



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

Writer's Direct Dial Number

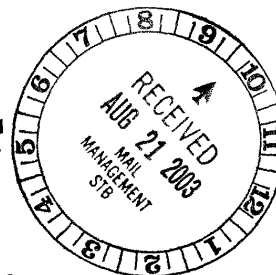
(757) 629-2759

FILED

AUG 21 2003

**SURFACE
TRANSPORTATION BOARD**

James R. Paschall
General Attorney



August 20, 2003

208741

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

Re: STB Docket No. AB-290 (Sub-No. 240X), Norfolk Southern Railway
Company – Abandonment – Between Gastonia and Dallas (Gebo) in Gaston
County, North Carolina - Petition for Exemption

Dear Mr. Williams:

Enclosed for filing with the Board in the captioned proceeding are an original and ten copies of the Petition for Exemption. Also, enclosed are (1) a check for \$4700 to cover the filing fee; (2) a notice for the *Federal Register* and (3) three compact disks.

Please acknowledge receipt on the enclosed copy of this letter and return it to me in the self-addressed, stamped envelope.

Yours very truly,

ENTERED
Office of Proceedings

AUG 21 2003

Part of
Public Record

J R Paschall

James R. Paschall

Enclosures

FEE RECEIVED

AUG 21 2003

**SURFACE
TRANSPORTATION BOARD**

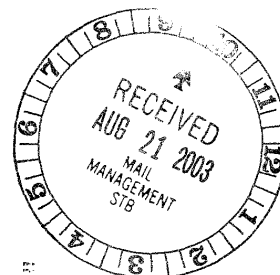
FEE RECEIVED

AUG 21 2003

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE

SURFACE TRANSPORTATION BOARD



FILED

AUG 21 2003

**SURFACE
TRANSPORTATION BOARD**

STB DOCKET NO. AB-290 (SUB-NO. 240X)
NORFOLK SOUTHERN RAILWAY COMPANY –
PETITION FOR EXEMPTION – ABANDONMENT –
BETWEEN GASTONIA AND DALLAS (GEBO)
IN GASTON COUNTY, NORTH CAROLINA

ENTERED
Office of Proceedings

AUG 21 2003

Part of
Public Record

Norfolk Southern Railway Company ("NSR") hereby petitions the Surface Transportation Board ("Board" or "STB"), pursuant to the provisions of 49 U.S.C. § 10502, as amended, for exemption from the prior approval requirements and regulation under 49 U.S.C. § 10903 et seq., to abandon 5.0 miles of its railroad line between Milepost HG-47.0 at Gastonia, NC and Milepost HG-52.0 at Dallas (Gebo), NC (the "Line").

Section 10502 of Title 49, as amended, directs the Board to exempt a transaction when the Board finds that the transaction satisfies certain statutory criteria. This petition demonstrates that the abandonment for which NSR seeks exemption fully satisfies the statutory criteria.

Background

The Line is a 5-mile segment of a dead-end branch line that can no longer be operated profitably in the NSR system. The Line was taken out of service in February 2003 because its rapidly deteriorating condition caused safety concerns. The small

volume of traffic tendered to NSR by the only active shipper on the Line, Webb Metals Limited, could not profitably support operation of the Line, much less investment in necessary rehabilitation and maintenance. Webb Metals Limited is a scrap dealer which has used trucks for most of its transportation needs. In December 2002, NSR explained to Webb the justification for the expected abandonment of the Line and offered assistance with transportation needs and transition costs to Webb. Although Webb Metals is a shipper of an exempt commodity, NSR asked that Webb not protest NSR's petition for exemption in return for assistance based on rail transportation use in the previous year. These were neither onerous nor unreasonable terms given the small volume of Webb's shipments, the fact that it was shipping an exempt commodity and the large losses on the line and the expectation that the Board would grant the petition. Webb declined this offer by not responding. Presumably, the rail and truck rates were similar enough for this offer to be insignificant to Webb. Webb had mentioned the similarity of the truck and rail rates in a conversation with NSR's Director-Strategic Planning.

In 2002, 67 carloads of local traffic, consisting of scrap iron, and no overhead traffic, moved over the Line. This average of slightly over one carload per week produced gross annual revenue of \$29,968 for NSR (see Exhibit 2). On the other hand, total avoidable costs for the Line were \$285,679. The avoidable loss from operations was \$255,732 and the avoidable loss including return on value was \$260,171 (see Exhibit 3). The loss would be greater in the forecast year because the only shipper on the Line, Webb Metals, at Dallas, NC, which has been using truck transportation, and is

the only apparent potential customer for direct railroad service in business along the Line, would be unlikely to provide NSR with additional business. On the other hand, the value of scrap that NSR could recover from the Line has increased this year, which increases the net liquidation value of the Line (see Exhibit 4).

NSR faces significant maintenance and repair costs for this Line. Normalized annual Way and Structures expenses to operate the Line at FRA Class I track standards for 2002 were \$18,600 and are expected to be \$12,600 for the forecast year. However, \$447,100 in critical timber and surface and ditching work categorized as program maintenance work that was due in 2002 has been deferred. This work and ditching costing another \$9,000 would be required immediately in order for NSR to restore service on the line (see Exhibit 5). NSR cannot justify these rehabilitation costs, as well as the opportunity costs and costs of operation and routine maintenance to keep open a 5-mile line over which, on average, only 67 carloads of traffic per year can be expected to move (see Exhibit 6).

Further information supporting an exemption for the proposed abandonment is as follows:

(1) Exact name of petitioner: Norfolk Southern Railway Company (NSR) is a common carrier by railroad which operates a railroad system throughout the Eastern United States, including North Carolina, and Ontario Canada. NSR, formerly Southern Railway Company, is a wholly-owned subsidiary of Norfolk Southern Corporation, a non-carrier.

(2) Petitioner is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105.

(3) Pursuant to 49 U.S.C. § 10502, the relief sought is an exemption from the prior approval requirements and regulation under 49 U.S.C. § 10903 et seq., that will permit NSR to abandon the subject Line without being required to list the Line on its system diagram, to submit a full long-form abandonment application, or to obtain formal prior approval from the Board.

(4) A map of the Gastonia-Dallas(Gebo), NC Line to be abandoned under the exemption sought in this petition is attached as Exhibit 1.

(5) System Diagram Map: This Line has not been included as a rail line to be abandoned or over which service was expected to be discontinued on the carrier's system diagram map, or narrative in compliance with Sections 1152.10 through 1152.13, because it was not expected to be the subject of an abandonment or discontinuance of service application when the map was prepared.

(6) This petition is being filed because NSR cannot justify the up-front costs of maintenance and reinvestment to continue service over the Line when those costs cannot be recovered from the expected revenues to be derived from traffic on the Line. Because the crew serving this Line performs the service on overtime, NSR will be able to save the cost of overtime hours now necessary to serve the shipper on the Line. During the past year of service to this Line, the crew had to be relieved approximately

for developing additional traffic on the Line beyond the 67 carloads shipped by Webb Metals in 2002, an average of slightly over one carload per week, with gross revenue of \$29,968 (Exhibit 2). NSR will continue to serve shippers at the southern end of the branch line between Gastonia and Crowders, which is not within the segment to be abandoned.

Considering annualized maintenance costs projected for routine and program maintenance over a 10-year period starting in 2002, on the other hand, Norfolk Southern Railway's total avoidable costs for the Line would be \$285,677, annually, nearly 10 times the gross revenue from traffic on the line in 2002.

Norfolk Southern Railway's avoidable loss from operations was a pro forma \$255,732 (Exhibit 3). Any savings in this amount through deferred maintenance were short term and would need to be spent if service were resumed. Norfolk Southern Railway also has an opportunity cost of minus \$13,679 in connection with the continued operation of the Line (see Exhibit 6).

The only change in the avoidable loss that can be expected in the forecast year or beyond is an increase in that avoidable loss due to the lack of potential additional traffic and high and increasing maintenance and rehabilitation costs. There are no known potential rail shippers in the area that might provide increased traffic. Maintenance expenses would remain high, and would definitely increase over both past and average levels if service on the line were reinstated, due to immediate need for extensive rehabilitation. Eventually, in 2004, 2006 and 2008, NSR projects that it would incur \$22,000, \$40,000 and \$940,000 in bridge rehabilitation and renewal costs which

also could not be justified from revenues that could be obtained from current traffic levels (Exhibit 5).

Efforts to Continue Service

The remaining shipper's traffic, little more than five carloads per month, mainly consists of short haul movements of an exempt commodity, scrap metal, that can move by truck about as economically as by rail over short distances especially because the rail movement is partly over a light density rail line. Potential for increased traffic from Webb Metals is not large enough, and cannot be expected to be large enough, even to come close to supporting rehabilitation, maintenance and continued operation of the Line. There appears to be little industry that would be interested in direct rail service in the immediate vicinity of the Line, and there is no significant opportunity to increase traffic levels on this dead-end branch Line. The only potential NSR customers in the immediate vicinity of the line would appear to be businesses interested in intermodal service.

Communities on Line

The communities on the Line are Gastonia, NC (population 66,277) and Dallas, NC (population 2012). Shippers at Gastonia will continue to be served by NSR.

Public Use, Trail Use, Offers of Financial Assistance

NSR believes the Line to be abandoned is not suitable for public use. Repair and maintenance of the bridge on the Line might be too costly for potential alternative users. However, NSR will negotiate with any qualified potential trail use group or government interested in an agreement to buy the right-of-way for trail use.

Title Search

NSR's title search is incomplete at this time. Although NSR is not aware of any reversionary interest which would affect transfer of title and must do further title work, it appears that NSR may not have clear, fee title to the entire contiguous right-of-way.

Statement Concerning Federally Granted Right of Way

Based on information in NSR's possession, the Line does not contain federally granted right-of-way. Any documentation later found in petitioner's possession concerning this matter will be made available promptly to those requesting it.

Environmental and Energy Impact Historical Report

Attached are environmental and historical reports prepared and previously distributed in accordance with the Board's regulations (see Exhibit 7).

Passenger Service.

There is no passenger service on the Line.

Draft Federal Register Notice.

A draft notice of its petition to be published by the Board in the Federal Register within 20 days of the petition's filing and a copy of the draft notice contained on a computer diskette compatible with the Board's current word processing capabilities is attached.

The Abandonment Is Appropriate For Exemption

A petition for exemption from the prior approval and other requirements of the Interstate Commerce Commission Termination Act (ICCTA) and certain of the Board's abandonment regulations thereunder is more appropriate than a long-form application

for approval for abandonment of this Line. The expense and time required for preparation of the data for a long-form abandonment application, given the strict time frames for data requirements and the other precise procedures required in an application proceeding are unnecessary and unjustified where the facts so clearly justify an exemption. Because of the large avoidable loss and opportunity cost, the cost and delay of using the long-form procedure would be detrimental to NSR by increasing the costs of holding this line and delaying the benefits of its abandonment without corresponding benefit to the public, shippers on or off the Line or the Board in its handling of this matter.

To meet the principal concerns about lack of notice voiced in the past by shippers and others about rail carriers' use of petitions for exemption in abandonment cases, NSR's practice is to notify all shippers and interested government officials on lines proposed for abandonment through petitions for exemption. NSR has served copies of this petition on Webb Metals Limited, the last and only recent active customer on the Line and on appropriate state officials with a letter that advises that any comments or protests should be directed to the STB within 30 days of the filing of the petition. Newspaper notices concerning the filing of the petition were published in the county (Gaston County, NC) through which the Line runs (see Exhibit 8). NSR does not expect Webb Metals or any other party to oppose the abandonment of this Line, nor does it expect that anyone that might oppose the abandonment could rebut NSR's justification for the petition. Nonetheless, NSR is giving Webb Metals adequate notice

of the filing by mailing that business a copy of this petition by first class U. S. Mail, postage prepaid.

The petition procedure will also allow the Board to act more efficiently and expeditiously in handling this matter.

ARGUMENT

A. THE PROPOSED TRANSACTION MEETS THE STANDARDS FOR AN EXEMPTION UNDER 49 U.S.C. § 10502

Under 49 U.S.C. 10903, a railroad may not abandon or discontinue service over a rail line without the Board's prior approval. Under 49 U.S.C. 10502, however, the Board must exempt a transaction or service from regulation when it finds that: (1) continued regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either (a) the transaction or service is of limited scope, or (b) regulation is not necessary to protect shippers from the abuse of market power.

This petition clearly shows that the exemption criteria are met with respect to the subject abandonment. The Board does not need to provide the detailed scrutiny of this abandonment required by the use of a long-form application for abandonment of a railroad line under 49 U.S.C. 10903 to carry out the rail transportation policy set forth in 49 U.S.C. 10101. By minimizing the administrative expense of the application process, the Board's approval of an exemption in this proceeding will reduce regulatory barriers to exit in the railroad industry [49 U.S.C. 10101(7)]. This petition shows that there is no prospect that NSR can recover its costs of operation, maintenance and rehabilitation of

the line from the revenues from the small amount of traffic on the Line and that there is no prospect that traffic on the Line can increase to levels sufficient to provide such revenues. An exemption will also foster sound economic conditions and encourage efficient management in the rail industry by relieving NSR of the expense of maintaining a line that generates marginal amounts of traffic and revenue that are insufficient to cover its costs of operation, rehabilitation and maintenance of the line and by allowing NSR to apply its assets more productively elsewhere on its system [49 U.S.C. 10101(5) and (9)]. Other aspects of the rail transportation policy also will not be adversely affected.

Regulation of the proposed transaction is not necessary to protect shippers from the abuse of market power. The line is a dead-end branch line that carries no overhead traffic. The only recent active local shipper on the line does not need NSR's service. That shipper has adequate and economical transportation alternatives that it has used in past years and has used exclusively since February 2003. Moreover, that shipper's rail traffic, which is the only prospective traffic that might move over the line that is reasonably foreseeable is insufficient for NSR to recover its costs of operation, maintenance and rehabilitation in the line or to support reinvestment in either the line itself or equipment to provide rail service on the line. NSR has served a copy of its petition on that shipper, Webb Metals Limited. Nonetheless, should the Board so order, NSR will serve a copy of the Board's decision on Webb Metals Limited and certify to the Board that a copy of the decision has been sent to Webb Metals.

Given the finding regarding market power, it is not necessary to determine

whether the proposed transaction is limited in scope. However, it is quite clear from both the facts set forth in this petition and numerous decisions by the Board permitting abandonment of longer lines, lines over which more traffic had been moving, and lines where the avoidable loss or avoidable loss per mile of operating and maintaining a line was not as great as they are on this line that the proposed transaction is limited in scope.

Since under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a carrier of its statutory obligation to protect the interests of its employees, NSR is willing, as a condition to the Board granting this exemption, for the Board to order that the employee protective conditions set forth in Oregon Short Line R. Co.-- Abandonment--Goshen, 360 I.C.C. 91 (1979), apply to this transaction.

NSR has submitted an environmental report with its petition and has notified the appropriate Federal, state, and local agencies of the opportunity to submit information concerning the energy and environmental impacts of the proposed action. See 49 CFR 1105.11. NSR expects that the Board's Section of Environmental Analysis (SEA) to examine the environmental report, verify the data it contains, analyzed the probable effects of the proposed action on the quality of the human environment, served an environmental assessment and request comments. NSR anticipates that the Board will receive no substantive comments in response to the environmental assessment.

The environmental and historic reports show, and NSR believes SEA will find, that the proposed abandonment will not significantly affect the quality of the human environment or the conservation of energy resources or historic resources and that no

conditions dealing with these areas are required.

The right-of-way does not appear to be suitable for other public use following abandonment. NSR does not have notice that anyone will seek a public use condition or an interim trail use negotiation condition, and none should be imposed.

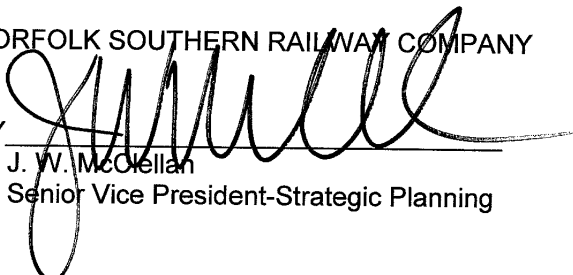
CONCLUSION

Wherefore, Norfolk Southern Railway Company, respectfully petitions the Board to exempt the abandonment of approximately 5.0 miles of its rail line between Milepost HG-47.0 at Gastonia, NC and Milepost HG-52.0 at Dallas (Gebo), NC, from the prior approval requirements of 49 U.S.C. 10903, et seq. and from further regulation under the ICCTA.

Respectfully submitted

NORFOLK SOUTHERN RAILWAY COMPANY

BY


J. W. McClellan

Senior Vice President-Strategic Planning

Dated August 20, 2003

Of Counsel:

**James R. Paschall
General Attorney
Norfolk Southern Railway Company
Three Commercial Place
Norfolk, Virginia 23510-2191
(757) 629-2759**

VERIFICATION

Commonwealth of Virginia)) ss
City of Norfolk)

J. W. McClellan makes oath and says that he is Senior Vice President Strategic Planning of Norfolk Southern Railway Company, the petitioner herein; that he has been authorized by the petitioner to verify and file with the Surface Transportation Board the foregoing petition in STB AB-290, Sub-No. 240X; that he has carefully examined all of the statements in the petition as well as the exhibits attached thereto and made a part thereof; that he has knowledge of the facts and matters relied upon in the petition; that all representations set forth therein are true and correct to the best of his knowledge, information, and belief.

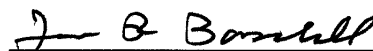

J. W. McClellan

Subscribed and sworn to before me, a notary public
in and for the State and County above named, this
20th day of August 2003.

My commission expires: 3-31-06

CERTIFICATE OF SERVICE

I certify that the foregoing petition has been served by first class mail, postage prepaid, on the Governor, Public Service Commission (or equivalent agency), the designated state agency of each State in which any part of the line of railroad sought to be abandoned or discontinued is situated, the United States Department of Defense (Military Traffic Management Command); U. S. Department of Agriculture, Chief of the Forest Service; National Park Service, Recreation Resources Assistance Division; National Park Service, Land Resources Division; Department of Interior (Bureau of Outdoor Recreation); and Webb Metals Limited, the only active shipper at Dallas(Gebo), NC receiving service on the Line within the past two years.


James R. Paschall

Dated: August 20, 2003

Federal Register: _____, 2000 (Volume 65, Number ____)]
[Notices]
[Page ____]

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board
[STB Docket No. AB-290 (Sub-No. 240X)]

Norfolk Southern Railway Company--Abandonment Exemption--In Gaston County,
North Carolina

On August 20, 2003, Norfolk Southern Railway Company (NSR) filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. 10502 for exemption from the provisions of 49 U.S.C. 10903, et. seq., to abandon a 5-mile dead-end branch line, extending between Milepost HG-47.0 at Gastonia, NC and Milepost HG-52.0 at Dallas(Gebo), NC (the Line). The Line traverses United States Postal Service Zip codes 28052, 28053, 28054 and 28034 and includes the stations of Gastonia, NC and Dallas, NC.

The Line does not contain federally granted rights-of-way. Any documentation in NSR's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions set forth in Oregon Short Line R. Co.--Abandonment--Goshen, 360 I.C.C. 91 (1979).

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by _____, 2003.

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each offer must be accompanied by a \$1,000 filing fee. See 49 CFR 1002.2(f)(25).

All interested persons should be aware that, following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for trail use/rail banking under 49 CFR 1152.29 will be due no later than _____, 2003. Each trail use request must be accompanied by a \$150 filing fee. See 49 CFR 1002.2(f)(27). All filings in response to this notice must refer to STB Docket No. AB-290 (Sub-No. 240X) and must be sent to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001, and (2) James R. Paschall, Norfolk Southern Railway Company, Three Commercial Place, Norfolk, VA 23510. Replies to the NSR petition are due on or before _____, 2003.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Services at (202) 565-1592 or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of

Environmental Analysis (SEA) at (202) 565-1545. [TDD for the hearing impaired is available at 1-800-877-8339.]

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact SEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: _____, 2003.

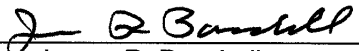
By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. _____ Filed _____]
BILLING CODE _____

CERTIFICATE OF PUBLICATION

I hereby certify that the attached Notice of Intent to Abandon Rail Service was published in The Gaston Gazette, Gaston County, North Carolina, on July 27, 2003.


James R. Paschall

Dated: August 20, 2003

AFFIDAVIT OF INSERTION OF ADVERTISEMENT
The Gaston Gazette

Gastonia, NC
Gaston County

I Carla Potter Legal Advertising Manager of the **The Gaston Gazette**, do certify that
the advertisement of NOTICE OF INTENT TO ABANDON RAIL SERVICE

Measuring 8.94 Inches appeared in The Gaston Gazette, a newspaper published in Gaston
County, Gastonia, NC, in issues

JULY 27, 2003

Carla Potter
Carla Potter

Legal Advertising Manager

Sworn to and subscribed before me this 27th day of July, 2003

Renee P. Phibbs
Notary Public



My Commission Expires March 5, 2008

**NOTICE OF INTENT TO
ABANDON RAIL SERVICE**

Norfolk Southern Railway Company gives notice that on or about August 20, 2003, it intends to file with the Surface Transportation Board* (STB), Washington, DC, 20423, a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903, et seq., permitting the abandonment of a 5.0-mile line of railroad between milepost HG-47.0, near Gastonia, and milepost HG-52.0 near Dallas/Gebbo, which traverses through United States Postal Services Zip Codes 28052, 28053, 28054 and 28034 in Gaston County, North Carolina. The proceeding will be docketed as No. AB-290 (Sub-No. 240x).

The STB's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petitions for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in an STB decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis, Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001 or by calling that office at 202-565-1545.

Appropriate offers of financial assistance to continue rail service can be filed with the STB. Request for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the STB. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use and offers of financial assistance) must be filed directly with the STB's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423-0001 (See 49 CFR 1104.1(a) and 1104.3(a)), and one copy must be served on applicant's representative (See 49 CFR 1104.12(a)). Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance at 202-927-7597. Copies of any comments or request for conditions should be served on the applicant's representative: James R. Paschall, General Attorney, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-9241, (757) 629-2759.

1C-July 27, 2003

EXHIBIT 1

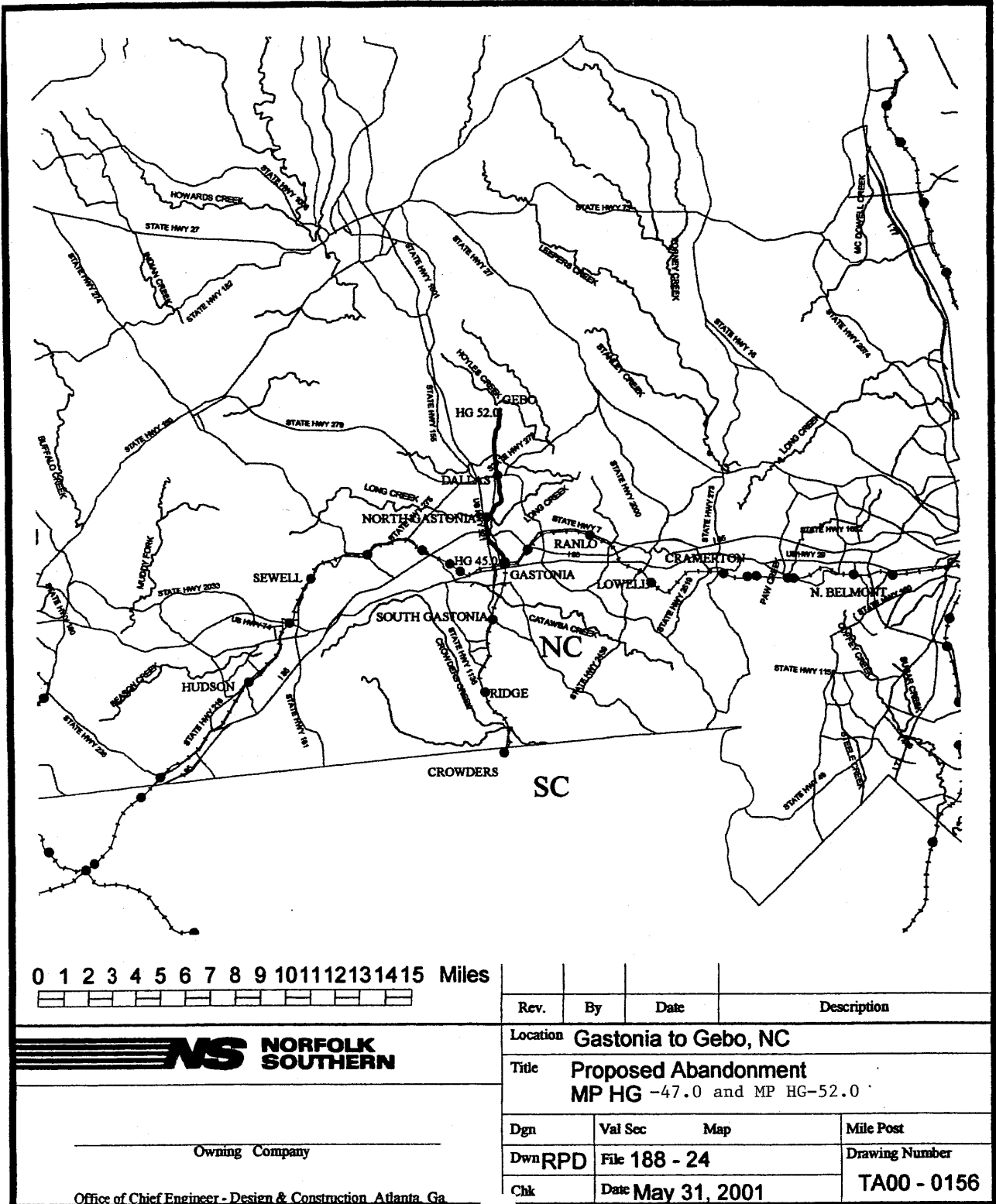


EXHIBIT 2

Page 1 of 1

NORFOLK SOUTHERN RAILWAY COMPANY
PRO FORMA TRAFFIC/REVENUE STATEMENT

GASTONIA, NORTH CAROLINA – DALLAS, NORTH CAROLINA

FROM JANUARY 1, 2002 TO DECEMBER 31, 2002

<u>STATION</u>	<u>CL</u> <u>TR*</u>	<u>STCC</u>	<u>CARS</u>	<u>TONS</u>	<u>NS REVENUE</u>
DALLAS NC	2A	SCRAP IRON	1	1,885	\$ 2,500
CLASS TOTAL	2A		1	1,885	\$ 2,500
DALLAS NC	3A	SCRAP IRON	66	3,366	\$27,468
CLASS TOTAL	3A		66	3,366	\$27,468
STATION TOTAL			67	5,251	\$29,968
STUDY TOTAL			67	5,251	\$29,968

- * Class traffic 2A originates on-branch and terminates off-branch on the NS system (outbound from the branch). Class traffic 3A originates on-branch, is interchanged to another carrier and terminates on another carrier (outbound from the branch).

EXHIBIT 3
Page 1 of 3

NORFOLK SOUTHERN RAILWAY COMPANY
PRO FORMA INCOME STATEMENT

RAILWAY OPERATING REVENUES AND EXPENSES* ON THE GASTONIA – DALLAS LINE, A
DISTANCE OF APPROXIMATELY 5.0 MILES, BETWEEN GASTONIA, NORTH CAROLINA, MILEPOST
HG-47.0 AND DALLAS, NORTH CAROLINA, MILEPOST HG-52.0

	BASE YEAR 1 / 67 CL	FORECAST YEAR 2 / 67 CL
REVENUES ATTRIBUTABLE FOR:		
1. Freight Originating or Terminating on Branch	\$ 29,947	\$ 30,276
Switching	0	0
Demurrage	0	0
2. Bridge traffic	0	0
3. All other revenue and income	0	0
4. TOTAL ATTRIBUTABLE REVENUE (Lines 1 through 3) (a)	\$ 29,947	\$ 30,276
AVOIDABLE COSTS FOR:		
5. ON-BRANCH COSTS:		
a. Way and Structures (b)	\$210,770	\$213,088
b. Equipment (c)	1,937	1,940
c. Transportation (d)	52,680	53,258
d. General and Administration (e)	0	0
e. Deadheading, Taxi and Hotel (f)	2,400	2,426
f. Overhead Movement	0	0
g. Freight Car Costs (Other Than Return) (e)	885	895
h. Return on Value – Locomotives (f)	180	0
i. Return on Value – Freight Cars (e)	8,361	8,453
j. Revenue Taxes	0	0
k. Property taxes	0	0
l. TOTAL (Lines 5a through 5k)	\$277,213	\$280,060
m. Holding Gain (Loss) – Locomotives (f)		1
n. Holding Gain (Loss) – Freight Cars (e)		971
o. NET ON-BRANCH COSTS (Lines 5l – 5m + 5n)	\$277,213	\$279,088
6. OFF BRANCH COSTS: (g)		
a. Off-Branch Costs (Other Than Return on freight cars)	\$ 8,793	\$ 8,890
b. Return on Value – Freight Cars	2,824	2,855
c. Holding Gain (Loss) – Freight Cars	3,151	0
d. NET OFF-BRANCH COSTS (Lines 6a + 6b – 6c)	8,466	11,745
7. TOTAL AVOIDABLE COSTS (Lines 5o + 6d)	\$285,679	\$290,833
SUBSIDIZATION COSTS FOR:		
8. Rehabilitation	0	0
9. Administrative Costs (Subsidy Year Only) (See Note 1)	0	0
10. Casualty Reserve Account (See Note 1)	0	0
11. TOTAL SUBSIDIZATION COST (Lines 8 through 10)	\$ 0	\$ 0
12. Valuation of Road Properties (See Note 2)		
a. Working Capital	\$ 11,310	\$ 11,427
b. Income Tax Consequences	-9,470	-16,063
c. Net Liquidation Value	25,594	43,414
d. TOTAL (Lines 12a through 12c)	\$ 27,434	\$ 38,778
13. Nominal Rate of Return (See Note 3)	16.18%	16.18%
14. Nominal Return on Value (Line 12d x 13)	\$ 4,439	\$ 6,274
15. Holding Gain (Loss) (See Note 4)		17,820
16. TOTAL RETURN OPN VALUE (Line 14 – 15)	\$ 4,439	\$-11,546
17. AVOIDABLE LOSS (PROFIT) FROM OPERATIONS (Line 4 – 7)	\$255,732	\$260,557
18. AVOIDABLE LOSS INCLUDING RETURN ON VALUE (Lines 4 – 7 + 16)	\$260,171	\$249,011

* Derived from Norfolk Southern Corporation (NS) combined railroad subsidiaries information.

1 / January 1 – December 31, 2002 is the Base Year

2 / January 1 – December 31, 2003 is the Forecast Year

EXHIBIT 3
Page 2 of 3

NORFOLK SOUTHERN RAILWAY COMPANY
PRO FORMA INCOME STATEMENT

- (a) Attributable branch traffic and revenues are for sixty-seven (67) carloads which originate at the branch's sole customer, Webb Metals, Dallas, North Carolina, Milepost HG-50.8. Forecast year revenues are base year revenues indexed by using the GDP inflator, 1.10.
- (b) The normalized annual Way and Structures (WS) expenses to operate the branch between Gastonia, North Carolina, Milepost HG-47.0 and Dallas, North Carolina, Milepost HG-52.0, at the FRA Class I (10 MPH) track and safety standards for the year 2002 are \$210,770. Forecast year WS expenses are \$213,088 which includes \$210,770, year 2002 normalized WS expenses, indexed to the forecast year, by using the GDP inflator, 1.10.
- (c) Equipment includes repairs and maintenance locomotives, totaling \$440, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b) (1), fringe benefits, totaling \$61, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b) (3), and depreciation locomotives, totaling \$1,436, which is calculated in accordance with provisions of 49 C.F.R. §1152.32(o) and §1152.33(b) (2), totaling \$1,937 for the base year. See footnote (d) concerning the statement of the train operation on-branch. Forecast year expenses are indexed by using the GDP inflator, 1.10.
- (d) Transportation expenses are based on the operation of a turnaround local train which is based at Charlotte, North Carolina. The local train serves the Gastonia to Dallas branch once a week on average. When the local train serves the Gastonia to Dallas branch, the crew incurs approximately 2.5 hours of overtime to serve the branch at the 10 MPH speed limit. Transportation expenses includes train and engine (T&E) labor, totaling \$48,871, which is calculated for the 2.5 hours overtime for the train operation on branch, T&E material account 21-31-57, totaling \$2, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c) (1) (i), train inspection and lubrication, totaling \$96, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c) (1) (i), locomotive fuel, totaling \$3,606, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c) (1) (ii), servicing locomotives, totaling \$104, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c) (1) (iv), and fringe benefits, totaling \$0, which is calculated in accordance with provisions of 40 C.F.R. §1152.33(c) (4) (i), totaling \$52,680 for the base year. Forecast year expenses are indexed by using the GDP inflator, 1.10.
- (e) Calculated in accordance with provisions of 49 C.F.R. §1152.32(g). Forecast year expenses are indexed by using the GDP inflator, 1.10.
- (f) Calculated in accordance with provisions of 49 C.F.R. §1152.32(h).
- (g) Off-branch costs are calculated in accordance with 49 C.F.R. §1152.32(n). Forecast year expenses are indexed by using the GDP inflator, 1.10.

NORFOLK SOUTHERN RAILWAY COMPANY
PRO FORMA INCOME STATEMENT

- Note 1. Omitted in accordance with provisions of Footnote 2 in 49 C.F.R. §1152.36
- Note 2. Total valuation of properties is the sum of working capital, income tax consequences and net liquidation value (NLV). Working capital is calculated in accordance with provisions of 49 C.F.R. §1152.34(c) (1) (i). The 2002 estimated income tax consequences are \$9,470; \$25,594 the net liquidation value of the track and structures between Gastonia, North Carolina, Milepost HG-47.0, and Dallas, North Carolina, Milepost HG-52.0, all of which will be sold as scrap, multiplied by 37%, the F.I.T. and state tax rates, totaling \$9,470. The forecasted estimated income tax consequences are \$16,063; \$43,414 the net liquidation value of the track and structures between Gastonia, North Carolina, Milepost HG-47.0, and Dallas, North Carolina, Milepost HG-52.0, all of which will be sold as scrap, multiplied by 37%, the F.I.T. and state tax rates, totaling \$16,063. The fair market value of right-of-way land held in fee is not available at this time.
- Note 3. The nominal before tax cost of capital rate of 16.18% for the forecast year is based on Railroad Cost of Capital -2001, Ex Parte No. 558, Service Date June 20, 2002.
- Note 4. Holding gain (loss) on road properties is calculated in accordance with provisions of 49 C.F.R (e). \$43,414, the net liquidation value for the line between Gastonia and Dallas at the end of the forecast year, less \$25,594, the net liquidation value of the line between Gastonia and Dallas for the current year and beginning of the forecast year, totaling \$17,820.

EXHIBIT 4**Page 1 of 2**

ATLANTA to way-03

RPD

NORFOLK SOUTHERN CORPORATION

NET LIQUIDATION VALUE ESTIMATE

Gastonia, NC to Gebo, NC

HG 47.0 - HG 52.0

5.00 MILES OF MAIN TRACK

GROSS VALUE:	ITEM	QUANTITY	UNIT	UNIT VALUE	GROSS VALUE
	132 #RAIL:	0.00 MI.	0 NT @	\$220 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	131 #RAIL:	0.00 MI.	0 NT @	\$200 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	130 #RAIL:	0.00 MI.	0 NT @	\$180 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	115 #RAIL:	0.00 MI.	0 NT @	\$352 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	112 #RAIL:	0.00 MI.	0 NT @	\$280 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	110 #RAIL:	0.00 MI.	0 NT @	\$192 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	100 #RAIL:	0.00 MI.	0 NT @	\$300 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	80 #RAIL:	0.00 MI.	0 NT @	\$99 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	75 #RAIL:	5.00 MI.	594 NT @	\$99 /NT =	\$58,806
	#OTM:		257 NT @	\$129 /NT =	\$33,089
	60 #RAIL:	0.00 MI.	0 NT @	\$99 /NT =	\$0
	#OTM:		0 NT @	\$129 /NT =	\$0
	TURNOUTS:		3 EA @	\$2,000 EA =	\$6,000
	CROSSTIES:	10 %	1,584 EA @	\$5.00 EA =	\$7,920
GROSS VALUE SUBTOTAL =					\$105,815

REMOVAL COSTS:

REMOVE TRACK AND REPAIR

GRADE CROSSINGS:	5.00 MI. @	\$14,000 /MI. =	(\$70,000)
REMOVE TURNOUTS:	3 EA @	\$500 EA =	(\$1,500)
HANDLING COSTS:	969 NT @	\$9.00 /NT =	(\$8,721)

REMOVAL COSTS SUBTOTAL = (\$80,221)

ESTIMATED NET LIQUIDATION VALUE = \$25,594
 Gastonia, NC to Gebo, NC

\$5,119 PER MILE

5.00 MILES OF MAIN TRACK

NLV OF TRACK MATERIALS ONLY

RPD

NORFOLK SOUTHERN CORPORATION

ATLANTA 16-May-03

EXHIBIT 4
Page 2 of 2NET LIQUIDATION VALUE ESTIMATE
Gastonia,NC to Gebo,NC
HG 47.0 - HG 52.0
5.00 MILES OF MAIN TRACK

GROSS VALUE:	ITEM	QUANTITY	UNIT	UNIT VALUE	GROSS VALUE
	132 #RAIL: 0.00 MI.	0	NT @	\$220 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	131 #RAIL: 0.00 MI.	0	NT @	\$200 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	130 #RAIL: 0.00 MI.	0	NT @	\$180 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	115 #RAIL: 0.00 MI.	0	NT @	\$352 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	112 #RAIL: 0.00 MI.	0	NT @	\$280 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	110 #RAIL: 0.00 MI.	0	NT @	\$192 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	100 #RAIL: 0.00 MI.	0	NT @	\$300 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	80 #RAIL: 0.00 MI.	0	NT @	\$99 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
	75 #RAIL: 5.00 MI.	594	NT @	\$129 /NT =	\$76,626
	#OTM :	257	NT @	\$129 /NT =	\$33,089
	60 #RAIL: 0.00 MI.	0	NT @	\$129 /NT =	\$0
	#OTM :	0	NT @	\$129 /NT =	\$0
TURNOUTS :		3	EA @	\$2,000 EA =	\$6,000
CROSSTIES: 10 %		1,584	EA @	\$5.00 EA =	\$7,920
GROSS VALUE SUBTOTAL =					\$123,635

REMOVAL COSTS:

REMOVE TRACK AND REPAIR

GRADE CROSSINGS:	5.00 MI. @	\$14,000 /MI. =	(\$70,000)
REMOVE TURNOUTS:	3 EA @	\$500 EA =	(\$1,500)
HANDLING COSTS:	969 NT @	\$9.00 /NT =	(\$8,721)

REMOVAL COSTS SUBTOTAL = (\$80,221)

ESTIMATED NET LIQUIDATION VALUE =
Gastonia,NC to Gebo,NC

=====

\$43,414

5.00 MILES OF MAIN TRACK

\$8,683 PER MILE

NLV OF TRACK MATERIALS ONLY

EXHIBIT 5

RPD
(NM)
10 MPH
CLASS I

NORFOLK SOUTHERN CORPORATION
NORMALIZED MAINTENANCE PROJECTION

ATLANTA 28-May-03

2002 to 2011

Gastonia, NC to Geko, NC

	MILEPOSTS HG										5.00 MILES MAIN TRACK	
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
ROUTINE WORK												
INSPECTION	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200		
GENERAL TRACK REPAIR	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900		
RAIL TESTING	400	400	400	400	400	400	400	400	400	400		
VEGETATION CONTROL	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100		
BRIDGE REPAIRS	10,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000		
ROUTINE SUBTOTAL	\$18,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600		
PROGRAM WORK												
RAIL RENEWAL												
TIMBER AND SURFACE	438,100											
BRUSH CUTTING												
DITCHING	9,000	9,000	2,500	9,000	9,000	2,500	9,000	9,000	2,500	9,000		
BRIDGE RENEWAL		22,000			40,000		940,000					
PROGRAM SUBTOTAL	\$447,100	\$9,000	\$33,500	\$9,000	\$48,000	\$11,500	\$949,000	\$9,000	\$11,500	\$447,100		
MAINTENANCE TOTAL	\$465,700	\$21,600	\$46,100	\$21,600	\$61,600	\$24,100	\$961,600	\$21,600	\$24,100	\$465,700		

MAINTENANCE SUMMARY:		ROUTINE WORK		PROGRAM WORK		LINE TOTAL	
		ROADWAY	BRIDGE	ROADWAY	BRIDGE		
TEN YEAR PROJECTED TOTAL =		86,000	46,000	973,700	1,002,000		\$2,107,700
ANNUAL COST FOR LINE =		8,600	4,600	97,370	100,200		\$210,770 ANNUAL NORMALIZED
ANNUAL COST PER MILE =		1,720	920	19,474	20,040		\$42,154 PER MILE NORMALIZED

EXHIBIT 6

NORFOLK SOUTHERN RAILWAY COMPANY
OPPORTUNITY COST STATEMENT

GASTONIA, NORTH CAROLINA – DALLAS, NORTH CAROLINA

1.	Current net liquidation value	\$ 25,594 ¹
2.	Cost of capital	x <u>.1618</u> ²
3.	Nominal opportunity cost (line 1 times line 2)	\$ 4,141
4.	Holding gain (loss)	<u>\$ 17,820</u> ¹
5.	Opportunity cost (line 3 less line 4)	(\$ 13,679)

¹ \$43,414, the net liquidation value for the line between Gastonia and Dallas, North Carolina, at the end of the forecast year, less \$25,594, the net liquidation value for the line between Gastonia and Dallas, North Carolina, for the current year and beginning of the forecast year totaling \$17,820 holding gain.

² Based on Railroad Cost of Capital - 2001, Ex Parte No. 558, Service Date June 20, 2002, the nominal before tax cost of capital is 16.18%

EXHIBIT 7

**ENVIRONMENTAL AND
HISTORIC REPORTS**

**ENVIRONMENTAL REPORT ON
PROPOSED RAIL LINE ABANDONMENT**

**NORFOLK SOUTHERN RAILWAY COMPANY
(BETWEEN MP HG-47.0 AND MP HG-52.0
GASTONIA TO DALLAS/GEBO, NORTH CAROLINA)**

.....
**NORFOLK SOUTHERN RAILWAY COMPANY
ENVIRONMENTAL PROTECTION DEPARTMENT
110 FRANKLIN ROAD, SE
ROANOKE, VIRGINIA 24042-0013**

**1-9-15-04
3-24-03**

(CRDAER.doc)

ENVIRONMENTAL REPORT ON PROPOSED RAIL LINE ABANDONMENT

**Abandonment of: 5.0 miles of track between MP HG-47.0 and MP HG-52.0 from
Gastonia to Dallas/Gebo, North Carolina**

1. PROPOSED ACTION AND ALTERNATIVES

Norfolk Southern Railway Company (hereinafter called NS) proposes to abandon use of 5.0 miles of rail line from Gastonia to Dallas/Gebo, North Carolina. A Map delineating the line proposed for abandonment is attached as **Appendix A**.

The two alternatives to abandonment of the entire line are:

1. to not abandon; or
2. to discontinue service on the line and retain the trackage in place.

Were the line not conveyed in the aforementioned manner, alternative #1 would preclude any temporary impacts from salvage for recycling of the rails and crossties. However, this would also eliminate the long-term environmental, social and benefits.

2. TRANSPORTATION SYSTEM

Effects of the proposed action on regional or local transportation systems and patterns are expected to be negligible. Within the last two years, 114 carloads moved on the line in 2001 and 67 carloads moved on the line in 2002. Traffic diversions are discussed in more detail in sections 4 and 5.

3. LAND USE

- (i) The proposed abandonment involves 5.0 miles of rail line from Gastonia to Dallas/Gebo, North Carolina. The land use along the rail line proposed

for abandonment of service is 30% residential, 50% commercial, and 20% agricultural. Where NS owns the right-of-way (ROW) it will be allowed to naturally revegetate. Where NS does not own the ROW, the owner and local zoning and development ordinances will control future land use.

With respect to effects of the proposed rail line abandonment on land use, NS believes any impact will be negligible. The small amount of traffic on the rail line proposed for abandonment indicates a substantial lack of rail dependent land uses in the service area. Inasmuch as only a small amount of rail traffic moved on the line over which service is to be abandoned, the abandonment is not expected to have any effect on existing land use, future land use, land use plans or the land use planning process. Therefore, the proposed abandonment is expected to be consistent with any land use plans for the service area.

(ii) Prime Agricultural Lands

No effects on any prime agricultural land are anticipated as a result of the abandonment.

(iii) Coastal Zone

Not Applicable

(iv) Alternative Public Use

NS does not have fee title to the entire ROW underlying the line proposed for abandonment; therefore, NS will not have a contiguous corridor available for public use. This factor, together with considerations related to location, physical condition, and adjacent conditions, leads NS to believe the ROW of the line proposed for abandonment would not be

suitable for highways, other forms of mass transit, energy production related transportation facilities, conservation or recreation corridors, or other public use.

4. ENERGY

(i) Development and Transportation of Energy Resources

Development and transportation of energy resources will not be affected by the abandonment. A small amount of freight traffic has moved on the line proposed for abandonment within the previous two years. Therefore, the abandonment of this line would not have a negative effect on development and transportation of energy resources.

(ii) Movement/Recovery of Recyclable Commodities

Movement/recovery of recyclable commodities will not be affected by the abandonment. The amount of freight or passenger traffic that has moved on the line is such that it can be readily transported by truck. Therefore, the abandonment would have no effect on movement or recovery of recyclable commodities.

(iii) Impact on Energy Efficiency

A limited amount of traffic has moved on the line proposed for abandonment in the past two years. In 2001, 114 carloads, containing a total of 10,089 tons of freight averaging 88.50 tons per carload were transported over the rail line. In 2002, 67 carloads, containing a total of 5,251 tons of freight averaging 78.37 tons per carload were transported over the rail line. Diversion of this traffic to highways paralleling the line proposed for abandonment would produce no significant energy impacts.

Based on the assumption that all freight moving by rail on the line proposed for abandonment is delivered by truck, calculation of net change in energy consumption is as follows:

- Assuming as follows: 1) a loaded truckload amounts to 18 tons, 2) trucks operate loaded one way with empty return, and 3) loaded/empty truck fuel consumption figures are 4.5 and 6.5 miles per gallon respectively. Therefore, the weighted average of diesel fuel required to annually move the same tonnage by truck is 1,018 gallons for 2001 and 558 gallons for 2002.
- To move the same amount of tonnage along the line by train involves the following:
 - **2001 Data:** An average round trip consists of 20 cars. In 2001, 114 cars were transported resulting in a total of 6 round trips. At 2.5 hours per trip, this yields a total of 15 locomotive hours. Assuming one locomotive unit (2,000 HP-GP 38 road switcher locomotive) is involved, fuel consumption by rail is 264 gallons (15 Locomotive hours x 17.6 gallons per hour). Therefore, transportation by truck requires an increase in diesel fuel consumption of 754 gallons (1,018 gal [by truck] - 264 gal [by train] = 754 gal).
 - **2002 Data:** An average round trip consists of 20 cars. In 2002, 67 cars were transported resulting in a total of 4 trips. At 2.5 hours per trip, this yields a total of 10 locomotive hours.

Assuming one locomotive unit (2,000 HP-GP 38 road switcher locomotive) is involved, fuel consumption is 176 gallons (10 Locomotive hours x 17.6 gallons per hour). Therefore, transportation by truck requires an increase in diesel fuel consumption of 382 gallons (558 gal [by truck] - 176 gal [by train] = 382 gal).

(iv) Diversion of Traffic to Motor Carriers

Rail traffic has moved on the line proposed for abandonment in the past two years. From January 2001 to December 2002, NS records indicate that the customers shipped 15,340 tons of freight (181 carloads, 114 in 2001 and 67 carloads, in 2002). This data indicates that diversion of this traffic to highways paralleling the affected line will result in less than 91 carloads per year or approximately 18 carloads per mile per year (91 carloads divided by 5 miles) being diverted to highway. Therefore, quantification of net change in energy consumption is not required.

5. AIR

The proposed action is abandonment and does not exceed Surface Transportation Board thresholds at 49 CFR 1105.7 (e)(5) and therefore does not require a quantified analysis of emissions.

(i) Effects on Air Emissions

Neither the State of North Carolina nor Gaston County has established analysis thresholds for air emissions; however, the state of North Carolina does have regulations regarding the emission of fugitive dust to ambient

air. These regulations are published in the North Carolina Air Quality Rules, Section 2D.0540 and are provided in **Appendix B**. United States Environmental Protection Agency (USEPA) has National Ambient Air Quality Standards for pollutants (including ozone) as found in 40 CFR Part 50; however, NS does not anticipate any adverse effect on North Carolina's air quality as a result of the proposed abandonment.

(ii) Class I or Non-Attainment Area

Gaston County, NC, is in attainment for all National Ambient Air Quality Standard (NAAQS) pollutants according to the USEPA. Gaston County, NC, is in attainment for ozone. NS does not believe any Class I or Non-Attainment areas would be affected by the proposed abandonment.

(iii) Ozone Depleting Materials

Not applicable. Transportation of ozone depleting materials (such as nitrogen oxide and freon) is not contemplated, since the proposed action is abandonment.

6. NOISE

The proposed action does not exceed Surface Transportation Board thresholds at 49 CFR 1105.7 (e)(6) and therefore does not require a quantified analysis of noise levels. Noise levels associated with rail removal or salvage operations are temporary and should not have a significant impact on the area surrounding the proposed abandonment.

There is no federal noise regulation according to the EPA. Neither Gaston County nor the State of North Carolina has established analysis thresholds for noise.

7. SAFETY

(i) Public Health and Safety

Abandonment of the captioned rail line will have no significant effect upon public health or safety. At grade crossings on the line to be abandoned, the potential for accidents and delays will be eliminated.

(ii) Hazardous Materials Transport

Not applicable. Action proposed is abandonment.

(iii) Hazardous Waste or Hazmat Spill Sites

NS has no knowledge of any hazardous waste sites or sites where there have been known hazardous material spills on the ROW of the line proposed for abandonment or which will be affected by this abandonment. A search of company records was conducted and comments were requested from federal, state and local agencies. A list of hazardous waste sites located in the county is provided in **Appendix C**.

8. BIOLOGICAL RESOURCES

- (i) The US Fish and Wildlife Service (USFWS) and/or the North Carolina Department of Environment and Natural resources Division of Parks and Recreation has indicated four endangered and/or threatened species which may occur in Gaston County. Detailed information is provided in **Appendix D** and summarized below:

**ENDANGERED AND/OR THREATENED SPECIES
GASTON COUNTY NORTH CAROLINA**

	Scientific Name	Common Name	Federal Status	State Status
Animals	<i>Clemmys muhlenbergii</i>	Bog turtle	LT*	LT
	<i>Haliaeetus leucocephalus</i>	Bald Eagle	LT	--
Plants	<i>Helianthus schweinitzii</i>	Schweinitz's sunflower	LE	--

LE – Listed Endangered

LT- Listed Threatened

* - Threatened due to similarity of appearance, not subject to Section 7 consultation.

-- Not Applicable

NS is not aware of any critical habitat that would be destroyed or modified as a result of the proposed abandonment. Since salvage operations will be handled generally within the ROW, NS does not believe that any endangered species that might be present would be adversely affected. NS is willing to undertake reasonable mitigating actions to protect any endangered species that might be encountered in connection with abandonment activities.

(ii) Sanctuaries, Refuges and Parks

Based on the site investigation and comments received from government agencies, the line segment proposed for abandonment does not pass through any state forests/parks, national forests/parks, or wildlife sanctuaries. No adverse effects on any wildlife sanctuary, National Park, or State Park are anticipated.

9. WATER

(i) Water Quality Standards

NS does not intend to either appreciably remove or alter the contour of the roadbed underlying the rail line to be abandoned. The areal extent of disturbed areas will be kept to a minimum and limited to the ROW wherever possible. Since there are no plans to undertake in-stream work, or dredge and/or fill any materials in connection with the proposed abandonment, no water quality impacts are expected in connection with the proposed action. Therefore, NS considers the abandonment to be consistent with any applicable Federal, State, and/or local water quality standards.

(ii) Wetlands/100-Year Flood Plains

The rail line proposed for abandonment crosses the South Fork of the Catawba River, Little Long Creek, Long Creek and passes through 100-year flood plains and wetlands associated with these waterways. Since the geometry of the roadbed will not be significantly altered, no discernible effects on either 100-year flood plains or wetlands are expected in connection with the proposed abandonment. Consequently, NS does not believe a Section 404 permit will be required in connection with the proposed abandonment.

(iii) Section 402 Permit

Inasmuch as NS does not intend to either appreciably remove or alter the contour of the roadbed underlying the rail line to be abandoned, undertake significant in-stream work, or dredge and/or fill any materials in

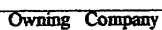
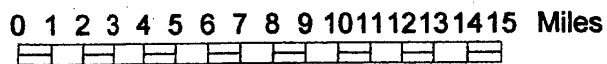
connection with the proposed abandonment, water quality effects should be negligible. NS does not believe that a permit under Section 402 of the Federal Water Pollution Control Act will be required.

10. PROPOSED MITIGATION

Abandonment of the involved rail line is not expected to produce adverse environmental impacts. Only minimal physical activity associated with removal of rail, ties, and other railroad appurtenances will be produced by the proposed action. NS will undertake all reasonable mitigation associated with these activities to assure that physical activities associated with the abandonment do not produce adverse environmental effects.

APPENDIX A

Site Map



Rev.	By	Date	Description
Location Gastonia to Gebo, NC			
Title Proposed Abandonment MP HG -47.0 and MP HG-52.0			
Dgn	Val Sec	Map	Mile Post
Dwn RPD	File 188 - 24		Drawing Number
Chk	Date May 31, 2001		TA00 - 0156

APPENDIX B

Fugitive Dust Regulation

SECTION .0400 - AMBIENT AIR QUALITY STANDARDS**.0401 PURPOSE**

(a) The purpose of the ambient air quality standards set out in this Section is to establish certain maximum limits on parameters of air quality considered desirable for the preservation and enhancement of the quality of the state's air resources. Furthermore, the objective of the Commission, consistent with the North Carolina Air Pollution Control Law, shall be to prevent significant deterioration in ambient air quality in any substantial portion of the state where existing air quality is better than the standards. An atmosphere in which these standards are not exceeded should provide for the protection of the public health, plant and animal life, and property.

(b) Ground level concentrations of pollutants will be determined by sampling at fixed locations in areas beyond the premises on which a source is located. The standards are applicable at each such sampling location in the state.

(c) No facility or source of air pollution shall cause any ambient air quality standard in this Section to be exceeded or contribute to a violation of any ambient air quality standard in this Section except as allowed by Rules .0531 or .0532 of this Subchapter.

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. December 1, 1992; October 1, 1989; July 1, 1984.*

.0402 SULFUR OXIDES

(a) The ambient air quality standards for sulfur oxides measured as sulfur dioxide are:

- (1) 80 micrograms per cubic meter (0.03 p.p.m.) annual arithmetic mean,
- (2) 365 micrograms per cubic meter (0.14 p.p.m.) maximum 24-hour concentration not to be exceeded more than once per year,
- (3) 1300 micrograms per cubic meter (0.5 p.p.m.) maximum three-hour concentration not to be exceeded more than once per year.

(b) Sampling and analysis shall be in accordance with procedures in

Appendix A 40 CFR Part 50 or equivalent methods established under 40 CFR Part 53.

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. July 1, 1984; December 1, 1976.*

.0403 TOTAL SUSPENDED PARTICULATES

(a) The ambient air quality standards for total suspended particulate matter are:

- (1) 75 micrograms per cubic meter annual geometric mean,
- (2) 150 micrograms per cubic meter maximum 24-hour concentration not to be exceeded more than once per year.

(b) Sampling and analysis shall be in accordance with procedures in Appendix B of 40 CFR Part 50 or equivalent methods established under 40 CFR Part 53.

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. July 1, 1988; July 1, 1984; October 15, 1981.*

.0404 CARBON MONOXIDE

(a) The ambient air quality standards for carbon monoxide are:

- (1) 9 parts per million (10 milligrams per cubic meter) maximum eight-hour average concentration not to be exceeded more than once per year,
- (2) 35 parts per million (40 milligrams per cubic meter) maximum one-hour average concentration not to be exceeded more than once per year.

(b) Sampling and analysis shall be in accordance with procedures in Appendix C 40 CFR Part 50 or equivalent methods established under 40 CFR Part 53.

(c) An eight-hour average shall be considered valid if at least 75 percent of the hourly averages for the eight-hour period are available. In the event that only six or seven hourly averages are available, the eight-hour average shall be computed on the basis of the hours available using six or seven as the divisor.

(d) When summarizing data for comparison with the standards, averages shall be stated to one decimal place. Comparison of the data

with the levels of the standards in parts per million shall be made in terms of integers with fractional parts of 0.5 or greater rounding up.

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. October 1, 1989; July 1, 1984; December 1, 1976.*

.0405 OZONE

The ambient air quality standard for ozone measured by a reference method based on Appendix D of 40 CFR Part 50 and designated according to 40 CFR Part 53 is 0.08 parts per million (ppm), daily maximum 8-hour average. The standard is attained at an ambient air quality monitoring site when the average of the annual fourth-highest daily maximum 8-hour average ozone concentration is less than or equal to 0.08 parts per million (ppm) as determined by Appendix I of 40 CFR Part 50, or equivalent methods established under 40 CFR Part 53.

*History Note: Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. April 1, 1999; July 1, 1984; July 1, 1979;
December 1, 1976.*

.0406 HYDROCARBONS

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. December 1, 1976;
Repealed Eff. July 1, 1984.*

.0407 NITROGEN DIOXIDE

(a) The ambient air quality standard for nitrogen dioxide is 0.053 parts per million (100 micrograms per cubic meter) annual arithmetic mean.

(b) Sampling and analysis shall be in accordance with procedures in Appendix F 40 CFR Part 50 or equivalent methods established under 40 CFR Part 53.

(c) The standards are attained when the annual arithmetic mean concentration in a calendar year is less than or equal to 0.053 parts per million, rounded to three decimal places (fractional parts equal to or

greater than 0.0005 parts per million are rounded up). To demonstrate attainment, an annual mean must be based on hourly data that are at least 75 percent complete or on data derived from manual methods that are at least 75 percent complete for the scheduled sampling days in each calendar quarter.

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. February 1, 1976;
Amended Eff. October 1, 1989; July 1, 1984; December 1, 1976.*

.0408 LEAD

The ambient air quality standard for lead and its compounds, measured as elemental lead by a reference method based on Appendix G of 40 CFR Part 50 or by an equivalent method established under 40 CFR Part 53, is 1.5 micrograms per cubic meter, maximum arithmetic mean over a calendar quarter.

*History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. June 1, 1980;
Amended Eff. July 1, 1984.*

.0409 PM10 PARTICULATE MATTER

(a) The ambient air quality standards for PM10 particulate matter are:

- (1) 150 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), 24-hour average concentration; and
- (2) 50 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), annual arithmetic mean.

These standards are attained when the annual arithmetic mean concentration is less than or equal to $50 \mu\text{g}/\text{m}^3$, and when the 99th percentile 24-hour concentration is less than or equal to $150 \mu\text{g}/\text{m}^3$, as determined according to Appendix N of 40 CFR Part 50.

(b) For the purpose of determining attainment of the standards in Paragraph (a) of this Rule, particulate matter shall be measured in the ambient air as PM10 (particles with an aerodynamic diameter less than or equal to a nominal 10 micrometers) by either:

- (1) a reference method based on Appendix M of 40 CFR Part 50 and designated according to 40 CFR Part 53; or
- (2) an equivalent method designated according to 40 CFR Part 53.

*History Note: Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. July 1, 1988;
Amended Eff. April 1, 1999.*

.0410 PM2.5 PARTICULATE MATTER

(a) The ambient air quality standards for PM2.5 particulate matter are:

- (1) 15.0 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), annual arithmetic mean concentration; and
- (2) 65 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), 24-hour average concentration.

These standards are attained when the annual arithmetic mean concentration is less than or equal to $15.0 \mu\text{g}/\text{m}^3$ and when the 98th percentile 24-hour concentration is less than or equal to $65 \mu\text{g}/\text{m}^3$, as determined according to Appendix N of 40 CFR Part 50.

(b) For the purpose of determining attainment of the standards in Paragraph (a) of this Rule, particulate matter shall be measured in the ambient air as PM2.5 (particles with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers) by either:

- (1) a reference method based on Appendix L of 40 CFR Part 50 and designed according to 40 CFR Part 53; or
- (2) an equivalent method designed according to 40 CFR Part 53.

*History Note: Authority G.S. 143-215.3(a)(1); 143-215.107(a)(3);
Eff. April 1, 1999;*

- (C) a date by which on-site construction or installation of the emission control and process equipment shall be completed; and
 - (D) a date by which final compliance shall be achieved.
- (3) The final compliance date under Subparagraph (2)(D) of this Paragraph shall be no later than July 1, 2001.

The owner or operator shall certify to the Director within five days after the deadline, for each increment of progress, whether the required increment of progress has been met.

(i) The owner or operator of a facility that begins construction after June 30, 1996, shall be in compliance with this Rule before beginning operation.

*History Note: Authority G.S. 143-215.3(a)(1); 143-215.66; 143-215.107(a)(5);
Eff. July 1, 1996.
Amended Eff. April 1, 2001.*

**.0540 PARTICULATES FROM FUGITIVE NON-PROCESS DUST
EMISSION SOURCES**

- (a) For the purpose of this Rule the following definitions shall apply:
- (1) "Fugitive non-process dust emission" means particulate matter that is not collected by a capture system and is generated from areas such as pit areas, process areas, haul roads, stockpiles, and plant roads.
 - (2) "Substantive complaints" means complaints that are verified with physical evidence acceptable to the Division.
- (b) The owner or operator of a facility required to comply with rules 15A NCAC 2D .0506, Particulates from Hot Mix Asphalt Plants, .0509, Particulates from Mica or Feldspar Processing Plants, .0510, Particulates from Sand, Gravel, or Crushed Stone Operations, or .0511, Particulates from Lightweight Aggregate Processes, shall not cause or allow fugitive non-process dust emissions to cause or contribute to substantive complaints.
- (c) If fugitive non-process dust emissions from a facility required to comply with this Rule cause or contribute to substantive complaints, the owner or operator of the facility shall:
- (1) within 30 days upon receipt of written notification from the Director of a second substantive complaint in a 12-month period, submit to the Director a written description of what has been done and what will be done to reduce fugitive non-process dust

emissions from that part of the facility that caused the second substantive complaint;

- (2) within 90 days of receipt of written notification from the Director of a second substantive complaint in a 12-month period, submit to the Director a control plan as described in Paragraph (e) of this Rule; and
 - (3) within 30 days after the Director approves the plan, be in compliance with the plan.
- (d) The Director may require that the owner or operator of a facility covered by Paragraph (b) of this Rule, develop and submit a fugitive non-process dust control plan as described in Paragraph (e) of this Rule if:
- (1) ambient air quality measurements or dispersion modeling acceptable to the Division show violation or a potential for a violation of an ambient air quality standard for particulates in 15A NCAC 2D .0400; or
 - (2) if the Division observes excessive fugitive non-process dust emissions from the facility beyond the property boundaries.

The control plan shall be submitted to the Director no later than 90 days after notification. The facility shall be in compliance with the plan within 30 days after the Director approves the plan.

(e) The fugitive dust control plan shall:

- (1) identify the sources of fugitive non-process dust emissions within the facility;
- (2) describe how fugitive non-process dust will be controlled from each identified source;
- (3) contain a schedule by which the plan will be implemented;
- (4) describe how the plan will be implemented, including training of facility personnel; and
- (5) describe methods to verify compliance with the plan.

(f) The Director shall approve the plan if he finds that:

- (1) the plan contains all required elements in Paragraph (e) of this Rule;
- (2) the proposed schedule contained in the plan will reduce fugitive non-process dust emissions in a timely manner;
- (3) the methods used to control fugitive non-process dust emissions are sufficient to prevent fugitive non-process dust emissions from causing or contributing to a violation of the ambient air quality standards for particulates; and
- (4) the described compliance verification methods are sufficient to verify compliance with the plan.

If the Director finds that the proposed plan does not meet the requirements of this Paragraph he shall notify the owner or operator of the facility of any deficiencies in the proposed plan. The owner or operator shall have 30 days after receiving written notification from the Director to correct the deficiencies.

(g) If after a plan has been implemented, the Director finds that the plan inadequately controls fugitive non-process dust emissions, he shall require the owner or operator of the facility to correct the deficiencies in the plan. Within 90 days after receiving written notification from the Director identifying the deficiency, the owner or operator of the facility shall submit a revision to his plan to correct the deficiencies.

*History Note: Authority G.S. 143-215.3(a)(1); 143-215.107(a)(5);
143-215.108(c)(7);
Eff. July 1, 1998.*

.0541 CONTROL OF EMISSIONS FROM ABRASIVE BLASTING

(a) For the purpose of this Rule, the following definitions apply:

- (1) "Abrasives" means any material used in abrasive blasting operations.
- (2) "Abrasive blasting" means the operation of cleaning or preparing a surface by forcibly propelling a stream of abrasive material against the surface. Sandblasting is one form of abrasive blasting.
- (3) "Abrasive blasting equipment" means any equipment used in abrasive blasting operations.
- (4) "Fugitive dust emissions" means emissions of particulate matter into the outdoor atmosphere that is not vented or captured by a stack or chimney.
- (5) "Building" means a structure with four or more sides and a roof that is used, in whole or in part, to house or contain abrasive blasting.

(b) The owner or operator shall ensure that any abrasive blasting operation conducted outside a building or conducted indoors and vented to the atmosphere is performed in accordance with the requirements set forth in 15A NCAC 2D .0521, Control of Visible Emissions. For the purposes of this Rule, the visible emissions reading for abrasive blasting performed outside a building shall be taken at a spot approximately one meter above the point of abrasive blasting with a viewing distance of approximately five meters.

(c) Except as provided in Paragraph (d) of this Rule, all abrasive blasting operations shall be conducted within a building.

APPENDIX C

Hazardous Waste Sites

JUN-20-01 07:47

P.04

R-274

Job-603

FROM 9197153605 SOLID WASTE DIV

06.20.2001 07:37

P. 4

ID #	SITE NAME	ADDRESS	CITY
NCD0037180439 Number of Sites: 6	TOASTMASTER, INCORPORATED	OLD LAUREL HILL CHURCH	LAURINBURG
NCD988171320 NCD0003162642 NONCD0001083 NONCD0000083 NCD980557730 NONCD0000001 Number of Sites: 6	ALCOA BADIN LANDFILL ALCOA BADIN WORKS ARROWOOD, INC CAROLINA MARBLE CO. CAROLINA SOLITE CORPORATION STANLY NEWS & PRESS	SR 1704 HWY 740 13183 INDIAN MOUND ROAD INDIAN MOUND ROAD SR 2001 237 W NORTH STREET	BADIN BADIN NORWOOD ALBEMARLE NORWOOD ALBEMARLE
COUNTY: STOKES NONCD0000001 Number of Sites: 1	DUKE POWER/WALNUT COVE	POWER HOUSE ROAD	WALNUT COVE
COUNTY: SURRY NONCD0000016 NONCD0000085 NCD003233673 NCD988188379 NCD003228358 NCD003484765 Number of Sites: 6	CMC LANDFILL CMI INDUSTRIES HOOVER REPAIR SHOP PILOT MOUNTAIN TIRE FIRE SCM PROCTOR-SILEX/WEAREVER VAUGHAN-BASSETT FURNITURE CO.	EAST MAIN STREET 304 EAST MAIN STREET 481 N SOUTH STREET DAVENPORT ROAD HAY ST ROUTE 288 EAST	ELKIN ELKIN MT AIRY PILOT MOUNTAIN MOUNT AIRY ELKIN
COUNTY: SWAIN NCD098765506 NC312000002 Number of Sites: 2	SINGER CO/FURNITURE DIV BRYSON SWAIN COUNTY LANDFILL	GIBBONS AVE STATE ROAD 1311	BRYSON CITY BRYSON CITY
COUNTY: TRANSYLVANIA NCD980502827 NCD003152329 NCD980729877 NCD003188675 NCD980728745 Number of Sites: 5	BROWN #1 DUPONT EI DE NEMOURS & CO. KNOB CREEK FLYASH DISPOSAL OLIN CORPORATION ECUSTA PAPER OSHIELDS FLY ASH	SR 1504 VANDERBILT RD STATION ROAD SR 1540 VANDERBILT RD SR 1810	PISGAH FOREST CEDAR MOUNTAIN BREVARD PISGAH FOREST BREVARD
COUNTY: UNION NONCD0001088 NCD001245989 NCD988176030 NCD981863228 NCD095458709 NCD003155587 NCD000618518 NCSFND406894 NCD986191484	GENCORP PRINTWORLD INC RADIATOR SPECIALTY CO. RHODERA DRIVE WELLS SCHERER, R.P. SCHRADER AUTOMOTIVE PRODUCTS SCOTT AVIATION OF MONROE/TOOL SCOVILL INC/SECURITY PRODUCTS STALLINGS SALVAGE STOUT INTERNATIONAL OF NC, INC	2011 ROCKY RIVER ROAD 800 RADIATOR RD LAKEWOOD & RHODERA 2021 E. ROOSEVELT BLVD. 1609 AIRPORT ROAD 309 W. CROWELL ST HWY 74 E SECRET AVE HIGHWAY 74 EAST	MONROE MATTHEWS STALLINGS MONROE MONROE MONROE MONROE MONROE MONROE

Tuesday, April 03, 2001

Page 19 of 22

JUN-20-01 07:47

P.03

R-274

Job-603

FROM 9197153605 SOLID WASTE DIV

06.20.2001 07:37

P. 3

ID #	SITE NAME	ADDRESS	CITY
NCD081428104	SUN CHEM CORPORATION/GPI DIV	2400 OLD LEXINGTON ROAD	WINSTON-SALEM
NCD000008361	SUPERIOR ELECTRO FINISHES	115 EAST POLO ROAD	WINSTON SALEM
NCD002880158	THIELE-ENGDAHL, INCORPORATED	1100 FAIRCHILD RD	WINSTON-SALEM
NCD083485991	VARCO-PRUDEN BUILDINGS	1140 WEST MOUNTAIN	KERNERSVILLE
NCD003213907	WESTERN ELECTRIC CO/AT&T	3300 LEXINGTON RD, SE	WINSTON-SALEM
NCD986188845	WINSTON-SALEM COAL GAS PLANT NO.	BETWEEN EAST 3RD & 4TH	WINSTON-SALEM
NCD986188852	WINSTON-SALEM COAL GAS PLANT NO.	HIGH STREET & BRANCH	WINSTON-SALEM
Number of Sites: 24			
GASTON Co.			
NCD088074821	AMERICAN HOECHST SOU-TEX	625 EAST CATAWBA AVE	MT. HOLLY
NCD000815872	AMP INCORPORATED	1280 SHANNON-BRADLEY RD	GASTONIA
NCD986178838	ASHE PATTERN SHOP (FORMER)	4411 BEATY ROAD	GASTONIA
NCD980559637	BEAUNIT CORP./DYING & FINISHING	LINBERGER STREET	LOWELL
NCD080502801	BIGGERSTAFF LANDFILL	HWY 274	GASTONIA
NCD003184010	CARTER, A B INCORPORATED	4801 YORK HWY	GASTONIA
NCD044444735	CROMPTON & KNOWLES CORP.	SPENCER MT RD	LOWELL
NONCD0001027	CROWDERS MOUNTAIN STATE PARK	CROWDERS MOUNTAIN	GASTONIA
NCD986178644	DAVIS PARK ROAD TCE SITE	2307 DAVIS PARK ROAD	GASTONIA
NCD986172817	FORBES ROAD WELLS	501 FORBES ROAD	GASTONIA
NCD003148291	GASTON COUNTY DYEING MACHINE	HWY 27 EAST	MOUNT HOLLY
NCD981277922	GASTON COUNTY DYEING MACHINE	200 S MAIN ST	STANLEY
NCD986188828	GASTONIA COAL GAS PLANT	CALDWELL ROAD	GASTONIA
NCD002374445	GASTONIA INDUSTRIAL TRUCK	HEMPHILL ROAD	GASTONIA
NCD986186882	HARWELL ROAD SEPTIC PIT	HARWELL ROAD	GASTONIA
NCD000998344	HICKORY GROVE ROAD TCE	HICKORY GROVE ROAD	MOADENVILLE
NCD084283189	HOOVER MACHINE SHOP	RATCHFORD ROAD	GASTONIA
NCD980728802	JADDO-HUGHES	SR 2035	BELMONT
NCD986176828	LEE'S MOTOR WORKS	BEATY ROAD	GASTONIA
NCD000771964	LITHIUM CORP. OF AMERICA /FMC	HWY 161	BESSEMER CITY
NCD986223170	MCBESS INDUSTRIES	OLD HWY 321	HIGH SHOALS
NCD985083004	MOORE CO., INC/EASCO HAND TOOLS	ISLEY RD	GASTONIA
NCD986171379	NEW HAVEN DRIVE TCE	NEW HAVEN DRIVE	GASTONIA
NCD986187128	NORTH BELMONT PCE SITE	WOODLAND ROAD	NORTH BELMONT
NONCD0000089	PARTON'S MOTOR COMPANY	2800 SOUTH YORK ROAD	GASTONIA
NCD081249417	TEXTRON INC/HOMELITE DIV.	3800 LITTLE MOUNTAIN RD	GASTONIA
NONCD0001028	TOOMEY PROPERTY	1020 HICKORY GROVE ROAD	SPRINGWOOD
NCD003164464	UNIROYAL INC/UNIROYAL CHEMICAL	214 W RUBY AVE	GASTONIA
NCD986170878	WOOD ROAD DRUM BURIAL	WOOD ROAD/CR 2841	GASTONIA
NCD986166288	WOODY'S TIRE FIRE	HIGHWAY 321	GASTONIA
Number of Sites: 30			
COUNTY: GRAHAM			
NCD024770125	BURLINGTON FURNITURE	ATOAH STREET	ROBBINSVILLE
NCD412000001	GRAHAM COUNTY MUNICIPAL LANDFILL	ATOHAH ROAD SR 1112	ROBBINSVILLE
Number of Sites: 2			

Tuesday, April 03, 2001

Page 8 of 22

APPENDIX D
Federal and State Threatened and
Endangered Species Listings

**ENDANGERED, THREATENED, AND CANDIDATE SPECIES
AND FEDERAL SPECIES OF CONCERN,
GASTON AND STANLY COUNTIES, NORTH CAROLINA**

This list was adapted from the North Carolina Natural Heritage Program's County Species List. It is a listing, for Gaston and Stanly Counties, of North Carolina's federally listed and proposed endangered, threatened, and candidate species and Federal species of concern (for a complete list of rare species in the state, please contact the North Carolina Natural Heritage Program). The information in this list is compiled from a variety of sources, including field surveys, museums and herbariums, literature, and personal communications. The North Carolina Natural Heritage Program's database is dynamic, with new records being added and old records being revised as new information is received. Please note that this list cannot be considered a definitive record of listed species and Federal species of concern, and it should not be considered a substitute for field surveys.

Critical habitat: Critical habitat is noted, with a description, for the counties where it is designated or proposed.

Aquatic species: Fishes and aquatic invertebrates are noted for counties where they are known to occur. However, projects may have effects on downstream aquatic systems in adjacent counties.

COMMON NAME	SCIENTIFIC NAME	STATUS
GASTON COUNTY		
Vertebrates		
Bog turtle	<i>Clemmys muhlenbergii</i>	T(S/A) ¹
Bald eagle	<i>Haliaeetus leucocephalus</i>	Threatened (proposed for delisting)
Vascular Plants		
Georgia aster	<i>Aster georgianus</i>	C1
Schweinitz's sunflower	<i>Helianthus schweinitzii</i>	Endangered
STANLY COUNTY		
Vertebrates		
Carolina darter	<i>Etheostoma collis collis</i>	FSC
Bald eagle	<i>Haliaeetus leucocephalus</i>	Threatened (proposed for delisting)
Invertebrates		
Brook floater	<i>Alasmidonta varicosa</i>	FSC
Carolina creekshell	<i>Villosa vaghaniana</i>	FSC
Vascular Plants		
Georgia aster	<i>Aster georgianus</i>	C1
Schweinitz's sunflower	<i>Helianthus schweinitzii</i>	Endangered
Butternut	<i>Juglans cinerea</i>	FSC

COMMON NAME	SCIENTIFIC NAME	STATUS
Heller's trefoil	<i>Lotus helleri</i>	FSC
Savanna cowbane	<i>Oxypolis ternata</i>	FSC
Yadkin River goldenrod	<i>Solidago plumosa</i>	FSC*
Riverbank vervain	<i>Verbena riparia</i>	FSC*

KEY:

Status	Definition
Endangered	A taxon "in danger of extinction throughout all or a significant portion of its range."
Threatened	A taxon "likely to become endangered within the foreseeable future throughout all or a significant portion of its range."
C1	A taxon under consideration for official listing for which there is sufficient information to support listing.
FSC	A Federal species of concern--a species that may or may not be listed in the future (formerly C2 candidate species or species under consideration for listing for which there is insufficient information to support listing).
T(S/A)	Threatened due to similarity of appearance (e.g., American alligator)--a species that is threatened due to similarity of appearance with other rare species and is listed for its protection. These species are not biologically endangered or threatened and are not subject to Section 7 consultation.

Species with 1, 2, 3, or 4 asterisks behind them indicate historic, obscure, or incidental records.

*Historic record - the species was last observed in the county more than 50 years ago.

**Obscure record - the date and/or location of observation is uncertain.

***Incidental/migrant record - the species was observed outside of its normal range or habitat.

****Historic record - obscure and incidental record.

¹In the November 4, 1997, *Federal Register* (55822-55825), the northern population of the bog turtle (from New York south to Maryland) was listed as T (threatened), and the southern population (from Virginia south to Georgia) was listed as T(S/A) (threatened due to similarity of appearance). The T(S/A) designation bans the collection and interstate and international commercial trade of bog turtles from the southern population. The T(S/A) designation has no effect on land-management activities by private landowners in North Carolina, part of the southern population of the species. In addition to its official status as T(S/A), the U.S. Fish and Wildlife Service considers the southern population of the bog turtle as a Federal species of concern due to habitat loss.

APPENDIX E

Agency Responses

North Carolina
Department of Environment and Natural Resources
Division of Parks and Recreation

Michael F. Easley, Governor
William G. Ross Jr., Secretary
Philip K. McKnelly, Director



June 25, 2001

Mr. Rory Mullenex
Marshall Miller & Associates
P.O. Box 848
Bluefield, VA 24605-0848

Subject: Proposed abandonment of two segments of Norfolk Southern Railway Company lines;
Gaston and Stanly counties, NC

Dear Mr. Mullenex:

The Natural Heritage Program has no record of rare species, significant natural communities, or priority natural areas at the site nor within a mile of the site for the Stanly County project.

On the other hand, our Program has records of the bog turtle (*Clemmys muhlenbergii*) located in the vicinity of the Gaston County project. This reptile is State Threatened and Federal Threatened due to Similarity of Appearance (with northern populations of bog turtles). A more detailed accounting of the bog turtle sites, management, and other important information about the location of the species is enclosed. This material was recently published in the Natural Heritage Inventory of Gaston County, N.C. (2000), by Dr. Alan May. Because of the concern we have over protection of this turtle, we request that your Environmental Report on this project does not give the precise location of the turtle records, in order to protect the sites from collectors. We recommend consultation with the Asheville office of the U.S. Fish and Wildlife Service (828-258-3939) if there is any potential for the proposed project to negatively impact the bog turtle populations.

You may wish to check the N.C. Natural Heritage Program database website at www.ncsparks.net/nhp/search.html for a listing of rare plants and animals and significant natural communities in Rockingham County and on the topographic quad map. Please do not hesitate to contact me at 919-715-8687 if you have questions or need further information.

Sincerely,

Harry E. LeGrand, Jr., Zoologist
Natural Heritage Program

Enclosure

1615 Mail Service Center, Raleigh, North Carolina 27699-1615
Phone: 919-733-4181 \ FAX: 919-715-3085 61 nternet: www.enr.state.nc.us/ENR/
AN EQUAL OPPORTUNITY \ AFFIRMATIVE ACTION EMPLOYER - 50% RECYCLED / 10% POST CONSUMER PAPER



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Asheville Field Office
160 Zillicoa Street
Asheville, North Carolina 28801

June 28, 2001

Mr. David L. Wilson
Program Manager
Marshall Miller & Associates
P.O. Box 848
Bluefield, Virginia 24605-0848

Dear Mr. Wilson:

Subject: Norfolk Southern Railway Company Proposed Abandonment of Two Railways
between Gastonia and Gebo in Gaston County, North Carolina, and between Halls
Ferry Junction and Albemarle in Stanly County, North Carolina

We received your fax dated June 15, 2001, in which you requested our comments on the proposed abandonment of the subject railway segments. The following comments are provided in accordance with the provisions of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531-1543) (Act).

Enclosed is a list of species from Gaston and Stanly Counties that are on the *Federal List of Endangered and Threatened Wildlife and Plants* and species of Federal concern that may occur in the project impact area. Although our records indicate no known locations of these species in the immediate project area, we recommend surveying the area for them prior to any further planning or on-the-ground activities to ensure that no adverse impacts occur to these species. We are particularly concerned that the endangered Schweinitz's sunflower (*Helianthus schweinitzii*) and Georgia aster (*Aster georgianus*), two plant species of Federal concern, could occur along the railroad right-of-way. Species of Federal concern are not legally protected under the Act and are not subject to any of its provisions, including Section 7, unless they are formally proposed or listed as endangered or threatened. We are including these species in our response to give you advance notification.

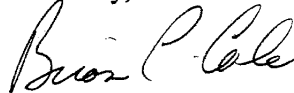
In addition, your environmental assessment of the impacts of this project should also include, at a minimum, the following information, if pertinent:

- (1) A description of the fishery and wildlife resources within the proposed acquisition area that may be affected, directly or indirectly, by the proposed project.
- (2) The acreage and a description of wetlands that will be filled as a result of the proposed project. Wetlands affected by the proposed project should be mapped in accordance with the *Federal Manual for Identifying and Delineating Jurisdictional Wetlands*. We recommend contacting the U.S. Army Corps of Engineers to determine the need for a Section 404 Clean Water Act permit.
- (3) The extent (linear feet as well as discharge) of any water courses that will be impacted (including riparian impacts) as a result of the proposed project. A description of any streams should include the classification (Rosgen 1995, 1996) and a description of the biotic resources. Impacts should include an assessment of increased or centralized run-off.
- (4) The mitigation measures that will be employed to avoid, eliminate, reduce, or compensate for habitat value losses (wetland, riverine, and upland) associated with any phase of the proposed project. We are particularly interested in the removal of culverts or other structures that may be blocking aquatic species passage or otherwise altering stream hydrology.

We would also like you to consider adding these two areas to the National Rails to Trails Conservancy network of trail systems (Rails to Trails Conservancy, 1100 17th Street NW., 10th Floor, Washington, D.C. 20036). These areas could provide wildlife habitat and significant greenways for the local communities, providing additional opportunities for outdoor recreation.

We appreciate the opportunity to provide these comments and request that you continue to keep us informed as to the progress of this project. If you have questions, please contact Mr. Allen Ratzlaff of our staff at 828/258-3939, Ext. 229. In any future correspondence concerning this project, please reference our Log Number 4-2-01-481.

Sincerely,



Brian P. Cole
State Supervisor

Enclosure

Lance Barbour

From: Sue Regier <sue.regier@ncmail.net>
To: <lance.barbour@mma1.com>
Sent: Wednesday, August 01, 2001 2:45 PM
Subject: Proposed Rail Abandonments - Gaston & Stanly Counties, NC

TO: Lance Barbour, Staff Scientist
Marsha;; Miller & Associates

Subject: Proposed Abandonments - MP 45.0 - 52.0 (Gastonia to Gebo NC)

I have reviewed the maps of proposed rail alignments in Gaston and Stanly counties in NC. These abandonments are not within the boundaries of a North Carolina State Park.

Thank you for the opportunity to these proposed rail abandonments. If you need further assistance, please let me know.

--
Sue Regier, Head
Resource Management Program
NC Division of Parks and Recreation
MSC 1615
Raleigh NC 27699-1615

voice: 919-715-8694
fax: 919-715-3085

email: Sue.Regier@ncmail.net

ATTACHMENT 1

CONSULTATIONS

**Environmental Report on Proposed Rail Line Abandonment
Gastonia to Gebo, NC
Milepost (HG-47.00 to HG-52.0)**

Report Recipients

Sir	FirstName	LastName	PrimaryAddress	City	State	Zip	Date Sent
Mr.	Bill	Ross	NC Department. of Environment and Natural Resources 1600 Mail Service Center	Raleigh	NC	27699- 1601	3/24/03
Mr.	Doug	Huggett	NC Department of Natural Resources Division of Coastal Management P.O. Box 27687	Raleigh	NC	27611	3/24/03
Ms.	Jennifer	Stultz, Mayor	P.O. Box 1748	Gastonia	NC	28053	3/24/03
Mr.	Sam	Rhync, Mayor	210 North Holland Street	Dallas	NC	28034	3/24/03
Mr.	Phillip G.	Ponder	Gaston Interim County Manager P.O. Box 1578	Gastonia	NC	28053	3/24/03
Mr.	Stanley	Meiberg	USEPA - Region 4 Sam Nunn Atlanta Federal Center 61 Forsyth Street SW	Atlanta	GA	30303	3/24/03
Mr.	Allen	Ratzlaff	US Fish and Wildlife Service 160 Zillicoa Street	Asheville	NC	28801	3/24/03
Mr.	Wayne	Wright	US Army Corps of Engineers P.O. Box 1890	Wilmington	NC	28402	3/24/03
Mr.	William	Schenk	National Park Service, Southeast Region 100 Alabama Street SW 1924 Building	Atlanta	GA	30303	3/24/03
Mr.	Shawn	Smith	USDA District Conservationist 1303 Cherryville Highway	Dallas	NC	28034	3/24/03
Mr.	Edward	McKay	National Geodetic Survey 1315 East Highway	Silverspring	MD	20910	3/24/03
Ms.	Jan	Winters	Gaston County P.O. Box 1578	Gastonia	NC	28053	3/24/03
Mr.	Harry	LeGrand	NC Natural Heritage Program 1615 Mail Service Center	Raleigh	NC	27699	3/24/03
Mr.	L. G.	Western	Norfolk Southern Railway Co.	Roanoke	VA	24042	3/24/03
Mr.	J. R.	Paschall	Norfolk Southern Corporation	Norfolk	VA	23510	3/24/03
Ms.	J. M.	Creekmore	Norfolk Southern Corporation	Norfolk	VA	23510	3/24/03



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Harry LeGrand
Division of Parks and Recreation
North Carolina Natural Heritage Program
1615 Mail Service Center
Raleigh, North Carolina 27699-1615

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. LeGrand:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller', written over a horizontal line.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Ms. Jan Winters, *County Manager*
Gaston County
P.O. Box 1578
Gastonia, North Carolina 28053-1578

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Ms. Winters:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller".

K. R. Miller
Director Environmental Operations

CRDAlet

Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Edward J. McKay, *Chief Spatial Reference*
National Geodetic Survey
1315 East Highway
Silverspring, Maryland 20910

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. McKay:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller', with a long horizontal flourish extending to the right.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Shawn Smith
USDA District Conservationist
1303 Cherryville Highway
Dallas, North Carolina 28034

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Smith:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller', with a stylized flourish at the end.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. William Schenk, *Regional Director*
National Park Service, Southeast Region
100 Alabama Street SW
1924 Building
Atlanta, Georgia 30303

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Schenk:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller'.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Wayne Wright, *Division Chief*
United States Army Corps of Engineers
P.O. Box 1890
Wilmington, North Carolina 28402-1890

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Wright:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller', with a stylized flourish at the end.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Allen Ratzlaff
United States Fish and Wildlife Service
160 Zillicoa Street
Asheville, North Carolina 28801-1082

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Ratzlaff:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", written over a horizontal line.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Stanley Meiberg, *Deputy Administrator*
United States Environmental Protection Agency – Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street SW
Atlanta, Georgia 30303-3104

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Meiberg:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller', written over a horizontal line.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Phillip G. Ponder, *Gaston Interim County Manager*
P.O. Box 1578
Gastonia, North Carolina 28053-1578

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Ponder:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller", written over a horizontal line.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Sam Rhyne, *Mayor*
210 North Holland Street
Dallas, North Carolina 28034

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Rhyne:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller'.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Ms. Jennifer Stultz, *Mayor*
P.O. Box 1748
Gastonia, North Carolina 28053

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Ms. Stultz:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. R. Miller', written over a horizontal line.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Doug Huggett, *Permit Coordinator*
North Carolina Department of Natural Resources
Division of Coastal Management
P.O. Box 27687
Raleigh, North Carolina 27611

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Huggett:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in dark ink, appearing to read 'K. R. Miller', written over a horizontal line.

K. R. Miller
Director Environmental Operations

CRDAlet
Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore



Norfolk Southern Corporation
Environmental Protection
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0013

March 24, 2003
1-9-5-4

Mr. Bill Ross, *Secretary*
NC Department of Environment and Natural Resources
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

Subject: Norfolk Southern Railway Company Proposed Main Line Abandonment of 5.0
Miles of Rail Line Located between Milepost HG-47.0 and Milepost HG-52.0
from Gastonia to Dallas/Gebo, NC

Dear Mr. Ross:

Norfolk Southern plans to file an application with the Surface Transportation Board (STB) seeking authority to abandon rail service from MP HG-47.0 to MP HG-52.0 (Gastonia to Dallas/Gebo, NC) in Gaston County, North Carolina. Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, or if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington DC 20423-001, Telephone (202) 565-1552 and refer to the above Docket. Because applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing our application with the STB, we must receive your comments within three weeks. Please either provide a copy of your comments by mail at the address shown on this letterhead or provide information by telephone to Mr. Larry Western at (540) 981-4239.

Sincerely,

A handwritten signature in black ink, appearing to read "K. R. Miller".

K. R. Miller
Director Environmental Operations

CRDAlet

Attachment

c: L. G. Western
J. R. Paschall
J. M. Creekmore

ATTACHMENT #2

HISTORIC REPORT



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

James R. Paschall
General Attorney

Writer's Direct Dial Number

(757) 629-2752

July 21, 2003

Mr. William S. Price, Jr., Director
Division of Archives and History
Department of Cultural Resources
109 East Jones Street
Raleigh, NC 27611

Re: Docket No. AB-290 (Sub-No. 240X), Norfolk Southern Railway Company --
Abandonment -- between Gastonia and Dallas/Gebo, North Carolina

Dear Mr. Price:

On or about August 20, 2003, we expect to be filing with the Surface Transportation Board a petition for exemption seeking authority to abandon 5.0 miles of rail line located between railroad milepost HG-47.0 at Gastonia and railroad milepost HG-52.0 at Dallas/Gebo, North Carolina. Attached is a Historic Report describing the proposed action and any expected historic effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the Board's independent environmental analysis of this proceeding. If you believe any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, N.W., Washington, D. C. 20423-0001, Telephone (202) 565-1545, and refer to the above Docket. Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments (with a copy to me) would be appreciated within 3 weeks.

Your comments will be considered by the Board in evaluating the historic impacts of the contemplated action. If there are any questions concerning this proposal, please contact me directly at the above telephone number or address.

Yours very truly,

A handwritten signature in cursive script that reads "James R. Paschall" followed by a small mark.

James R. Paschall

HISTORIC REPORT
PROPOSED RAIL LINE ABANDONMENT

PROPOSED ACTION AND ALTERNATIVES

Norfolk Southern Railway Company (NSR) proposes to abandon 5.0 miles of rail line between Milepost HG-47.0 at Gastonia and Milepost HG-52.0 at Dallas/Gebo, North Carolina. A map delineating the line proposed for abandonment is attached as Appendix "A".

The alternatives to abandonment of the line are to not abandon or to discontinue service on the line, retaining the trackage in place. Neither of these alternatives is economically feasible for NSR.

ADDITIONAL INFORMATION

- (1) **U.S.G.S. Topographic Map** -- Maps were furnished to the Division of Archives and History of the North Carolina Department of Cultural Resources.
- (2) **Written Description of Right of Way** -- The right of way width is 50 feet on each side of the main track centerline. The line passes through commercial (50%), residential (30%) and agricultural (20%) areas.
- (3) **Photographs** -- Photographs of the bridge were furnished to the Division of Archives and History of the North Carolina Department of Cultural Resources.
- (4) **Date of Construction of Structures** -- Construction dates are shown on the Bridges and Structures Listing attached to this report.
- (5) **History of Operations and Changes Contemplated** -- The Norfolk Southern Railway Company (NSR) line of railroad that is the subject of the related petition to

the Surface Transportation Board (STB) for an exemption from the prior approval requirements of the Interstate Commerce Commission Termination Act to abandon that rail line is a 5.0-mile rail line between Milepost HG-47.0 at Gastonia, North Carolina and Milepost HG-52.0 at Dallas (Gebo), North Carolina in Gaston County, North Carolina. The line was built in 1880 by Norfolk Southern Railway Company's predecessor, The Kings Mountain Railroad Company, with assistance from The Charlotte and South Carolina Railroad Company.

The Kings Mountain Railroad Company was incorporated by an act of the South Carolina legislature, passed December 19, 1848 for the purpose of building a line of railroad between Yorkville and some convenient point on the Charlotte and South Carolina Railroad. Under this charter, the Kings Mountain Railroad Company built a line between Yorkville, SC and the Charlotte and South Carolina Railroad, a distance of twenty-three (23) miles, which was opened in 1852. It was operated for ten years until it was wrecked during the Civil War.

The Charlotte and South Carolina Railroad Company aided the reconstruction and extension of the former Kings Mountain Railroad Company, after a consolidation agreement was executed by the Kings Mountain Railroad Company and the Carolina Narrow Gauge Railroad Company to form the Chester and Lenoir Narrow Gauge Railroad Company on April 3, 1874. The rebuilt and extended narrow gauge rail line was opened between Chester, SC and Lincolnton, NC, a distance of sixty-three (63) miles, in 1880. The segment of line between Gastonia, NC and Dallas (Gebo), NC was part of this Chester, SC - Lincolnton, NC line.

The Lenoir and Chester line was later operated under a lease of September 22, 1882 by the Charlotte, Columbia and Augusta Railroad Company, which had become part of the Richmond and Danville Railroad system, under the name of Chester and Lenoir Railroad Company. The lease was executed in part in order to gain assistance for completion of the line to Lenoir, NC. Thereafter, forty-six (46) miles of railroad line between Lincolnton, NC and Lenoir, NC were added to the Chester and Lenoir Railroad by construction. The portion of the line between Newton, NC and Hickory, NC, a distance of about 10 miles, was completed by laying a third rail in the track of the Western North Carolina Railroad, over which trackage rights were secured by contract. The extension between Lincolnton and Lenoir opened June 2, 1884.

The Charlotte, Columbia and Augusta Railroad Company also leased the Cheraw and Chester Railroad Company line on September 29, 1882. This company's narrow-gauge line connected with the Chester and Lenoir Railroad and extended between Chester, SC and Lancaster, SC, a distance of twenty-nine (29) miles.

The Richmond and Danville Railroad Company entered into a ninety-nine (99) year lease of the Charlotte, Columbia and Augusta Railroad Company property, dated May 1, 1886, and thus assumed operation of the Chester and Lenoir Narrow Gauge Railroad Company property under its own name. This lease was abrogated on July 31, 1893, along with the Richmond and Danville Railroad Company's ninety-nine (99) year lease of the Chester and Lenoir Narrow Gauge Railroad Company.

When separate receivers were appointed to take charge of the main line property of the Charlotte, Columbia and Augusta Railroad Company on August 1, 1893, those receivers disowned the lease of 1882 of the Chester and Lenoir and left the property in the hands of the Richmond and Danville Railroad Company Receivers. The Richmond and Danville Receivers in turn declined to continue operation of the Chester and Lenoir Narrow Gauge Railroad Company because it did not even pay its operating expenses. They surrendered possession of the line to the Chester and Lenoir Narrow Gauge Railroad Company on December 1, 1893. A separate receiver was appointed for the Chester and Lenoir, who continued in possession of the property until 1897. Thus, the Chester and Lenoir was excluded from the Richmond Terminal reorganization.

When the Chester and Lenoir was still in the hands of the receiver, an independent reorganization was proposed and authority therefor was obtained in an Act of North Carolina entitled An Act to incorporate the Carolina and Northwestern Railway Company, ratified March 11, 1895, which provided for a new corporation which might purchase the property of the Chester and Lenoir and thereunder extend its line through the counties of Caldwell and Watauga to a point on the State line of Tennessee in the last named county, thus contemplating a connection with the East Tennessee and Western North Carolina Railroad.

Later this new corporation took title to the Chester and Lenoir Railroad property on February 8, 1897, from the purchasers thereof in foreclosure of the second mortgage dated July 1, 1880.

In the spring of 1898, the Carolina and Northwestern Railway Company negotiated a contract with Southern Railway Company, under which it removed its third rail from the Western North Carolina Railroad Company line between Newton, NC and Hickory, NC, and constructed in lieu thereof a line of its own upon a right of way parallel with the Western North Carolina granted by Southern Railway Company.

Southern Railway Company acquired 16,710 of the 16,963 of common stock and all 11,000 shares of preferred stock, but not the 95 shares of Common Stock Voting Trust Certificates, of the Carolina and Northwestern Railway Company under a transaction embodied in an agreement dated August 7, 1903 between The Standard Trust Company and William A. Barber, former President of the Carolina and Northwestern Railway Company, but did not register them in its name until 1951. Then it did so under ICC authority granted in Finance Docket No. 17158, Carolina & Northwestern Railway Company Control, 282 ICC 803 (1951), June 7, 1951. Southern Railway acquired three additional shares of the C&NW Common Stock in 1951 and 50 additional shares of C&NW Common Stock on January 20, 1958.

In 1910, Carolina and Northwestern Railway Company merged with the Caldwell and Northern Railroad Company. C&NW assumed the Caldwell and Northern First Mortgage Bonds. Southern Railway Company had acquired the stock of the Caldwell and Northern in the transaction with William A. Barber. This mortgage constituted a first lien on the 20.3 miles of Carolina and Northwestern

Railway Company line between Lenoir, NC and Edgemont, NC, which was abandoned pursuant to ICC authority in Finance Docket No. 11723, Carolina & Northwestern Railway Company Abandonment, 228 ICC 68 (1938), decided April 27, 1938. After the abandonment, Carolina and Northwestern Railway Company continued to operate the remainder of its railroad consisting of 112.29 miles of line between Chester, SC and Lenoir, NC and 9.07 miles of trackage rights over Southern Railway Company's line between Newton, NC and Hickory, NC, under an agreement of June 12, 1902, until 1951, when its operations were expanded through the leasing of four additional, widely separated short line subsidiaries of Southern Railway Company under ICC authority granted in Finance Docket No. 17158, Carolina & Northwestern Railway Company Control, 282 ICC 803 (1951), June 7, 1951.

The four Carolina and Northwestern Railway Company leases dated July 1, 1951, were to run until December 31, 2000, subject to termination on six months notice. They provided for the combined operation in the Carolina and Northwestern name only of the following properties: the Blue Ridge Railway Company ("Anderson Division"), 44.03 miles of line between Belton, SC and Walhalla, SC; the Danville and Western Railway Company ("Martinsville Division"), 50.55 miles of line between Stokesville, VA and Fieldale, VA with branches to Leaksville, NC and Martinsville, VA; the High Point, Randleman, Asheboro and Southern Railroad Company ("Asheboro Division"), 27.46 miles of line between High Point, NC and Asheboro, NC; and Yadkin Railroad Company ("Albemarle Division"), 43.11 miles of line

between Albemarle, NC and Yadkin Junction (Salisbury) NC, including 10.82 miles from Halls Ferry Junction to Whitney, and from Whitney to Badin under contract from Carolina Aluminum Co., and 1.35 miles of trackage rights between Yadkin Junction and Spencer, NC.

On June 12, 1957, C&NW paid off the entire principal amount of the Caldwell and Northern 5% First Mortgage Bonds.

Carolina and Northwestern Railway Company merged into the old Norfolk Southern Railway Company on January 1, 1974, pursuant to ICC Finance Docket Nos. 27078, 27079.

Norfolk Southern Railway Company abandoned 10.4 miles of rail line between Dallas (milepost HG 52.0) and Lincolnton (milepost HG 62.4) in Gaston and Lincolnton Counties, NC pursuant to authority granted in ICC Docket No. 125 (Sub-4F), *Norfolk Southern Railway Co. -- Abandonment -- Between Dallas and Lincolnton, NC*, 46 FR 31392, June 15, 1981. This abandonment left the remaining segment north of the main line between Gastonia, NC and Dallas, NC as an approximately five-mile long, dead end branch line or spur.

Norfolk Southern Corporation, a non-carrier holding company, was incorporated in the Commonwealth of Virginia on July 23, 1980. An Agreement of Merger and Reorganization, dated July 31, 1980, was the basis for Norfolk Southern Corporation control of Norfolk and Western Railway Company and Southern Railway Company and their subsidiaries. Norfolk and Western Railway Company was headquartered in Roanoke, Virginia. Southern Railway Company was

headquartered in Washington, DC with a substantial number of its offices also in Atlanta, Georgia. Norfolk Southern Corporation acquired control of Norfolk and Western Railway Company and Southern Railway Company on June 1, 1982, pursuant to approval granted by the Interstate Commerce Commission (ICC) in a decision dated March 19, 1982 in ICC Finance Docket No. 29430 (Sub-No. 1), Norfolk Southern Corporation -- Control -- Norfolk and Western Railway Company and Southern Railway Company, 366 I.C.C. 173; 1982 ICC LEXIS 52 (1982).

In October 1982, Norfolk Southern Corporation established its corporate headquarters at Norfolk, Virginia. Norfolk Southern Corporation and its subsidiaries continue to maintain a small office staff in Washington, DC, a substantial number of staff offices in Roanoke, Virginia and Atlanta, Georgia and, since 1999, a significant number of offices in Philadelphia, Pennsylvania and Harrisburg, Pennsylvania.

Two books on the Norfolk and Western Railway Company and Southern Railway Company systems provide detailed information on their history and development to the time of the Norfolk Southern consolidation. They are: E. F. Pat Striplin, *The Norfolk And Western: A History* (Roanoke, VA: The Norfolk and Western Railway Co., 1981) and Burke Davis, *The Southern Railway: Road Of The Innovators* (Chapel Hill, NC: University of North Carolina Press, 1985).

Books on Gaston County history include *Early History of Belmont and Gaston County, North Carolina*, by Robert Lee Stowe, Publisher: Laney-Smith; (June 1997) ISBN: 0962448877; *History of Gaston County*, by Minnie Stowe Puett, Publisher: Laney-Smith; (May 1998), ISBN: 0962448885; and *Gaston County, A Pictorial*

History, by Robert Leonard Williams, Publisher: Donning; ASIN: 0898650046. The main locations of the Gaston County Public Library and the Lincoln County Public Library both house a North Carolina Collection. These are non-circulating reference collections of historical and cultural materials that focus primarily on Gaston and Lincoln Counties but include North Carolina as a whole. Lesser emphasis is given to bordering states such as South Carolina, Georgia, Virginia, and Tennessee.

After the consolidation of Norfolk and Western Railway Company and Norfolk Southern Railway Company, the Carolina and Northwestern Railway name was revived and Norfolk Southern Railway Company's name was changed to Carolina and Northwestern Railway Company to avoid confusion with the holding company.

Durham and South Carolina Railroad Company was merged into Carolina and Northwestern Railway Company on April 1, 1987.

Danville and Western Railway Company was merged into Carolina and Northwestern Railway Company on July 1, 1987.

Assets of Blue Ridge Railway Company were transferred to Carolina and Northwestern Railway Company and the Blue Ridge Railway Company was dissolved November 18, 1987.

In 1987, Southern Railway Company purchased approximately 200 miles of railroad line between Haleyville, AL and Fulton, KY from Illinois Central Railroad for \$38 million. Also, NSR acquired trackage rights over about 154 miles of IC railroad line between Fulton, KY and Centralia, IL.

Carolina and Northwestern Railway Company was merged into Southern

Railway Company on June 1, 1988.

On October 28, 1988, Southern Railway Company filed an application under 49 U.S.C. 10903, et seq., for a certificate of public convenience and necessity permitting it to abandon 14.6 miles of railroad between milepost HG-77.0 south of Newton and milepost HG-62.4 at Lincolnton, in Catawba and Lincoln Counties, NC. The ICC granted the abandonment authority for this line in ICC Docket No. AB-290 (Sub-No. 52), *Southern Railway Company - Abandonment - Between Newton and Lincolnton in Catawba and Lincoln Counties, NC*, dated March 31, 1989.

Effective December 31, 1990, Southern Railway Company changed its name to Norfolk Southern Railway Company. Norfolk and Western Railway Company became a wholly-owned subsidiary of Norfolk Southern Railway Company rather than a subsidiary of Norfolk Southern Corporation.

The Wabash Railroad Company was merged into the Norfolk and Western Railway Company on November 12, 1991. Norfolk and Western Railway Company had controlled and leased the property of the Wabash Railroad Company since 1964, pursuant to Interstate Commerce Commission authorization.

Southern Railway Company-Carolina Division, a wholly-owned subsidiary of Norfolk Southern Railway Company, was merged into NSR on July 1, 1996, pursuant to an STB decision served May 22, 1996. The Southern Railway Company-Carolina Division property, which had been leased to Southern Railway Company in 1902, consisted of 409 miles of railroad line in North Carolina and South Carolina at the time of the merger.

The Atlanta and Charlotte Airline Railway Company was merged into Norfolk Southern Railway Company on August 1, 1996. Southern Railway Company had leased The Atlanta and Charlotte Airline Railway Company property consisting of 255 miles of road between Charlotte, NC and Armour (Atlanta), GA in Georgia, South Carolina and North Carolina since 1894. Prior to that time, a Southern Railway Company predecessor, The Richmond and Danville Railroad Company, had leased the property of The Atlanta and Charlotte Airline Railway Company under an agreement dated March 28, 1881.

As of August 30, 1996, NSR's wholly-owned subsidiary, The Cincinnati, New Orleans and Texas Pacific Railway Company, renewed its lease of the line of railroad of the Cincinnati Southern Railway under an agreement with the City of Cincinnati expiring in 2026, with the option to extend 25 years to December 31, 2051 (which must be exercised on or before January 1, 2022).

In October 1996, Norfolk and Western Railway Company paid the outstanding bonds issued under the Norfolk and Western Railway Company First Consolidated Mortgage of October 22, 1896, payable October 1, 1996. The mortgage trustee, Bankers Trust Company, delivered a Release, Satisfaction and Discharge to Norfolk and Western Railway Company on January 31, 1997. All Norfolk and Western Railway Company properties became free of any system mortgage.

Pursuant to a notice of exemption filed in STB Finance Docket No. 33648, Norfolk Southern Railway Company--Merger Exemption--Norfolk and Western

Railway Company, served August 31, 1998, Norfolk Southern Railway Company (NSR) merged Norfolk and Western Railway Company (NW) into NSR, effective September 1, 1998.

Norfolk Southern Corporation ("NSC"), parent to Norfolk Southern Railway Company ("NSR"), entered into a Transaction Agreement (the "Conrail Transaction Agreement") among NSC; NSR; CSX Corporation ("CSX"); CSX Transportation, Inc. ("CSXT"), a wholly-owned subsidiary of CSX; Conrail Inc. ("CRR"); Consolidated Rail Corporation ("Conrail"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC, dated June 10, 1997, pursuant to which CSX and NSC indirectly acquired all the outstanding capital stock of CRR. The Conrail Transaction Agreement was approved by the Surface Transportation Board ("STB") in a decision served July 23, 1998 in STB Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc.; Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Leases/Agreements - Conrail Inc. and Consolidated Rail Corporation. The transaction was closed and became effective June 1, 1999.

Pursuant to the Conrail Transaction Agreement, certain Conrail assets were allocated to Pennsylvania Lines LLC ("PRR"), a wholly-owned subsidiary of Conrail. Furthermore, pursuant to the Conrail Transaction Agreement, PRR's assets, in turn, were leased to and are operated by NSR under the terms of an allocated assets operating agreement between PRR and NSR (the "NSR Operating Agreement") with an original term of twenty-five (25) years from the effective date of June 1, 1999, and two optional renewal terms of five (5) years each. The Conrail Transaction

Agreement permitted NSR to operate and to enter into various transactions with regard to the assets allocated to PRR. As a result of the Conrail Transaction, Norfolk Southern Railway Company's rail operations grew to include some 7,200 miles of the Conrail system (predominately the former Pennsylvania Railroad), creating balanced rail transportation in the East to benefit customers and communities alike.

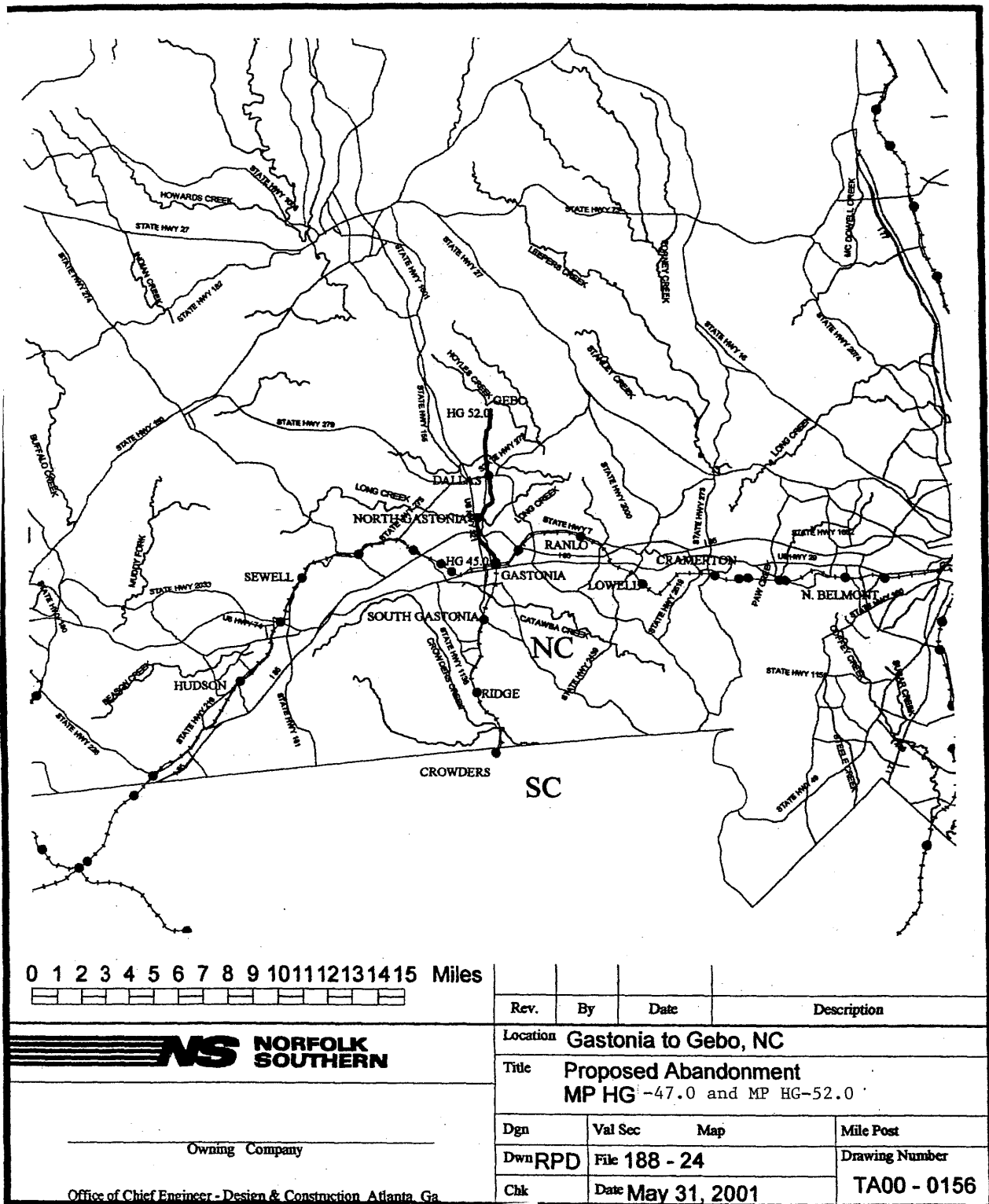
In STB Finance Docket No. 33788, Norfolk Southern Railway Company--Trackage Rights Exemption--Over North Carolina Railroad Company, served August 27, 1999, the Surface Transportation Board approved North Carolina Railroad Company's (NCRR) agreement to grant to NSR exclusive local and overhead freight trackage rights over its entire line of railroad between Charlotte and Morehead City, NC. The line extends between mileposts EC-0.0+/- and EC-94.7+/-; mileposts H-0.0+/- and H-129.5+/-; and mileposts 284.0+/- and 376.5+/-, a distance of approximately 317.2 miles in Alamance, Cabarrus, Carteret, Craven, Davidson, Durham, Guilford, Johnston, Jones, Lenoir, Mecklenburg, Orange, Randolph, Rowan, Wake, and Wayne Counties, NC. Under the agreement, NSR is permitted to grant trackage rights to its subsidiaries. NSR or its predecessors had leased and operated the NCRR property since 1871 when the NCRR line between Goldsboro, NC and Charlotte, NC was leased to The Richmond and Danville Railroad Company.

On June 4, 2003, Norfolk Southern Corporation (NSC), CSX Corporation (CSX), and Consolidated Rail Corporation (Conrail) announced the joint filing of a

petition with the Surface Transportation Board (STB) to establish direct ownership and control by CSX Transportation, Inc. (CSXT) and Norfolk Southern Railway Company (NSR), the railroad subsidiaries of CSX and NSC, respectively, of the two Conrail subsidiaries - New York Central Lines LLC (NYC) and Pennsylvania Lines LLC (PRR). CSXT and NSR have been managing and operating the allocated assets of NYC and PRR, respectively, since June 1, 1999 under operating agreements approved by the STB in the 1998 decision cited above. The proposed transaction would replace the existing operating agreements and allow NSR and CSXT to operate PRR and NYC, respectively, via direct ownership. The petition, if approved, would make the financial, operational and administrative management of Conrail, NYC and PRR more efficient. No change has been requested with respect to the continuing Conrail operation of Shared Asset Areas in the Northern New Jersey, Southern New Jersey/Philadelphia and Detroit areas for the joint benefit of NSR and CSXT.

The change contemplated in the operation of the Gastonia, NC - Dallas (Gebo), NC railroad line is for Norfolk Southern Railway Company to abandon the subject unprofitable line of railroad and to the extent of its title to the real estate to deal with the right-of-way as ordinary real estate no longer subject to a common carrier obligation. There is no feasible alternative to the abandonment action because the revenue from the traffic of the last remaining shipper on the line is insufficient to cover substantial rehabilitation costs now necessary to operate the line in addition to maintenance and operating costs.

- (6) **Summary of Documents In Carrier's Possession That Might Be Useful for Documenting a Structure That Is Found To Be Historic** – Bridge plans may be available for the structure on the line.
- (7) **Opinion Regarding Criteria For Listing In The National Register Of Historic Places** -- It is carrier's opinion that the structure on the line to be abandoned does not meet the criteria for listing in the *National Register of Historic Places*. The structure is a small bridge which is short in length and relatively modern and ordinary in design and construction. There is nothing that distinguishes the bridge from others in the region. The line passes through commercial, residential and agricultural areas. Carrier has no reason to believe that there is any likelihood of finding archaeological resources or historic properties on the line proposed for abandonment.
- (8) **Subsurface Ground Conditions That Might Affect Archaeological Recovery** -- Carrier is not aware of any prior subsurface ground disturbances or environmental conditions that would affect archaeological recovery.
- (9) **Follow-Up Information** -- Additional information will be provided as appropriate.



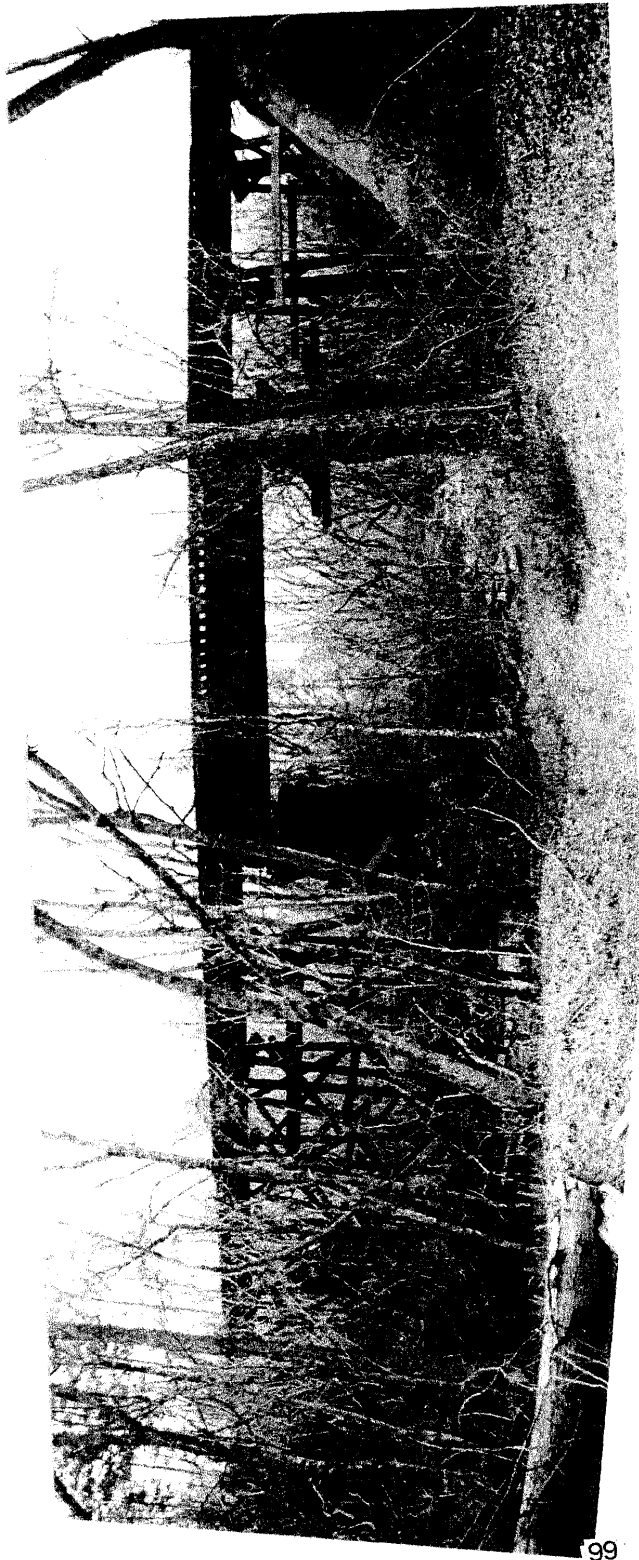
BRIDGES AND STRUCTURES DEPARTMENT
BRIDGE LISTING

DATE RUN: 04/30/02
PAGE 44

EDMONT DIVISION

FILEPOST	NAME OF CROSSING	NO OF SPANS	DESCRIPTION OF STRUCTURE	DECK	LENGTH	TOTAL LENGTH	DATE BLT	MAX HT	ALIGN NO	TK NEAREST	DOT ST NO	FILE NO	OLD BR NO	REMARKS
IG-37.92	CROWDER CREEK	1	DECK PL GDR	OPEN	106.00	236.60	1902	25.0	T	1 M CROWDERS	NC	117-16956		
		10	PILE TRESTLE	OPEN	130.60		1930							
IG-37.95	ST ROUTE 2416	7	PILE TRESTLE	OPEN		79.89	1950	25.5	T	1 M CROWDERS	NC 729980E	117-16957		
IG-43.79	WATERWAY	11	PILE TRESTLE	OPEN		142.45	1950	34.0	T	1 M SOUTH GASTONIA	NC	117-28290		
IG-46.34	WATERWAY	1	CAST IRON PIPE			10.00		10.0	T	1 M NORTH GASTONIA	NC	117-		
IG-46.52	I-85 NB	6	OH HWY-REIN CONC			345.96	1962	0.0	T	1 0 NORTH GASTONIA	NC	117-14077		
IG-46.54	I-85 SB	6	OH HWY-REIN CONC			340.98	1962	0.0	T	1 0 NORTH GASTONIA	NC	117-14077		
IG-47.31	BIG LONG CREEK	1	DECK PL GDR	OPEN	40.00	175.00	1916	35.0	T	1 M NORTH GASTONIA	NC	117-		
		10	PILE TRESTLE	OPEN	135.00		1946							

GASTONIA - DALLAS, NC ABANDONMENT
BIG LONG CREEK MP 47.31



GASTONIA — DALLAS, NC ABANDONMENT

BIG LONG CREEK MP HG 47.31





VERIFICATION

Commonwealth of Virginia)
) ss
City of Norfolk)

Sarah B. Corey makes oath and says that she is Director - Strategic Planning of Norfolk Southern Railway Company, the petitioner herein; that she has been authorized by the petitioner to verify the traffic, revenue and cost figures and calculations in the foregoing petition; that she obtained traffic, revenue and cost information from company records or from persons with a business duty to keep and report those records accurately; that she has made the calculations, prepared the exhibits, and carefully examined all of the statements in the petition as well as the exhibits that relate to traffic, revenue or costs; that she has knowledge of the facts and matters relied upon in the petition with respect to traffic, revenue and costs and contacts with Webb Metals Limited; that all representations set forth therein as to those matters are true and correct to the best of her knowledge, information, and belief.

Sarah B. Corey
Sarah B. Corey

Subscribed and sworn to before me, a notary public
in and for the State and City above named, this
15th day of August 2003.

Sandra J. Borby

My commission expires: 3-31-06

REVENUE AND COST CALCULATIONS

WORK PAPERS

Gastonia - Dallas, NC				ACCOUNT		FORECAST	
				NO.	2002	YEAR	Spreadsheet
GDP deflator						1.10%	recent STB decision
Revenues:							- from MR&E
1 a. Freight Originated or Terminated on branch				101	29,947	30,276	
b. Switching				104	0	0	
c. Demurrage				106	0	0	
d. Other					0	0	
2 Bridge traffic (assignable to branch)					0	0	
3 All other revenue and income					0	0	
4 Total revenues attributable (lines 1 through 3)					29,947	30,276	
Avoidable cost:							
5 On-branch costs (from spreadhseets)							
a. Maintenance of way and structures					210,770	213,088	Engineering - R. Dietz
b. Maintenance of equipment							
1 Locomotives:							
Repairs & maintenance				11-21-41 L	166	168	LOREP02
				21-21-41 M	260	263	LOREP03
				41-21-41 P	14	14	LOREP04
				61-21-41 G	0	0	LOREP05
Fringe benefits				12-21-00 G	61	62	LOREP06
Depreciation				62-21-00 G	1,436	1,433	LOREP07
Total Locomotives					1,937	1,940	
2 Other					0	0	
Total Equipment					1,937	1,940	
c. Transportation							
1 Train operations							
Engine crews				11-31-56 L	48,871	49,409	only charging 2.5 hours ove
				21-31-56 M	0	0	CRWMT02
Train crews				11-31-57 L	0	0	in M Will's Engine crew labo
				21-31-57 M	2	2	CRWMT02
Train inspect. & lubr.				11-31-62 L	96	97	CRWMT02
				21-31-62 M	0	0	CRWMT02
Locomotive fuel					3,606	3,645	FUEL02
Servicing locomotives				11-31-69 L	58	59	SVLOC02
				21-31-69 M	29	29	SVLOC03
				41-31-69 P	17	17	SVLOC04
				61-31-69 G	0	0	SVLOC05
Fringe benefits				12-31-00 G	0	0	in M Will's Engine crew labo
Total transportation					52,680	53,258	
d. General administrative					0	0	
e. Deadheading, taxi and hotel					2,400	2,426	Trainmaster & calculation -
f. Overhead movement					0	0	
g. Freight car costs (other than return on freight cars)					885	895	CARCOST
h. Return on value - locomotives					180	0	LORO102 (0 in forecast yea
i. Return on value - freight cars					8,361	8,453	CARCOST
j. Revenue taxes					0	0	
k. Property taxes					0	0	
l. Total (lines 5a through 5k)					277,213	280,060	
m. Holding gain (loss)-locomotives						1	LOCO4CAST
n. Holding gain (loss)-freight cars						971	CARCOST
o. Net on-branch costs (lines 5l-(5m+5n))					277,213	279,088	
6 Off-branch costs							
a. Off-branch costs (other than return on freight cars)					8,793	8,890	Cost Dept - Paul Petera
b. Return on value - freight cars					2,824	2,855	Cost Dept - Paul Petera
c. Holding gain (loss)-freight cars					3,151	0	Cost Dept - Paul Petera
d. Net off-branch costs (a+b-c)					8,466	11,745	
7 Total avoidable costs (line 5o + 6d)					285,679	290,833	
Subsidization costs:							
8 Rehabilitation					0	0	
9 Administrative costs					0	0	
10 Casualty reserve account					0	0	
11 Total subsidization costs (lines 8 thru 10)					0	0	
12 Valuation of road properties (lines 12a thru 12c)							
(a) Working capital					11,310	11,427	WorkingCap
(b) Income tax consequences					-9,470	-16,063	WorkingCap
(c) Net liquidation value					25,594	43,414	WorkingCap
Total valuation of properties					27,434	38,778	WorkingCap
13 Nominal rate of return					16.18%	16.18%	use PRE TAX nominal rate
14 Nominal return on value (line 12 * line 13)					4,439	6,274	
15 Holding gain (loss) on road properties						17,820	
16 Return on value (line 14-15)					4,439	-11,546	
17 Avoidable loss (profit) from operations (line 7 - 4)					255,732	260,557	
(excludes nominal return on value and opportunity cost, which are avoidable costs)							
18 Avoidable Loss Including Return on Value (line 4-7+16)					\$260,171	\$249,011	
g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003							8/7/2003

Attn: SARAH COREY

GASTONIA, NC

HIGHER NLV IS FOR 2003 - SCRAP PRICES
ARE MUCH HIGHER THIS YEAR

RICK DIETZ

August 7, 2003

Consolidated Off Branch Abandonment Costs

North Gastonia to Dallas Line Segment - 2002

Total Off Branch Costs, Including ROI on Freight Cars	\$	11,617
ROI On Freight Cars	\$	2,824
Holding Gain (Loss) on Freight Cars	\$	3,151

LOCOMOTIVE RETURN ON INVESTMENT
Gastonia - Dallas, NC

	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>
	GMA'S LOCO CAT 3	GMA'S LOCO CAT 5	GMA'S LOCO CAT 6	GMA'S LOCO CAT 7	GMA'S LOCO CAT 8
A. SYSTEM LOCO UNIT HOURS	10,255,611	10,255,611	10,255,611	10,255,611	10,255,611
B. SYSTEM LOCO UNITS	3,241	3,241	3,241	3,241	3,241
C. SYS LOCO UNIT HRS./LOCO UNIT (LINE A / LINE B)	3,164	3,164	3,164	3,164	3,164
D. REPLACEMENT COST	\$879,755	\$978,330	\$1,079,003	\$1,366,427	\$1,224,187
E. DEPRECIATION RATE	3.58%	3.58%	3.58%	3.58%	3.58%
F. ANNUAL DEPRECIATION (LINE D x LINE E)	\$31,495	\$35,024	\$38,628	\$48,918	\$43,825
G. LOCO AGE	24.5	27.2	22.5	23.5	7.1
H. ACCUMULATED DPERECIATION (LINE F x LINE G)	\$772,257	\$951,252	\$869,130	\$1,149,084	\$309,405
I. NET INVESTMENT (LINE D - LINE H)	\$107,498	\$27,078	\$209,873	\$217,343	\$914,762
J. COST OF CAPITAL	16.18%	16.2%	16.2%	16.2%	16.2%
K. ANNUAL ROI (LINE I x LINE J)	\$17,393	\$4,381	\$33,957	\$35,166	\$148,008
L. LOCO UNITS BY CATEGORY (100% SAMPLE)	0	1	0	0	0
M. TOTAL LOCO UNITS IN SAMPLE	1	1	1	1	1
N. RATIO LOCO UNITS BY CATEGORY (LINE L / LINE M)	0.00	1.00	0.00	0.00	0.00
O. LOCO UNIT HOURS ON BRANCH	0	130	0	0	0
P. LOCO UNIT HOURS ON BRANCH BY LOCO CATEGORY (LINE N x LINE O)	0.0	130.0	0.0	0.0	0.0
Q. RATIO LOCO UNIT HOURS ON BRANCH TO SYS LOCO UNIT HOURS PER LOCO UNIT (LINE P / LINE C)	0.000	0.041	0.000	0.000	0.000
R. ANNUAL ROI ON BRANCH (LINE K x LINE Q)	\$0	\$180	\$0	\$0	\$0
S. TOTAL ROI (SUM OF LINE R AMOUNTS)	\$180				

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

LOCOMOTIVE RETURN ON INVESTMENT
Gastonia - Dallas, NC

	<u>2003</u>	<u>2003</u>	<u>2003</u>	<u>2003</u>	<u>2003</u>
	GMA'S LOCO CAT 3	GMA'S LOCO CAT 5	GMA'S LOCO CAT 6	GMA'S LOCO CAT 7	GMA'S LOCO CAT 8
A. SYSTEM LOCO UNIT HOURS	10,255,611	10,255,611	10,255,611	10,255,611	10,255,611
B. SYSTEM LOCO UNITS	3,241	3,241	3,241	3,241	3,241
C. SYS LOCO UNIT HRS./LOCO UNIT (LINE A / LINE B)	3,164	3,164	3,164	3,164	3,164
D. REPLACEMENT COST	\$877,802	\$976,223	\$1,076,118	\$1,363,395	\$1,221,450
E. DEPRECIATION RATE	3.58%	3.58%	3.58%	3.58%	3.58%
F. ANNUAL DEPRECIATION (LINE D x LINE E)	\$31,425	\$34,949	\$38,525	\$48,810	\$43,728
G. LOCO AGE	25.5	28.2	23.5	24.5	8.1
H. ACCUMULATED DPERECIATION (LINE F x LINE G)	\$801,966	\$984,164	\$905,338	\$1,195,357	\$352,448
I. NET INVESTMENT (LINE D - LINE H)	\$75,836	(\$7,941)	\$170,780	\$168,038	\$869,002
J. COST OF CAPITAL	16.2%	16.2%	16.2%	16.2%	16.2%
K. ANNUAL ROI (LINE I x LINE J)	\$12,270	(\$1,285)	\$27,632	\$27,189	\$140,605
L. LOCO UNITS BY CATEGORY (100% SAMPLE)	0	1	0	0	0
M. TOTAL LOCO UNITS IN SAMPLE	1	1	1	1	1
N. RATIO LOCO UNITS BY CATEGORY (LINE L / LINE M)	0.00	1.00	0.00	0.00	0.00
O. LOCO UNIT HOURS ON BRANCH	0	130	0	0	0
P. LOCO UNIT HOURS ON BRANCH BY LOCO CATEGORY (LINE N x LINE O)	0.0	130.0	0.0	0.0	0.0
Q. RATIO LOCO UNIT HOURS ON BRANCH TO SYS LOCO UNIT HOURS PER LOCO UNIT (LINE P / LINE C)	0.000	0.041	0.000	0.000	0.000
R. ANNUAL ROI ON BRANCH (LINE K x LINE Q)	\$0	\$0	\$0	\$0	\$0
S. TOTAL ROI (SUM OF LINE R AMOUNTS)	\$0				

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

LOCOMOTIVE DEPRECIATION

Gastonia - Dallas, NC

	2002	2002	2002	2002	2002
	GMA'S LOCO CAT 3	GMA'S LOCO CAT 5	GMA'S LOCO CAT 6	GMA'S LOCO CAT 7	GMA'S LOCO CAT 8
A. SYSTEM LOCO UNIT HOURS	10,255,611	10,255,611	10,255,611	10,255,611	10,255,611
B. SYSTEM LOCO UNITS	3,241	3,241	3,241	3,241	3,241
C. SYS LOCO UNIT HRS./LOCO UNIT (LINE A / LINE B)	3,164	3,164	3,164	3,164	3,164
D. REPLACEMENT COST	\$879,755	\$978,330	\$1,079,003	\$1,366,427	\$1,224,167
E. DEPRECIATION RATE	3.58%	3.58%	3.58%	3.58%	3.58%
F. ANNUAL DEPRECIATION (LINE D x LINE E)	\$31,495	\$35,024	\$38,628	\$48,918	\$43,825
G. LOCO UNITS BY CATEGORY (100% SAMPLE)	0	1	0	0	0
H. TOTAL LOCO UNITS IN SAMPLE	1	1	1	1	1
I. RATIO LOCO UNITS BY CATEGORY (LINE G / LINE H)	0.0	1.0	0.0	0.0	0.0
J. LOCO UNIT HOURS ON BRANCH	0	130	0	0	0
K. LOCO UNIT HOURS ON BRANCH BY LOCO CATEGORY (LINE I x LINE J)	0	130	0	0	0
L. RATIO LOCO UNIT HOURS ON BRANCH TO SYS LOCO UNIT HOURS PER LOCO UNIT (LINE K / LINE C)	0.000	0.041	0.000	0.000	0.000
M. ANNUAL DEPRECIATION ON BRANCH (LINE F x LINE L)	\$0	\$1,436	\$0	\$0	\$0
N. TOTAL DEPRECIATION (SUM OF LINE M AMOUNTS)	\$1,436				

LOCOMOTIVE DEPRECIATION

Gastonia - Dallas, NC

	2003	2003	2003	2003	2003
	GMA'S LOCO CAT 3	GMA'S LOCO CAT 5	GMA'S LOCO CAT 6	GMA'S LOCO CAT 7	GMA'S LOCO CAT 8
A. SYSTEM LOCO UNIT HOURS	10,255,611	10,255,611	10,255,611	10,255,611	10,255,611
B. SYSTEM LOCO UNITS	3,241	3,241	3,241	3,241	3,241
C. SYS LOCO UNIT HRS./LOCO UNIT (LINE A / LINE B)	3,164	3,164	3,164	3,164	3,164
D. REPLACEMENT COST	\$877,802	\$976,223	\$1,076,118	\$1,363,395	\$1,221,450
E. DEPRECIATION RATE	3.58%	3.58%	3.58%	3.58%	3.58%
F. ANNUAL DEPRECIATION (LINE D x LINE E)	\$31,425	\$34,949	\$38,525	\$48,810	\$43,728
G. LOCO UNITS BY CATEGORY (100% SAMPLE)	0	1	0	0	0
H. TOTAL LOCO UNITS IN SAMPLE	1	1	1	1	1
I. RATIO LOCO UNITS BY CATEGORY (LINE G / LINE H)	0.0	1.0	0.0	0.0	0.0
J. LOCO UNIT HOURS ON BRANCH	0	130	0	0	0
K. LOCO UNIT HOURS ON BRANCH BY LOCO CATEGORY (LINE I x LINE J)	0	130	0	0	0
L. RATIO LOCO UNIT HOURS ON BRANCH TO SYS LOCO UNIT HOURS PER LOCO UNIT (LINE K / LINE C)	0.000	0.041	0.000	0.000	0.000
M. ANNUAL DEPRECIATION ON BRANCH (LINE F x LINE L)	\$0	\$1,433	\$0	\$0	\$0
N. TOTAL DEPRECIATION (SUM OF LINE M AMOUNTS)	\$1,433				

CREW MATERIALS (TRAIN & ENGINE) AND TRAIN INSPECTION AND LUBRICATION

Gastonia - Dallas, NC

	2002			
	ENGINE CREW MATERIAL (21-31-56)	TRAIN CREW MATERIAL (21-31-57)	TRAIN INSPECTION & LUBRICATION	
			WAGES (11-31-62)	MATERIALS (21-31-62)
A. SYSTEM EXPENSES (R-1, Sch. 410, Lines 402, 403 and 408)	\$75,000	\$1,224,000	\$48,824,000	\$228,000
B. CAR MILE PORTION RATIO	69%	69%	69%	69%
C. SYSTEM CAR MILE EXPENSES (LINE A x LINE B)	\$51,750	\$844,560	\$33,688,560	\$157,320
D. SYSTEM CAR MILES L & E (RR OWN & LEA, PVT & NO PAY MI)	4,316,094,000	4,316,094,000	4,316,094,000	4,316,094,000
E. SYSTEM EXPENSES PER CAR MILE L/E (LINE C / LINE D)	\$0.0000120	\$0.0001957	\$0.0078053	\$0.0000364
F. BRANCH CAR MILES L & E	670	670	670	670
G. BRANCH CAR MILE EXPENSES (LINE E x LINE F)	\$0	\$0	\$5	\$0
H. CARLOAD PORTION RATIO	31%	31%	31%	31%
I. SYSTEM CAR LOAD EXPENSES (LINE A x LINE H)	\$23,250	\$379,440	\$15,135,440	\$70,680
J. SYSTEM CARLOADS (QCS-COST DEPT)	11,141,315	11,141,315	11,141,315	11,141,315
K. SYSTEM EXPENSES PER CARLOAD (LINE I / LINE J)	\$0.00209	\$0.03406	\$1.35850	\$0.00634
L. BRANCH CARLOADS	67	67	67	67
M. BRANCH CARLOAD EXPENSES (LINE K x LINE L)	\$0	\$2	\$91	\$0
TOTAL EXPENSES (LINE G + LINE M)	\$0	\$2	\$96	\$0

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

SVLOC02

SERVICING LOCOMOTIVES

Gastonia - Dallas, NC

2002

A. BRANCH LOCO UNIT MILES	676
B. SYSTEM LOCO UNIT MILES	176,346,710
C. RATIO (LINE A/ LINE B)	0.000004
D. SYSTEM LABOR EXPENSE (ACC 11-31-69) (R-1, Sch. 410, Line 411)	\$15,013,000
E. BRANCH LABOR EXPENSE (LINE C x LINE D)	\$58
F. SYSTEM MATERIAL EXPENSE (ACC 21-31-69)	\$7,523,000
G. BRANCH MATERIAL EXPENSE (LINE C x LINE F)	\$29
H. SYSTEM PURCHASED EXPENSE (ACC 41-31-69)	\$4,455,000
I. BRANCH PURCHASED EXPENSE (LINE C x LINE H)	\$17
J. SYSTEM GENERAL EXPENSE (ACC 61-31-69)	\$1,000
K. BRANCH GENERAL EXPENSE (LINE C x LINE J)	\$0

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia
8/7/2003

LOCOMOTIVE REPAIRS AND MAINTENANCE**Gastonia - Dallas, NC****2002**

A. BRANCH TONS PER UNIT	131
B. BRANCH LOCO UNIT MILES	676
C. BRANCH LOCO GTM (LINE A x LINE B)	88,556
D. SYSTEM LOCO GTM	30,492,974,000
E. RATIO (LINE C / LINE D)	0.000003
F. RATIO ROAD PORTION	0.919
G. SYSTEM LABOR EXPENSE (ACC 11-21-41)	\$62,171,000
H. BRANCH LABOR EXPENSE (LINE'S E x F x G)	\$166
I. SYSTEM MATERIAL EXPENSE (ACC 21-21-41)	\$97,562,000
J. BRANCH MATERIAL EXPENSE (LINE'S E x F x I)	\$260
K. SYSTEM PURCHASED EXPENSE (ACC 41-21-41)	\$5,184,000
L. BRANCH PURCHASED EXPENSE (LINE'S E x F x K)	\$14
M. SYSTEM GENERAL EXPENSE (ACC 61-21-41)	\$67,000
N. BRANCH GENERAL EXPENSE (LINE'S E x F x M)	\$0
O. FRINGE RATE	36.95%
P. TOTAL FRINGES (LINE H x LINE O)	\$61

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

FUEL02

LOCOMOTIVE FUEL

Gastonia - Dallas, NC

	2002				
	GMA'S LOCO CAT 3	GMA'S LOCO CAT 5	GMA'S LOCO CAT 6	GMA'S LOCO CAT 7	GMA'S LOCO CAT 8
A. GMA'S REPAIR & SUPPLIES COSTS PER LOCO UNIT HR. (AS OF 7/1/82)	\$40.15	\$55.60	\$67.95	\$81.50	\$88.90
B. GMA'S FUEL PORTION	0.64	0.64	0.64	0.64	0.64
C. FUEL EXPENSE PER LOCO UNIT HR. (LINE A x LINE B)	\$25.70	\$35.58	\$43.49	\$52.16	\$56.90
D. AAR'S CRC INDEX (ANN 1982 TO ANN 2002)	0.779	0.779	0.779	0.779	0.779
E. FUEL EXPENSE PER LOCO UNIT HR. (LINE C x D)	\$20.03	\$27.74	\$33.90	\$40.66	\$44.35
F. LOCO UNITS BY CATEGORY (20% SAMPLE)	0	1	0	0	0
G. TOTAL LOCO UNITS IN SAMPLE	1	1	1	1	1
H. RATIO LOCO UNITS BY CATEGORY (LINE F / LINE G)	0.00	1.00	0.00	0.00	0.00
I. TOTAL LOCO UNIT HOURS ON BRANCH	0	130	0	0	0
J. LOCO UNIT HOURS ON BRANCH BY LOCO CATEGORY (LINE H x LINE I)	0	130	0	0	0
K. FUEL EXPENSES BY CATEGORY (LINE E x LINE J)	\$0	\$3,606	\$0	\$0	\$0
L. TOTAL FUEL EXPENSES (SUM OF LINE K AMOUNTS)	\$3,606				

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

WorkingCap

Gastonia - Dallas, NC

Working Capital

	<u>2002</u>	Forecast <u>Year</u>
On branch avoidable cost	277,213	280,060
less loco dep	1,436	1,433
less frt car dep	-71	-72
subtotal	275,848	278,699

@ 15 days on branch cash avoidable cost (provision 49 CFR 1152.34)
15/365= 0.041

11,310	11,427
--------	--------

Income Tax Consequences

NLV * 37% Tax Rate

2002 NLV * 37% =	25,594 * 37% =	9,470
2003 NLV * 37% =	43,414 * 37% =	16,063

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

**LOCOMOTIVE RETURN ON INVESTMENT
LESS HOLDING GAIN(LOSS)
Gastonia - Dallas, NC**

	FORECAST YEAR GMA'S LOCO CAT 3	FORECAST YEAR GMA'S LOCO CAT 5	FORECAST YEAR GMA'S LOCO CAT 6	FORECAST YEAR GMA'S LOCO CAT 7	FORECAST YEAR GMA'S LOCO CAT 8
A. SYSTEM LOCO UNIT HOURS	10,255,611	10,255,611	10,255,611	10,255,611	10,255,611
B. SYSTEM LOCO UNITS	3,241	3,241	3,241	3,241	3,241
C. SYS LOCO UNIT HRS./LOCO UNIT (LINE A / LINE B)	3,164	3,164	3,164	3,164	3,164
D. REPLACEMENT COST (END OF FORECAST YEAR)	877,802	976,223	1,076,118	1,363,395	1,221,450
E. REPLACEMENT COST (BEGINNING OF FORECAST YEAR)	879,755	978,330	1,079,003	1,366,427	1,224,167
F. HOLDING GAIN(LOSS) AT REPLACEMENT (LINE D - LINE E)	- 1,953 -	2,107 -	2,885 -	3,032 -	2,717
G. TOTAL YEARS DEPRECIATION (100% / 3.86%)	27.9	27.9	27.9	27.9	27.9
H. LOCOMOTIVE AGE	25.52	28.16	23.5	24.49	8.06
I. NET BASE INVESTMENT YEARS (LINE G - LINE H)	2.4	-0.2	4.4	3.4	19.9
J. REPL. LESS DEPR. ADJUSTMENT RATIO (LINE I / LINE G)	0.086	-0.008	0.159	0.123	0.711
K. HOLDING GAIN(LOSS) AT REPL. LESS DEPR. (LINE F x LINE J)	-169	17	-458	-374	-1,933
L. LOCO UNITS BY CATEGORY	0	1	0	0	0
M. TOTAL LOCO UNITS IN SAMPLE	1	1	1	1	1
N. RATIO LOCO UNITS BY CATEGORY (LINE L / LINE M)	0.0	1.0	0.0	0.0	0.0
O. LOCO UNIT HOURS ON BRANCH	0	130	0	0	0
P. LOCO UNIT HOURS ON BRANCH BY LOCO CAT. (LINE N x LINE O)	0	130	0	0	0
Q. RATIO LUH ON BR. TO SYS LUH PER LOCO UNIT (LINE P / LINE C)	0.000	0.041	0.000	0.000	0.000
R. HOLDING GAIN(LOSS) BY LOCO CAT. (LINE K x LINE Q)	0	1	0	0	0
S. HOLDING GAIN(LOSS) (SUM OF LINE R AMOUNTS)	1				
T. RETURN ON INVESTMENT (SEE BASE YEAR ROI SHEET)	180				
U. ROI MINUS HOLDING GAIN(LOSS) (LINE T - LINE S)	179				

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

CarCost
CAR COST (DAILY)
 Gastonia - Dallas, NC
 Base Year - - 2002

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
ICC CAR GROUP	NUMBER OF CARS	AVG. CAR DAYS ON- BRANCH PER CAR	CAR DAYS ON BRANCH (COL 2x3)	COST PER CAR DAY (REPAIR & DEPR)	DAILY COST (REPAIR & DEPR) (COL 4x5)	COST PER CAR DAY (ROI)	DAILY COST (ROI) (COL 4x7)	COST PER CAR DAY (DEPR)	DAILY COST (DEPR) (COL 4x9)	HOLDING GAIN(LOSS) PER CAR DAY	TOTAL HOLDING GAIN(LOSS)
01	0	7	0.0		\$0		\$0	\$0	\$0		\$0
02	0	7	0.0	(\$53,7578)	\$0	(\$10,7843)	\$0	\$0,0582	\$0	(\$1,25)	\$0
PVT2	0	N/A	0.0		\$0		\$0	\$0	\$0		\$0
03	0	7	0.0	\$10,9204	\$0	\$19,2488	\$0	\$2,4870	\$0	\$2,23	\$0
04	0	7	0.0	\$3,3526	\$0	\$15,3551	\$0	\$5,5837	\$0	\$1,78	\$0
05	67	7	469.0	\$1,8088	\$847	\$17,6286	\$8,361	(\$0,2086)	(\$98)	\$2,07	\$971
06	0	7	0.0	\$5,3885	\$0	\$8,4122	\$0	\$1,0113	\$0	\$1,09	\$0
PVT6	0	N/A	0.0		\$0		\$0	\$0	\$0		\$0
07	0	7	0.0	\$4,3589	\$0	\$14,9279	\$0	\$3,8998	\$0	\$1,75	\$0
08	0	7	0.0	\$4,8258	\$0	\$18,3640	\$0	\$2,8582	\$0	\$2,13	\$0
09	0	7	0.0	\$24,9770	\$0	\$0,0000	\$0	\$0,0000	\$0	\$0,00	\$0
10	0	7	0.0	\$17,1961	\$0	\$14,4852	\$0	\$3,8533	\$0	\$1,68	\$0
11	0	7	0.0	\$53,9372	\$0	\$4,2823	\$0	\$1,5769	\$0	\$0,49	\$0
12	0	7	0.0	\$164,6377	\$0	\$8,9217	\$0	(\$0,0480)	\$0	\$1,15	\$0
13	0	7	0.0	(\$2,1106)	\$0	\$18,3073	\$0	\$3,5326	\$0	\$2,12	\$0
14	0	7	0.0	\$12,3144	\$0	\$8,1955	\$0	\$1,5538	\$0	\$1,07	\$0
PVT14	0	N/A	0.0		\$0		\$0	\$0	\$0		\$0
15	0	N/A	0.0		\$0		\$0	\$0	\$0		\$0
16	0	N/A	0.0		\$0		\$0	\$0	\$0		\$0
17	0	7	0.0	\$7,3586	\$0	\$11,4823	\$0	\$2,3757	\$0	\$1,33	\$0
PVT17	0	N/A	0.0		\$0		\$0	\$0	\$0		\$0
TOTAL	67				\$847		\$8,361		(\$98)		\$971
					(REPAIR & DEPR)		(ROI)		(DEPR)		(HOLDING GAIN)
							LOROIO2 (0 in forecast year b/c calculated accum dep > replacement cost)				

CarCost
CAR COST (MILEAGE)
Gastonia - Dallas, NC
Base Year - - 2002

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ICC CAR GROUP	NUMBER OF CARS	LOADED CAR MI. ON BRANCH	RATIO LOADED TO EMPTY	LD & MTY CAR MI. ON BRANCH (COL 3x4)	COST PER CAR/MI (REPAIR & DEPR)	MILEAGE COST (REPAIR & DEPR) (COL 5x6)	COST PER CAR/MI (DEPR)	MILEAGE COST (DEPR) (COL 5x8)
01	0	0	2	0	0	\$0		\$0
02	0	0	2	0	\$0.0599	\$0	\$0.0035	\$0
PVT2	0	0	1	0	\$0.6018	\$0		\$0
03	0	0	2	0	\$0.0787	\$0	\$0.0444	\$0
04	0	0	0	0	\$0.0405	\$0	\$0.0315	\$0
05	67	335	2	670	\$0.0561	\$38	\$0.0406	\$27
06	0	0	2	0	\$0.0649	\$0	\$0.0252	\$0
PVT6	0	0	1	0	\$0.1037	\$0		\$0
07	0	0	2	0	\$0.0621	\$0	\$0.0553	\$0
08	0	0	2	0	\$0.0721	\$0	\$0.0492	\$0
09	0	0	2	0	\$0.1340	\$0	\$0.0000	\$0
10	0	0	2	0	\$0.1089	\$0	\$0.0363	\$0
11	0	0	2	0	\$0.1149	\$0	\$0.0063	\$0
12	0	0	2	0	\$0.7368	\$0	\$0.1528	\$0
13	0	0	2	0	\$0.0333	\$0	\$0.0415	\$0
14	0	0	2	0	\$0.0751	\$0	\$0.0133	\$0
PVT14	0	0	1	0	\$0.4930	\$0		\$0
15	0	0	1	0		\$0		\$0
16	0	0	1	0		\$0		\$0
17	0	0	2	0	\$0.0109	\$0	\$0.0074	\$0
PVT17	0	0	1	0	\$0.5487	\$0		\$0
TOTAL	67	335		670		\$38		\$27

TOTAL - DAILY & MILEAGE		
REPAIRS AND DEPRECIATION	ROI	DEPRECIATION (ONLY)
DAILY: \$847	\$8,361	(\$98)
MILEAGE: \$38	N/A	\$27
TOTAL: \$885	\$8,361	(\$71)
HOLDING GAIN(LOSS)	\$971	
ROI LESS HOLDING GAIN(LOSS)	\$7,390	

2002 Railroad Cost of Capital

	Debt	Preferred Equity	Common Equity	
1) Nominal Cost	0.069	0.063	0.128	
2) Real Cost $((1+J7)/\text{deflator})-1$	(0.028)	(0.034)	0.025	
3) Market Weight	0.418	0.022	0.560	
4) After Tax				
a. Nominal $J1*J3$	0.0288	0.0014	0.0717	10.19%
b. Real $J2*J3$	(0.0118)	-0.0007	0.0143	0.17%
5) Pre-tax (change in equity only)				
a) Nominal $J4a/(1-\text{tax rate})$	0.045781	0.0022	0.113778	16.18%
b) Real $J4b/(1-\text{tax rate})$	-0.018698	-0.001175	0.022626	0.28%
6) Holding Gain				15.90%

Statutory Tax Rate at 37% (35% Federal and 2% State)

R-1 INFORMATION 2002

Sch 755:

	<u>FGHT</u>	<u>PSGR</u>
A) Ln 7 Train Miles	72,591,885	
B) Ln 11 Locomotive Unit Miles	167,195,459	
C) Ln 12 Locomotive Unit Miles Trn Swtg	9,151,251	
D) Ln 98 GTM Road Locomotives (000s)	30,492,974	
E) Ln 115 Trn Hrs Rd Svc	3,648,260	
F) Ln 116 Trn Swtg Hrs	880,697	
G) (Ln 116 * 6 mph) Trn Mi Rd Trn Swtg	5,284,182	
H) (A+G) Total Freight Train Miles	77,876,067	
I) [(Ln 11+Ln12)/Item H] Loco Units per Train	2.26	
J) [(Ln 115+Ln 116)*Item I] Loco Units Hours	10,255,611	
K) Ln 117 Yard Switching Hours	2,217,869	
L) Ln 13 Loco Unit Miles Yard Switching	15,057,667	
M) (Ln 117*6mph) Yard Switching Miles	13,307,214	
N) (Ln 13/Item M) Loco Units per Yard Switch	1.13	
O) (Ln 117*Item N) Loco Unit Hours Yard Switch	2,509,611	

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing

NS 2002 System Car Miles L&E

R-1, Sch 755:

Line 30	1,312,108,000 RR L
Line 46	962,859,000 RR E
Line 64	986,131,000 PVT L
Line 82	640,924,000 PVT E
Line 84	<u>414,072,000</u> No Payment
	4,316,094,000

NS 2002 O&T's (excl DUP & incl TRL/CONT)

QCS 2002 M. Brummer-Acct

Carloads				
Ln 48 Col B	Local	4,527,583 *	2 =	9,055,166
Ln 48 Col d	Fwd	518,293 *	1 =	518,293
Ln 48 Col f	Rc'd	1,567,856 *	1 =	1,567,856
Ln 48 Col h	Bridge	<u>47,458</u> *	0 =	<u>0</u>
		6,661,190		11,141,315

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing

2002 FRINGE BENEFITS (Sch 410)

<u>Acc Group</u>		2002 Labor (000)	2002 Fringes (000)	2002 Fringe %	2001 Fringe %
WS	Run	107,861	61,571	57.08%	31.84%
	Swtg	7,590	2,549	33.58%	41.58%
	Oth	25,532	4,938	19.34%	113.37%
ME	Loco	74,733	27,613	36.95%	37.56%
	Fght Cars	43,096	14,161	32.86%	13.83%
	Oth	1,349	3,331	246.92%	98.78%
CT	Trn Op	582,978	210,647	36.13%	24.38%
	Yd Op	209,830	71,193	33.93%	34.89%
	Trn & Yd Op	413	147	35.59%	41.63%
	SPSVCOP	28,828	4,845	16.81%	41.56%
	Admin Supp	37,276	13,227	35.48%	38.04%
GA	Gen & Admin	15,733	6,267	39.83%	139.78%
WS Labor					
	11-11-10	19,294			
	11	7			
	12	15,496			
	13	5,569			
	14&15	38,576			
	16&17	4,934			
	48	2,412			
	12-10	1,710			
	11	1			
	12	941			
	13	317			
	14&15	3,241			
	16&17	421			
	48	0			
	13-48	26			
		92,945			

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing

R-1 2002 Information**Investment in Equipment: Diesel Locomotives**

			Beg Yr		End Yr	Avg Yr
Sch 710	Ln 1 Col (b)	Fght	3,261	Col (J)	3,221	3,241
	Ln 2 Col (b)	Psg		Col (J)		0
	Ln 4 Col (b)	Swtg	194	Col (J)	189	192
	Ln 9 Col (b)	Aux	<u>77</u>	Col (J)	<u>77</u>	<u>77</u>
			3,532		3,487	3,510

Sch 332	Ln 31 col(d)	Depr	3.58%
---------	--------------	------	-------

(Reprs)

				Labor
Sch 415	Ln 1 Col (b)	Yd	13,441,000	8.1%
	Ln 2 Col (b)	Rd	<u>151,543,000</u>	91.9%
	Ln 5 Col (b)	Total	\$164,984,000	

(Loco Fuel)

Sch 410	Ln 409 Col (h)	313,658,000	91.8%	48,824	Ln 408 Col (b)
	Ln 425 Col (h)	<u>28,070,000</u>	8.2%	0	Ln 425 Col (b)
		\$341,728,000		\$48,824	\$292,904

(Svc Loco)

Sch 410	Ln 411 Col (h)	26,993,000	97.7%	15,013	Ln 411 Col (b)
	Ln 427 Col (h)	<u>626,000</u>	2.3%	<u>626</u>	Ln 427 Col (b)
		\$27,619,000		\$15,639	\$11,980

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing

Background

Gastonia - Dallas, NC

(Numbers in red change once a year)

Background Data:

(Numbers in blue change for specific branch line)

Beginning Milepost: 47.0
Ending Milepost: 52.0
Miles to abandon: 5.0
Trips per year: 52

Number days per week serve branch line? 1
crew size? 3
Roundtrip mileage crew taxied 0
Hours required to serve line (includes switching)? 2.5
Average number trips per week? 1
Average number days a car is on branch line? 7
Average MPH service on line? 5
Annualized Maintenance (Engineering) 243,770
Hours for loco ownership? 2.5

Revenue: 2002 # cars 2002 \$\$
Orig or Term on branch 67 29,947 source
Switching 0 0 (GRAB/GQL)
Bridge 0 0
Other 0 0
67 29,947

Notes:

Crew Stats:

Per Lyn Fairley

	*Basic	**Overtime	Fringe	**Productivity	TOTAL
Conductor	0.00	125.31	0.00	0.00	125.31
Brakeman	0.00	125.31	0.00	0.00	125.31
Engineer	0.00	125.31	0.00	0.00	125.31
	0.00	375.93	0.00	0.00	939.83
					48,871

2.5 hours overtime per day
per year

*Lonesome Included

**Includes Fringe Factor

Loco Stats: (from loco master)

Category Loco Used: 5
Number Used: 1
Average Tons: 131.0
2002 Age: 23.0

1. Loco Unit Hours

A. For ownership (Depreciation & ROI)

2.5 hrs/trip * 52 trips/yr = 130 hours/year

B. For Usage (fuel)

2.5 hrs/trip * 52 trips/yr = 130 hours/year

2. Loco Unit Miles

Running:

Milepost 52.0 less MP 47.0 = 5.0 miles
5.0 miles * 2 = 10 miles per round trip
10 miles * 52 trips/yr = 520 miles

Switching:

0.5 hours * 6 MPH * 52 Trips/yr = 156 miles

TOTAL:

520 + 156 = 676 LUM

3. Loco Gross Ton Miles

676 LUM * 131.0 tons = 88556 LGTM

g:\Sarah Corey\Tactical Line Management\Abandon-Sale\Gastonia to Dallas 2003 filing
8/7/2003

Norfolk Southern--> 2002
Freight Car Abandonment Unit Costs
With Nominal Cost of Capital (BFIT) at

15.86%

Holding gain percent nominal cost of capital ratio	1.84
	15.86
	0.1159

Note--this sheet is linked to by the URCS adjustment sheets--do not change order

first value = df3

RR Owned: Repairs & Depreciation

	Car/Day from aband02 {a}	Car/Mile from aband02 {b}	ROI Per Car Day from aband02 {c}	Car/Day from aband02 {d}	Car/Mile from aband02 {e}	Private Car Cost Per Loaded Car Mile 2/ from nsprvtcar755-414 {f}	Holding Gain (Loss) Per Car Day 4/ {h}*q8
Box-plain 40 1/	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000		
Box-plain 50	-\$53.7578	-\$0.0082	-\$10.7843	\$0.0582	\$0.0032	\$0.5253	(1.25)
Box-equipped	\$10.9204	\$0.0646	\$19.2499	\$2.4870	\$0.0273		2.23
Gondola-plain	\$3.3528	\$0.0681	\$15.3551	\$5.0587	\$0.0572		1.78
Gondola-equipped	\$1.8066	\$0.0207	\$17.8266	-\$0.2098	-\$0.0033		2.07
Hopper-covered	\$5.3895	\$0.0508	\$9.4122	\$1.0119	\$0.0140	\$0.0807	1.09
Hopper-open top GS	\$4.3589	\$0.0803	\$14.9279	\$3.6898	\$0.0676		1.73
Refer-mechanical	\$24.9770	\$0.0835	\$18.3640	\$2.8582	\$0.0559		2.13
Refer-non mech	\$17.1961	\$0.1251	\$0.0000	\$0.0000	\$0.0000		0.00
Fiat-TOFC/COFC 3/	\$53.9372	\$0.1074	\$14.4952	\$3.6533	\$0.0346		1.68
Fiat-multi level 3/	\$164.6377	\$0.1057	\$4.2623	\$1.5769	\$0.0070		0.49
Fiat-gen service	-\$2.1106	-\$0.1129	\$9.9217	-\$0.0490	\$0.1199		1.15
Fiat-other	\$12.3144	\$0.1301	\$18.3073	\$3.6326	\$0.0409	\$0.5124	2.12
Tank--Under 22,000 gals.		\$0.0781	\$9.1955	\$1.5586	\$0.0167	\$0.1733	1.07
Tank--22,000 gals. and over						\$0.2338	0.00
All Other Cars	\$7.3586	\$0.0193	\$11.4823	\$2.3757	\$0.0086	#DIV/0!	0.00

1/ No cars of this type left in service on Norfolk Southern

2/ Based on actual car hire payments

3/ Should these car types appear in abandonments, more in depth analyses is need for cost determination

4/ Ex Parte 274 (Sub-11A) instructions

Dallas-Gastonia 2002 cost dept backup.xls, Freight Car (Link)

8/7/2003

All Other Cars	\$7,3586	\$0.0193	\$11.4823	\$2,3757	\$0.0086	#DIV/0!	1.33
Box-equipped	\$10.9204	\$0.0546	\$19.2499	\$2.4870	\$0.0273		2.23
Box-plain 40	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000		
Box-plain 50	\$53.7578	\$0.0082	\$10.7843	\$0.0582	\$0.0032	\$0.5253	(1.25)
Fiat-gen service	\$2.1106	\$0.1801	\$18.3073	\$3.6326	\$0.0409		2.12
Fiat-multi level	\$164.6377	\$0.1129	\$9.9217	\$0.0490	\$0.1199		1.15
Fiat-other	\$12.3144	\$0.0781	\$9.1955	\$1.5586	\$0.0167	\$0.5124	1.07
Fiat-TOFC/OOFC	\$53.9372	\$0.1057	\$4.2623	\$1.5769	\$0.0070		0.49
Gondola-equipped	\$1.8066	\$0.0207	\$17.8266	\$0.2098	\$0.0033		2.07
Gondola-plain	\$3.3528	\$0.0881	\$15.3551	\$5.0587	\$0.0572		1.78
Hopper-covered	\$5.3895	\$0.0508	\$9.4122	\$1.0119	\$0.0140	\$0.0807	1.09
Hopper-open S S	\$4.6258	\$0.0835	\$18.3640	\$2.8582	\$0.0559		2.13
Hopper-open top GS	\$4.3589	\$0.0803	\$14.9279	\$3.6898	\$0.0676		1.73
Refer-mechanical	\$24.9770	\$0.1251	\$0.0000	\$0.0000	\$0.0000		0.00
Refer-non mech	\$17.1981	\$0.1074	\$14.4952	\$3.6533	\$0.0346		1.68
Tank--22,000 gals. and over						\$0.2338	0.00
Tank--Under 22,000 gals.						\$0.1733	0.00

Car Type
Number of Carloads

Gondola-equipped

63

\$ 154

2001 Unadjusted URCS Variable Cost per Carload

Less: 1 Interchange Event:
Interchange minutes per event
URCS events
Cost per minute

URCS Source

Amount

L.302 4,1331
1 * ERR 1,947
OP L.315 2,7861
DR L.317 0,3207
ROI L.319 0,2429
3,3497

27

Add: 1 I&I event:

I&I minutes per event
URCS events
Cost per minute

L.303 1,8787
1 * ERR 1,947
OP L.315 2,7861
DR L.317 0,3207
ROI L.319 0,2429
3,3497

12

Deduct: URCS Car Costs:

URCS Car Mile Cost
URCS Car Day Cost

L.634-639 8,09
L.641-646 35,97

44

Adjusted URCS Cost Excluding Car Costs

Total load and empty miles

90

98

URCS Car Days:

Running
Interchange
I&I
Additional I&I
Industry
Loading and Unloading-Industry
Total

L.436 0,143
L.444 * ERR 0,9735
L.448 0,224
.5 * ERR 0,9735
L.446 0
L.450 0
2,314

Appendix A Car Costs:

Rents Repairs & Depre. Per day
ROI per Day
Rents Repairs & Depre. Per Mile

x 2,314 1,8066
x 2,314 17,8266
x 90 0,0207

4
41
2

\$ 2,599

Pvt Tank car cost per loaded mile				
Adj. Total Variable Cost per Carload				
Total Off-Branch Costs Adjusted				
Holding Gain (Loss) per day * _ days * Carloads				
	x	90	#N/A	47
				142
		2,314	2,0654	5
				\$ 8,977 \$ 9,076
				\$ 301

Sorted Cartypes for dropdown. Do not alter

All Other Cars
 Box-equipped
 Box-plain 40
 Box-plain 50
 Flat-gen service
 Flat-multi level
 Flat-other
 Flat-TOFC/COFC
 Gondola-equipped
 Gondola-plain
 Hopper-covered
 Hopper-open \$ S
 Hopper-open top GS
 Refer-mechanical
 Refer-non mech
 Tank--22,000 gals. and over
 Tank--Under 22,000 gals.

Car Type	Number of Carloads	Gondola-equipped	URCS Cost
2001 Unadjusted URCS Variable Cost per Carload			
Less: 1 Interchange Event:			
Interchange minutes per event			
URCS events			
Cost per minute			
Add: 1 I&I event:			
I&I minutes per event			
URCS events			
Cost per minute			
Deduct: URCS Car Costs:			
URCS Car Mile Cost			
URCS Car Day Cost			
Adjusted URCS Cost Excluding Car Costs			
Total load and empty miles			
URCS Car Days:			
Running			
Interchange			
I&I			
Additional I&I			
Industry			
Loading and Unloading-Industry			
Total			
Appendix A Car Costs:			
Rents Repairs & Depre. Per day			
ROI per Day			
Rents Repairs & Depre. Per Mile			

Pvt Tank car cost per loaded mile	x	1628	#N/A	281	
Adj. Total Variable Cost per Carload				1393	
Total Off-Branch Costs Adjusted					\$ 1,393 \$ 2,541
Holding Gain (Loss) per day * _ days * Carloads		12.615	2.0654	26	\$ 26

Sorted Cartypes for dropdown. Do not alter

All Other Cars
Box-equipped
Box-plain 40
Box-plain 50
Flat-gen service
Flat-multi level
Flat-other
Flat-TOFC/COFC
Gondola-equipped
Gondola-plain
Hopper-covered
Hopper-open S S
Hopper-open top GS
Refer-mechanical
Refer-non mech
Tank-22,000 gals. and over
Tank-Under 22,000 gals.