

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036-3003

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III
PETER A. PFOHL
DANIEL M. JAFFE
KENDRA A. ERICSON

TELEPHONE:
(202) 347-7170

FAX:
(202) 347-3619

WRITER'S E-MAIL:
abk@sloverandloftus.com

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August 19, 2005

BY HAND DELIVERY

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

ENTERED
Office of Proceedings

AUG 19 2005

Part of
Public Record



Re: Finance Docket No. 34729, Saginaw Bay Southern
Railway Company – Acquisition and Operation Exemption
– Rail Line of CSX Transportation, Inc. in Bay, Saginaw,
Genesee, and Midland Counties, MI

Dear Secretary Williams:

Saginaw Bay Southern Railway Company (“SBS”) hereby certifies compliance with 49 C.F.R. § 1150.32(e) as of August 19, 2005 through the attached Notice.

Ten copies of this letter, with its attachment, are enclosed for filing. One additional copy also is enclosed to be date-stamped and returned to the bearer of this letter. Thank you for your assistance in this matter.

Sincerely,

Andrew B. Kolesar III

Andrew B. Kolesar III
An Attorney for Saginaw Bay
Southern Railway Company

Enclosure

SAGINAW BAY SOUTHERN RAILWAY COMPANY
323 Newman Street
East Tawas, Michigan 48730

August 19, 2005

NOTICE TO CSXT EMPLOYEES

Pursuant to Surface Transportation Board regulations at 49 C.F.R. § 1150.32(e), the Saginaw Bay Southern Railway Company ("SBS") hereby provides notice to the employees of CSX Transportation, Inc. ("CSXT") that SBS intends to purchase the track, lease the real estate, and operate approximately 67 miles of CSXT's lines of railroad in the Saginaw, Michigan area between the following locations:

- Milepost CC 0.0 at the Saginaw station to Milepost CC 26.2 at the Mt. Morris station;
- Milepost CB 0.0 at the Saginaw station to Milepost CB 17.37 at the Midland station;
- Milepost CBB 0.0 at the Saginaw station to Milepost CBB 16.7 at the Essexville station;
- Milepost CBC 0.0 to Milepost CBC 2.0 both at the Saginaw Station;
- Milepost CBD 2.2 to Milepost CBD 4.5 both at the Saginaw Station;
- Milepost CSF 0.0 to Milepost CSF 0.82 both at the Saginaw Station; and
- Milepost CBE 7.72 to Milepost CBE 10.09 both at the Paines Station.

Following the transaction, CSXT no longer will operate trains on any of these line segments. The transaction is expected to occur on or after October 28, 2005.

As a result of these transactions, SBS may hire up to 21 operating employees (train & engine service), up to three employees to perform maintenance of way, and up to two employees to perform signal maintenance and other functions. These estimates are preliminary and are subject to modification prior to commencing operations. Employees will be provided wages and benefits comparable to those on other lines affiliated with SBS. SBS will select employees on the basis of skills and aptitudes required for each position. The most qualified candidates will be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status, or disability. Successful candidates must have a stable work record and demonstrate a commitment to safety and customer service. The ability to work in a team environment is critical. Successful applicants will be required to pass a pre-employment drug and alcohol screen and complete a medical questionnaire, and will be required to take a physical exam.

CSXT employees interested in seeking employment with SBS should contact Nathaniel Gamble, Supervisor, Saginaw Bay Southern Railway Company, 323 Newman Street, East Tawas, Michigan 48730; telephone: (989) 362-0219.