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SLOVER & LOFTUS
ATTORNEYS AT LAW

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

206093

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

DID# 0102 017003

TELEPHONE:
(202) 347-7170

FAX:
(202) 347-3619

WRITER'S E-MAIL:

kjd@sloverandloftus.com

August 23, 2002

HAND DELIVERY

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



Re: Finance Docket No. 34247, AN Railway, L.L.C. - Exemption -
Acquisition and Operation of Lines Between Port St. Joe and
Chattahoochee, Florida

Dear Secretary Williams:

Enclosed for filing in the referenced docket please find an original and 10 copies of a Verified Notice of Exemption, along with our check in the amount of \$1,300.00 to cover the requisite filing fee.

An additional copy of the Notice is also enclosed. Kindly indicate receipt and filing by time-stamping this extra copy and returning it to the bearer of this letter.

Thank you for your attention to this matter.

ENTERED
Office of Proceedings

AUG 23 2002

Part of
Public Record

FILED

AUG 23 2002

KJD:dmb SURFACE
Enclosure TRANSPORTATION BOARD

Sincerely,

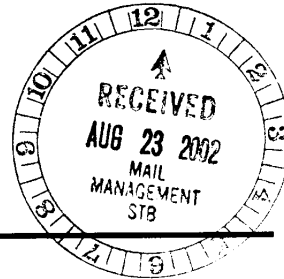
Kelvin J. Dowd
An Attorney for
AN Railway, L.L.C.

FEE RECEIVED

AUG 23 2002

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD



IN THE MATTER OF:)

AN RAILWAY, L.L.C. -)
EXEMPTION - ACQUISITION AND)
OPERATION OF LINES)
BETWEEN PORT ST. JOE AND)
CHATTAHOOCHEE, FLORIDA)

Finance Docket No. 34247

VERIFIED NOTICE OF EXEMPTION

AN Railway, L.L.C. ("ANLLC"), pursuant to 49 C.F.R. Part 1150.31-34, files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 10901, to permit ANLLC to lease from the Apalachicola Northern Railroad Company ("ANRR") and operate a total of approximately 96 route miles of rail line between Port St. Joe and Chattahoochee, Florida. As part of the same transaction, ANLLC also will purchase from ANRR various items of equipment and other personal property, including 6 locomotives, 148 railroad cars, 7 motor vehicles, and a variety of cranes, forklifts, communications equipment and miscellaneous supplies.

In support hereof, ANLLC shows as follows:

a. Full Name and Address of Applicant

AN Railway, L.L.C.
2605 Thomas Drive
Panama City Beach, FL 32408

b. Name and Address of Applicant's Representative

Kelvin J. Dowd
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

c. Statement Regarding Agreement

ANLLC and ANRR have reached agreement on terms to govern the lease of the Port St. Joe - Chattahoochee line that is the subject of this Notice and the purchase of locomotives, railcars and other instrumentalities of transportation that will support ANLLC's operations over the line.

d. Operation of the Property

Following the effective date of the exemption noticed hereby, ANLLC will be the operator of the property in question.¹

e. Summary of the Transaction

This transaction involves the lease and operation by ANLLC of 96 miles of rail

¹ANLLC presently is a non-carrier, and is controlled by K. Earl Durden ("Durden"), Rail Management & Consulting Corporation ("RMCC") and Rail Partners, L.P., ("Partners"), which are non-carriers that control other carriers. ANLLC will become a Class III carrier following consummation of the subject transaction. In addition to ANLLC, Durden, RMCC and Partners currently control 13 Class III carriers, including Atlantic & Western Railway, L.P.; Bay Line Railroad, L.L.C.; Copper Basin Railway, Inc.; East Tennessee Railway, L.P.; Galveston Railroad, L.P.; Georgia Central Railway, L.P.; KWT Railway, Inc.; Little Rock & Western, L.P.; M&B Railroad, L.L.C.; Tomahawk Railway, L.P.; Valdosta Railway, L.P.; Western Kentucky Railway, L.L.C.; and Wilmington Terminal Railroad, L.P. The continuance in control of ANLLC upon its succession by lease to ANRR's status as rail operator over the Port St. Joe - Chattahoochee line is the subject of a Verified Notice of Exemption filed simultaneously with this Notice in Finance Docket No. _____, K. Earl Durden, Rail Management & Consulting Corporation and Rail Partners, L.P. - Continuance In Control Exemption - AN Railway, L.L.C.

line between Port St. Joe and Chattahoochee, Florida, which is owned and presently operated by ANRR. To facilitate operations over the line, ANLLC also will purchase from ANRR 6 locomotives, 148 railcars, and various vehicles, articles of communication and rail maintenance equipment and supplies, and other transportation-related personalty. The items to be purchased comprise substantially all of ANRR's equipment and rolling stock.

There are 12 stations along the line to be acquired, located at Port St. Joe (MP 0); Apalachicola (MP 20); Borrow Pit (MP 28); Beverly (MP 29); Sumatra (MP 40); Wilma (MP 50); Vilas (MP 57); Telogia (MP 67); Hosford (MP 70); Greensboro (MP 84); Hardaway (MP 88); and Chattahoochee (MP 96), all of which are in Florida. Following the acquisition, ANLLC will operate two round-trip road trains per week between Port St. Joe and Chattahoochee, with extra trains and switching service available as needed to meet shippers' requirements. ANLLC will serve Gulf transloading facilities at Port St. Joe, and will interchange traffic with CSX Transportation, Inc. at Chattahoochee, as ANRR does today.

The total number of route miles to be acquired is 96, exclusive of sidings or incidental switch tracks. It is contemplated that the transaction described herein will be consummated shortly after the effectiveness of the exemption noticed hereby. ANRR's address is:

Apalachicola Northern Railroad Company
c/o The St. Joe Company
1640 Prudential Drive
Suite 400
Jacksonville, FL 32207

f. Map

See Attachment A.

g. Certificate of Projected Revenue

Pursuant to 49 C.F.R. Part 1150.33(g), ANLLC hereby certifies that its projected revenues do not exceed those that would qualify it as a Class III carrier.

h. Environmental and/or Historical Documentation

The proposed transaction qualifies under 49 C.F.R. Part 1105.6(c)(2), and as such, no environmental documentation is required. Likewise, inasmuch as the transaction involves the continuation of rail services and ANLLC has no plans to alter or dispose of any assets that are fifty years old or older, the transaction does not require an historic report, in accordance with 49 C.F.R. Part 1105.8(b).

i. Caption Summary

See Attachment B.

Respectfully submitted,

AN RAILWAY, L.L.C.
2605 Thomas Drive
Panama City Beach, FL 32408

OF COUNSEL:

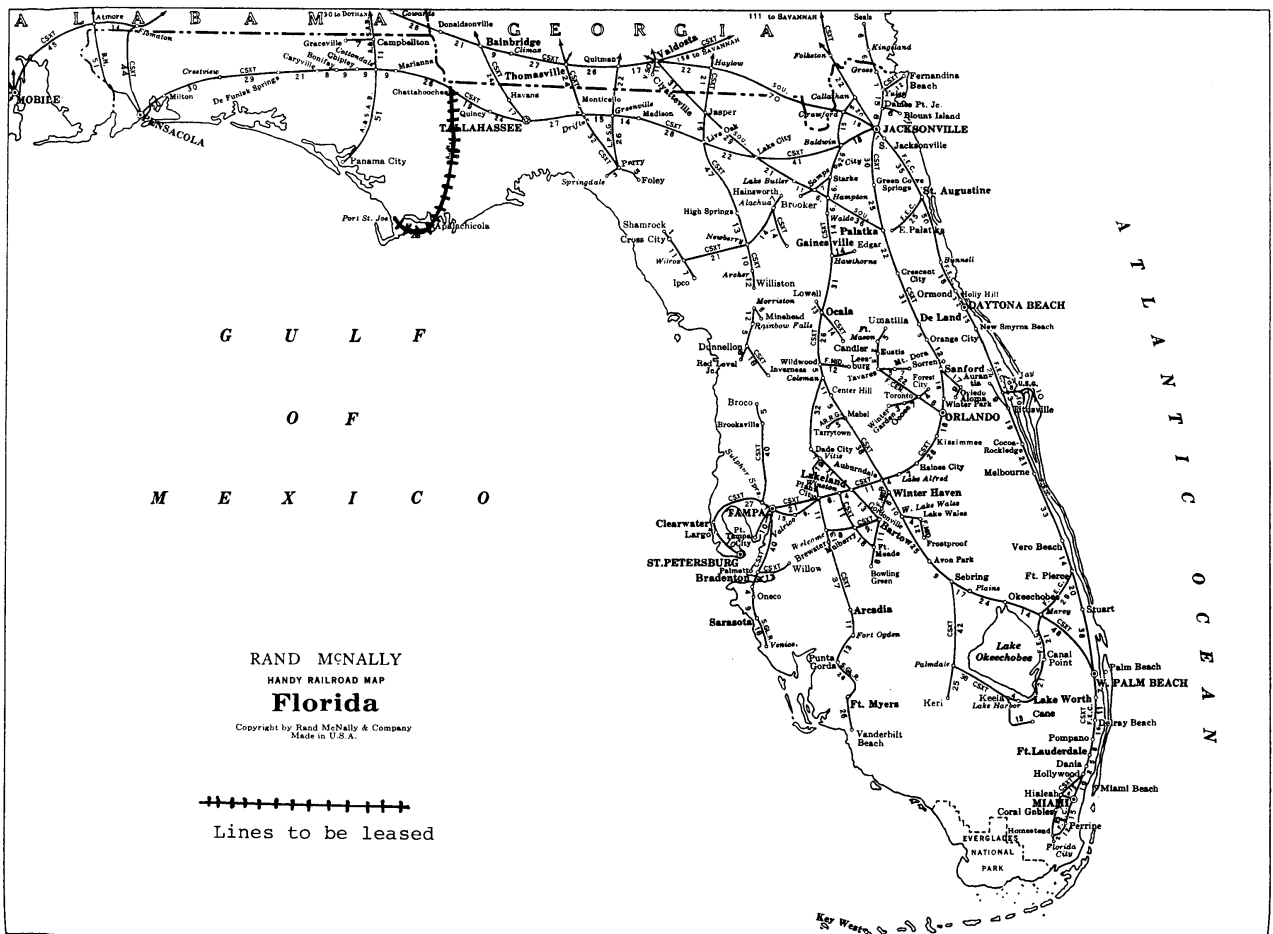
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

By: Donald G. Avery
Kelvin J. Dowd
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170



Dated: August 23, 2002

Attorneys & Practitioners



ATTACHMENT B

CAPTION SUMMARY

Notice of Exemption

Finance Docket No. 34247

**AN RAILWAY, L.L.C. – EXEMPTION –
ACQUISITION AND OPERATION OF LINES
BETWEEN PORT ST. JOE AND
CHATTAHOOCHEE, FLORIDA**

AN Railway, L.L.C. has filed a Notice of Exemption under 49 C.F.R. Part 1150.31-34 to lease and operate approximately 96 miles of rail line owned by the Apalachicola Northern Railroad Company between MP 0 at Port St. Joe and MP 96 at Chattahoochee, Florida. Comments must be filed with the Board and served on Kelvin J. Dowd, Slover & Loftus, 1224 Seventeenth Street, NW, Washington, D.C. 20036.

This Notice is filed under 49 C.F.R. Part 1150.31-34. If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10901 may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

STATE OF FLORIDA

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)
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SS:

COUNTY OF BAY

Michael E. Durden, being duly sworn, deposes and says that he is the President of Rail Management Corporation, Managing Member of AN Railway, L.L.C., that he has read the foregoing Notice of Exemption, knows the content thereof, and that the same are true as stated to the best of his knowledge, information and belief.

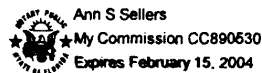
Michael E. Durden

SUBSCRIBED AND SWORN TO before me this 23rd day of August, 2002.

Ann S. Sellers

Notary Public

My Commission Expires: 2-15-04



Verification