

**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

July 20, 2010

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001



Re: Finance Docket No. 35375, *CSX Transportation, Inc. – Corporate Family
Merger Exemption – Gainesville Midland Railroad Company*

Dear Ms. Brown:

227466

Enclosed are the original and 10 copies of the Notice of Exemption, a diskette containing a WORD and pdf version of the Notice, and a check in the amount of \$1,700 is to cover the filing fee.

Please time and date stamp the extra copy of the filing and return it in the enclosed envelop. Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosures

FILED

JUL 21 2010

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

JUL 21 2010

**Part of
Public Record**

FEE RECEIVED

JUL 21 2010

**SURFACE
TRANSPORTATION BOARD**

CSXT-1



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35375

CSX TRANSPORTATION, INC.
—CORPORATE FAMILY MERGER EXEMPTION—
GAINESVILLE MIDLAND RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION

Steven Armbrust, Esq.
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1229

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou_Gitomer@verizon.net

Attorneys for: CSX TRANSPORTATION,
INC.

Dated: July 20, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35375

CSX TRANSPORTATION, INC.
—CORPORATE FAMILY MERGER EXEMPTION—
GAINESVILLE MIDLAND RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION

CSX Transportation, Inc. (“CSXT”) and the Gainesville Midland Railroad Company (“GMRR”), pursuant to 49 C.F.R. §§ 1180.2(d)(3) and 1180.4(g), file this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 11323 with the Surface Transportation Board (the “Board”). This Verified Notice of Exemption is being filed to permit GMRR to merge into CSXT. CSXT is a Class I railroad and GMRR is a wholly owned subsidiary of CSXT.

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

CSXT directly controls and operates GMRR.¹ CSXT and GMRR are both located at 500 Water Street, Jacksonville, FL 32202, (904) 359-3100.

This is a transaction within a corporate family. GMRR will be merged into CSXT. Two corporations will be reduced to one. This transaction will not result in adverse changes in service

¹ See *CSX Corp.-Control-Chessie and Seaboard C. L. I.*, 363 I.C.C. 521 (1980) and *Seaboard Air Line Railroad Company Control, Gainesville Midland Railroad Company*, ICC Finance Docket No. 20296 (ICC decided March 26, 1959), 307 I.C.C. 803.



levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. The transaction will reduce corporate overhead and duplication by eliminating one corporation while retaining the same assets to serve customers. In addition, CSXT will obtain certain savings as a result of the transaction.

Counsel to whom questions concerning the transaction can be addressed are: Steven C. Armbrust, Esq., CSX Transportation, Inc., 500 Water Street, Jacksonville, FL 32202, (904) 359-1229, and Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou_Gitomer@verizon.net.

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

CSXT intends to merge GMRR into itself on or after August 20, 2010.

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

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

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

CSXT owns and operates about 21,000 miles of railroad in the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Provinces of Ontario and Québec.

GMRR owns about 37.44 miles of railroad in the State of Georgia.

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

See Exhibit 1.

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

The Consents and Agreements and Plan of Merger necessary to effectuate the merger of GMRR into CSXT are in Exhibit 2.

g. **Labor Protection.**

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

h. Environmental and Historical documentation.

CSXT operates the GMRR. There will be no operational changes over the GMRR as a result of the proposed merger. There will be no change in the volume of traffic operating over the GMRR's line as a result of the proposed merger. The proposed merger will not result in changes that would exceed any of the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5) or a construction or abandonment. As such, this transaction does not meet the thresholds for the preparation of an Environmental Assessment under 49 C.F.R. §1105.6(b)(4) and qualifies for classification under 49 C.F.R. §1105.6(c)(2) and thus neither an Environmental Assessment nor a Historic Report is required to be filed.

Steven Armbrust, Esq.
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1229

Respectfully submitted,



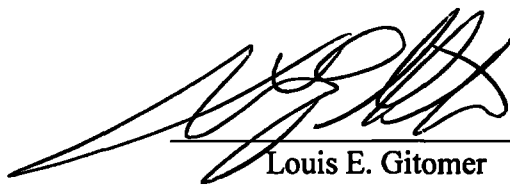
Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou_Gitomer@verizon.net

Attorneys for: CSX TRANSPORTATION,
INC.

Dated: July 20, 2010

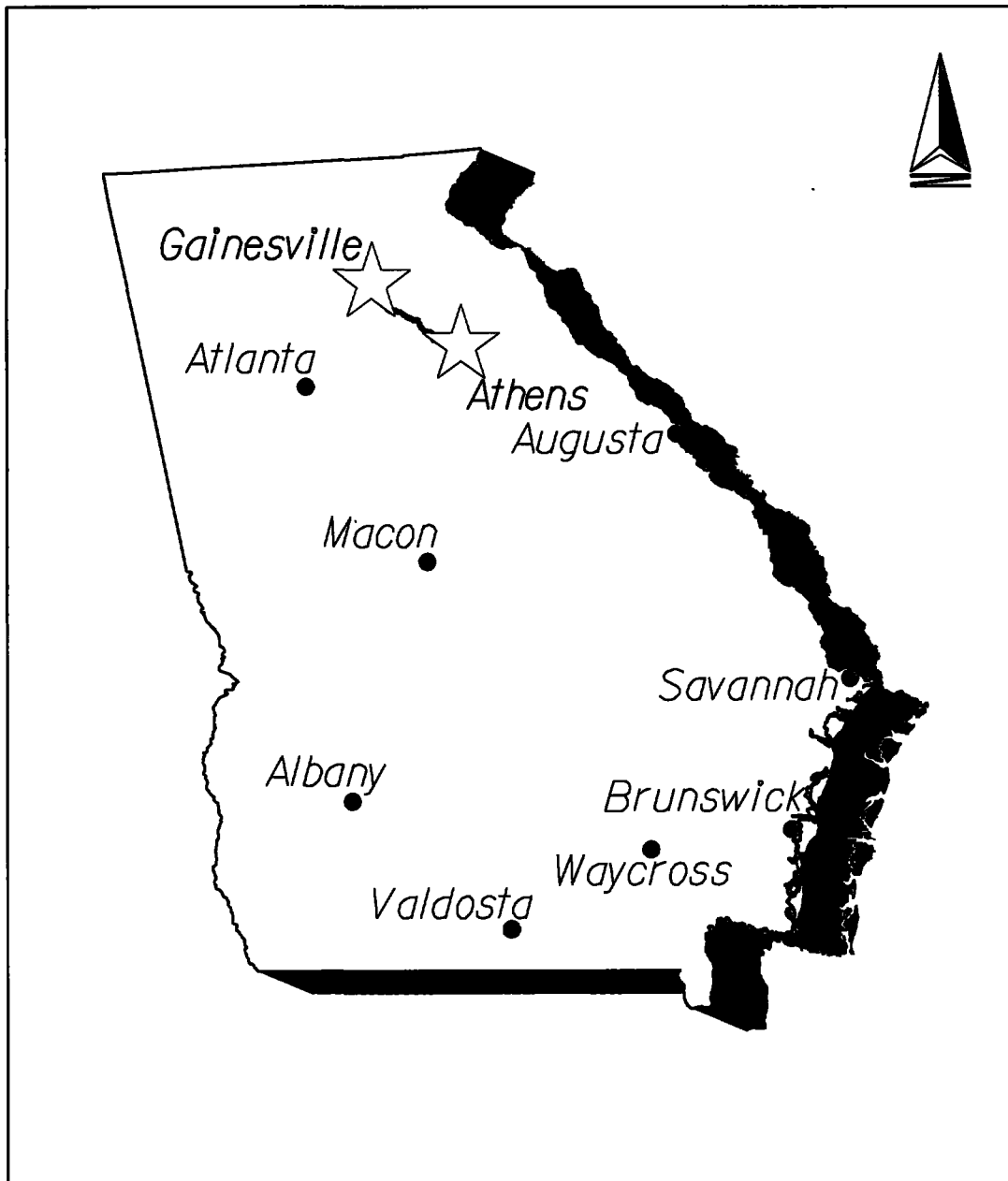
CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35375, *CSX Transportation, Inc.—Corporate Family Merger Exemption—Gainesville Midland Railroad Company*, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the State of Georgia.



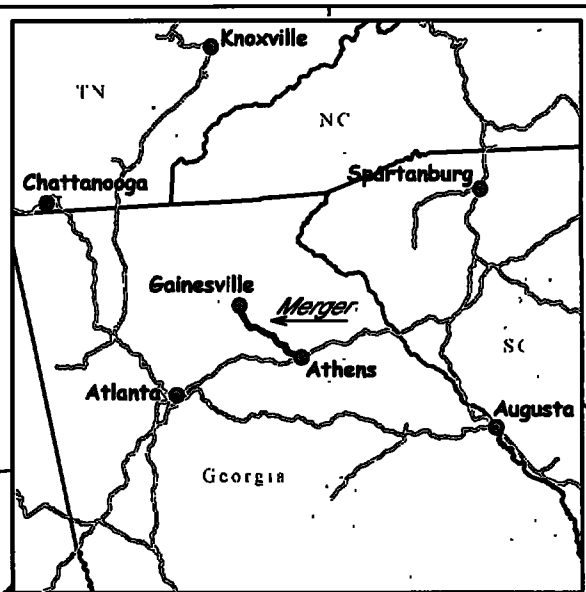
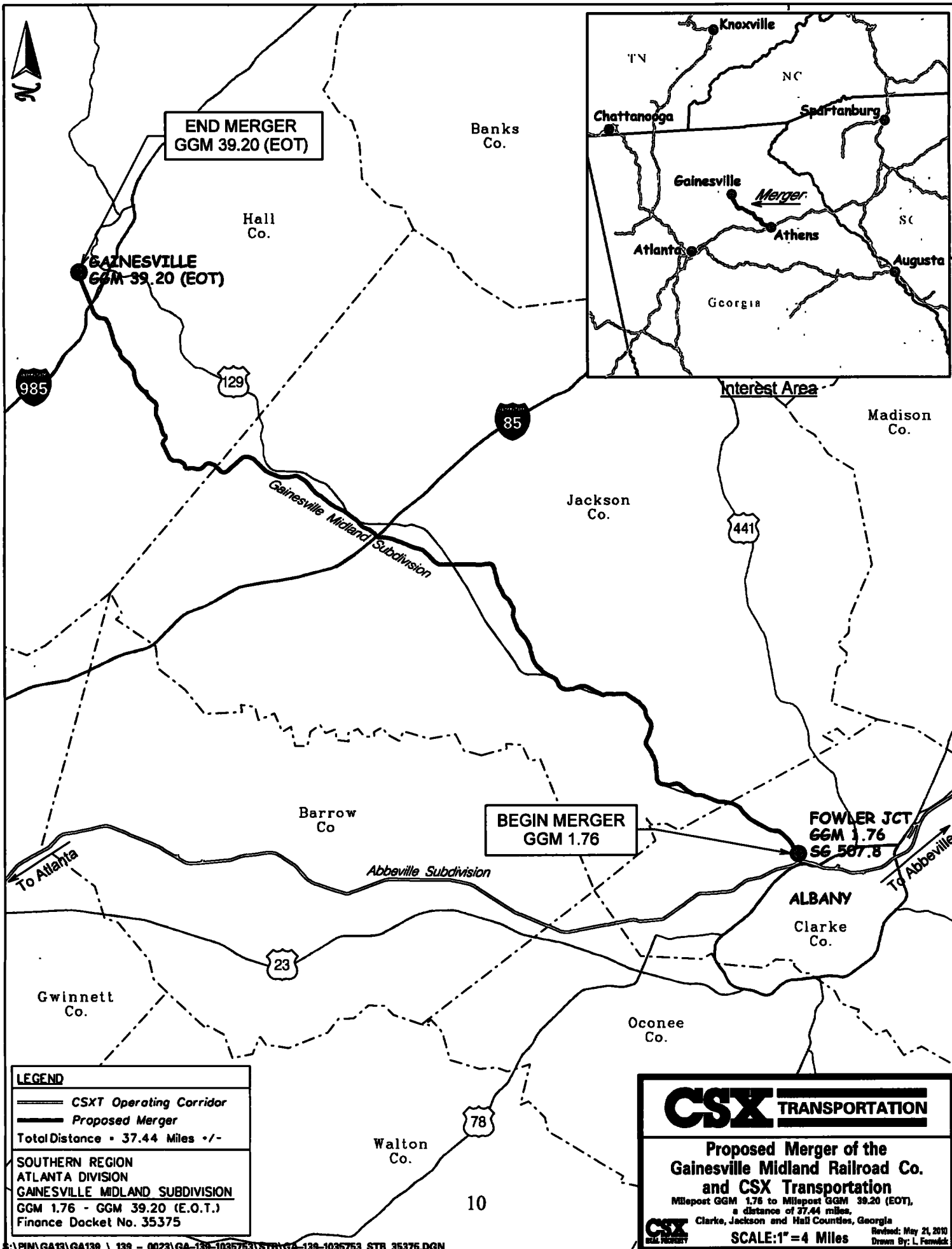
Louis E. Gitomer
July 20, 2010

EXHIBIT 1-MAP



AREA MAP

Proposed Merger of
Gainesville Midland Railroad Co and CSXT
GGM 1.76 to GGM 39.20 (EOT), a distance of 37.44 miles
in Clarke, Jackson, and Hall Counties, Georgia.
Finance Docket No. 35375



LEGEND

CSXT Operating Corridor
Proposed Merger
Total Distance = 37.44 Miles +/-

SOUTHERN REGION
ATLANTA DIVISION
GAINESVILLE MIDLAND SUBDIVISION
GGM 1.76 - GGM 39.20 (E.O.T.)
Finance Docket No. 35375

CSX TRANSPORTATION

**Proposed Merger of the
Gainesville Midland Railroad Co.
and CSX Transportation**

Milepost GGM 1.76 to Milepost GGM 39.20 (EOT),
a distance of 37.44 miles,
Clarke, Jackson and Hall Counties, Georgia

SCALE: 1" = 4 Miles

Revised: May 21, 2010
Drawn By: L. Farnick

EXHIBIT 2-AGREEMENT

CONSENT AND AGREEMENT TO DIRECTORS' ACTION WITHOUT MEETING

CSX TRANSPORTATION, INC.

Formed in Virginia

The undersigned, being all of the directors of CSX Transportation, Inc., a Virginia corporation (the "Corporation"), hereby consent and agree to the adoption of the following resolutions without a directors' meeting:

PLAN OF MERGER

WHEREAS, the Corporation owns 100% of the issued and outstanding shares of Gainesville Midland Railroad Company, a Georgia corporation ("GMR"); and

WHEREAS, it has been determined that the corporate existence of GMR is no longer required in the operation of the Corporation's business and operations, and that it is in the best interests of the Corporation to merge GMR with and into the Corporation whereby the Corporation shall be and continue to be in existence as the surviving corporation and the separate corporate existence of GMR shall cease (the "Merger"), subject to approval of the Surface Transportation Board (the "STB"), as applicable.

Now, therefore, be it

RESOLVED, that the Merger is hereby approved, subject to STB approval, as applicable.

RESOLVED FURTHER, that a plan of merger setting forth certain terms and conditions of the Merger, in substantially the form attached hereto as Exhibit A (the "Plan of Merger"), is hereby approved and that the proper officers of the Corporation are hereby authorized to execute and deliver the Plan of Merger on behalf of the Corporation, subject to STB approval, as applicable.

RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to take all such action and to execute and deliver all such instruments and documents in the name and on behalf of the Corporation and to file with the STB such applications or notices as may be required for the purpose of obtaining STB approval, as applicable, and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to take all such action, including but not limited to, the filing of Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia and the filing of Articles of Merger with Secretary of State of the State of Georgia, as the case may be, and to execute and deliver all such instruments and documents in the name and on behalf of the Corporation and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

This consent shall be effective as of the date when the last director signs the consent, and may be executed in any number of counterparts, all of which together shall constitute one and the same document

6-14-10
Date

Clarence W. Gooden
Clarence W. Gooden – Director

Date

Oscar Munoz – Director

Date

Michael J. Ward – Director

RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to take all such action, including but not limited to, the filing of Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia and the filing of Articles of Merger with Secretary of State of the State of Georgia, as the case may be, and to execute and deliver all such instruments and documents in the name and on behalf of the Corporation and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

This consent shall be effective as of the date when the last director signs the consent, and may be executed in any number of counterparts, all of which together shall constitute one and the same document.

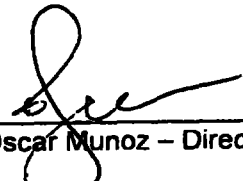
Date

06/14/2010

Date

Date

Clarence W. Gooden – Director



Oscar Munoz – Director

Michael J. Ward – Director

RESOLVED FURTHER, that the proper officers of the Corporation are hereby authorized and directed to take all such action, including but not limited to, the filing of Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia and the filing of Articles of Merger with Secretary of State of the State of Georgia, as the case may be, and to execute and deliver all such instruments and documents in the name and on behalf of the Corporation and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

This consent shall be effective as of the date when the last director signs the consent, and may be executed in any number of counterparts, all of which together shall constitute one and the same document.

Date

Clarence W. Gooden – Director

Date

Oscar Munoz – Director

6/14/2010
Date

Michael Ward
Michael J. Ward – Director

PLAN OF MERGER
OF
GAINESVILLE MIDLAND RAILROAD COMPANY
WITH AND INTO
CSX TRANSPORTATION, INC.

THIS PLAN OF MERGER is made and entered into as of this ____ day of June, 2010 by and among CSX Transportation, Inc., a Virginia corporation (the "Corporation"), and Gainesville Midland Railroad Company, a Georgia corporation ("GMR").

A. The Corporation owns 100% of the issued and outstanding shares of common stock of GMR.

B. The Board of Directors of the Corporation and the Board of Directors of GMR have each approved the merger of GMR with and into the Corporation by a statutory merger upon the terms and conditions set forth herein.

NOW, THEREFORE, the Corporation and GMR agree as follows:

1. Merger. At the Effective Date (as defined in paragraph 3), GMR will be merged with and into the Corporation in accordance with the provisions Title 14, Chapter 2, Article 11 of the Official Code of Georgia Annotated and Title 13.1, Chapter 9, Article 12 of the Code of Virginia (the "Merger").

2. Surviving Company. The Corporation shall be and continue in existence as the surviving corporation and the separate corporate existence of GMR shall cease.

3. Effective Date. The effective date of the Merger shall be upon filing of (1) the Articles of Merger with the Secretary of State of the State of Georgia and (2) the Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia ("Effective Date").

4. Conversion and Cancellation of Shares. The manner and basis of converting, canceling or exchanging shares of capital stock of the Corporation and GMR on the Effective Date shall be as follows:

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

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

5. Effect of the Merger. Upon the Effective Date:

a) The assets and liabilities of GMR shall be taken on the books of the Corporation at the amount at which they shall at the time be carried on the books of GMR, subject to such adjustments, if any, as may be necessary to conform to the accounting procedures of the Corporation.

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

IN WITNESS WHEREOF, the Corporation and GMR have caused this Plan of Merger to be executed as of the day and year first above written.

CSX TRANSPORTATION, INC.,
a Virginia corporation

By: _____
Name: Nathan D. Goldman
Title: Vice President and General Counsel,
Corporate & Transportation Law

GAINESVILLE MIDLAND RAILROAD COMPANY,
a Georgia corporation

By: _____
Name: David A. Hoffman
Title: Corporate Secretary

CONSENT AND AGREEMENT TO DIRECTORS' ACTION WITHOUT MEETING

GAINESVILLE MIDLAND RAILROAD COMPANY

Incorporated in Georgia

The undersigned, being all of the directors of Gainesville Midland Railroad Company, a Georgia corporation (the "Company"), hereby consent and agree to the adoption of the following resolutions without a directors' meeting:

PLAN OF MERGER

WHEREAS, CSX Transportation, Inc., a Virginia corporation ("CSXT"), owns 100% of the issued and outstanding shares of the Company; and

WHEREAS, subject to obtaining the approval of the Surface Transportation Board (the "STB"), the Board of Directors of CSXT has approved the merger of the Company with and into CSXT whereby CSXT shall be and continue to be in existence as the surviving corporation and the separate corporate existence of the Company shall cease (the "Merger").

Now, therefore, be it

RESOLVED, that subject to obtaining the approval of the STB, the Merger is hereby approved.

RESOLVED FURTHER, that subject to obtaining the approval of the STB, a plan of merger setting forth certain terms and conditions of the Merger, in substantially the form attached hereto as Exhibit A (the "Plan of Merger"), is hereby approved and that the proper officers of the Company are hereby authorized to execute and deliver the Plan of Merger on behalf of the Company.

RESOLVED FURTHER, that the proper officers of the Company are hereby authorized and directed to take all such action and to execute and deliver all such instruments and documents in the name and on behalf of the Company and to file with the STB such applications or notices as may be required for the purpose of obtaining STB approval and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

RESOLVED FURTHER, that subject to obtaining STB approval, the proper officers of the Company are hereby authorized and directed to take all such action, including but not limited to, the filing of Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia and the filing of Articles of Merger with Secretary of State of the State of Georgia, as the case may be, and to execute and deliver all such instruments and documents in the name and on behalf of the Company and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

This consent shall be effective as of the date when the last director signs the consent, and may be executed in any number of counterparts, all of which together shall constitute one and the same document.

6/24/10

Date

DA Brown

David A. Brown, Director

Date

Peter K. Mills, Director

Date

Paul R. Hitchcock, Director

RESOLVED FURTHER, that subject to obtaining STB approval, the proper officers of the Company are hereby authorized and directed to take all such action, including but not limited to, the filing of Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia and the filing of Articles of Merger with Secretary of State of the State of Georgia, as the case may be, and to execute and deliver all such instruments and documents in the name and on behalf of the Company and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

This consent shall be effective as of the date when the last director signs the consent, and may be executed in any number of counterparts, all of which together shall constitute one and the same document.

Date

6/17/10

Date

David A. Brown, Director



Peter K. Mills, Director

Date

Paul R. Hitchcock, Director

RESOLVED FURTHER, that subject to obtaining STB approval, the proper officers of the Company are hereby authorized and directed to take all such action, including but not limited to, the filing of Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia and the filing of Articles of Merger with Secretary of State of the State of Georgia, as the case may be, and to execute and deliver all such instruments and documents in the name and on behalf of the Company and to incur such expenses as in their judgment shall be necessary or advisable to effect the Merger.

This consent shall be effective as of the date when the last director signs the consent, and may be executed in any number of counterparts, all of which together shall constitute one and the same document.

Date

David A. Brown, Director

Date

Peter K. Mills, Director

6/17/2010
Date


Paul R. Hitchcock, Director

EXHIBIT A
PLAN OF MERGER

Exhibit A

**PLAN OF MERGER
OF
GAINESVILLE MIDLAND RAILROAD COMPANY
WITH AND INTO
CSX TRANSPORTATION, INC.**

THIS PLAN OF MERGER is made and entered into as of this ____ day of June, 2010 by and among CSX Transportation, Inc., a Virginia corporation (the "Corporation"), and Gainesville Midland Railroad Company, a Georgia corporation ("GMR").

A. The Corporation owns 100% of the issued and outstanding shares of common stock of GMR.

B. The Board of Directors of the Corporation and the Board of Directors of GMR have each approved the merger of GMR with and into the Corporation by a statutory merger upon the terms and conditions set forth herein.

NOW, THEREFORE, the Corporation and GMR agree as follows:

1. Merger. At the Effective Date (as defined in paragraph 3), GMR will be merged with and into the Corporation in accordance with the provisions Title 14, Chapter 2, Article 11 of the Official Code of Georgia Annotated and Title 13.1, Chapter 9, Article 12 of the Code of Virginia (the "Merger").

2. Surviving Company. The Corporation shall be and continue in existence as the surviving corporation and the separate corporate existence of GMR shall cease.

3. Effective Date. The effective date of the Merger shall be upon filing of (1) the Articles of Merger with the Secretary of State of the State of Georgia and (2) the Articles of Merger with the State Corporation Commission of the Commonwealth of Virginia ("Effective Date").

4. Conversion and Cancellation of Shares. The manner and basis of converting, canceling or exchanging shares of capital stock of the Corporation and GMR on the Effective Date shall be as follows:

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

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

5. Effect of the Merger. Upon the Effective Date:

a) The assets and liabilities of GMR shall be taken on the books of the Corporation at the amount at which they shall at the time be carried on the books of GMR, subject to such adjustments, if any, as may be necessary to conform to the accounting procedures of the Corporation.

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

IN WITNESS WHEREOF, the Corporation and GMR have caused this Plan of Merger to be executed as of the day and year first above written.

CSX TRANSPORTATION, INC.,
a Virginia corporation

By: _____
Name: Nathan D. Goldman
Title: Vice President and General Counsel,
Corporate & Transportation Law

GAINESVILLE MIDLAND RAILROAD COMPANY,
a Georgia corporation

By: _____
Name: David A. Hoffman
Title: Corporate Secretary

VERIFICATION

State of Florida)
)ss
County of Duval)

I, Robbie League, being duly sworn, depose and state that I am Director Network & Joint Facility Services of CSX Transportation, Inc., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption, and know the facts asserted therein are true and accurate to the best of my knowledge, information and belief.

Robbie League

Subscribed and sworn to before me this 15th day of July 2010.

[Signature]
Notary Public

My Commission expires: _____

