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**SURFACE
TRANSPORTATION BOARD**

1300 NINETEENTH STREET NW
FIFTH FLOOR
WASHINGTON DC 20036 1609
TEL 202 628 2000
FAX 202 628 2011

April 14, 2003

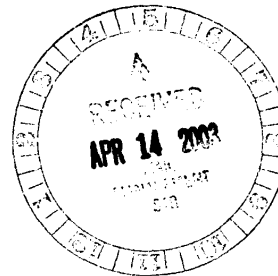
BY HAND

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

FILED

APR 14 2003

**SURFACE
TRANSPORTATION BOARD**



Re: STB Finance Docket No. 34334, Lancaster and Chester Railway Company
- Acquisition and Operation Exemption - Norfolk Southern Railway
Company

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceedings are an original and 10 copies of the verified notice of exemption of Lancaster and Chester Railway Company pursuant to 49 C.F.R. § 1150.41. Also enclosed are (i) a check in the amount of \$1,300 to cover the cost of the filing, and (ii) a disk containing this filing that is formatted in Word Perfect.

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Rose-Michele Weinryb".

Rose-Michele Weinryb

Enclosures

**ENTERED
Office of Proceedings**

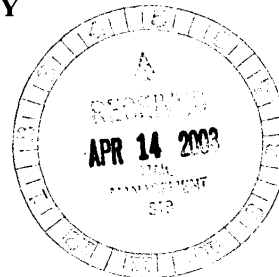
APR 14 2003

**Part of
Public Record**

**LANCASTER AND CHESTER RAILWAY COMPANY
--ACQUISITION AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

STB FINANCE DOCKET NO. 34334



Applicant's name and current mailing address:

Lancaster and Chester Railway Company
512 South Main Street
P.O. Box 1450
Lancaster, South Carolina 29720

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TRANSPORTATION BOARD**

Applicant's representative to receive correspondence:

Rose-Michele Weinryb, Esq.
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW, Fifth Floor
Washington, D.C. 20036-1609
(202) 628-2000

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**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

APR 14 2003

**Part of
Public Record**

Information concerning the agreement:

Lancaster and Chester Railway Company (L&C"), a class III rail carrier, anticipates entering into a purchase agreement ("Purchase Agreement") with Norfolk Southern Railway Company ("NSR") by the end of April. Pursuant to the Purchase Agreement, L&C will acquire certain NSR-owned rail property in Kershaw and Lancaster Counties, South Carolina (the "Subject Line"). L&C currently conducts rail freight operations over the Subject Line pursuant to a lease agreement with NSR. See Lancaster and Chester Railway Company - Lease and Operation Exemption - Norfolk Southern Railway Company, STB Finance Docket No. 33969, 66 FR 9410-02 (Feb. 7, 2001).

Operator of the property:

L&C will continue to conduct rail freight operations over the Subject Line after the consummation of the Purchase Agreement.

Brief summary of the proposed transaction:

NSR is located at Three Commercial Place, Norfolk, VA 23510-9241. L&C will acquire and operate the Subject Line, which totals approximately 30.8 miles of rail line and runs approximately from milepost SB-58.7 at the Kershaw, South Carolina station, to milepost

SB-89.5 at the Catawba, South Carolina station. The Subject Line connects to L&C's existing rail line at L&C Chester District Connection, at approximately milepost SB-76.4 (near Lancaster, South Carolina).

Map:

A map of the Subject Line is attached hereto as Exhibit A.

Consummation of Purchase Agreement/Labor Notice Requirements:

On April 8, 2003, L&C filed with the Surface Transportation Board (the "Board") a Petition for Waiver from the labor notice requirements at 49 C.F.R. § 1150.42(e). L&C hopes to consummate the Purchase Agreement by the end of April, but shall in no event consummate the Purchase Agreement before (i) the STB either grants L&C's Petition for Waiver or L&C satisfies the applicable labor notice requirements, and (ii) seven days or more has elapsed since the filing date of this Verified Notice of Exemption.

Environmental Issues

Environmental documentation normally need not be prepared for an acquisition that does not cause diversions from rail to motor carriage of more than (A) 1,000 rail carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected line (49 C.F.R. § 1105.7(e)(4)), on the one hand, and that does not result in (A) an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment (49 C.F.R. § 1105.7(e)(5)), on the other hand. *See* 49 C.F.R. § 1105.6(c)(2).

L&C is currently operating over the Subject Line and will continue to do so once the Purchase Agreement is consummated. The subject transaction will not cause changes in carrier operations that exceed the above-listed thresholds. Therefore, no environmental documentation is required for this Verified Notice of Exemption.

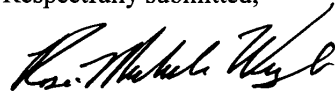
Transactions involving a sale, lease or transfer of a rail line for the purpose of continued rail operations are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if termination of such operations requires further approval by the Board and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. *See* 49 C.F.R. § 1105.8(b)(1).

Common carrier service on the Subject Line will be continued, and abandonment of L&C's operations over the Subject Line would require approval or an exemption. L&C does not have any plans to dispose of or alter properties subject to Board jurisdiction that are 50 or more years old. Therefore, a historic report is not required for this filing.

Certificate of projected revenue:

In accordance with 49 C.F.R. § 1150.43(g), a certificate concerning L&C's projected revenue is attached as Exhibit B.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rose-Michele Weinryb".

Rose-Michele Weinryb
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW, Fifth Floor
Washington, DC 20036-1609

Attorneys for:

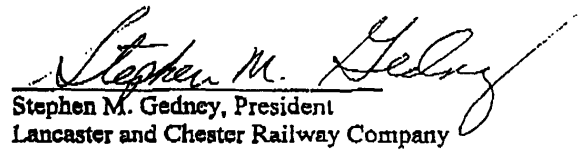
Lancaster and Chester Railway Company

Dated: April 14, 2003

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VERIFICATION

I, Stephen M. Gedney, President of Lancaster and Chester Railway Company, certify under penalty of perjury that the foregoing notice of exemption is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption.


Stephen M. Gedney, President
Lancaster and Chester Railway Company

Dated: April 14, 2003

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

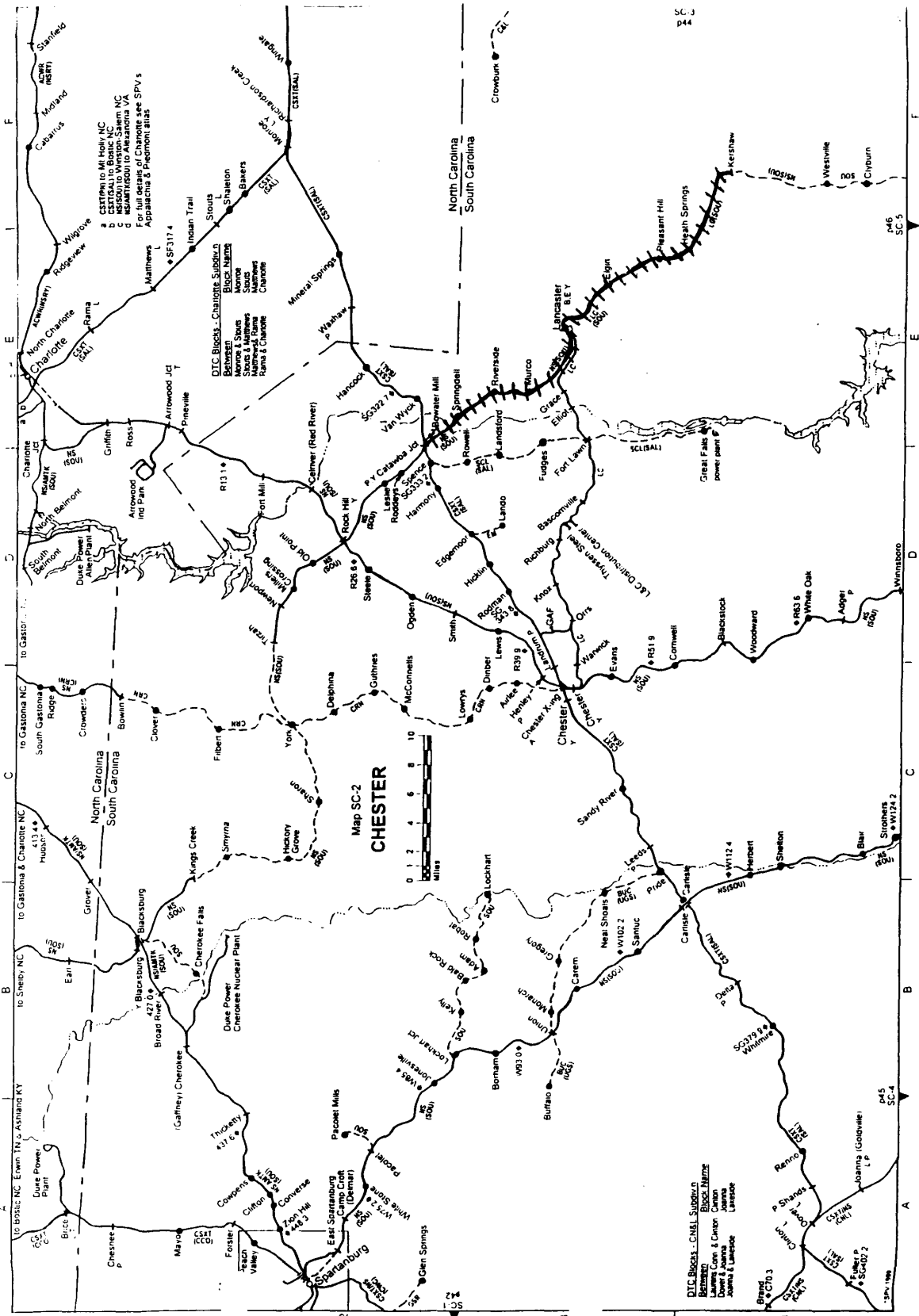
STB Finance Docket No. 34334

**LANCASTER AND CHESTER RAILWAY COMPANY
--ACQUISITION AND OPERATION EXEMPTION—
NORFOLK SOUTHERN RAILWAY COMPANY**

EXHIBIT A

MAP OF SUBJECT LINE

SUBJECT LINE +++++



**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41**

STB Finance Docket No. 34334

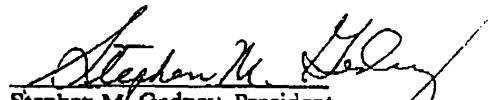
**LANCASTER AND CHESTER RAILWAY COMPANY
--ACQUISITION AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY**

EXHIBIT B

CERTIFICATE OF REVENUE

CERTIFICATE OF REVENUE

In accordance with 49 C.F.R. § 1150.43(g), I do hereby certify that the revenue projected for as a result of this transaction will not result in the creation of a class II or class I rail carrier.


Stephen M. Gedney, President
Lancaster and Chester Railway Company

Dated: April 14, 2003

SURFACE TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 34334

**LANCASTER AND CHESTER RAILWAY COMPANY
--ACQUISITION AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY**

Lancaster and Chester Railway Company, a class III rail carrier, has filed a notice of exemption under 49 C.F.R. § 1150.41 to acquire and operate a rail line of Norfolk Southern Railway Company, totaling approximately 30.8 miles of rail line, which run approximately from milepost SB-58.7 at the Kershaw, South Carolina station, to milepost SB-89.5 at the Catawba, South Carolina station. L&C currently conducts rail operations over the Subject Line pursuant to a lease agreement with NSR. See Lancaster and Chester Railway Company – Lease and Operation Exemption – Norfolk Southern Railway Company, STB Finance Docket No. 33969, 66 FR 9410-02 (Feb. 7, 2001).

Comments must be filed with the Surface Transportation Board, Office of the Secretary, 1925 K Street, N.W., Washington, D.C. 20423-0001 and served on Rose-Michele Weinryb, Esq., Weiner Brodsky Sidman Kider PC, 1300 19th Street, N.W., Fifth Floor, Washington, D.C. 20036-1609, (202) 628-2000.

This notice is filed under 49 C.F.R. § 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

Decided:

By the Board,