

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

214604

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

August 24, 2005

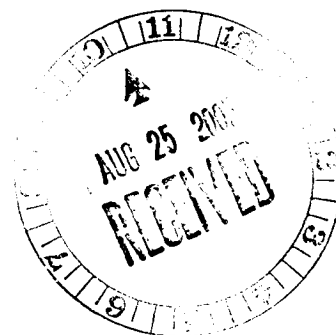
VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

FILED

AUG 25 2005

SURFACE
TRANSPORTATION BOARD



Re: **Finance Docket No. 34744**
R.J. Corman Railroad Company/Pennsylvania Lines Inc.
Intra-Corporate Family Transaction Exemption --
R.J. Corman Railroad Company/Bardstown Line
and R.J. Corman Railroad Property, LLC

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a **Verified Notice of Exemption Pursuant to 49 C.F.R. § 1180.2(d)(3)**, dated August 24, 2005. A check in the amount of \$1100.00, representing the appropriate fee for this filing, is attached.

One extra copy of this transmittal letter and of the Notice also are enclosed. I would request that you date-stamp those copies to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,

Thomas J. Litwiler
Attorney for R.J. Corman Railroad Company/
Pennsylvania Lines Inc.

TJL:dg

Enclosures

ENTERED
Office of Proceedings

AUG 29 2005

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

214604

FINANCE DOCKET NO. 34744

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- INTRA-CORPORATE FAMILY TRANSACTION EXEMPTION --
R.J. CORMAN RAILROAD COMPANY/BARDSTOWN LINE
AND R.J. CORMAN RAILROAD PROPERTY, LLC

FEE RECEIVED

AUG 25 2005

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

**SURFACE
TRANSPORTATION BOARD**

FILED

AUG 25 2005

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

AUG 29 2005

**Part of
Public Record**

Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

**ATTORNEYS FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES INC.**

Dated: August 24, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34744

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- INTRA-CORPORATE FAMILY TRANSACTION EXEMPTION --
R.J. CORMAN RAILROAD COMPANY/BARDSTOWN LINE
AND R.J. CORMAN RAILROAD PROPERTY, LLC

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

R.J. Corman Railroad Company/Pennsylvania Lines Inc. ("RJCP"), a Class III common carrier by rail, hereby files this verified notice of exemption under 49 C.F.R. § 1180.2(d)(3) for the intra-corporate family lease of a line of railroad known as the "Loup Creek Branch" extending from milepost 0.0 at Thurmond, West Virginia to milepost 12.0 at Mt. Hope, West Virginia, a distance of approximately twelve miles. The Loup Creek Branch is owned by R.J. Corman Railroad Property, LLC ("Railroad Property") and is currently leased and operated by R.J. Corman Railroad Company/Bardstown Lines ("RJCR"). RJCP, Railroad Property and RJCR are commonly controlled by Richard J. Corman.

The proposed transaction within a corporate family will not adversely affect the level of any existing rail service and will not result in significant operational changes or any change in the competitive balance with carriers outside of the Corman corporate family.

In accordance with the requirements of 49 C.F.R. § 1180.4(g), RJCP submits the following information:

Description of the Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

RJCP is a Class III common carrier by rail that operates several hundred miles of rail line in central Pennsylvania. See R.J. Corman Railroad Company/Pennsylvania Lines, Inc. -- Acquisition and Operation Exemption -- Lines of Consolidated Rail Corporation, Finance Docket No. 32838 (STB served January 26, 1996). Railroad Property is a Class III common carrier by rail that owns or leases rail lines in Kentucky, Ohio and West Virginia, including the Loup Creek Branch. See R.J. Corman Railroad Property, LLC -- Acquisition Exemption -- Line of The Railroad Co. and The WV Southern Railway Co., Finance Docket No. 34715 (STB served July 29, 2005). RJCR is a Class III common carrier by rail that owns and operates a 20-mile rail line in Kentucky and leases and operates the Loup Creek Branch. See R.J. Corman Railroad Corporation -- Exemption Acquisition and Operation -- Certain Lines of CSX Transportation, Inc., Finance Docket No. 30959 (ICC served January 15, 1987); R.J. Corman Railroad Company/Bardstown Line, d/h/a R.J. Corman Railroad Company/WV Lines -- Lease and Operation Exemption -- Line of R.J. Corman Railroad Property, LLC, Finance Docket No. 34716 (STB served July 29, 2005).¹ RJCP, Railroad Property and RJCR are members of the R.J. Corman family of railroads, which includes six other Class III rail carriers in the eastern United States. See, e.g., Richard J. Corman -- Continuance in Control Exemption -- R.J. Corman Railroad Company/Central Kentucky Lines, Finance Docket No. 34327 (STB served April 14, 2003).

Pursuant to an Assignment and Assumption Agreement to be executed by RJCP and RJCR, RJCR will assign all of its leasehold interest in the Loup Creek Branch to RJCP. RJCP will conduct all rail operations on the Loup Creek Branch in place of RJCR, and the line will continue to be owned by Railroad Property. No changes in present rail service and operations will occur. As

¹ Railroad Property was formerly known as R.J. Corman Equipment Company, LLC, and RJCR was formerly known as R.J. Corman Railroad Corporation.

RJCR had, RJCP will continue to operate the Loup Creek Branch under the trade name "R.J. Corman Railroad Company/WV Lines."

The proposed transaction will result simply in the operation of an existing Corman branch line by one Corman rail carrier entity rather than another. The proposed lease assignment from RJCR to RJCP is a transaction within a corporate family that will not result in adverse changes in service levels, significant operational changes or any change in the competitive balance between RJCP/RJCR and carriers outside of their corporate family.

The full name and address of the applicant carrier herein is as follows:

R.J. Corman Railroad Company/Pennsylvania Lines Inc.
One Jay Station, P.O. Box 788
Nicholasville, KY 40356

Any questions concerning this Notice should be sent to RJCP's representative at the following address:

Ronald A. Lane
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Proposed Time Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

RJCP intends to consummate the proposed intra-corporate family transaction on or shortly after September 1, 2005.

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The proposed lease assignment from RJCR to RJCP will address certain tax and financing considerations within the R.J. Corman family of companies, and will not result in any changes in rail service or operations.

States in Which Applicant's Property is Located: 49 C.F.R. § 1180.6(a)(5)

RJCP currently owns and operates rail property located in the Commonwealth of Pennsylvania.

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

A map showing the Loup Creek Branch and the surrounding area is attached hereto as Exhibit 1.

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

A draft of the proposed Assignment and Assumption Agreement to be executed by RJCP and RJCR is attached hereto as Exhibit 2.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Because the proposed lease assignment transaction involves only Class III rail carriers, employee protective conditions may not be imposed as a condition to this exemption. *See* 49 U.S.C. § 11326(c).

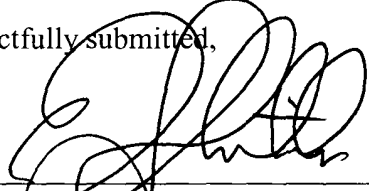
Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2), RJCP's proposed lease of the Loup Creek Branch is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds of 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), the proposed lease of the Loup Creek Branch by RJCP also is exempt from historic preservation reporting requirements. RJCP's lease of the Loup Creek Branch is for the purpose of continued rail operations. Further Board approval would be required as a prerequisite to any abandonment or discontinuance of service, and there are no

plans in connection with this transaction to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

Respectfully submitted,

By: 

Ronald A. Lane

Thomas J. Litwiler

Fletcher & Sippel LLC

29 North Wacker Drive

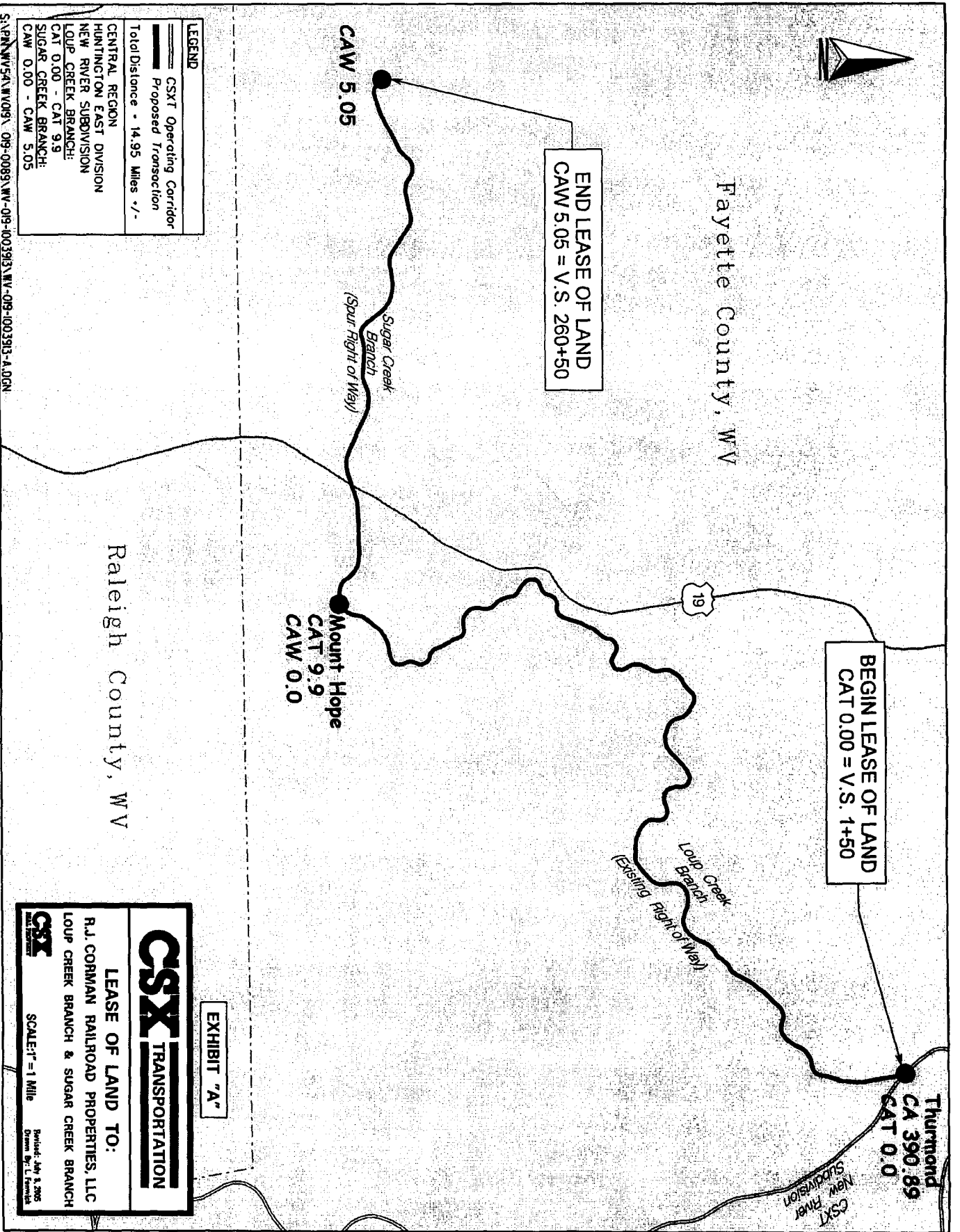
Suite 920

Chicago, Illinois 60606-2832

(312) 252-1500

**ATTORNEYS FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES INC.**

Dated: August 24, 2005



49 C.F.R. §1180.6(a)(7)(ii)

DRAFT ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT dated this ____ day of August, 2005, by and between R.J. CORMAN RAILROAD COMPANY/BARDSTOWN LINE, a Kentucky corporation ("Assignor") and R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, a Kentucky _____, ("Assignee").

W I T N E S S E T H:

WHEREAS, R.J. Corman Railroad Properties, LLC has leased (the "Lease") to Assignor a line of railroad between Thurston and Mt. Hope, West Virginia and related real estate interests a line of railroad known as R.J. Corman Railroad Company/WV Line for the purpose of operating and providing common carrier service; and

WHEREAS, Assignor desires to assign its rights under the Lease to Assignee, and Assignee desires to assume all the obligations of Assignor thereunder,

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the adequacy of which is acknowledged, Assignor and Assignee agree as follows:

1. Assignor does hereby sell, assign, transfer, convey, deliver and set over to Assignee, its successors and assigns, forever, all right, title and interest of Assignee in, to and under the Lease.

2. Assignee hereby assumes and agrees to pay, perform and discharge all the terms and conditions, covenants and obligations with respect to the Lease and agrees to indemnify and hold harmless Assignor, its successors, assigns, officers, directors and employees against and in respect of any and all losses, damages, costs and expenses, including reasonable attorneys' fees incident thereto, which Assignor may sustain as a result of the performance or failure to perform any of the Agreements by Assignee or its successors or assigns from and after the date hereof.

3. Each of Assignor and Assignee agrees to duly execute and deliver such further instruments or documents or to take such further action as Assignor or Assignee, as the

case may be, necessary or appropriate in order to obtain full benefit of this Agreement and the rights and powers herein granted.

IN WITNESS WHEREOF, Assignor and Assignee have each caused their names to be signed and their corporate seals to be affixed hereto by their respective officers thereunder duly authorized as of the day and year first above written.

ASSIGNOR:

R.J. Corman Railroad Company/Bardstown Line
(seal)

By: _____

Its: _____

ASSIGNEE:

R.J. Corman Railroad Company/Pennsylvania Line
(seal)

By: _____

Its: _____

VERIFICATION

Commonwealth of Kentucky)
) ss:
 County of Jessamine)

Sherman W. Petree, being duly sworn, deposes and says that he is President of R.J. Corman Railroad Company/Pennsylvania Lines Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

John W. Threlkeld

Sherman W. Petree

SUBSCRIBED AND SWORN TO
before me this 23 day
of August, 2005.


Notary Public

My Commission expires:

9/29/2005