yours very truly,

FEE RECEIVED

APR 7 - 2004

James R. Paschall
James R. Paschall

FILED

APR 7 - 2004

Enclosures

SURFACE
TRANSPORTATION BOARD

cc w/ encl:

Mr. Tony Oldham
Royster Clark Resources, LLC
999 Waterside Drive
Suite 800
Norfolk, VA 23510

Mr. Donald Hoover
Coordinator Rights of Way
Dominion Virginia Power
P. O. Box 26532
Richmond, VA 23219

SURFACE
TRANSPORTATION BOARD

Mr. Vernon A. Williams
Re: AB-290, Sub-No 248X
April 7, 2004

cc w/ encl.

Ms. Phyllis Rubenstein
McCandlish Holton
P. O. Box 796
Richmond, VA 23218-0796

Mr. Wesley Stokes, Chairman
County of Washington
Board of Commissioners
P. O. Box 1007
Plymouth, NC 27962

The Honorable Mike Easley
Governor of North Carolina
State Capitol, 116 West Jones Street
Raleigh, NC 27603

Ms. Jo Anne Sanford, Chair
North Carolina Utilities Commission
P. O. Box 29510
Raleigh, NC 27626

Mr. Patrick B. Simmons, Director
Rail Division
North Carolina Department of Transportation
1553 Mail Service Center
Raleigh, NC 27699-1553

MTMCTEA
Attn: Railroads for National Defense
720 Thimble Shoals Blvd., Suite 130
Newport News, VA 23606-2574

National Park Service
Recreation Resources Assistance Division
1849 C Street, NW (2310)
Washington, DC 20240-0001

Mr. William Shaddox
National Park Service
Land Resources Division
1849 C Street, NW (2540)
Washington, DC 20240-0001

Regional Director
National Park Service
100 Alabama St. SW
1924 Building
Atlanta, GA 30303

U. S. Department of Agriculture
Chief of the Forest Service
Sidney R. Yates Federal Building
201 14th Street, SW at Independence
Avenue, SW
Washington, DC 20250

210522

DID # 01040407005001

FILED

APR 7 - 2004

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE

SURFACE TRANSPORTATION BOARD



STB DOCKET NO. AB-290 (SUB-NO. 248X)

NORFOLK SOUTHERN RAILWAY COMPANY -

PETITION FOR EXEMPTION -

ABANDONMENT OF RAILROAD LINE

BETWEEN MACKEYS, NORTH CAROLINA AND PLYMOUTH, NORTH CAROLINA
IN WASHINGTON COUNTY, NORTH CAROLINA

Norfolk Southern Railway Company ("NSR") hereby petitions the Surface Transportation Board ("Board" or "STB") for an exemption under 49 U.S.C. § 10502 from the prior approval requirements of 49 U.S.C. 10903 to abandon a 7.3-mile line of railroad between Milepost NS-82.7 at Mackeys, North Carolina and Milepost NS-90.0 at Plymouth, North Carolina (the "Line"). NSR also requests that the Board exempt the abandonment from the public use and offer of financial assistance provisions of 49 U.S.C. 10904 and 49 U.S.C. 10905.

FEE RECEIVED

APR 7 - 2004

Background

The Line is a 7.3-mile segment of a dead-end branch line, terminating at Mackeys, NC. NSR can no longer operate the Line profitably. The Line was operated at an avoidable loss of \$127,767 in the base year of October 1, 2002-September 30, 2003 and would be operated at an avoidable loss of \$109,487 in the following forecast year. This period is used because it is the last full year period of traffic on the Line. The only railroad customer on the Line, Royster Clark Resources, LLC, at Mackeys, NC, has begun to ship and receive all of its rail freight at its Plymouth, NC location pursuant to a

ENTERED
Office of Proceedings

APR - 12 2004

Part of
Public Record

letter agreement with NSR. In addition to the avoidable loss from operations, continued operation of the Line would cause NSR to incur \$270,000 in additional unrecoverable costs for tie replacement and other rehabilitation or maintenance work this year to keep the Line in operation. Damage resulting from Hurricane Isabel in September 2003 caused or exacerbated the need for this work. Since the Line was already operated at an avoidable loss, it is obvious that the additional investment now required to keep this Line in operation could not be recovered from the revenue from current or reasonably forecast traffic levels on the Line. There is no prospect that the Line can be operated and maintained at a break-even level, much less a profit, in the future. NSR cannot justify the continuing avoidable losses and additional maintenance and rehabilitation expenditures needed to keep the Line in operation. Royster Clark has agreed to ship and receive all of its railroad freight at its Plymouth, NC location where NSR will continue to provide service.

NSR has conveyed the right-of-way of this Line to Dominion Virginia Power (Dominion Resources) so that company may better serve the public by improving and more easily accessing and maintaining its electric power transmission facilities along the right-of-way. Dominion's facilities also were damaged by Hurricane Isabel in September 2003 and require substantial repair, rehabilitation or upgrading. The conveyance of the right-of-way is subject to an easement for the location and operation of NSR's railroad line to the extent necessary until such time as NSR obtains an exemption or authority for, and consummates, the abandonment of the Line.

Information In Support of Petition

(1) Petitioner is Norfolk Southern Railway Company (NSR).

(2) NSR is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105. NSR is a wholly-owned subsidiary of Norfolk Southern Corporation, a non-carrier.

(3) Pursuant to 49 U.S.C. § 10502, NSR seeks an exemption from the prior approval requirements of 49 U.S.C. § 10903 in order to abandon the subject Line.

NSR also seeks an exemption from the offer of financial assistance provisions of 49 U.S.C. § 10904 and the public use provisions of 49 U.S.C. § 10905 with respect to abandonment of this Line. NSR has sold the right-of-way to Dominion Virginia Power (Dominion Resources) in order for that company to access, improve and maintain its electric power transmission facilities. Consideration of OFAs and public use requests might delay or add uncertainty to Dominion's work. There would be no corresponding public benefit to justify the delay because there is no remaining rail business on the Line to support an OFA. Moreover, Dominion's use of the right-of-way for improvement and maintenance of electric power transmission facilities will benefit the public and is an example of a public use shown in the Board's regulations at 49 C.F.R. 1152.22(e)(4).

(4) A map of the subject Mackeys, NC-Plymouth, NC Line is attached as Exhibit 1.

(5) This Line has not been included as a rail line to be abandoned or discontinued on NSR's system diagram map.

(6) This petition is being filed because NSR is operating the Line at a loss and

cannot justify the costs of continued maintenance, rehabilitation and operation of the Line. Storm damage resulting from Hurricane Isabel in September 2003 caused or exacerbated the need for immediate rehabilitation or repair of the Line. There is no prospect that NSR's maintenance and operating costs for the Line, and additional rehabilitation costs currently required to keep the Line in operation, could be recovered from revenue from current or any reasonably forecast future volumes of traffic on the Line.

The Line was operated at an avoidable loss of \$127,767 in the forecast year of October 1, 2002 - September 30, 2003, the last four full quarters of shipments to and from Royster Clark Resources, LLC, the only shipper on the Line, at Mackeys, NC. NSR has calculated that the Line would have been operated at an avoidable loss of \$109,487 in the following forecast year. Moreover, NSR also would need to recover at least \$270,000 in repair, maintenance and tie replacement costs for work that would be required immediately to keep the Line in operation. This expense cannot be recovered from the expected revenues to be derived from the minimal amount of current or prospective future traffic on the Line. NSR needs to invest its limited resources in lines that have a greater traffic density, can be operated profitably and do not require cross-subsidization.

The traffic on the Line and revenue from the traffic during the base year is shown on Exhibit 2, page 1. NSR's pro forma income statement is shown in Exhibit 2, pages 2-4. NSR's opportunity cost statement is shown in Exhibit 2, page 5. A work paper showing the sources for the information on the pro forma income statement is Exhibit 2,

page 6.¹

Royster Clark Resources, LLC, the only railroad customer on the Line, will continue to receive service at its Plymouth, NC location at the new end of the line that will remain in operation after the abandonment of the Line. Royster Clark has agreed to this arrangement (Exhibit 3). The area traversed by the Line is sparsely populated. Any potential new business that might locate in the area and desire rail service can find locations for its business or for loading or unloading rail shipments on nearby NSR lines at Plymouth, NC or other locations.

(7) NSR's representative to whom correspondence should be sent is:

James R. Paschall
General Attorney
Norfolk Southern Railway Company
Three Commercial Place
Norfolk, Virginia 23510-2191

Phone Number: (757) 629-2759

(8) The Line traverses United States Postal Service Zip code 27962. The communities, and only stations, on the Line are Mackeys, NC (unincorporated rural location) and Plymouth, NC (population 4,004 (2002)). The U. S. Census Bureau has most recently estimated the population of Washington County at 13,526 persons (2002).

Public Use, Trail Use, Offers of Financial Assistance

The right-of-way of the Line proposed to be abandoned is appropriate for the

¹Twenty pages of work papers noted on page 6 of Exhibit 2 are not attached in view of the remote possibility that these references or calculations would need to be explained in any further detail or even would be subject to any challenge. NSR can provide these papers immediately if they are required for any reason.

alternate public purpose of energy transmission. Thus, subject to a temporary easement for the rail line, NSR's interest in the right-of-way has been conveyed to Dominion Virginia Power (Dominion Resources), which will continue to use it for access to and maintenance of its energy transmission facilities.

As noted above, NSR also requests exemption of this transaction from the provisions of 49 U.S.C. 10904 (offer of financial assistance procedures) and 49 U.S.C. 10905 (public use conditions) in order to remove any uncertainty or delay in Dominion's work on the property that might arise from consideration of OFAs or imposition of public use conditions. Also, a public use condition is not imposed for the benefit of any one party. The use of the property for energy transmission facilities is an example of a public use shown in the Board's regulations at 49 C.F.R. 1152.22(e)(4). Any purpose for imposing a public use condition is already being met by Dominion's use and future use of the right-of-way.

NSR will not consent to the issuance of a Notice of Interim Trail Use or Abandonment or negotiate for interim trail use of the subject Line. Further information concerning title to the right-of-way is thus irrelevant in this matter.

Statement Concerning Federally Granted Right of Way

Based on information in NSR's possession, the Line does not contain federally granted right-of-way. Any documentation later found in petitioner's possession concerning this matter will be made available promptly to those requesting it.

Environmental and Energy Impact Historical Report

Attached are environmental and historical reports prepared and previously

distributed in accordance with the Board's regulations (Exhibit 4). Included is a letter from the State Historic Preservation Office, dated March 25, 2003, stating that they are aware of no historic resources that would be affected by the project.

Draft Federal Register Notice.

A draft Federal Register Notice of this petition is attached (Exhibit 5). A copy of the draft Federal Register Notice on a computer diskette compatible with the Board's current word processing capabilities is enclosed.

Notice to Customers, Government Entities; Newspaper Notice

NSR has provided notice to the only customer on the Line, Royster Clark Resources, LLC, through its work with that customer to relocate its rail freight business from its Mackeys location to its Plymouth location and by serving it with a copy of this petition. Notice of the proposed abandonment was served on government officials through the environmental report distribution and by serving copies of this petition on those officials designated to receive copies by the Board's regulations. NSR also has given notice of the filing of this petition to the general public through a newspaper notice that was published in a newspaper in the county (Washington County, NC) through which the Line runs (see Exhibit 6).

An Exemption for Abandonment of the Subject Line Is Justified and Appropriate

NSR's petition for exemption from the prior approval requirements of 49 U. S.C. 109003 for abandonment of the Mackeys, NC - Plymouth, NC Line is justified and appropriate. Continued maintenance and operation of the Line would require NSR to incur an avoidable loss of \$109,487 in the forecast year and to spend approximately

\$270,00 on immediate rehabilitation and repair of the Line that could not be recovered from the recent, current, or any reasonably expected future, volume of business on the Line.

NSR will continue to provide rail service to the only customer on the Line, Royster Clark Resources, LLC, at its Plymouth, NC location. Royster Clark can send and receive all rail shipments formerly handled at Mackeys at its Plymouth location and has agreed to do so. Thus, the Board may find that the exemption, and abandonment of the Line pursuant to that exemption, will not result in an abuse of market power by NSR.

Since NSR has fully justified the request in its petition, no additional relevant information could be provided to the Board in support of NSR's abandonment of the Line in a long-form application. Filing of an application to abandon this Line would require NSR and the Board to incur additional time and expense for preparation, processing and review with no corresponding benefit. The facts and circumstances presented in this petition adequately support the relief requested. The prompt and efficient handling of this matter through a petition for exemption is in accordance with the rail transportation policy, will benefit NSR and the public and will not be detrimental to the only customer on the Line.

Under 49 U.S.C. 10903, a rail line may not be abandoned without the Board's prior approval. Under 49 U.S.C. 10502, however, the Board must exempt a transaction or service from regulation when it finds that: (1) continued regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either (a) the

transaction or service is of limited scope, or (b) regulation is not necessary to protect shippers from the abuse of market power.

Detailed scrutiny of the abandonment of the subject Line under 49 U.S.C. 10903 is not necessary to carry out the rail transportation policy. By minimizing the administrative expense of an abandonment application, an exemption in this case will reduce regulatory barriers to exit [49 U.S.C. 10101(7)]. An exemption will also foster sound economic conditions and encourage efficient management by relieving NSR of the costs of owning, rehabilitating and maintaining the line [49 U.S.C. 10101(5) and (9)]. Other aspects of the rail transportation policy will not be affected adversely by the exemption or the abandonment of the Line pursuant to the exemption.

Regulation of the proposed transaction is not necessary to protect shippers from an abuse of market power. The only shipper on the Line will continue to have rail service from NSR at its Plymouth, NC location at the new end of the line.

Given the Board's ability to make the market power finding in this matter, the Board need not determine whether the proposed transaction is limited in scope. However, it is quite clear from both the facts set forth in this petition and numerous decisions by the Board that the proposed transaction is limited in scope. It involves the abandonment of a 7.3-mile line of railroad in a sparsely populated area over which about 2 carloads per week on average had been moving and which the railroad cannot profitably maintain and operate. In addition, the only customer on the Line can still receive rail service at its location at the new end of the line.

Since under 49 U.S.C. 10502(g), the Board may not use its exemption authority

to relieve a carrier of its statutory obligation to protect the interests of its employees, NSR is willing, as a condition to the Board granting this exemption, for the Board to order that the employee protective conditions set forth in *Oregon Short Line R. Co. -- Abandonment -- Goshen*, 360 I.C.C. 91 (1979), apply to this transaction.

NSR has submitted an environmental report with its petition and has notified the appropriate Federal, state, and local agencies of the opportunity to submit information concerning the energy and environmental impacts of the proposed action. See 49 CFR 1105.11. NSR expects that the Board's Section of Environmental Analysis (SEA) to examine the environmental report, verify the data it contains, analyze the probable effects of the proposed action on the quality of the human environment, serve an environmental assessment and request comments. The State Historic Preservation Office has sent a letter stating that they are aware of no historic resources that would be affected by the project, which completes the Section 106 historic preservation process in this matter.

NSR's environmental and historic reports show, and NSR believes SEA will find, that the proposed abandonment of freight service will not significantly affect the quality of the human environment or the conservation of energy resources or historic resources and that few, if any, environmental conditions will be required for NSR to consummate the abandonment of the Line.

CONCLUSION

Norfolk Southern Railway Company, respectfully petitions the Board to exempt the abandonment of approximately 7.3 miles of line of railroad between Milepost NS-82.7 at Mackeys, NC and Milepost NS-90.0 at Plymouth, NC, from the prior approval requirements of 49 U.S.C. 10903. NSR also requests that the Board grant an exemption from the application of the offer of financial assistance provisions of 49 U.S.C. 10904 and the public use condition provisions of 49 U.S.C. 10905 with respect to the abandonment of the subject Line.

Respectfully submitted

NORFOLK SOUTHERN RAILWAY COMPANY

BY C. W. Moorman
C. W. Moorman
Senior Vice President-Corporate
Planning and Services

Dated: April 7, 2004

Of Counsel:

James R. Paschall
General Attorney
Norfolk Southern Railway Company
Three Commercial Place
Norfolk, Virginia 23510-2191
(757) 629-2759

VERIFICATION

Commonwealth of Virginia)
) ss
City of Norfolk)

C. W. Moorman makes oath and says that he is Senior Vice President-Corporate Planning and Services of Norfolk Southern Railway Company, the petitioner herein; that he has been authorized by the petitioner to verify and file with the Surface Transportation Board the foregoing petition in STB AB-290, Sub-No. 248X; that he has carefully examined all of the statements in the petition as well as the exhibits attached thereto and made a part thereof; that he has knowledge of the facts and matters relied upon in the petition; that all representations set forth therein are true and correct to the best of his knowledge, information, and belief.

C. W. Moorman
C. W. Moorman

Subscribed and sworn to before me, a notary public
in and for the State and City above named, this
7th day of April, 2004.

My commission expires: 6/30/04

Kathy E Headrick

VERIFICATION

Commonwealth of Virginia)
) ss
City of Norfolk)

Paul L. Greene makes oath and says that he is Planning Manager, in the Strategic Planning Department of Norfolk Southern Railway Company, the petitioner herein; that he has been authorized by the petitioner to verify the traffic, revenue and cost figures and calculations in the foregoing petition; that he obtained traffic, revenue and cost information from company records or from persons with a business duty to keep and report those records accurately; that he has made the calculations, prepared the exhibits, and carefully examined all of the statements in the petition as well as the exhibits that relate to traffic, revenue or costs; that he has knowledge of the facts and matters relied upon in the petition with respect to traffic, revenue and costs, as well as with respect to communications with Royster Clark Resources LLC; that all representations set forth therein as to those matters are true and correct to the best of his knowledge, information, and belief.

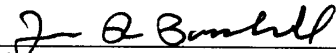
Paul L. Greene

Subscribed and sworn to before me, a notary public
in and for the State and City above named, this

7th day of April 2004.
Kathy E. Headrick
My commission expires: 6/30/04

CERTIFICATE OF SERVICE

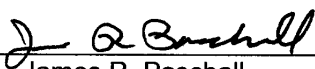
I certify that the foregoing petition has been served by first class mail, postage prepaid, on the Governor, Public Service Commission (or equivalent agency), the designated state agency of North Carolina, the State in which the line of railroad sought to be abandoned is situated, the United States Department of Defense (Military Traffic Management Command); U. S. Department of Agriculture, Chief of the Forest Service; National Park Service, Recreation Resources Assistance Division; National Park Service, Land Resources Division; Regional Director, National Park Service; and Royster Clark Resources, LLC, the only active shipper receiving service on the Line within the past two years.


James R. Paschall

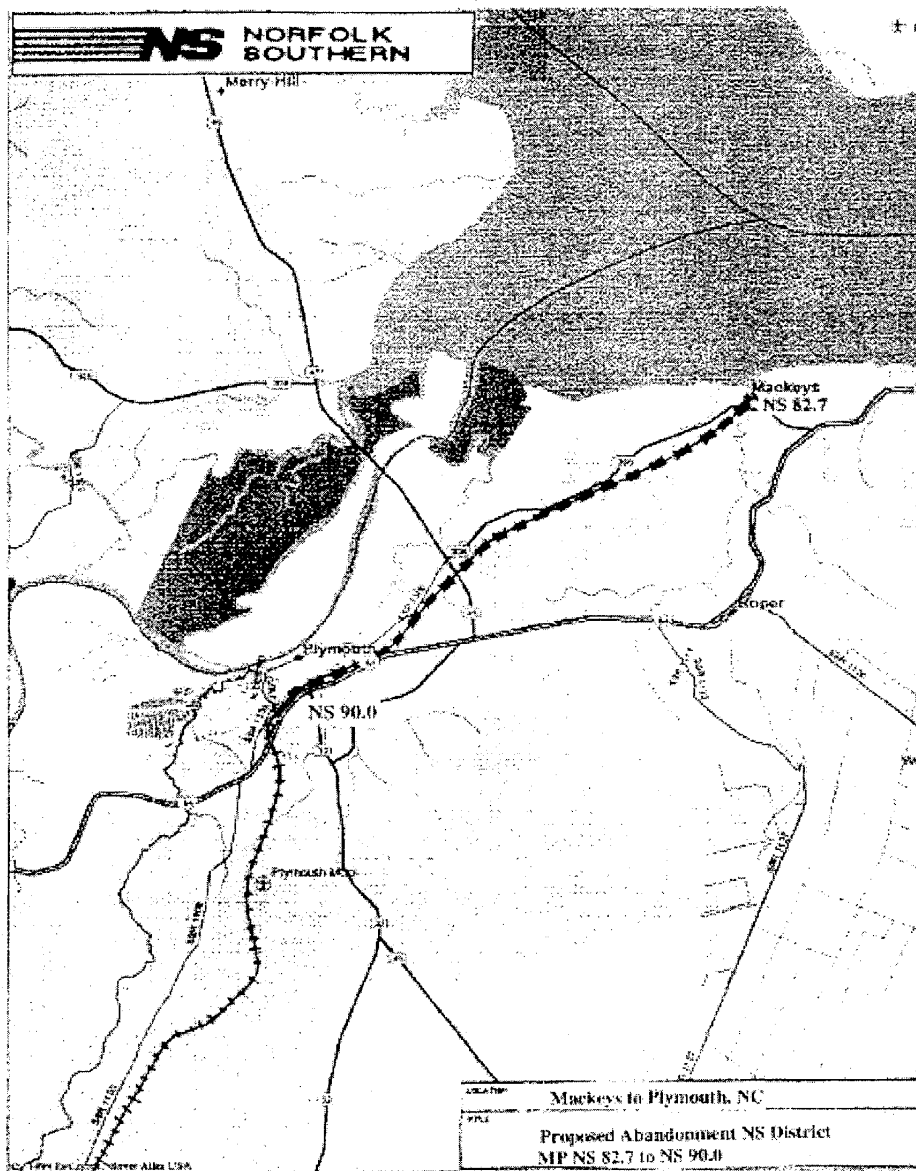
Dated: April 7, 2004

CERTIFICATE OF PUBLICATION

I hereby certify that the attached Notice of Intent to Abandon Rail Service was published in The Washington Daily News, Washington County, North Carolina, on March 8, 2004.


James R. Paschall

Dated: April 7, 2004



Norfolk Southern Railway Company
Pro Forma Traffic/Revenue Statement

Mackeys to Plymouth, NC Branch
From October 1, 2002 to September 30, 2003

Station	CL TR*	STCC	Carloads	Tons	NS Revenue
			<u>4th Qtr '02 thru 3rd Qtr'03</u>		
Mackeys	2A	Wheat	63	1,299	75,541
		Class Total	63	1,299	\$75,541
Mackeys	2C	Limestone	52	1,008	86,517
		Phos Fertilizer Solution	2	41	4,580
		Class Total	54	1,049	\$91,097
Study Total			117	2,348	\$166,638

*Class traffic **2A** originates on the branch(outbound from the branch)and terminates off-branch on the NS system

*Class traffic **2C** originates off-branch on the NS system and terminates on the branch (inbound to the branch)

Norfolk Southern Railway Company
Pro Forma Income Statement

STB No. AB-290,
Sub-No. 248X
Exhibit 2 - Page 2 of 6

Railway operating revenues and expenses* on the Mackeys to Plymouth, NC branch, a distance of approximately 7.30 miles, between milepost NS 82.7 and milepost NS 90.0

	Base Year 1_ ----- 117 CL	Forecast Year 2_ ----- 117 CL
REVENUES ATTRIBUTABLE FOR:		
1. Freight Orig. and/or Term. on Branch	\$166,638	\$168,471
2. Bridge Traffic		
3. All Other Revenue and Income		
4. TOTAL ATTRIBUTABLE REVENUE (Lines 1 through 3) (a)	\$166,638	\$168,471
AVOIDABLE COSTS FOR:		
5. ON-BRANCH COSTS:		
a. Way and Structures (b)	\$99,010	\$100,099
b. Equipment (c)	468	470
c. Transportation (d)	9,308	9,410
d. General and Administrative		
e. Deadheading, Taxi and Hotel		
f. Overhead Movement		
g. Freight Car Costs (Other Than Return) (e)	4,395	4,444
h. Return on Value - Locomotives (f)	991	941
i. Return on Value - Freight Cars (e)	9,298	9,401
j. Revenue Taxes k. Property Taxes		
l. TOTAL (Lines 5a through 5k)	\$123,471	\$124,765
m. Holding Gain (Loss) - Locomotives (f)		(14)
n. Holding Gain (Loss) - Freight Cars (e)		1,876
o. NET ON-BRANCH COSTS (Lines 5l - (5m+5n))	\$123,471	\$122,902
6. OFF BRANCH COSTS: (g)		
a. Off-Branch Costs (Other Than Return)	\$116,079	\$117,356
b. Return on Value - Freight Cars	22,000	22,242
c. Holding Gain (Loss) - Freight Cars		2,549
d. NET OFF-BRANCH COSTS (Lines 6a + 6b - 6c)	\$138,079	\$137,049
7. TOTAL AVOIDABLE COSTS (Lines 5o + 6d)	\$261,550	\$259,951
SUBSIDIZATION COSTS FOR:		
8. Rehabilitation		
9. Administrative Costs (Subsidy Year Only) (See Note 1)		
10. Casualty Reserve Account (See Note 1)		
11. TOTAL SUBSIDIZATION COST (Lines 8 through 10)		
12. Valuation of Road Properties (See Note 2)		
a. Working Capital	4,975	5,027
b. Income Tax Consequences	(121,810)	(127,900)
c. Net Liquidation Value	329,216	345,677
d. TOTAL (Lines 12a through 12c)	212,381	222,803
13. Nominal Rate of Return (See Note 3)	15.47%	15.47%
14. Nominal Return on Value (Line 12d x 13)	32,855	34,468
15. Holding Gain (Loss) (See Note 4)		16,461
16. TOTAL RETURN ON VALUE (Line 14 - 15)	32,855	18,007
17. AVOIDABLE LOSS (PROFIT) FROM OPERATIONS (Lines 7 - 4)	94,912	91,480
18. AVOIDABLE LOSS INCLUDING RETURN ON VALUE (Lines 7 - 4+16)	\$ (127,767)	\$ (109,487)

* Derived from Norfolk Southern Corporation (NS) combined railroad subsidiaries information.

1_/ October 1, 2002-September 30, 2003 is the Base Year.

2_/ October 1, 2003-September 30, 2004 is the Forecast Year.

Norfolk Southern Railway Company
Pro Forma Income Statement

- (a) Base year attributable branch traffic and revenues are for one hundred seventeen (117) carloads, which originated and/or terminated on the branch. Forecast year attributable traffic and revenue are for the same one hundred seventeen (117) carloads, which originated and/or terminated on the branch. Forecast year revenues are the base year revenues indexed by using a GDP inflator of 1.10.
- (b) The normalized annual Way and Structures (WS) expenses to operate the branch between Mackeys, NC Milepost NS 82.7 and Plymouth, NC Milepost NS 90.0, at the FRA Class I (10 MPH) track and safety standards for the base year are \$99,010. WS expenses to operate the branch between Mackeys, NC Milepost NS 82.7 and Plymouth, NC Milepost NS 90.0, for the forecast year are \$100,099, derived from the base year expense multiplied by the GDP inflator 1.10.
- (c) Equipment includes repairs and maintenance of locomotives, totaling \$141, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b)(1), fringe benefits, totaling \$20, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b)(3), and depreciation of locomotives, totaling \$307 which is calculated in accordance with provisions of 49 C.F.R. §1152.32(o) and §1152.33(b)(2), totaling \$468 for the base year. Base year expenses are indexed by the GDP inflator of 1.10 to produce the forecast year expense of \$470.
- (d) Base year transportation expenses are based on the operation of a seasonal local train, which serves customers on the branch between Mackeys, NC Milepost NS 82.7 and Plymouth, NC Milepost NS 90.0. NS provided local service approximately 9 times in 2002. A two-man crew operates the local train service, which takes approximately two and one half hours.

Base year transportation expenses include the train and engine crew (T&E) labor (2 man crew), totaling \$8,109 (including fringe benefits), which is calculated on the incremental overtime costs of the crew, T&E material account 21-31-57, totaling \$4, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c)(1)(i), train inspection and lubrication, totaling \$173, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(i), locomotive fuel, totaling \$998, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(ii), and servicing locomotives, totaling \$24, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(iv), totaling \$9,308 for the base year.

Forecast year transportation includes relief train and engine crew (T&E) labor (2 man crew), totaling \$8,198 (including fringe benefits), T&E material account 21-31-57, totaling \$4, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c)(1)(i), train inspection and lubrication, totaling \$175, locomotive fuel, totaling \$1,009, and servicing locomotives, totaling \$24, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(iv), totaling \$9,410 for the forecast year.

- (e) Calculated in accordance with provisions of 49 C.F.R. §1152.32(g).
- (f) Calculated in accordance with provisions of 49 C.F.R. §1152.32(h).
- (g) Off-branch costs are calculated in accordance with 49 C.F.R. §1152.32(n). Forecast year expenses are for the Mackeys to Plymouth, NC Branch base year off-branch costs indexed by using the GDP inflator of 1.10 after adjusting for forecast year traffic changes.

Norfolk Southern Railway Company
Pro Forma Income Statement

- Note 1. Omitted in accordance with provisions of Footnote 2 in 49 C.F.R. §1152.36.
- Note 2. Total valuation of properties is the sum of working capital, income tax consequences and net liquidation value (NLV). Working capital is calculated in accordance with provisions of 49 C.F.R. §1152.34(c)(1)(i). The base year estimated income tax consequences are \$121,810; \$329,216, the net liquidation value of the track and structures on the Mackeys, NC Milepost NS 82.7 and Plymouth, NC Milepost NS 90.0, multiplied by 37%, the F.I.T. and state tax rates. The forecast year estimated income tax consequences are \$127,900; \$345,677, the forecasted year net liquidation value of the track and structures on the Mackeys, NC Milepost NS 82.7 and Plymouth, NC Milepost NS 90.0, multiplied by the 37% tax rate. The fair market value of right-of-way land held in fee is not available at this time.
- Note 3. The nominal before tax cost of capital rate of 15.47% is based on Railroad Cost of Capital - 2003, Ex Parte No. 558, Service Date June 11, 2003.
- Note 4. Holding gain (loss) on road properties is calculated in accordance with provisions of 49 C.F.R. 1152.34(e). \$345,677 the net liquidation value of the Mackeys to Plymouth, NC Branch at the end of the forecast year, less \$329,216, the net liquidation value of the Mackeys to Plymouth, NC Branch for the current year, totaling \$16,461.

Norfolk Southern Railway Company
Opportunity Cost Statement

Mackeys to Plymouth, NC Branch

1.	Current net liquidation value	\$ 329,216 ¹
2.	Cost of capital	x <u>.1547</u> ²
3.	Nominal opportunity cost (Line 1 times line 2)	\$ 50,930
4.	Holding gain (loss)	16,461 ¹
5.	Opportunity cost (Line 3 less line 4)	\$ 34,469

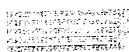
¹ \$329,216 is the net liquidation value for the Mackeys to Plymouth, NC Branch for the current year. Using \$345,677 as the net liquidation value for the Mackeys to Plymouth, NC Branch at the end of the forecast year produces a holding gain (loss) of \$16,461.

² Based on Railroad Cost of Capital - 2003, Ex Parte No. 558, Service Date June 11, 2003, the nominal before tax cost of capital is 15.47%.

Mackeys--Plymouth, NC

STB No. AB-290,
Sub-No. 248X
Exhibit 2 - Page 6 of 6

	ACCOUNT NO.	2002/3	FORECAST YEAR	
GDP deflator			1.10%	
Revenues:				
1 a. Freight Originated or Terminated on branch	101	166,638	168,471	
b. Switching	104	0	0	
c. Demurrage	106	0	0	
d. Other		0	0	
2 Bridge traffic (assignable to branch)		0	0	
3 All other revenue and income		0	0	
4 Total revenues attributable (lines 1 through 3)		166,638	168,471	
Avoidable cost:				
5 On-branch costs (from spreadsheets)				
a. Maintenance of way and structures		99,010	100,099	Engineering - R. Dietz
b. Maintenance of equipment				
1 Locomotives:				
Repairs & maintenance	11-21-41 L	53	54	LOREP02
	21-21-41 M	84	85	LOREP02
	41-21-41 P	4	5	LOREP02
	61-21-41 G	0	0	LOREP02
Fringe benefits	12-21-00 G	20	20	LOREP02
Depreciation	62-21-00 G	307	306	LOREP02
Total Locomotives		468	470	
2 Other		0	0	
Total Equipment		468	470	
c. Transportation				
1 Train operations				
Engine crews	11-31-56 L	8,109	8,198	M. Will (includes train crew
	21-31-56 M	0	0	CRWMT02
Train crews	11-31-57 L	0	0	in M Will's Engine crew labo
	21-31-57 M	4	4	CRWMT02
Train inspect. & lubr.	11-31-62 L	172	174	CRWMT02
	21-31-62 M	1	1	CRWMT02
Locomotive fuel		998	1,009	FUEL02
Servicing locomotives	11-31-69 L	13	13	SVLOC02
	21-31-69 M	7	7	SVLOC02
	41-31-69 P	4	4	SVLOC02
	61-31-69 G	0	0	SVLOC02
Fringe benefits	12-31-00 G	0	0	in M Will's Engine crew labo
Total transportation		9,308	9,410	
d. General administrative		0	0	
e. Deadheading, taxi and hotel		0	0	
f. Overhead movement		0	0	Trainmaster & calculation
g. Freight car costs (other than return on freight cars)		4,395	4,444	CARCOST
h. Return on value - locomotives		991	941	LOROI02
i. Return on value - freight cars		9,298	9,401	CARCOST
j. Revenue taxes		0	0	
k. Property taxes		0	0	
l. Total (lines 5a through 5k)		123,471	124,765	
m. Holding gain (loss)-locomotives			(14)	LOCO4CAST
n. Holding gain (loss)-freight cars			1,876	CARCOST
o. Net on-branch costs (lines 5l-(5m+5n))		123,471	122,902	
6 Off-branch costs				
a. Off-branch costs (other than return on freight cars)		116,079	117,356	Cost Dept - Bob Holland
b. Return on value - freight cars		22,000	22,242	Cost Dept - Bob Holland
c. Holding gain (loss)-freight cars			2,549	Cost Dept - Bob Holland
d. Net off-branch costs (a+b-c)		138,079	137,049	
7 Total avoidable costs (line 5o + 6d)		261,550	259,951	
Subsidization costs:				
8 Rehabilitation		0	0	
9 Administrative costs		0	0	
10 Casualty reserve account		0	0	
11 Total subsidization costs (lines 8 thru 10)		0	0	
12 Valuation of road properties (lines 12a thru 12c)				
(a) Working capital		4,975	5,027	WorkingCap
(b) Income tax consequences		(121,810)	(127,900)	WorkingCap
(c) Net liquidation value		329,216	345,677	WorkingCap
Total valuation of properties		212,381	222,803	WorkingCap
13 Nominal rate of return		15.47%	15.47%	use PRE TAX nominal rate
14 Nominal return on value (line 12 * line 13)		32,855	34,468	
15 Holding gain (loss) on road properties			16,461	
16 Return on value (line 14-15)		32,855	18,007	
17 Avoidable loss (profit) from operations (line 7 - 4) (excludes nominal return on value and opportunity cost, which are avoidable costs).		94,912	91,480	
18 Avoidable Loss Including Return on Value (line 4-7+16)		\$127,767	\$109,487	



**NORFOLK
SOUTHERN**

Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

Paul L. Greene
Manager Strategic Planning
(757) 664-5146

STB No. AB-290,
Sub-No. 248X
Exhibit 3 - Page 1 of 2

October 16, 2003

Mr. Tony Oldham
Logistics Manager
Royster Clark Resources, LLC
999 Waterside Drive
Suite 800
Norfolk, VA 23510

*Re: Discontinuance of Service Over Norfolk Southern Railway (NSR) Line
Serving Mackeys, NC*

Dear Mr. Oldham:

Thank you for talking with me on Thursday October 9, 2003. We discussed the condition of the NSR rail line between Plymouth, NC and Mackeys, NC, which serves your Mackeys, NC distribution operation. The rapid deterioration, coupled with recent storm damage caused by Hurricane Isabel on the Plymouth-Mackeys line segment would require substantial rehabilitation and maintenance at considerable cost in the very near future in order for that line segment to remain in service. In the absence of rehabilitation, we must take the line out of service by the end of October 2003.

Royster Clark is the only active shipper on the Plymouth-Mackeys line and ships only a small volume of rail traffic over the line. NSR's rates for this traffic do not cover NSR's costs to maintain the line, much less yield a profit. Thus, NSR cannot justify the investment in rehabilitation and maintenance now required to keep the line in service.

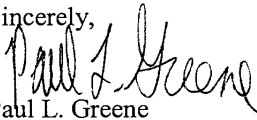
Royster Clark is currently receiving service at Plymouth, N.C. for the exact commodity that is being shipped to Mackeys, N.C. Norfolk Southern has proposed to simply increase the amount of carloads being shipped to or from Plymouth, N.C., to account for the discontinuance of any rail service to or from Mackeys, N.C.

At the request of Royster Clark, Norfolk Southern agrees to adopt the prevailing transportation rate at Mackeys, N.C. for any Royster Clark traffic originating or terminating at Plymouth, N.C.

NSR will begin preparing, and will file with the STB as soon as possible, a petition for a decision or exemption authorizing abandonment of, or formal discontinuance of service over, the Plymouth-Mackeys, NC line.

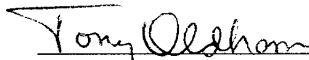
If you agree to the proposal and terms specified in this letter, please indicate your agreement by signing, dating and returning to me one of the enclosed copies of this letter. Please call me if you have any questions.

Sincerely,



Paul L. Greene

Accepted and Agreed to:


Name: Tony Oldham
Title: Logistics Manager
Date: 10/23/03

cc: Ms. S. B. Corey, NS Planning
Mr. S. D. Eisenach, NS Planning
Mr. J. A. Hoesman, NS Marketing
Mr. G. A. Meade, NS Real Estate
Mr. J. T. Moon, NS Planning
Mr. R. J. Rumsey, NS Engineering
Mr. J. R. Paschall, NS Law
Mr. R. L. Taylor, NS Development
Mr. C. D. Wilson, NS Development

EXHIBIT 4

**ENVIRONMENTAL AND
HISTORIC REPORTS**

**ENVIRONMENTAL REPORT ON
PROPOSED RAIL LINE ABANDONMENT**

**NORFOLK SOUTHERN RAILWAY COMPANY
(BETWEEN MP NS 82.7 AND MP NS 90.0
MACKEYS TO PLYMOUTH, NORTH CAROLINA)**

.....
**NORFOLK SOUTHERN RAILWAY COMPANY
ENVIRONMENTAL PROTECTION DEPARTMENT
110 FRANKLIN ROAD, SE
ROANOKE, VIRGINIA 24042-0013**

1-9-15-04

(MAPL.doc)

ENVIRONMENTAL REPORT ON PROPOSED RAIL LINE ABANDONMENT

Abandonment of: 7.3 miles of track between Milepost NS 82.7 and Milepost NS 90.0 from Mackeys to Plymouth, North Carolina

1. PROPOSED ACTION AND ALTERNATIVES

Norfolk Southern Railway Company (hereinafter called NSR) proposes to abandon 7.3 miles of rail line from Mackeys to Plymouth, North Carolina. A Map delineating the line proposed for abandonment is attached as **Appendix A**.

The two alternatives to abandonment of the entire line are:

1. to not abandon; or
2. to discontinue service on the line and retain the trackage in place.

Neither alternative is satisfactory. The only recent active customer on the line, Royster Clark Resources, LLC, has relocated all of its rail shipments or deliveries to its Plymouth facility. Therefore, service over the line is no longer required to serve any active shippers. NSR would incur opportunity and other holding costs that would need to be covered by NSR's other, off-line customers were the line to be retained without being used for active rail freight service. If the line is abandoned, the track and materials may be salvaged and the property sold for a more productive use. Several grade crossings can be eliminated, which will benefit local traffic and reduce railroad and public maintenance costs. Dominion Resources, Inc. (hereinafter called DRI), formerly Virginia Electric Power Company (VEPCO) is buying the right-of-way (ROW) for use as a corridor to place utility lines. In addition to using the ROW for utility lines, the existing ballast and railroad grade may be converted to a service road to give DRI's

vehicles access to their electricity transmission lines. NSR's letter to federal, state and local government agencies is attached as **Appendix B**. Responses to the letter or other comments received as result of consultations can be found in **Appendix C**. Certification of the recipients of this report can be found in **Appendix D**.

2. TRANSPORTATION SYSTEM

Effects of the proposed action on regional or local transportation systems and patterns are expected to be negligible. Within the last two years, 50 carloads moved on the line in 2001 and 67 carloads moved on the line in 2002. Traffic diversions are discussed in more detail in paragraphs 4 and 5.

3. LAND USE

The proposed abandonment involves 7.3 miles of rail line between Mackeys and Plymouth, North Carolina.

- (i) The land use along the rail line proposed for abandonment of service is 50% residential, 25% unimproved, 20% forest and 5% industrial. NSR believes any impact of the proposed rail line abandonment on land use will be beneficial and slight. The transfer of the property to DRI for construction and maintenance of a new higher voltage transmission line than that which currently exists along the ROW will benefit all users of electric power in the area while not significantly changing the existing contour and use of the property.

Therefore the proposed abandonment is expected to be consistent with any land use plans for the service area.

(ii) Prime Agricultural Lands

No effects on any prime agricultural land are anticipated as a result of the abandonment.

(iii) Coastal Zone

This segment proposed for abandonment is located within one of the 22 coastal counties of North Carolina. However, since no new construction is anticipated associated with the abandonment, it has already been determined by the North Carolina Department of Environment and Natural Resources that no permits will be required surrounding the activities of this abandonment. Moreover, any new construction activities on this property by DRI are subject to permit requirements if it is determined that they will be conducted in an environmentally sensitive area and the activity disturbs an area greater than or equal to one acre.

(iv) Alternative Public Use

The right-of-way is suitable for the alternative public use by DRI, a public utility, for improvement and maintenance of its utility corridor.

4. ENERGY

(i) Development and Transportation of Energy Resources

Development and transportation of energy resources will not be affected by the abandonment. Limited freight traffic has moved on the line proposed for abandonment over the two most recent years. None involved the transportation of energy resources. Therefore, compared with the past

two years, the abandonment would have no effect on development and transportation of energy resources.

(ii) Movement/Recovery of Recyclable Commodities

Movement/recovery of recyclable commodities will not be affected by the abandonment. Limited traffic has moved on the line proposed for abandonment for two years. None involved the transportation of recyclable commodities. Therefore, compared with the past two years, the abandonment would have no effect on movement or recovery of recyclable commodities.

(iii) Impact on Energy Efficiency

A limited amount of traffic has moved on the line proposed for abandonment in the past two years. In 2001, 50 carloads, containing a total of 4,882 tons of freight (an average of 97.64 tons per carload), were transported on the line. In 2002, 67 carloads, containing a total of 6,727 tons of freight (an average of 100.40 tons per carload), were transported over the line. Diversion of this traffic to highways paralleling the line proposed for abandonment would produce no significant energy impacts.

Calculation of net change in energy consumption is as follows:

- Assuming: 1) a loaded truckload amounts to 18 tons, 2) trucks operate loaded one way with empty return, and 3) loaded/empty truck fuel consumption figures are 4.5 to 6.5 miles per gallon respectively. Therefore, the weighted average of diesel fuel required annually to move the same tonnage by truck is 720 gallons in 2001 and 992 gallons in 2002.

To move the same amount of tonnage along the line by train involves the following:

- **2001 Data:** An average round trip consists of 20 cars. In 2001, 50 cars were transported resulting in a total of 3 trips. At 2.39 hours per trip this yields a total of 7.17 locomotive hours. Assuming one locomotive unit (4,000 HP) is involved, fuel consumption is 126 gallons (7.17 Locomotive hours x 17.6 gallons per hour). Therefore, transportation by truck requires an increase in diesel fuel consumption of 594 gallons (720 gallons [by truck] - 126 [by train] = 594 gallons).
- **2002 Data:** In 2002, 67 cars were transported resulting in a total of 4 trips. At 4.3 hours per trip this yields a total of 9.56 locomotive hours. Assuming one locomotive unit (4,000 HP) is involved, fuel consumption is 168 gallons (9.56 Locomotive hours x 17.6 gallons per hour). Therefore, transportation by truck requires an increase in diesel fuel consumption of 824 gallons (992 gallons [by truck] - 168 [by train] = 824 gallons).

The reduction in energy efficiency as a result of diesel consumption will be offset by the added efficiency of improved electricity transmission if through DRI's use of this corridor. This is due to the fact that DRI plans to replace the existing transmission lines along the ROW, which have been in service for many years and which were damaged by a hurricane in September 2003. Moreover, the only shipper on the line will receive its shipments at Plymouth in the future, and may not need to transport all of it to, or as far as, Mackeys. Thus, the actual increase in fuel use is likely to be smaller than that calculated above.

(iv) Diversion of Traffic to Motor Carriers

Rail traffic has moved on the line proposed for abandonment in the past two years. During 2001 and 2002, NSR records indicate that the customer shipped 11,612 tons of freight (117 carloads, 50 in 2001, and 67 in 2002). The data indicates that diversion of this traffic to highways paralleling the affected line would result in 59 carloads per year or approximately 8 carloads per mile per year being diverted to highway. In fact, since the only shipper on the line can receive its shipment at its Plymouth facility, and was distributing some of its product through motor carriage from Mackeys, it is likely that the actual diversion of traffic to motor carriage will be less than that which is calculated in this report.

5. AIR

The proposed action is abandonment and does not exceed Surface Transportation Board thresholds at 49 CFR 1105.7 (e)(5) and therefore does not require a quantified analysis of emissions.

(i) Effects on Air Emissions

Neither Washington County, nor Mackeys or Plymouth, North Carolina has established analysis thresholds for air emissions. The State of North Carolina does have regulations for the control of particulate matter regulation for non-attainment areas. However, North Carolina is in attainment for all priority air pollutants. The United States Environmental Protection Agency (USEPA) has National Ambient Air Quality Standards for pollutants (including ozone) as found in 40 CFR Part 50; however, NSR does not anticipate any adverse effect on North Carolina's air quality as a result of the proposed abandonment.

(ii) Class I or Non-Attainment Area

Washington County, Mackeys and Plymouth, North Carolina are in attainment for all National Ambient Air Quality Standard (NAAQS) pollutants according to the USEPA. Washington County, Mackeys and Plymouth, North Carolina are in attainment for ozone. NSR does not believe any Class I or Non-Attainment areas would be affected by the proposed abandonment.

(iii) Ozone Depleting Materials

Not applicable. Transportation of ozone depleting materials (such as nitrogen oxide and freon) is not contemplated, since the proposed action is abandonment.

6. NOISE

The proposed action does not exceed Surface Transportation Board thresholds at 49 CFR 1105.7 (e)(6) and therefore does not require a quantified analysis of noise levels. Noise levels associated with rail removal or salvage operations are temporary and should not have a significant impact on the area surrounding the proposed abandonment.

There is no federal noise regulation according to the EPA. Neither Washington County, Mackeys, Plymouth nor the State of North Carolina has established analysis thresholds for noise.

7. SAFETY

(i) Public Health and Safety

Abandonment of the captioned rail line may have a beneficial effect upon public health or safety. The utilization of the ROW as an upgraded utility corridor, should result in improved electrical service-through out the area. In particular, this area has experienced numerous power outages as a result of hurricanes damage which should be alleviated by the improved transmission lines. The new road that would be developed on the current railroad grade would give exclusive access by DRI to expediently repair lines in the event of a power outage. Another benefit is that at grade crossings on the line to be abandoned will be eliminated, also eliminating the potential for accidents and delays.

(ii) Hazardous Materials Transport

Not applicable. Action proposed is abandonment.

(iii) Hazardous Waste or Hazmat Spill Sites

NSR has no knowledge of any hazardous waste sites or sites where there have been known hazardous material spills on the ROW of the line proposed for abandonment or which will be affected by this abandonment. A search of company records was conducted and comments were requested from federal, state and local agencies.

8. BIOLOGICAL RESOURCES

- (i) The US Fish and Wildlife Service (USFWS) and/or the North Carolina Heritage Program have indicated seven threatened or endangered species

that may occur in Washington County. Two are known to exist in Washington County and are listed in the table below. The complete list can be found in **Appendix E**.

TABLE I
ENDANGERED FEDERALLY AND/OR STATE SPECIES
Washington County, North Carolina

Scientific Name	Common Name	Federal Status	State Status
<i>Haliaeetus leucocephalus</i>	Bald Eagle	FT	
<i>Corynorhinus rafinesquii</i>	Rafinesque's Big-eared Bat		ST
<i>Alligator mississippiensis</i>	American Alligator		ST
<i>Anodonta implicata</i>	Alewite Floater		ST
<i>Leptodea ochracea</i>	Tidewater Mucket		ST
<i>Ligumia nasuta</i>	Eastern Pondmussel		ST
<i>Lilaeopsis carolinensis</i>	Carolina Grasswort		ST

FT - Federal Endangered
ST - State Endangered

NSR is not aware of any critical habitat that would be destroyed or modified as a result of the proposed abandonment. Since salvage operations will be handled generally within the ROW, and should be limited to removal of rail and ties, NSR does not believe that any endangered species that might be present would be adversely affected. NSR is willing to undertake reasonable mitigating actions to protect any endangered species that might be encountered in connection with abandonment activities.

(ii) Sanctuaries, Refuges and Parks

Based on the site investigation and comments received from government agencies, the line segment proposed for abandonment does not pass through any state parks or forests, national parks or forests, or wildlife

sanctuaries. No adverse effects on any wildlife sanctuary, National Park or Forest, or State Park or Forest are anticipated.

9. WATER

(i) Water Quality Standards

NSR does not intend to either appreciably remove or alter the contour of the roadbed underlying the rail line to be abandoned. The areal extent of disturbed areas will be kept to a minimum and limited to the ROW wherever possible. Since there are no plans to undertake in-stream work, or dredge and/or fill any materials in connection with the proposed abandonment, no water quality impacts are expected in connection with the proposed action. Therefore, NSR considers the abandonment to be consistent with any applicable Federal, State, and/or local water quality standards.

(ii) Wetlands/100-Year Flood Plains

The rail line proposed for abandonment does not cross waterways, but does pass through the 100-year flood plains and is adjacent to wetlands. Since the geometry of the roadbed will not be significantly altered, no discernible effects on either 100-year flood plains or adjacent wetlands are expected in connection with the proposed abandonment. Consequently, NS does not believe a Section 404 permit will be required in connection with the proposed abandonment.

(iii) Section 402 Permit

Inasmuch as NSR does not intend to either appreciably remove or alter the contour of the roadbed underlying the rail line to be abandoned, undertake

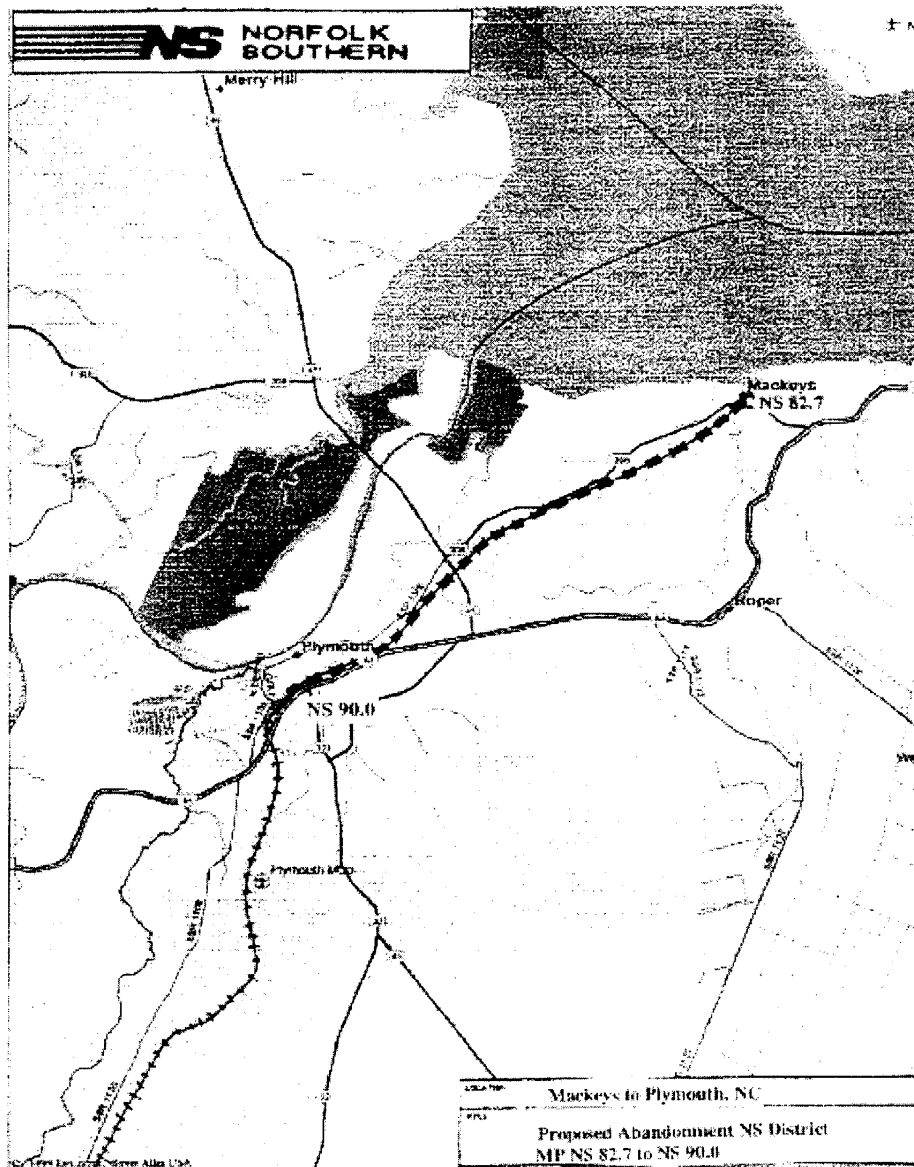
significant in-stream work, or dredge and/or fill any materials in connection with the proposed abandonment, water quality effects should be negligible. NSR does not believe that a permit under Section 402 of the Federal Water Pollution Control Act will be required.

10. PROPOSED MITIGATION

Abandonment of the involved rail line is not expected to produce adverse environmental impacts. Only minimal physical activity associated with removal of rail, ties, and other railroad appurtenances will be produced by the proposed action. NSR will undertake all reasonable mitigation associated with these activities to assure that physical activities associated with the abandonment do not produce adverse environmental effects.

APPENDIX A

Site Map



APPENDIX B

Agency Letter



October 17, 2003

State Clearinghouse (or alternate):

North Carolina State Clearinghouse
Department of Administration
1302 Mail Service Center
Raleigh, North Carolina 27699-1302

U.S. Army Corps of Engineers:

Wilmington District
69 Darlington Avenue
Wilmington, North Carolina 28403

State Environmental Protection Agency:

Mr. Bill Ross
NC Department of Environment and Natural Resources
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

National Park Service:

(Southeast Region)
Paul Winegar
100 Alabama Street
Atlanta, Georgia 30303

**State Coastal Zone Management Agency
Service:**

(if applicable)
NC Department of Environment and
Natural Resources
Division of Coastal Management
1638 Mail Service Center
Raleigh, North Carolina 27609

U. S. Natural Resources Conservation

USDA Natural Resources Conservation
Service
4405 Bland Road, Suite 205
Raleigh, North Carolina 27609

Head of each County:

Mr. Chris Coudriet, Washington County Manager
116 Adams Street, Administration Building
P.O. Box 1007
Plymouth, NC 27962

National Geodetic Survey:

Gary Thompson, RLS
Elks Building
20323 Mail Service Center
Raleigh, North Carolina 27699-0323

**Environmental Protection Agency
(regional office)**

U.S. Environmental Protection Agency – Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street SW
Atlanta, Georgia 30303-3104

U.S. Fish and Wildlife:

(Region 4)
1875 Century Boulevard
Richard B. Russell Building, Room 1200
Atlanta, Georgia 30345

Re: Proposed Abandonment of the segment of rail from Milepost NS 82.7 to Milepost
NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern Railway Company plans to request authority from the Surface Transportation Board (STB) to abandon the segment of rail between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina. A map of the proposed track abandonment shown in black is attached.

Pursuant to the STB's regulations at 49 C.F.R. Part 1152, and the environmental regulations at 40 C.F.R. Part 1105.7, this is to request your assistance in identifying any potential effects of this action as indicated in the paragraphs below. We do not anticipate any adverse environmental impacts; however, if you identify any adverse environmental impacts, describe any actions that are proposed in order to mitigate the environmental impacts. Please provide us with a written response that can be included in an Environmental Report, which will be sent to the STB.

LOCAL AND/OR REGIONAL PLANNING AGENCIES. State whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

U.S. SOIL CONSERVATION SERVICE. State the effect of the proposed action on any prime agricultural land.

U.S. FISH AND WILDLIFE SERVICE (And State Game and Parks Commission, If Addressed). State (1) whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects, and (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

STATE WATER QUALITY OFFICIALS. State whether the proposed action is consistent with applicable Federal, State or Local water quality standards. Describe any inconsistencies.

U.S. ARMY CORPS OF ENGINEERS. State (1) whether permits under Section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and (2) whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

U.S. ENVIRONMENTAL PROTECTION AGENCY AND STATE ENVIRONMENTAL PROTECTION (OR EQUIVALENT AGENCY). (1) Identify any potential effects on the surrounding area, (2) identify the location of hazardous waste sites and known hazardous material spills on the right-of-way and list the types of hazardous materials involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

Thank you for your assistance. Please send your reply to Norfolk Southern Railway Company, Mr. Larry G. Western., 110 Franklin Street, SE Box 13, Roanoke, Virginia 24042-0013. If you need any further information, please contact Mr. Western at (540) 981-4239.

Yours truly,

K .R. Miller
Director Environmental
Engineering and Audits

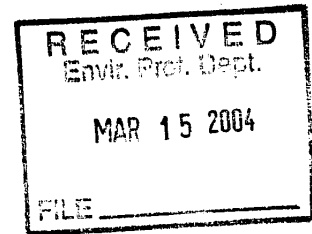
Attachment

APPENDIX C

Agency Responses



North Carolina
Department of Administration



Michael F. Easley, Governor

Gwynn T. Swinson, Secretary

March 9, 2004

LGW
Ms. K. R. Miller
Norfolk Southern Railway Company
110 Franklin St - SE Box 13
Roanoke, VA 24042-0013

Dear Ms. Miller:

Re: SCH File # 04-E-0000-0202; Scoping; NSRCo plans to request authority from the Surface Transportation Board (STB) to abandon segment of rail service between milepost NS 82.7 and milepost NS 90.0, approx 7.3 mi from Mackeys to Plymouth

The above referenced environmental impact information has been submitted to the State Clearinghouse under the provisions of the National Environmental Policy Act. According to G.S. 113A-10, when a state agency is required to prepare an environmental document under the provisions of federal law, the environmental document meets the provisions of the State Environmental Policy Act. Attached to this letter for your consideration are the comments made by agencies in the course of this review.

If any further environmental review documents are prepared for this project, they should be forwarded to this office for intergovernmental review.

Should you have any questions, please do not hesitate to call.

Sincerely,

Ms. Chrys Baggett
Environmental Policy Act Coordinator

Attachments

cc: Region R

Mailing Address:
1301 Mail Service Center
Raleigh, NC 27699-1301

Telephone: (919)807-2425
Fax (919)733-9571
State Courier #51-01-00
e-mail Chrys.Baggett@ncmail.net

46

Location Address:
116 West Jones Street
Raleigh, North Carolina

NORTH CAROLINA STATE CLEARINGHOUSE
DEPARTMENT OF ADMINISTRATION
INTERGOVERNMENTAL REVIEW

STATE NUMBER: 04-E-0000-0202

F05

DATE RECEIVED: 02/06/2004

AGENCY RESPONSE: 03/01/2004

REVIEW CLOSED: 03/06/2004

MS MELBA MCGEE
CLEARINGHOUSE COORD
DEHNR - COASTAL MGT
C/O ARCHDALE BLDG
RALEIGH NC

REVIEW DISTRIBUTION
ALBEMARLE REG PLANNING COMM
CC&PS - DEM, NFIP
DEHNR - COASTAL MGT
DENR LEGISLATIVE AFFAIRS
DEPT OF AGRICULTURE
DEPT OF CUL RESOURCES
DEPT OF TRANSPORTATION



PROJECT INFORMATION

APPLICANT: Norfolk Southern Railway Company

TYPE: National Environmental Policy Act

ERD: Scoping

DESC: NSRCo plans to request authority from the Surface Transportation Board (STB) to abandon segment of rail service between milepost NS 82.7 and milepost NS 90.0, approx 7.3 mi from MacKeys to Plymouth

The attached project has been submitted to the N. C. State Clearinghouse for intergovernmental review. Please review and submit your response by the above indicated date to 1301 Mail Service Center, Raleigh NC 27699-1301. If additional review time is needed, please contact this office at (919)807-2425.

AS A RESULT OF THIS REVIEW THE FOLLOWING IS SUBMITTED:

☒ NO COMMENT

☐ COMMENTS ATTACHED

SIGNED BY: _____

DATE: _____

NORTH CAROLINA STATE CLEARINGHOUSE
DEPARTMENT OF ADMINISTRATION
INTERGOVERNMENTAL REVIEW

Eurlene Thomas

STATE NUMBER: 04-E-0000-0202 F05

DATE RECEIVED: 02/06/2004

AGENCY RESPONSE: 03/01/2004

REVIEW CLOSED: 03/06/2004

MS CARRIE ATKINSON
CLEARINGHOUSE COORD
DEPT OF TRANSPORTATION
STATEWIDE PLANNING - MSC #1554
RALEIGH NC

*NOTE:
SEND TO
RAIL DIVISION*

REVIEW DISTRIBUTION
ALBEMARLE REG PLANNING COMM
CC&PS - DEM, NFIP
DEHNR - COASTAL MGT
DENR LEGISLATIVE AFFAIRS
DEPT OF AGRICULTURE
DEPT OF CUL RESOURCES
DEPT OF TRANSPORTATION



PROJECT INFORMATION

APPLICANT: Norfolk Southern Railway Company

TYPE: National Environmental Policy Act

ERD: Scoping

DESC: NSRCo plans to request authority from the Surface Transportation Board (STB) to abandon segment of rail service between milepost NS 82.7 and milepost NS 90.0, approx 7.3 mi from Mackeys to Plymouth

The attached project has been submitted to the N. C. State Clearinghouse for intergovernmental review. Please review and submit your response by the above indicated date to 1301 Mail Service Center, Raleigh NC 27699-1301. If additional review time is needed, please contact this office at (919) 807-2425.

AS A RESULT OF THIS REVIEW THE FOLLOWING IS SUBMITTED:

☒ NO COMMENT

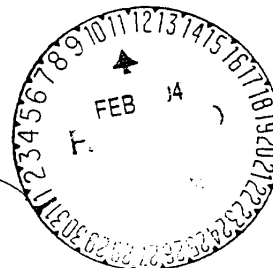
☐ COMMENTS ATTACHED

SIGNED BY:

Eurlene Thomas

DATE:

2-18-04



APPENDIX D
Certification of Environmental Report
Recipients



State Clearinghouse (or alternate):

North Carolina State Clearinghouse
Department of Administration
1302 Mail Service Center
Raleigh, North Carolina 27699-1302

U.S. Army Corps of Engineers:

Wilmington District
69 Darlington Avenue
Wilmington, North Carolina 28403

State Environmental Protection Agency:

Mr. Bill Ross
NC Department of Environment and Natural Resources
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

National Park Service:

(Southeast Region)
Paul Winegar
100 Alabama Street
Atlanta, Georgia 30303

**State Coastal Zone Management Agency
Service:**

(if applicable)
NC Department of Environment and
Natural Resources
Division of Coastal Management
1638 Mail Service Center
Raleigh, North Carolina 27609

U. S. Natural Resources Conservation

USDA Natural Resources Conservation
Service
4405 Bland Road, Suite 205
Raleigh, North Carolina 27609

Head of each County:

Mr. Chris Coudriet, Washington County Manager
116 Adams Street, Administration Building
P.O. Box 1007
Plymouth, NC 27962

National Geodetic Survey:

Gary Thompson, RLS
Elks Building
20323 Mail Service Center
Raleigh, North Carolina 27699-0323

**Environmental Protection Agency
(regional office)**

U.S. Environmental Protection Agency – Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street SW
Atlanta, Georgia 30303-3104

U.S. Fish and Wildlife:

(Region 4)
1875 Century Boulevard
Richard B. Russell Building, Room 1200
Atlanta, Georgia 30345

This Environmental Report for Proposed Rail Line Abandonment was sent to the above referenced agencies on:

1/30/04
Date

K.R. Miller
K.R. Miller, Director Environmental
Engineering and Audits

APPENDIX E
Report of Threatened and Endangered
Species

Updated: 02/25/2003

U.S. Fish & Wildlife Service

WASHINGTON COUNTY



Common Name	Scientific Name	Status
Vertebrates		
Bald eagle	<i>Haliaeetus leucocephalus</i>	Threatened(Proposed for delisting)
Rafinesque's big-eared bat	<i>Corynorhinus (=Plecotus) rafinesquii</i>	FSC
Red wolf	<i>Canis rufus</i>	EXP
Waccamaw killifish	<i>Fundulus waccamawensis</i>	FSC

KEY:

Status	Definition
Endangered -	A taxon "in danger of extinction throughout all or a significant portion of its range."
Threatened -	A taxon "likely to become endangered within the foreseeable future throughout all or a significant portion of its range."
Proposed -	A taxon proposed for official listing as endangered or threatened.
C1 -	A taxon under consideration for official listing for which there is sufficient information to support listing.
FSC -	A Federal species of concern--a species that may or may not be listed in the future (formerly C2 candidate species or species under consideration for listing for which there is insufficient information to support listing).
T(S/A) -	Threatened due to similarity of appearance (e.g., <i>American alligator</i>)--a species that is threatened due to similarity of appearance with other rare species and is listed for its protection. These species are not biologically endangered or threatened and are not subject to Section 7 consultation.
EXP -	A taxon that is listed as experimental (either essential or nonessential). Experimental, nonessential endangered species (e.g., red wolf) are treated as threatened on public land, for consultation purposes, and as species proposed for listing on private land.

Species with 1, 2, 3, or 4 asterisks behind them indicate historic, obscure, or incidental records.

*Historic record - the species was last observed in the county more than 50 years ago.

**Obscure record - the date and/or location of observation is uncertain.

***Incidental/migrant record - the species was observed outside of its normal range or habitat.
***Historic record - obscure and incidental record.

For additional information regarding this Web page, contact Mark Cantrell, in Asheville, NC, at
mark_a_cantrell@fws.gov
Visit the North Carolina ES Homepage
Visit the U.S. Fish and Wildlife Service Home Page

Keywords= {same keywords listed above - used for search tools}

Search Criteria: Washington, Listed
Search Results: 11 records found.

Major Group	Scientific Name	Common Name	State Status	Federal Status	State Rank	Global Rank	County Status
Mammal	<i>Canis rufus</i>	Red Wolf	SR	ERN	S2	G1	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Mammal	<i>Condylura cristata</i> pop 1	Star-nosed Mole - Coastal Plain Population	SC	-	S2	G5T2Q	Historic - Washington - <u>MAP</u> - <u>HABITAT</u>
Mammal	<i>Myotisotis</i> <i>rafinesquii</i>	Rafinesque's Big-eared Bat	T	FSC	S3	G3G4	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Bird	<i>Haliaeetus</i> <i>leucorhynchus</i>	Bald Eagle	T	LT (PWS)	S3B, S3W	G4	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Reptile	<i>Alligator</i> <i>mississippiensis</i>	American Alligator	T	FCS/A	S3	G3	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Reptile	<i>Crotalus horridus</i>	Timber Rattlesnake	SC	-	S3	G4	Obscure - Washington - <u>MAP</u> - <u>HABITAT</u>
Fish	<i>Fundulus macdonensis</i> pop 2	Macdonaw Killifish - Lake Phelps Population	SC	FSC	S1	G1Q1	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Mollusk	<i>Anodonta imbecilis</i>	Alewife Floater	T	-	S1	G3	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Mollusk	<i>Leptodea ochracea</i>	Tidewater Mucket	T	-	S1	G4	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Mollusk	<i>Ligumia nasuta</i>	Eastern Pondmussel	T	-	S1	G4G5	Current - Washington - <u>MAP</u> - <u>HABITAT</u>
Vascular Plant	<i>Lilaeopsis</i> <i>carolinensis</i>	Caroline Grasswort	T	-	S3	G3G5	Current - Washington - <u>MAP</u> - <u>HABITAT</u>

NC NHP database updated: May, 2003. Search performed on Friday, November 21, 2003 at 17:09:08
 Eastern Standard Time.

Total number of searches since 01/01/03: 5656

Explanation of Codes

Do NOT bookmark this search results page, instead bookmark: www.ncsparks.net/nhp/county.html

EXPLANATION OF CODES FOR COUNTY AND QUAD STATUS LISTS

The county and quadrangle status lists provided by the NC Natural Heritage Program tally the elements of natural diversity (rare plants and animals, rare and exemplary natural communities, and special animal habitats) known to occur in all North Carolina counties and USGS 7.5-minute quadrangles. The information on which these lists is based comes from a variety of sources, including field surveys, museums, herbaria, scientific literature, and personal communications. These lists are dynamic, with new records continually being added and old records being revised as new information is received. As a result, a list cannot be considered a definitive record of the elements of natural diversity present in a given county or quad and should not be used as a substitute for field surveys. When this information is used in any document, we request that the date this list was compiled be given and that the NC Natural Heritage Program be credited.

STATE STATUS

CODE	STATUS	CODE	STATUS
E	Endangered	SR	Significantly Rare
T	Threatened	EX	Extirpated
SC	Special Concern	P_	Proposed (used only as a qualifier of the ranks above)
C	Candidate		

NOTE: the definitions of state statuses of plants and animals differ. Below are summaries of the statuses for each group.



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

North Carolina State Clearinghouse
Department of Administration
1302 Mail Service Center
Raleigh, NC 27699-1302

Subject: Proposed Abandonment of the segment of rail between between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in dark ink, appearing to read 'K. R. Miller', with a long horizontal flourish extending to the right.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

Mr. Bill Ross
NC Department of Environment and Natural Resources
1601 Mail Service Center
Raleigh, NC 27699-1601

Subject: Proposed Abandonment of the segment of rail between between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Mr. Ross:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", written over a horizontal line.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

US Fish and Wildlife
Region 4
1875 Century Boulevard
Richard B. Russell Building, Room 1200
Atlanta, GA 30345

Subject: Proposed Abandonment of the segment of rail between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller".

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

Mr. Gary Thompson, RLS
National Geodetic Survey
Elks Building
20323 Mail Service Center
Raleigh, NC 27699-0323

Subject: Proposed Abandonment of the segment of rail between between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Mr. Thompson:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", with a long horizontal flourish extending to the right.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

USDA Natural Resources Conservation Service
4405 Bland Road, Suite 205
Raleigh, NC 27609

Subject: Proposed Abandonment of the segment of rail between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", written over a horizontal line.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

Mr. Paul Winegar
National Park Service
100 Alabama Street
Atlanta, GA 30303

Subject: Proposed Abandonment of the segment of rail between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Mr. Winegar:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", written over a horizontal line.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

US Army Corps of Engineers
Wilmington District
69 Darlington Avenue
Wilmington, NC 28403

Subject: Proposed Abandonment of the segment of rail between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in dark ink, appearing to read 'K. R. Miller', written over a horizontal line.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

US Environmental Protection Agency – Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-3104

Subject: Proposed Abandonment of the segment of rail between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", written over a horizontal line.

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

NC Department of Environment and Natural Resources
Division of Coastal Management
1638 Mail Service Center
Raleigh, NC 27609

Subject: Proposed Abandonment of the segment of rail between between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Sir/Madam:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller".

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

January 30, 2004
1-9-5-4

Mr. Chris Coudriet
Washington County Manager
116 Adams Street, Administration Building
P.O. Box 1007
Plymouth, NC 27962

Subject: Proposed Abandonment of the segment of rail between between Milepost NS 82.7 and Milepost NS 90.0, a distance of 7.3 miles from Mackeys to Plymouth, Washington County, North Carolina.

Dear Mr. Coudriet:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service between Mackeys and Plymouth, located in Washington County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is misleading or incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Room 3219, Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller".

K. R. Miller
Director Environmental
Engineering and Audits

Attachment

CC: L. G. Western
J. R. Paschall
J. M. Lipps

HISTORIC REPORT
PROPOSED RAIL LINE ABANDONMENT

PROPOSED ACTION AND ALTERNATIVES

Norfolk Southern Railway Company (NSR) proposes to abandon 7.3 miles of rail line between Milepost NS-82.7 at Mackeys and Milepost NS-90.0 at Plymouth, North Carolina. A map delineating the line proposed for abandonment is attached as Appendix "A".

The alternatives to abandonment of the line are to not abandon or to discontinue service on the line, retaining the trackage in place. Neither of these alternatives is economically feasible for NSR.

ADDITIONAL INFORMATION

- (1) **U.S.G.S. Topographic Map** -- Maps were furnished to the Division of Archives and History of the North Carolina Department of Cultural Resources.
- (2) **Written Description of Right of Way** -- The right of way width varies but is generally is 50 feet on each side of the main track centerline. The line passes through residential (50%), unimproved (25%), forest (20%) and industrial (5%) areas.
- (3) **Photographs** -- Photographs of the structure were furnished to the Division of Archives and History of the North Carolina Department of Cultural Resources.

(4) **Date of Construction of Structures** – Construction dates are shown on the Bridges and Structures Listing attached to this report.

(5) **History of Operations and Changes Contemplated** – The Norfolk Southern Railway Company (NSR) line of railroad that is the subject of the related petition to the Surface Transportation Board (STB) for an exemption from the prior approval requirements of the Interstate Commerce Commission Termination Act to abandon a rail line that is approximately 7.61 miles in length between Milepost 82.39 at Mackeys, North Carolina and Milepost HG-90.0 at Plymouth, North Carolina. Construction of the line between Mackey's Ferry, North Carolina and Plymouth, North Carolina, was started in 1903 by Norfolk Southern Railway Company's predecessor, the second Norfolk Southern Railroad Company. The line was completed about September 1, 1904. This line connected to the narrow gage line between Washington, North Carolina and Plymouth, North Carolina which the Norfolk Southern Railroad purchased and immediately converted to standard gage in 1904.

There is only one shipper remaining on the Line at Mackeys, NC. That shipper can ship or receive via rail at its other facility at Plymouth, NC. The costs of rehabilitation, maintenance and operation of the 8-mile segment between Plymouth and Mackeys, NC can no longer be justified by the revenues derived from the small volume of traffic on the line. Moreover, the line suffered additional damage during Hurricane Isabel in September 2003. Dominion Resources (Virginia Power) wishes to acquire

the right-of-way over much of which it now has an electricity transmission line in order to repair, rehabilitate and upgrade that line, which also suffered extensive damage from Hurricane Isabel, and to maintain the right-of-way for the power line into the future.

The first Norfolk Southern Railroad Company was originally chartered as The Elizabeth City and Norfolk Railroad Company by special act of the North Carolina Legislature in 1870, to build a line between Elizabeth City, NC and Norfolk, VA. The name was changed to Norfolk Southern Railroad Company, effective January 1, 1883. Norfolk Southern Railroad Company (I) operated the line until it went into receivership in 1889. The property was sold under foreclosure in May, 1891 and it was reorganized as the Norfolk & Southern Railroad Company. Norfolk Southern Railroad Company also became the name of the 1910 successor company which kept the name until it was reorganized in 1939 as Norfolk Southern Railway Company, which is why the Roman numeral 1 in parenthesis follows the previous references.

At the time of the reorganization of Norfolk Southern Railroad Company (I), Norfolk & Southern Railroad Company combined the 73 miles of single track line were built from Norfolk, VA to Elizabeth City, NC and thence to Edenton, NC made in 1880 that were taken over from the Norfolk Southern Railroad Company (I) with the property of the Albemarle and Pantego Railroad Company. This was the beginning of the system

development of the second Norfolk Southern Railroad Company, later the first, or old, Norfolk Southern Railway Company.

Nine years later, the company acquired the property of the Norfolk, Virginia Beach and Southern Railroad Company in 1900.

Another accession to the property of the Norfolk and Southern Railroad Company was that of the Washington and Plymouth Railroad Company, acquired in 1904. This company, incorporated in 1901, apparently took over a narrow-gauge road that had been built by the Roanoke Railroad and Lumber Company in 1888 and 1889, to develop timber lands. The extent of the property when acquired by the Norfolk & Southern Railroad Company was 33.22 miles. It ran from Plymouth, some 10 miles south of Mackey's Ferry, NC southwardly through Pinetown, NC, to Washington, NC, on the north side of the Tar River near the head of Pamlico Sound.

These five constituent properties aggregated a line mileage of 203.37 miles, but, as acquired, they did not form a connected system. The sections acquired from the Norfolk, Virginia Beach and Southern Railroad Company and the Chesapeake Transit Company, connecting Norfolk, VA with Virginia Beach, VA and Munden, VA, had no physical connection at Norfolk, VA with the line southward to Edenton, NC. Moreover, the latter was separated by Albemarle Sound from the sections south of that water, and not even these two southern sections were connected with each other; for Plymouth, NC, the northern terminus of the

property acquired from the Washington and Plymouth Railroad Company, was some 10 miles from Mackey's Ferry, NC, which was the northern terminus of the section from that point southeastward to Belhaven, NC.

Also, some of the properties acquired were narrow gauge. To weld these component properties into a single system, the Norfolk & Southern Railroad Company built an extension to connect Mackey's Ferry, NC and Plymouth, NC, amounting to 10.65 miles in length, and another connection between Euclid, VA, on the line eastward from Norfolk, VA, to Providence Junction, VA, on the line southward from Norfolk, VA. This was 7.40 miles in length. The narrow-gauge properties were reconstructed at the same time, and the gap between Edenton, NC, and Mackey's Ferry, NC, was served by ferry over Albemarle Sound. Most of the segment between Mackey's Ferry and Plymouth is the subject of the proposed abandonment in the STB petition.

In 1906, Norfolk & Southern Railroad Company, Virginia & Carolina Coast Railroad Company, Raleigh and Pamlico Sound Railway Company and Atlantic and North Carolina Company consolidated to form Norfolk & Southern Railway Company. One of the other predecessor companies that was included in the 1906 consolidation that formed Norfolk & Southern Railway Company was The Suffolk and Carolina Railway Company, a Virginia corporation owning and operating about 75 miles of line from Suffolk, VA to Edenton, NC, with a branch east to Elizabeth City,

NC. The Suffolk and Carolina Railway Company was, in turn, the result of earlier consolidations.

As the result of this consolidation, the Norfolk & Southern Railway Company had at the outset the connected system of the Norfolk & Southern Railroad Company and that of the Suffolk and Carolina Railway Company, which connected with the former at Edenton, NC and Elizabeth City, NC. South of Pamlico Sound, however, its acquired mileage was very disconnected. Besides the lines of the Norfolk & Southern Railroad Company from Mackey's Ferry, NC, to Washington, NC and to Belhaven, NC, there were 56.26 miles of the Raleigh and Pamlico Sound Railroad Company in two disconnected sections, and a nearly finished section of 13.30 miles from Mackey's Ferry, NC eastward toward Columbia, NC, and an operating unit comprising the leased Atlantic and North Carolina, and two disconnected sections, on the former Pamlico, Oriental and Western Railway Company property between New Bern, NC and Bayboro, NC, and the other the newly built section between Morehead City, NC and Beaufort, NC. The total mileage acquired and immediately put into operation was some 384 miles plus the leasehold to the 95 miles in the Atlantic and North Carolina.

There were certain lines under construction by the constituent companies when the consolidation was affected, as follows:

Virginia and Carolina Coast Railroad, the remainder of the extension from Mackey's Ferry, NC to Columbia, NC.....8.70

Atlantic and North Carolina Company, from Bayboro, NC to Oriental, NC, the remainder of the projected line of the Pamlico, Oriental and Western Railway Company.....	9.64
The Raleigh and Pamlico Sound Railroad Company, from Zebulon, NC to Chocowinity, NC, the remainder of the line between Raleigh, NC and Washington, NC	79.08
Total	97.42

These were all completed by the Norfolk & Southern Railway Company, and 22.65 miles of additional construction were planned, after the consolidation, and completed before the company's demise. These additional projects included the bridging of Albemarle Sound between Edenton, NC, and Mackey's Ferry, NC, thus giving a continuous rail connection from Norfolk, VA through Washington, NC to Raleigh, NC on the west, and New Bern, NC on the south. The new projects also included a cut off connecting the two prongs extending from Mackey's Ferry, NC to Washington, NC and to Belhaven, NC to Pinetown, NC, 13 miles above Washington, NC. Altogether the owned mileage at the time of the company's demise amounted to 504.12 miles, and comprised a continuous connected system from Norfolk, VA and Suffolk, VA on the north to Raleigh, NC on the west, and New Bern, NC on the south, with branches from Norfolk, VA to Virginia Beach, VA and Munden, VA, from

Mackey's Ferry, NC to Columbia, NC and Belhaven, NC and from New Bern, NC to Oriental, NC. In addition to this the company operated under lease the 95 miles of the Atlantic and North Carolina, which, with the disconnected piece of owned mileage between Morehead City, NC and Beaufort, NC gave the line westward from Beaufort, NC through New Bern, NC to Goldsboro, NC. This was the property as it was passed to the Norfolk Southern Railroad Company at the reorganization of the Norfolk & Southern Railway Company in May, 1910.

One of the projects thus completed by the Norfolk & Southern Railway Company between 1906 and 1910 included the bridging of Albemarle Sound between Edenton, NC, and Mackey's Ferry, NC, giving it a continuous rail connection from Norfolk, VA through Washington, NC to Raleigh, NC on the west, and New Bern, NC on the south.

Norfolk Southern Railroad Company was incorporated under the laws of Virginia on May 2, 1910, for the purpose of taking over the property and franchises of the Norfolk & Southern Railway Company in reorganization.

Norfolk Southern Railroad Company acquired about 504 miles of line between Norfolk, Va and Raleigh, VA, with branches, through the reorganization of its predecessor, Norfolk & Southern Railroad Company, in 1910. About 384 of these miles of line were acquired from predecessors of N&S and about 120 miles were constructed by N&S.

Many of NSR's predecessors were originally built to develop timber interests.

In 1917, Norfolk Southern Railroad Company owned and operated a 399.028-mile line between Norfolk and Portsmouth, VA, on the one hand, and Charlotte, NC, on the other hand, through Washington, NC and Raleigh, NC. NSR also owned branch lines totalling 394.824 miles, which included 30.6 miles of line between Chocowinity, NC and New Bern, NC.

Norfolk Southern Railroad Company also leased the property of the Atlantic and North Carolina Railroad Company, a 96.107-mile line between Morehead City, NC and Goldsboro, NC, from the State of North Carolina, and the property of the Carthage and Pinehurst Railroad Company, a 12.227-mile line between Pinehurst, NC and Carthage, NC, which NSR controlled. The company operated a single-track (except for 9.49 miles of second track), steam railroad, except for 43.71 miles of line in a loop between Norfolk and points in Virginia Beach and Cape Henry, which was electrically operated.

Norfolk Southern Railroad Company acquired about 203 miles of line through the acquisition of the Raleigh, Charlotte and Southern Railway Company in 1913. NSR also completed construction of about 77 miles of line begun by the Raleigh, Charlotte and Southern.

Norfolk Southern Railroad Company discontinued operation of the Kinston Carolina Railroad Company, formerly controlled by it through

stock ownership, as of May 31, 1929, under ICC authority. Part of the line was abandoned and the remaining 20 miles were leased to a lumber company.

Norfolk Southern Railroad Company abandoned the entire line of the Carolina Railroad Company (operated as Kinston and Snow Hill Railroad) between Snow Hill, NC and Hines Junction, NC in June 1931.

Receivers for the Norfolk Southern Railroad Company were appointed by Federal Judge Way of the United States District Court at Norfolk, VA on July 28, 1932 upon proceedings instituted by Fruit Growers Express Company. The Central Hanover Bank and Trust Co., New York, Trustee, under the First and Refunding Mortgage of Norfolk Southern Railroad Company, filed an equity suit on February 14, 1933 in United States District Court at Norfolk, VA, asking for a foreclosure of the mortgage.

The receivers of Norfolk Southern Railroad Company petitioned the ICC for permission to cease operation of the line of the Atlantic and North Carolina Railroad Company in August 1935. The receivers had been ordered by the bankruptcy court to disaffirm the lease and surrender the line. The petition also included a resolution of the directors of the Atlantic and North Carolina Railroad breaking the lease for default on rental payment. The ICC granted the petition and Norfolk Southern Railroad returned th Atlantic and North Carolina Railroad property to its owners on November 16, 1935.

Protective committees representing mortgage bond holders of Norfolk Southern Railroad Company filed a plan of reorganization with the U. S. District Court at Norfolk, VA on August 25, 1937. The Plan, as amended was approved by the Court on March 5, 1938. The Court approved a Reorganization Agreement for consummation of the Plan on May 15, 1939. On September 15, 1939, the Court approved a new Reorganization Agreement and a new Plan of Reorganization. On September 19, 1939, Norfolk Southern Railway Company (the first Norfolk Southern Railway Company, some times referred to by the current company as "old NSR") was incorporated in Virginia as the new company contemplated by the Plan approved by the Court.

In December 1939, the U. S. District Court at Norfolk, VA granted Norfolk Southern Railroad Company authority to sell the Suffolk, VA terminal to the Virginian Railway for \$65,000 and to abandon the line between Suffolk, VA and Edenton, NC, approximately 54 miles. Terminals at Elizabeth City, NC and Edenton, NC are unaffected by the abandonment.

Norfolk Southern Railway Company (the first Norfolk Southern Railway Company, or "old NSR," not the current Norfolk Southern Railway Company) was incorporated in Virginia on September 19, 1939, after the United States District Court at Norfolk, VA approved a plan of reorganization for Norfolk Southern Railroad Company on September 15, 1939. There was no opposition to Norfolk Southern Railway Company's

application to the ICC to the reorganization plan, and the Commission conditionally authorized Norfolk Southern Railway Company to issue new securities in connection with its acquisition of Norfolk Southern Railroad Company on April 28, 1940.

In 1961, the Norfolk Terminal Station was razed and Norfolk Southern Railway Company moved its headquarters to Raleigh, North Carolina.

Norfolk Southern Railway Company was acquired, along with its Durham and South Carolina Railroad Company and Norfolk Southern Industrial Development Corporation subsidiaries, by Southern Railway Company, on January 1, 1974, pursuant to an ICC decision in ICC Finance Docket Nos. 27078 and 27079, for \$19,479,616 (374,608 shares of serial preference stock). Carolina and Northwestern Railway Company merged into Norfolk Southern Railway Company, January 1, 1974, pursuant to the same ICC decision in ICC Finance Docket Nos. 27078 and 27079.

Norfolk Southern Corporation, a non-carrier holding company, was incorporated in the Commonwealth of Virginia on July 23, 1980. An Agreement of Merger and Reorganization, dated July 31, 1980, was the basis for Norfolk Southern Corporation control of Norfolk and Western Railway Company and Southern Railway Company and their subsidiaries. Norfolk and Western Railway Company was headquartered in Roanoke, Virginia. Southern Railway Company was headquartered in Washington,

DC with a substantial number of its offices also in Atlanta, Georgia.

Norfolk Southern Corporation acquired control of Norfolk and Western Railway Company and Southern Railway Company on June 1, 1982, pursuant to approval granted by the Interstate Commerce Commission (ICC) in a decision dated March 19, 1982 in ICC Finance Docket No. 29430 (Sub-No. 1), Norfolk Southern Corporation -- Control -- Norfolk and Western Railway Company and Southern Railway Company, 366 I.C.C. 173; 1982 ICC LEXIS 52 (1982).

In October 1982, Norfolk Southern Corporation established its corporate headquarters at Norfolk, Virginia. Norfolk Southern Corporation and its subsidiaries continue to maintain a small office staff in Washington, DC, a substantial number of staff offices in Roanoke, Virginia and Atlanta, Georgia and, since 1999, a significant number of offices in Philadelphia, Pennsylvania and Harrisburg, Pennsylvania.

Two books on the Norfolk and Western Railway Company and Southern Railway Company systems provide detailed information on their history and development to the time of the Norfolk Southern consolidation. They are: E. F. Pat Striplin, *The Norfolk And Western: A History* (Roanoke, VA: The Norfolk and Western Railway Co., 1981) and Burke Davis, *The Southern Railway: Road Of The Innovators* (Chapel Hill, NC: University of North Carolina Press, 1985).

After the consolidation of Norfolk and Western Railway Company and Norfolk Southern Railway Company, the Carolina and Northwestern

Railway name was revived and Norfolk Southern Railway Company's name was changed to Carolina and Northwestern Railway Company to avoid confusion with the holding company.

Durham and South Carolina Railroad Company was merged into Carolina and Northwestern Railway Company on April 1, 1987.

Danville and Western Railway Company was merged into Carolina and Northwestern Railway Company on July 1, 1987.

In ICC Docket No. AB-125 (Sub-No. 9), *Carolina & Northwestern Railway Co., Abandonment Between Edenton and Mackeys in Chowan and Washington Counties, NC*, 52 FR 27737, July 23, 1987, the ICC authorized Carolina and Northwestern Railway Company to abandon the Albemarle Sound Bridge between Milepost 74.0 at Edenton, NC and Milepost 82.7 at Mackeys, NC, making the subject Plymouth, NC-Mackeys, NC segment a dead-end branch line.

In Finance Docket No. 21666 (Sub-No. 1), *the Cincinnati, New Orleans and Texas Pacific Railway Company -- Ex-mod. Of Lease -- Cincinnati Southern Railway*,

November 6, 1987, the ICC approved NSR's wholly-owned subsidiary, The Cincinnati, New Orleans and Texas Pacific Railway Company's, modification and renewal its lease of the line of railroad of the Cincinnati Southern Railway under an agreement with the City of Cincinnati expiring in 2026, with the option to extend 25 years to

December 31, 2051 (which must be exercised on or before January 1, 2022).

Assets of Blue Ridge Railway Company were transferred to Carolina and Northwestern Railway Company and the Blue Ridge Railway Company was dissolved November 18, 1987.

In 1987, Southern Railway Company purchased approximately 200 miles of railroad line between Haleyville, AL and Fulton, KY from Illinois Central Railroad for \$38 million. Also, NSR acquired trackage rights over about 154 miles of IC railroad line between Fulton, KY and Centralia, IL.

Carolina and Northwestern Railway Company was merged into Southern Railway Company on June 1, 1988.

Effective December 31, 1990, Southern Railway Company changed its name to Norfolk Southern Railway Company. Norfolk and Western Railway Company became a wholly-owned subsidiary of Norfolk Southern Railway Company rather than a subsidiary of Norfolk Southern Corporation.

The Wabash Railroad Company was merged into the Norfolk and Western Railway Company on November 12, 1991. Norfolk and Western Railway Company had controlled and leased the property of the Wabash Railroad Company since 1964, pursuant to Interstate Commerce Commission authorization.

Southern Railway Company-Carolina Division, a wholly-owned subsidiary of Norfolk Southern Railway Company, was merged into NSR

on July 1, 1996, pursuant to an STB decision served May 22, 1996. The Southern Railway Company-Carolina Division property, which had been leased to Southern Railway Company in 1902, consisted of 409 miles of railroad line in North Carolina and South Carolina at the time of the merger.

The Atlanta and Charlotte Airline Railway Company was merged into Norfolk Southern Railway Company on August 1, 1996. Southern Railway Company had leased The Atlanta and Charlotte Airline Railway Company property consisting of 255 miles of road between Charlotte, NC and Armour (Atlanta), GA in Georgia, South Carolina and North Carolina since 1894. Prior to that time, a Southern Railway Company predecessor, The Richmond and Danville Railroad Company, had leased the property of The Atlanta and Charlotte Airline Railway Company under an agreement dated March 28, 1881.

In October 1996, Norfolk and Western Railway Company paid the outstanding bonds issued under the Norfolk and Western Railway Company First Consolidated Mortgage of October 22, 1896, payable October 1, 1996. The mortgage trustee, Bankers Trust Company, delivered a Release, Satisfaction and Discharge to Norfolk and Western Railway Company on January 31, 1997. All Norfolk and Western Railway Company properties became free of any system mortgage.

Pursuant to a notice of exemption filed in STB Finance Docket No. 33648, Norfolk Southern Railway Company--Merger Exemption--Norfolk

and Western Railway Company, served August 31, 1998, Norfolk Southern Railway Company (NSR) merged Norfolk and Western Railway Company (NW) into NSR, effective September 1, 1998.

Norfolk Southern Corporation ("NSC"), parent to Norfolk Southern Railway Company ("NSR"), entered into a Transaction Agreement (the "Conrail Transaction Agreement") among NSC; NSR; CSX Corporation ("CSX"); CSX Transportation, Inc. ("CSXT"), a wholly-owned subsidiary of CSX; Conrail Inc. ("CRR"); Consolidated Rail Corporation ("Conrail"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC, dated June 10, 1997, pursuant to which CSX and NSC indirectly acquired all the outstanding capital stock of CRR. The Conrail Transaction Agreement was approved by the Surface Transportation Board ("STB") in a decision served July 23, 1998 in STB Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Leases/Agreements - Conrail Inc. and Consolidated Rail Corporation. The transaction was closed and became effective June 1, 1999.

Pursuant to the Conrail Transaction Agreement, certain Conrail assets were allocated to Pennsylvania Lines LLC ("PRR"), a wholly-owned subsidiary of Conrail. Furthermore, pursuant to the Conrail Transaction Agreement, PRR's assets, in turn, were leased to and are operated by NSR under the terms of an allocated assets operating agreement between PRR and NSR (the "NSR Operating Agreement") with an original term of

twenty-five (25) years from the effective date of June 1, 1999, and two optional renewal terms of five (5) years each. The Conrail Transaction Agreement permitted NSR to operate and to enter into various transactions with regard to the assets allocated to PRR. As a result of the Conrail Transaction, Norfolk Southern Railway Company's rail operations grew to include some 7,200 miles of the Conrail system (predominately the former Pennsylvania Railroad), creating balanced rail transportation in the East to benefit customers and communities alike.

In STB Finance Docket No. 33788, *Norfolk Southern Railway Company--Trackage Rights Exemption--Over North Carolina Railroad Company*, served August 27, 1999, the Surface Transportation Board approved North Carolina Railroad Company's (NCRR) agreement to grant to NSR exclusive local and overhead freight trackage rights over its entire line of railroad between Charlotte and Morehead City, NC. The line extends between mileposts EC-0.0+/- and EC-94.7+/-; mileposts H-0.0+/- and H-129.5+/-; and mileposts 284.0+/- and 376.5+/-, a distance of approximately 317.2 miles in Alamance, Cabarrus, Carteret, Craven, Davidson, Durham, Guilford, Johnston, Jones, Lenoir, Mecklenburg, Orange, Randolph, Rowan, Wake, and Wayne Counties, NC. Under the agreement, NSR was permitted to grant trackage rights to its subsidiaries over the NCRR line. Accordingly, in STB Finance Docket No. 33789, *Atlantic and East Carolina Railway Company--Trackage Rights Exemption--Line of North Carolina Railroad Company Operated Under*

Trackage Rights by Norfolk Southern Railway Company, served August 27, 1999, NSR agreed to grant to its wholly owned subsidiary, Atlantic and East Carolina Railway Company (A&EC), local and overhead trackage rights over a portion of NCRR's line between Goldsboro, NC, and Morehead City, NC. NSR or its predecessors had leased and operated the NCRR property since 1871 when the NCRR line between Goldsboro, NC and Charlotte, NC was leased to The Richmond and Danville Railroad Company, although Norfolk Southern Railroad Company's lease of the Atlantic and North Carolina portion of NCRR prior to 1935 was during a period when it had not yet become affiliated with Southern Railway Company.

On June 4, 2003, Norfolk Southern Corporation (NSC), CSX Corporation (CSX), and Consolidated Rail Corporation (Conrail) announced the joint filing of a petition with the Surface Transportation Board (STB) to establish direct ownership and control by CSX Transportation, Inc. (CSXT) and Norfolk Southern Railway Company (NSR), the railroad subsidiaries of CSX and NSC, respectively, of the two Conrail subsidiaries - New York Central Lines LLC (NYC) and Pennsylvania Lines LLC (PRR). CSXT and NSR have been managing and operating the allocated assets of NYC and PRR, respectively, since June 1, 1999 under operating agreements approved by the STB in the 1998 decision cited above. The proposed transaction would replace the existing operating agreements and allow NSR and CSXT to operate PRR

and NYC, respectively, via direct ownership. The petition, if approved, would make the financial, operational and administrative management of Conrail, NYC and PRR more efficient. No change has been requested with respect to the continuing Conrail operation of Shared Asset Areas in the Northern New Jersey, Southern New Jersey/Philadelphia and Detroit areas for the joint benefit of NSR and CSXT.

In STB Finance Docket No. 34396, *Norfolk Southern Railway Company – Corporate Family Transaction Exemption – Atlantic and East Carolina Railway Company*, served October 28, 2003, Norfolk Southern Railway Company (NSR) and Atlantic and East Carolina Railway Company (AEC), filed a verified notice of exemption under the Board's corporate family class exemption at 49 CFR 1180.2(d)(3) to merge AEC into NSR, with NSR as the surviving entity. Under the agreement and plan of merger, all of AEC's assets, rights, obligations and responsibilities will be in the name of NSR. Although the parties stated that the transaction was scheduled to be consummated on or as soon as practicable after August 31, 2003, the Board's notice stated that the earliest the transaction could be consummated was October 6, 2003 (7 days after filing under 49 CFR 1180.4(g)).

The change contemplated in the operation of the Plymouth, NC-Mackeys, NC railroad line is for Norfolk Southern Railway Company to abandon the subject unprofitable line of railroad and to the extent of its title to the real estate to deal with the right-of-way as ordinary real estate

no longer subject to a common carrier obligation. There is no feasible alternative to the abandonment action because the revenue from the traffic of the last remaining shipper on the line is insufficient to cover substantial rehabilitation costs now necessary to operate the line in addition to maintenance and operating costs. In addition to the maintenance already required to continue operating the line, the line suffered additional damage from Hurricane Isabel that would need to be repaired in order to keep it in operation. Traffic levels do not justify this investment, and the sole remaining shipper on the line at Mackeys can continue to ship and receive by rail at its Plymouth, NC facility. Current plans are to quitclaim the property to Dominion Resources (Virginia Power) so that it can maintain the right-of-way for its electric power transmission lines in the area. Abandonment will facilitate work required by Virginia Power to rehabilitate and upgrade the power lines after they were severely damaged by Hurricane Isabel in September 2003.

(6) **Summary of Documents In Carrier's Possession That Might Be Useful for Documenting a Structure That Is Found To Be Historic --**

Plans may be available for the structure on the line.

(7) **Opinion Regarding Criteria For Listing In The National Register Of Historic Places** -- It is carrier's opinion that the structure on the line to be

abandoned does not meet the criteria for listing in the *National Register of Historic Places*. The small structure is short in length and relatively modern and ordinary in design and construction. It bridges a small ditch

or drainage area. The structure is not distinguished in any way. The line passes through commercial, residential and agricultural areas. Carrier has no reason to believe that there is any likelihood of finding archaeological resources or historic properties on the line proposed for abandonment.

- (8) **Subsurface Ground Conditions That Might Affect Archaeological Recovery** -- Carrier is not aware of any prior subsurface ground disturbances or environmental conditions that would affect archaeological recovery.
- (9) **Follow-Up Information** -- Additional information will be provided as appropriate.



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241
— (757) 629-2752

James R. Paschall
General Attorney

February 27, 2004

Writer's Direct Dial Number

Mr. William S. Price, Jr., Director
Division of Archives and History
Department of Cultural Resources
109 East Jones Street
Raleigh, NC 27611

Re: Docket No. AB-290 (Sub-No. 248X), Norfolk Southern Railway Company --
Abandonment -- between Mackeys and Plymouth, North Carolina

Dear Mr. Price:

On or about April 7, 2004, we expect to be filing with the Surface Transportation Board a petition for exemption seeking authority to abandon 7.3 miles of rail line located between railroad milepost NS 82.7 at Mackeys and railroad milepost NS 90.0 at Plymouth, North Carolina. Attached is a Historic Report describing the proposed action and any expected historic effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the Board's independent environmental analysis of this proceeding. If you believe any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington, D. C. 20423-0001, Telephone (202) 565-1545, and refer to the above Docket. Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to me) would be appreciated within 3 weeks.

Your comments will be considered by the Board in evaluating the historic impacts of the contemplated action. If there are any questions concerning this proposal, please contact me directly at the above telephone number or address.

Yours very truly,

James R. Paschall

JRP:kch



North Carolina Department of Cultural Resources
State Historic Preservation Office

Michael F. Easley, Governor
Lisbeth C. Evans, Secretary
Jeffrey J. Crow, Deputy Secretary
Office of Archives and History

Division of Historical Resources
David L. S. Brook, Director

March 25, 2004

James R. Paschall
General Attorney
Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, VA 23510-9241

Re: Norfolk Southern Railway Company Abandonment between Mackeys and Plymouth,
Washington County, ER04-0661

Dear Mr. Paschall:

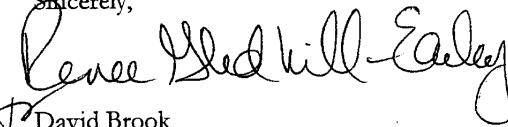
Thank you for your letter of February 27, 2004, concerning the above project.

We have conducted a review of the proposed undertaking and are aware of no historic resources which would be affected by the project. Therefore, we have no comment on the undertaking as proposed.

The above comments are made pursuant to Section 106 of the National Historic Preservation Act and the Advisory Council on Historic Preservation's Regulations for Compliance with Section 106 codified at 36 CFR Part 800.

Thank you for your cooperation and consideration. If you have questions concerning the above comment, please contact Renee Gledhill-Earley, environmental review coordinator, at 919/733-4763. In all future communication concerning this project, please cite the above-referenced tracking number.

Sincerely,


David Brook



www.hpo.dcr.state.nc.us

89

	Location	Mailing Address	Telephone/Fax
ADMINISTRATION	507 N. Blount St, Raleigh, NC	4617 Mail Service Center, Raleigh, NC 27699-4617	(919) 733-4763 • 733-8653
RESTORATION	515 N. Blount St, Raleigh, NC	4617 Mail Service Center, Raleigh, NC 27699-4617	(919) 733-6547 • 715-4801
SURVEY & PLANNING	515 N. Blount St, Raleigh, NC	4617 Mail Service Center, Raleigh, NC 27699-4617	(919) 733-4763 • 715-4801

Exhibit 5, Page 1 of 2

Federal Register: _____, 2004 (Volume 65, Number ____)]
[Notices]
[Page ____]

DEPARTMENT OF TRANSPORTATION
Surface Transportation Board

Notice of Petition for Exemption to Abandon Line of Railroad

[STB Docket No. AB-290 (Sub-No. 248X)]

Norfolk Southern Railway Company--Abandonment Exemption--In Washington County,
North Carolina

On April 7, 2004, Norfolk Southern Railway Company (NSR) filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. 10502 for exemption from the provisions of 49 U.S.C. 10903, to abandon a 7.3-mile line of railroad, extending between Milepost NS-82.7 at Mackeys, NC and Milepost NS-90.0 at Plymouth, NC (the Line). The Line traverses United States Postal Service Zip code 27962. Mackeys, NC and Plymouth, NC are the only stations on the Line. NSR will continue to serve Plymouth, NC.

NSR's also requests an exemption from the application of the Offer of Financial Assistance and public use condition provisions of 49 U.S.C. 10904 and 49 U.S.C. 10905 because it has conveyed the right-of-way, subject to a temporary easement for the railroad line, to Dominion Virginia Power (Dominion Resources) for the purpose of accessing, upgrading and maintaining its electric power transmission facilities.

The Line does not contain federally granted rights-of-way. Any documentation in NSR's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions set forth in *Oregon Short Line R. Co.--Abandonment--Goshen*, 360 I.C.C. 91 (1979).

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by _____, 2004.

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each offer must be accompanied by a \$1,000 filing fee. See 49 CFR 1002.2(f)(25).

Exhibit 5, Page 2 of 2

All interested persons should be aware that, following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for trail use/rail banking under 49 CFR 1152.29 will be due no later than _____, 2004. Each trail use request must be accompanied by a \$150 filing fee. See 49 CFR 1002.2(f)(27). Prospective trail sponsors should note that NSR has indicated it will not negotiate for interim trail use/rail banking of the Line because of its conveyance of the right-of-way to Dominion Virginia Power.

All filings in response to this notice must refer to STB Docket No. AB-290 (Sub-No. 237X) and must be sent to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001, and (2) James R. Paschall, Norfolk Southern Railway Company, Three Commercial Place, Norfolk, VA 23510. Replies to the NSR petition are due on or before _____, 2004.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Services at (202) 565-1592 or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis (SEA) at (202) 565-1545. [TDD for the hearing impaired is available at 1-800-877-8339.]

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact SEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

Board decisions and notices are available on our website at WWW.STB.DOT.GOV.

Decided: _____, 2004.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

BEAUFORT COUNTY
NORTH CAROLINA

Exhibit 6

AFFIDAVIT OF PUBLICATION

Before the undersigned, a Notary Public of said County and State, duly commissioned, qualified and authorized by law to administer oaths, personally appeared Ray McKeithan, who being first duly sworn, deposes and says that he is the General Manager of the Washington Daily News, a newspaper, published, issued and entered as second class mail in Washington, NC in said county and state; that he is authorized to make this affidavit and sworn statement; that the notice or other legal advertisement, a true copy of which is attached hereto, was published in the Washington Daily News on the following dates:

Mar 8, 2004

and that the said newspaper in which such notice, paper, document, or legal advertisement was published was, at the time of each and every publication, a newspaper meeting all of the requirements and qualifications of Section I-597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Section I-597 of the General Statutes of North Carolina.

This 9 day of Mar, 2004.

u B

(Signature of person making affidavit)

Sworn to and subscribed before me, a Notary Public,

this 9 day of Mar, 2004

Lucy M. Alligood
(Notary Public)

My commission expires Nov 29, 2004

NOTICE OF INTENT TO
ABANDON RAIL SERVICE

Norfolk Southern Railway Company gives notice that on or about April 7 2004, intends to file with the Surface Transportation Board (STB), Washington, DC 20423 a petition for exemption under 49 U.S.C. 10502 from the prior approval requirement of 49 U.S.C. 10903, et seq., permitting the abandonment of a 7.3-mile line of railroad between milepost NS 82.7 at Mackeys, and milepost NS 90.0 at Plymouth, which traverses through United States Postal Service ZIP Code 27962 in Washington County, North Carolina. The proceeding will be docketed as No. AB-290 (Sub-No. 248X).

The STB's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in an STB decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis, Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001 or by calling that office at 202-565-1545.

Appropriate offers of financial assistance to continue rail service can be filed with the STB. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the STB. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the STB's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423-0001 [See 49 CFR 1104.1 (a) and 1104.3 (a)], and one copy must be served on applicant's representative [See 49 CFR 1104.12(a)].

Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance at 202-927-7597. Copies of any comments or requests for conditions should be served on the applicant's representative: James R. Paschall, General Attorney, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-9241, (757) 629-2759. 3-8 11c

Publication cost \$ 73.50 paid in full.