

214750

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GC&E GOLLATZ
GRIFFIN
& EWING
ATTORNEYS - AT - LAW

ERIC M. HOCKY
DIRECT DIAL 215.320.3720
emhocky@ggelaw.com

September 23, 2005
VIA: UPS Overnight

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building, #711
1925 K Street, N.W.
Washington, DC 20423-0001

FILED
SEP 26 2005
SURFACE
TRANSPORTATION BOARD



Re: STB Finance Docket No. 34728
Marquette Rail, LLC. - Lease and
Operation Exemption - CSX Transportation, Inc.
Notice of Exemption

Dear Secretary Williams:

Enclosed for filing please find the original and ten (10) copies of the above-referenced Lease and Operation Notice of Exemption. A check in the amount of \$1,500 representing the filing fee is also enclosed.

Please time stamp the extra copy of this letter to indicate receipt, and return it to me in the stamped self-addressed envelope provided for your convenience.

Respectfully,


ERIC M. HOCKY

Enclosures

FEE RECEIPT
SEP 26 2005
SURFACE
TRANSPORTATION BOARD

FILED
SEP 26 2005
SURFACE
TRANSPORTATION BOARD

GOLLATZ, GRIFFIN & EWING, P.C.



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34728

MARQUETTE RAIL, LLC

- LEASE AND OPERATION EXEMPTION -

CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31, et seq.

FILED
SEP 26 2005
SURFACE
TRANSPORTATION BOARD

ENTERED
Office of Proceedings
SEP 26 2005
Part of
Public Record

FEE RECEIVED
SEP 26 2005
SURFACE
TRANSPORTATION BOARD

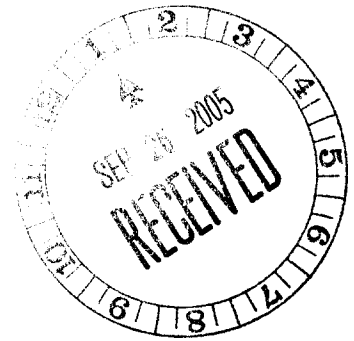
ERIC M. HOCKY
GOLLATZ, GRIFFIN & EWING, P.C.
Four Penn Center
Suite 200
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808
(215) 563-9400

Dated: September 23, 2005

Attorneys for Marquette Rail, LLC

STB FINANCE DOCKET NO. 34728

**MARQUETTE RAIL, LLC
- LEASE AND OPERATION EXEMPTION -
CSX TRANSPORTATION, INC.**



**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31, et seq.**

This Verified Notice is filed pursuant to 49 C.F.R. §1150.31 by Marquette Rail, LLC ("MQT"), a non-carrier, to exempt from regulation under 49 U.S.C. §10901, its lease and operation of the lines of railroad (the "Rail Lines") (a) from Milepost CGE 3.6 at the Grand Rapids station to Milepost CGE 73.4 at the Baldwin station; (b) from Milepost CB 106.91 at the Baldwin station to Milepost CB 136.5 at the Ludington station; (c) from Milepost CBA 87.0 at the Walhalla station to Milepost CBA 113.7 at the Manistee station; and (d) the Filer City Spur extending an additional 2.63 miles from CBA 113.7 at the Manistee station to the end of track at Filer City. The Rail Lines are currently owned and operated by CSX Transportation, Inc. ("CSXT"). The total mileage of the Rail Lines is approximately 128.72 miles.

Notice

In accordance with 49 C.F.R. §1150.33, MQT hereby states as follows:

- (a) The full name and address of Applicant are: Marquette Rail, LLC, 4916 W. US 10, PMB 120, Ludington, MI 49431.
- (b) The name, address and telephone number of the representative of MQT who should receive correspondence are: Eric M. Hocky, Esquire, Gollatz, Griffin & Ewing, P.C., Four Penn Center, Suite 200, 1600 John F. Kennedy Blvd., Philadelphia, PA 19103-2808; (215) 563-9400.

(c) MQT and CSXT are finalizing the terms of the agreements, and will have entered into the agreements prior to the commencement of operations by MQT which is expected to be on or after October 14, 2005.

(d) MQT will be the operator of the Rail Lines.

(e) Brief Summary of the Proposed Transaction:

MQT is entering into agreements with CSXT under which MQT will be leasing the track and other rail improvements, and the underlying right-of-way, comprising the Rail Lines. MQT will become the operator of the Rail Lines. The agreements will allow CSXT to reduce its capital needs, to rationalize its rail system and to restructure its business, while giving MQT the ability to preserve rail service to existing customers and to try to increase business on the Rail Lines.

(1) The name and address of the company transferring the Rail Lines are: CSX Transportation, Inc., 500 Water Street, Jacksonville, FL 32202.

(2) MQT expects to commence operations on or after October 14, 2005, more than seven days after the filing of this Notice of Exemption.

(3) The mileposts of the Rail Lines are (i) from Milepost CGE 3.6 at the Grand Rapids station to Milepost CGE 73.4 at the Baldwin station; (ii) from Milepost CB 106.91 at the Baldwin station to Milepost CB 136.5 at the Ludington station; (iii) from Milepost CBA 87.0 at the Walhalla station to Milepost CBA 113.7 at the Manistee station; and (iv) the Filer City Spur extending an additional 2.63 miles from CBA 113.7 at the Manistee station to the end of track at Filer City.

(4) The total mileage to be leased and operated is approximately 128.72 miles.

(f) Attached as Exhibit A is a map of the Rail Lines.

(g) MQT certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier.

(h) MQT projects that its annual revenues may exceed \$5,000,000.

Pursuant to 49 C.F.R. §1150.32(e), MQT posted the required notice to employees on the Rail Lines, gave notice to the national offices of the labor unions with employees on the Rail Lines, and filed the required certification with the Board on July 28, 2005, more than 60 days prior to the proposed consummation date.¹ Attached as Exhibit B is a copy of the certification and notice.

Environmental and Historic Reports

Pursuant to 49 C.F.R. §1105.6(c)(2)(i), no environmental documentation should be required because this proceeding involves authority for a lease under 49 U.S.C. §10901 for continued operations that will not exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (e)(5).

¹ At the time the labor notice was given, MQT planned to purchase the track and other rail improvements and to lease the underlying right-of-way. However, MQT will instead be leasing on a long-term basis both the track and other rail improvements and the underlying right-of-way. In addition, the labor notice also indicated that the milepost at Baldwin was CB 107.0. MQT has been advised by CSXT that while milepost CB 107.0 is used to signify Baldwin for operating purposes, the actual milepost is CB 106.91. Therefore, MQT and CSXT have amended all of their agreements to reflect the milepost for Baldwin as CB 106.91. However, under the revised lease arrangements and milepost change, no additional CSXT employees will be affected, MQT will still be responsible for all operations and maintenance and the change will not affect the number of positions that MQT anticipates will be available. Accordingly, MQT does not believe any revised notice to labor should be required. Alternatively, MQT respectfully requests that the Board should waive any requirement that MQT provide an amended labor notice, and find that the original notice adequately notified all potentially affected CSXT employees of the proposed transaction and the employment opportunities available with MQT.

No historic report under 49 C.F.R. §1105.8(b)(1) should be required because the transaction merely involves a lease for continued rail operations, and further Board approval is required to discontinue or abandon any service. MQT has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

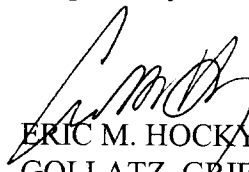
Labor Protection

Pursuant to 49 U.S.C. §10901(c), approval of this transaction may not be subjected to labor protection conditions.

Caption Summary

Attached as Exhibit C is the caption summary required by 49 C.F.R. §1150.34.

Respectfully submitted,



ERIC M. HOCKY
GOLLATZ, GRIFFIN & EWING, P.C.
Four Penn Center
Suite 200
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808
(215) 563-9400

Dated: September 23, 2005

Attorneys for Marquette Rail, LLC

VERIFICATION

I, Kevin Ruble, President of Transportation Solutions, Inc., the sole member of Marquette Rail, LLC, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

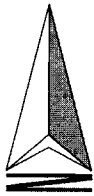
Executed on September 23, 2005.

A handwritten signature in black ink, appearing to read 'Kevin Ruble', is written over a horizontal line.

Kevin Ruble

MAP

EXHIBIT A



Manistee
CBA 113.7

END TRACK / LAND LEASE
CBA 113.7 and CB 136.5

Ludington
CB 136.5

Walhalla
CBA 87.0
CB 120.0

Baldwin
CGE 73.4
CB 106.91

Grand Rapids
CGE 3.6

BEGIN TRACK / LAND LEASE
CGE 3.6 = V.S. 8244+33 +/-

LEGEND

CSXT Operating Corridor
Proposed Transaction

Total Distance = 126.0 Miles +/-

NORTHERN REGION

CHICAGO DIVISION

LUDINGTON SUBDIVISION:

CGE 3.6 - CGE 73.4

CB 107.0 - CB 136.5

MANISTEE SUBDIVISION:

CBA 87.0 - CBA 113.7

CSX TRANSPORTATION

LEASE OF TRACK AND LAND

LUDINGTON SUBDIVISION

CGE 3.6 - CGE 73.4 & CB 107.0 - CB 136.5

MANISTEE SUBDIVISION

CBA 87.0 - 113.7



SCALE: 1" = 12 Miles

Revised: Sept. 21, 2005
Drawn By: L. Fenwick

LABOR NOTICE CERTIFICATION

EXHIBIT B

214730
FOUR PENN CENTER
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TELEPHONE 215.563.9400
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GC&E GOLLATZ
GRIFFIN
& EWING
ATTORNEYS - AT - LAW

ERIC M. HOCKY
DIRECT DIAL 215.320.3720
emhocky@ggelaw.com

July 27, 2005
VIA: UPS Overnight

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

ENTERED
Office of Proceedings

Part of
Public Record

RECEIVED
JUL 28 2005
U.S. DEPT. OF TRANSPORTATION

RE: STB Finance Docket No. 34728
Marquette Rail, LLC -
Acquisition and Operation Exemption -
CSX Transportation, Inc.
Labor Notice Certification

Dear Secretary Williams:

Marquette Rail, LLC ("Marquette") hereby certifies that on July 26, 2005, the enclosed Notice was posted at CSXT's Customer Service Center and Dispatchers' Center in Jacksonville, and on July 27, 2005, the Notice was posted at the workplace of the employees on the rail line described in the notice. Marquette further certifies that it is serving by overnight delivery, a copy of this letter and the enclosed Notice on the national offices of the labor unions with employees on the rail line, as shown on the attached list.

Ten copies of this letter and Notice are enclosed for filing with the Board. Please time-stamp the enclosed extra copy of the letter and Notice and return them to me in the stamped self-addressed envelope provided for your convenience.

Respectfully submitted,


Eric M. Hocky
Attorney for Marquette Rail, LLC

Enclosures

GOLLATZ, GRIFFIN & EWING, P.C.

WEST CHESTER

PHILADELPHIA

WILMINGTON

Honorable Vernon A. Williams, Secretary
July 27, 2005
Page 2

cc (w/enclosure, via UPS Overnight):

Mr. D. M. Hahs
International President
**Brotherhood of Locomotive
Engineers**
Standard Building
1370 Ontario Street
Cleveland, OH 44113

Mr. Freddie N. Simpson
President
**Brotherhood of Maintenance
of Way Employees**
Suite 320
20300 Civic Center Drive
Southfield, MI 48076-4169

Mr. F. L. McCann
President
**American Train Dispatchers' Department
AFL-CIO and TTD-Rail Division**
1370 Ontario Street, Suite 1040
Cleveland, OH 44113-1701

Mr. Robert A. Scardelletti
President
**Transportation Communications
International Union**
3 Research Place
Rockville, MD 20850

Mr. Paul C. Thompson.
International President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Mr. W.D. Pickett
International President
**Brotherhood of Railroad
Signalmen**
917 Shenandoah Shores Road
Front Royal, VA 22630-6418

Mr. Michael O'Brien
President
**Transportation Workers Union of
America - AFL-CIO**
1700 Broadway
Second Floor
New York, NY 10019

Before the
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34728

MARQUETTE RAIL, LLC
- ACQUISITION AND OPERATION EXEMPTION -
CSX TRANSPORTATION, INC.



NOTICE OF INTENT DIRECTED TO EMPLOYEES OF
CSX TRANSPORTATION, INC.

Pursuant to the regulations of the Surface Transportation Board (the "Board") at 49 CFR §1150.32(e), Marquette Rail, LLC. ("Marquette") hereby gives notice of its intent to acquire from CSX Transportation, Inc. ("CSX"), rail lines between milepost CGE 3.6 at Grand Rapids, MI and milepost CGE 73.4 at Baldwin, MI; between milepost CB 107.0 at Baldwin, MI and milepost CB 136.5 at Ludington, MI; and between milepost CBA 87.0 at Walhalla, MI and milepost CBA 113.7 at Manistee, MI; and the Filer City Spur extending an additional 2.63 miles from CBA 113.7 at the Manistee station to the end of track at Filer City, MI; a total of 128.63 miles (sometimes collectively referred to as the "Line").¹ Marquette anticipates that the acquisition will be effective on or about September 30, 2005.

As a result of the transaction, Marquette preliminarily estimates that following jobs will be available when it begins freight service, at the starting annual rates of pay indicated, depending on the candidate's qualifications and experience (assuming full time employment):

<u>Jobs</u>	<u>No. of Positions</u>	<u>Starting Pay Range</u>
Transportation	11	\$32,000 - \$40,000
Maintenance of Equipment	2	\$27,000 - \$42,000
Maintenance of Way	4	\$27,000 - \$42,000
Customer Service Coordinator	1	\$32,000 - \$40,000

Employees will be provided with railroad retirement, medical insurance, dental insurance, life insurance, employee contribution 401(k), holidays, vacation and other benefits. Further, all employees will have the opportunity to participate in Marquette's Employee Stock Ownership Plan once they have satisfied the continuous employment eligibility criteria of the Plan.²

¹ Marquette will be purchasing the rail improvements comprising the Line, and leasing the underlying real property.

² It is currently anticipated that the employees who will work on the line will be in the employment of a corporate affiliate of Marquette which is in the process of being organized. This corporation will in turn be owned by an Employee Stock Ownership Plan. For the purposes of this notice, the employer and Marquette will be jointly referred to as "Marquette".

Marquette will hold a "town hall" meeting for those interested in employment opportunities, at 3:30 pm on Saturday, July 30, 2005, in the Campus Center Building - MBT Room, West Shore Community College, 3000 N. Stiles Rd. (northeast corner of Stiles Rd. and Sugar Grove Rd., 3 miles west of US 31 and 3.6 miles north of US 10), Scottville, MI 49454.

Marquette is an equal opportunity employer and a non-smoking workplace. Employees will be selected based upon their experience and suitability for the jobs that may be offered.³ Successful applicants will be required to pass a pre-employment drug and alcohol screen, complete a medical questionnaire, and may be required to take a physical exam. All employees will be "at will."

Applications for employment should be made by sending a letter and resume stating the applicant's experience, providing references for any employment held during the last five years and any rail industry employment held at any time. The applicant must be available to start work by the 14th day before the commencement of operations. The letter should be submitted electronically to Team.Tryouts@MarquetteRail.com or sent by regular mail to Marquette Rail, LLC 4916 W. US 10, PMB 120, Ludington, MI 49431.

Dated: July 25, 2005

MARQUETTE RAIL, LLC

³ In accordance with its agreement with CSXT, Marquette will provide CSXT maintenance of way employees who have been working on the Line, priority consideration for employment for the maintenance of way positions.

CAPTION SUMMARY

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34728

MARQUETTE RAIL, LLC
- LEASE AND OPERATION EXEMPTION -
CSX TRANSPORTATION, INC.

Marquette Rail, LLC ("MQT"), a non-carrier, has filed a Notice of Exemption to lease from CSX Transportation, Inc., and to operate, the rail lines (a) from Milepost CGE 3.6 at the Grand Rapids station to Milepost CGE 73.4 at the Baldwin station; (b) from Milepost CB 106.91 at the Baldwin station to Milepost CB 136.5 at the Ludington station; (c) from Milepost CBA 87.0 at the Walhalla station to Milepost CBA 113.7 at the Manistee station; and (d) the Filer City Spur extending an additional 2.63 miles from CBA 113.7 at the Manistee station to the end of track at Filer City. The total mileage to be leased and operated is approximately 128.72 miles.

Comments must be filed with the Board and served on MQT's representative, Eric M. Hocky, Esquire, Gollatz, Griffin & Ewing, P.C., Four Penn Center, Suite 200, 1600 John F. Kennedy Blvd., Philadelphia, PA 19103-2808, (215) 563-9400.

The Notice is filed under 49 C.F.R. §1150.31. 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.