



CAPEHART SCATCHARD

ATTORNEYS AT LAW

John K. Fiorilla
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January 29, 2007

Via United Parcel Service, Next Day Air

Mr. Vernon A. Williams
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Ashland Railroad Company- New Facilities at Lakehurst, NJ
Verified Notice of Exemption - Freehold, New Jersey
Finance Docket No. FD-34986
Our File No. 0256-20049

Dear Mr. Williams:

This firm represents the Ashland Railroad, Inc. (ASRR), a non carrier which is headquartered in New Hope, Pennsylvania and which applies to operate trackage in Freehold, New Jersey pursuant to the enclosed Verified Notice of Exemption. The line will be leased to ASRR by Grems-Kirk Railway, LLC, a non-carrier.

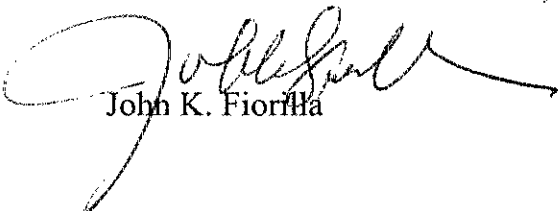
Enclosed please find for filing an original and twelve copies of the Verified Notice of Exemption.

Also enclosed is a disc with a copy of the Application in Word Perfect format.

Also enclosed are two additional copies to be stamped filed and returned to me in the self-addressed stamped envelope enclosed. The filing fee of \$1,500.00 is enclosed herewith.

Your prompt attention to this matter is kindly appreciated.

Sincerely,
CAPEHART & SCATCHARD, P.A.


John K. Fiorilla

ENTERED
Office of Proceedings
JAN 30 2007
Part of
Public Record

JKF/ajd
Enclosure

cc: Mr. G. David Crane (w/encl)
Ross D. Gertner, Esq. (w/encl)

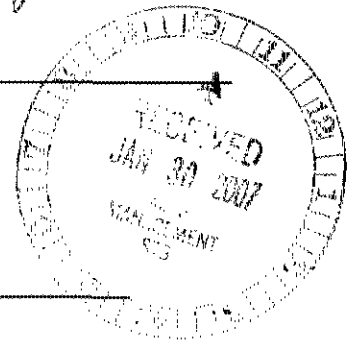
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Before the
Surface Transportation Board

Finance Docket No:

FD- 34986

In the Matter
of
ASHLAND RAILROAD, INC.



VERIFIED NOTICE OF EXEMPTION

NOTICE OF LEASE AND OPERATION OF RAIL LINE

Submitted By:

John K. Fiorilla
Capehart & Scatchard, P.A.
8000 Midlantic Drive Suite 300S
Mount Laurel, N.J. 08054
(856) 914-2054
Counsel for Petitioner

Dated: January 26, 2007

FILED
JAN 30 2007
SURFACE
TRANSPORTATION BOARD

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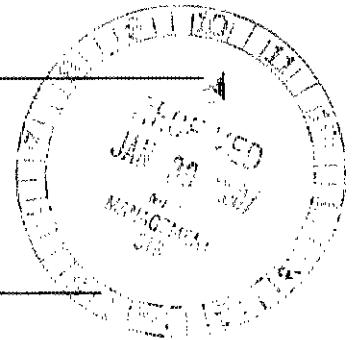
Finance Docket No:

FD 34986

In the Matter
of
ASHLAND RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION

Ashland Railroad, Inc., (ASRR), a New Jersey Corporation and a new Class III railroad company, 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 ARC to lease and operate over approximately 1.5 miles of track in the Township of Freehold, County of Monmouth, State of New Jersey ("The Line"). The Line is owned by Grems-Kirk Railway, LLC a non-carrier (GKR) and will be leased to ASRR.



In Support hereof, ASRR, shows as follows:

Name and address of the applicant

Ashland Railroad, Inc.
1 Village Square
New Hope, PA 18938

Applicant's Representative: 49 CFR 1150.33 (b)

John K. Fiorilla
Capehart & Scatchard P.A.
8000 Midlantic Drive Suite 300S
Mount Laurel, N.J. 08054
856-914-2054
jfiorilla@capehart.com

Statement of Agreement 49 CFR 1150.33(c)

ASRR has reached agreement with GKR to operate a line of railroad and related properties in the Township of Freehold, County of Monmouth, N.J. ASRR will maintain the line and provide freight service to Clayton Sand Company and other shippers who may locate upon the line. The operating agreement is subject to a lease between GKR and ASRR for a portion of Lot 21 Block 43 of the Tax Map of Freehold Township of approximately 10 acres of property including the improvements now or to be constructed in the future upon said property which located along "The Line" for which operating rights are sought. ARC is a newly created railroad company created by G. David Crane who also created and operates

the Ashland Railway, Inc. a Class II common carrier with operating rights in both New Jersey and Ohio.

Operator of the Property

49 CFR 1150.33 (d)

The petitioner would become operator of the property as soon as this application is approved by the Board. The lease which will follow the operating agreement described above would be entered into within one year of the operating agreement becoming effective and would not prohibit the operation of "the Line" by ASRR during that one year period. ASRR will hold itself out to provide common carrier rail freight service over "The Line" and eventually on the leased premises described above interchanging with Consolidated Rail Corporation (Conrail) in Freehold, New Jersey.

Brief Summary of Transaction

49 CFR 1150.33 (e)

ASRR is in the process of developing a transportation terminal transloading facility and operating freight common carrier service for shippers now located or who will locate on "The Line". The operation of "the Line" and appurtenant transportation facilities will enable facility tenants and other shippers to receive inbound and originate outbound freight shipments from and to points throughout the United States and Canada via Consolidated Rail Corporation (Conrail) who will interchange traffic with ASRR on behalf of both Norfolk Southern Railroad Company (NS) and CSX Transportation Company (CSX) at Freehold, N.J. ASRR will maintain and operate "the Line" provide switching and related rail services to facility tenants that utilize the terminal facilities, and effect the interchange and delivery of inbound and the origination and interchange of outbound line-haul rail shipments with NS and CSX via Conrail.

Map

49 CFR 1150.33 (f)

A photo- map of the line to be operated is attached as Exhibit A

Certificate of Carrier Classification

Pursuant to 49 CFR 1150.33(g), ARC certifies that its projected revenues will not exceed that which would qualify it as a Class III carrier, and that this transaction will not result in the creation of a Class I or Class II carrier. ASRR's projected annual operating revenues will not exceed \$5,000,000.00.

Labor Protective Conditions

Pursuant to 49 U.S.C. § 10902, labor protective conditions do not apply and will not be imposed.

Caption Summary

49 CFR 1150.34

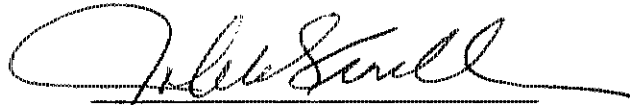
A caption Summary in the prescribed form is attached as Exhibit B to this Notice.

Environmental and Historic Preservation Matters

Pursuant to 49 CFR 1105.6 (c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105.6 (c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 49 CFR 1105.7(e) (4) or (5).

In addition, this transaction is exempt from historic review under 49 CFR § 1105.8 (b) in that ASRR has no plans to alter or to dispose of any properties subject to STB jurisdiction that are fifty years old or older, the transaction does not require an historic report.

Respectfully Submitted,

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

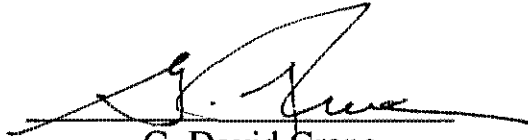
January 26, 2007

John K. Fiorilla, Esq.
Capehart & Scatchard, PA
8000 Midlantic Drive Suite 300S
Mount Laurel, N.J. 08054
(856) 914-2054
jfiorilla@capehart.com
**Attorney for Petitioner
Ashland Railroad, Inc.**

VERIFICATION

I, G. David Crane, Chief Operating Officer of the petitioner hereby certifies that I have read the foregoing Notice of Exemption and am knowledgeable of facts stated therein, and that the same are true as stated to the best of my knowledge. I am aware that if any of the foregoing statements are willfully false, that I am subject to punishment.

January 26, 2007



G. David Crane

Exhibit B

Before the
Surface Transportation Board

Finance Docket No:

FD- 34986

In the Matter
of
ASHLAND RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION

NOTICE OF OPERATION OF RAIL LINE
INFORMATION REQUIRED BY 49 C.F.R, 1150.33

Ashland Railroad, Inc. , a New Jersey Corporation and a non carrier has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to operate as a common carrier 1.5 miles of railroad and appurtenant property owned by the Grems-Kirk

Railway, LLC a non-Carrier in Freehold Township, County of Monmouth, State of New Jersey.

Any comments must be filed with the Surface Transportation Board and served on John K. Fiorilla, Capehart & Scatchard, P.A., 8000 Midlantic Drive Suite 300S, Mount Laurel, N.J. 08054. Mr. Fiorilla's telephone is (856)-914-2054.

This notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.