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June 15, 2006

BY HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423-0001

216773
ENTERED
Office of Proceedings
JUN 15 2006
Part of
Public Record

Re: Finance Docket No. 34899, NC Railroad, Inc. – Lease and
Operation Exemption – Rail Lines of Tennessee Railway Company

Dear Secretary Williams:

Enclosed for filing in the referenced docket please find an original and 10 copies of the Amendment To Verified Notice of Exemption of NC Railroad, Inc.

An additional copy of the Amendment also is enclosed. Kindly indicate receipt of the filing by time-stamping this extra copy and returning it to the bearer of this letter. Thank you for your consideration in this matter.

Sincerely,

Kelvin J. Dowd
An Attorney for NC Railroad, Inc.

Enclosures

216773

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



NC RAILROAD, INC. –
LEASE AND OPERATION EXEMPTION –
RAIL LINES OF TENNESSEE RAILWAY
COMPANY

Finance Docket No. 34899

ENTERED
Office of Proceedings

**AMENDMENT TO
VERIFIED NOTICE OF EXEMPTION**

JUN 15 2006

Part of
Public Record

NC Railroad, Inc. ("NCR"), a Class III rail carrier, hereby amends the
Verified Notice of Exemption filed in the captioned docket on June 13, 2006 ("Notice"),
as follows:

1. As filed, the Notice invoked an exemption published at 49 C.F.R. Part 1150.31-34, from the prior approval requirements of 49 U.S.C. § 10901, to permit NCR to lease and operate approximately one mile of track in the vicinity of Oneida, Tennessee. The track is owned by Tennessee Railway Company ("TNR"), a wholly-owned subsidiary of Norfolk Southern Railway Company. The exemption was to take effect on June 20, 2006.

2. As recited in the Notice, in February, 2006 NCR purchased from TNR approximately 42 miles of rail line between Oneida and Devonia, Tennessee, pursuant to the Offer or Financial Assistance procedures of 49 U.S.C. § 10904.

3. Upon its acquisition of the Oneida-Devonia line, TNR became a rail carrier subject to the jurisdiction of the Board under 49 U.S.C. § 10101, *et seq.* As such,

the exemption invoked in connection with the subject lease should have been that set forth at 49 C.F.R. Part 1150.41, *et seq.*, which applies to transactions otherwise subject to Board approval under 49 U.S.C. § 10902.

4. The information provided by NCR in its June 13 Notice complies with the requirements of 49 C.F.R. Part 1150.41, *et seq.* Therefore, NCR hereby amends the first sentence of the Notice, to read as follows:

NC Railroad, Inc. ("NCR"), a wholly owned subsidiary of National Coal Corporation ("NCC"), pursuant to 49 C.F.R. Part 1150.41-44, files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. §10902, to permit NCR to lease from Tennessee Railway Company ("TNR") and operate approximately one mile of track between milepost TE-0.144 and milepost TE-0.95 at Oneida, Tennessee (the "Line").

5. A corrected Caption Summary is attached hereto as Exhibit No. 1. NCR acknowledges that as a consequence of this Amendment, the subject exemption now will be effective as of June 22, 2006.

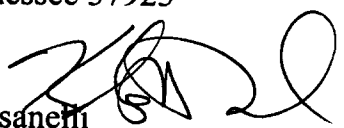
Respectfully submitted,

NC RAILROAD, INC.
8915 George Williams Road
Knoxville, Tennessee 37923

Of Counsel:

SLOVER & LOFTUS
1224 17th Street, N.W.
Washington, D.C. 20036

Dated: June 15, 2006

By: Kelvin J. Dowd 
Stephanie M. Pisanelli
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Attorneys & Practitioners

Finance Docket No. 34899

**NC RAILROAD, INC.
– LEASE AND OPERATION EXEMPTION –
RAIL LINES OF TENNESSEE RAILWAY COMPANY**

NC Railroad, Inc. has filed a Verified Notice of Exemption to lease and operate certain rail lines of Tennessee Railway Company, a wholly-owned subsidiary of Norfolk Southern Railway Company, between milepost TE-0.144 and milepost TE-0.95 at Oneida, Tennessee. Comments must be filed with the Board and served on Kelvin J. Dowd, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, D.C. 20036, (202) 347-7170.

This Notice is filed under 49 C.F.R. Part 1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.