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MAR 8 2004
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March 8, 2004

VIA HAND DELIVERY

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

Re: Finance Docket No. 34480, Chestnut Ridge Railroad Corp. –
Exemption – Acquisition and Operation of a Line of Railroad
in Carbon County, PA – Chestnut Ridge Railway Co.

Finance Docket No. 34481, Horsehead Corp. – Petition for
Retroactive Exemption – Acquisition and Operation of a Line
of Railroad in Carbon County, PA – Chestnut Ridge Railway Co.

Dear Secretary Williams:

Enclosed for filing please find an original and ten copies of two related
pleadings:

- (1) for filing in the first-referenced docket, please find an original and ten copies of the Verified Notice of Exemption of Chestnut Ridge Railroad Corporation. A check in the amount of \$1,400.00 to cover the applicable filing fee is also enclosed.
- (2) for filing in the second-referenced docket, please find an original and ten copies of the Petition for Retroactive Exemption of the Horsehead Corporation. A check in the amount of \$9,400.00 to cover the applicable filing fee is also enclosed.

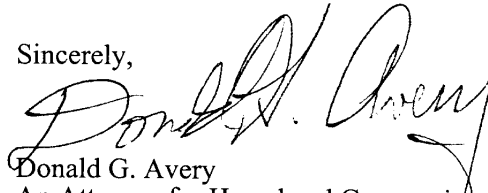
An additional copy of each filing is also enclosed. Kindly indicate receipt and filing by time-stamping these extra copies and returning them to the bearer of this letter.

Thank you for your attention to this matter.

2/0261

The Honorable Vernon Williams
March 8, 2004
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald G. Avery". The signature is written in dark ink and is positioned above the printed name.

Donald G. Avery
An Attorney for Horsehead Corporation and
Chestnut Ridge Railroad Corporation

ENTERED
Office of Proceedings

MAR - 9 2004

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

210261

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In the Matter of)

CHESTNUT RIDGE RAILROAD CORP. --)
EXEMPTION--ACQUISITION AND)
OPERATION OF A LINE OF RAILROAD)
IN CARBON COUNTY, PA --)
CHESTNUT RIDGE RAILWAY CO.)

Finance Docket No. 34480

FEE RECEIVED

FILED

MAR - 8 2004

SURFACE
TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

SURFACE
TRANSPORTATION BOARD

The Chestnut Ridge Railroad Corporation ("CHR") respectfully submits
this Notice of Exemption pursuant to 49 U.S.C. § 10901 and 49 C.F.R. § 1150.31 to
acquire and operate a 6.6 mile line of railroad in Carbon County, PA, that was formerly
operated by the Chestnut Ridge Railway Company ("Railway" or "Seller").

Following its acquisition of the former Railway properties, CHR will be a
Class III rail carrier subject to the jurisdiction of the Surface Transportation Board, and
the projected annual revenues of CHR following the subject acquisition will not exceed
\$5 million.

We set forth below the information required to demonstrate that the acquisition and operation by CHR will qualify for automatic exemption under the Class Exemption at 49 C.F.R. §§ 1150.31 *et seq.*.

Information Required by
49 C.F.R. § 1150.33

**(a) Full Name and Address of the
Class III Applicant**

Chestnut Ridge Railroad Corporation
300 Frankfort Road
Monaca, PA 15601

**(b) Name and Address of Representatives
To Receive Correspondence**

Ali Alavi
Chestnut Ridge Railroad Corporation
300 Frankfort Road
Monaca, PA 15061
Phone (724) 773-2212
Fax (724) 774-4348

C. Michael Loftus
Donald G. Avery
Kendra A. Ericson
Slover & Loftus
1224 Seventeenth Street, NW
Washington, D.C. 20036
phone (202) 347-7170
fax (202) 347-3619

(c) Statement Regarding Agreement

As explained in the accompanying Petition for Retroactive Exemption filed in Finance Docket No. 34481 by CHR's corporate parent, Horsehead Corp. ("HC"), HC acquired the properties of Railway on December 23, 2003 as part of HC's purchase at auction of the properties of Railway's bankrupt parent company, Horsehead Industries, Inc. ("HHI"). HC, HHI, and Railway agreed upon the terms of that acquisition prior to its consummation.

HC and its new subsidiary, CHR, will execute a definitive agreement covering the sale or transfer of the former Railway properties to CHR prior to CHR's assumption of control over those properties.

(d) The Operator of the Property

CHR will be the operator of the railroad line it is acquiring.

(e) Brief Summary of the Transaction, including

(1) Name and Address of the Railroad Transferring the Property to the Class III Applicant

HC, is: The railroad that is transferring the subject railroad properties to CHR, via

Chestnut Ridge Railway Company
900 Delaware Avenue
Palmerton, PA 18071

(2) Proposed Timetable

As noted, the original transfer of the railroad properties at issue to HC was consummated on December 23, 2003, and a retroactive exemption is being sought separately to authorize that transaction. The parties intend to consummate the transfer of those properties to CHR as promptly as possible after this Notice of Exemption becomes effective.

**(3) Mileposts of the Subject Property
Including Branch Lines**

The subject property extends from Railway's Milepost 0.0 at the junction with former Conrail (now Norfolk Southern) at Palmerton, PA, to Milepost 6.6. There are no branch lines involved in the transaction. *See* the map attached hereto as Exhibit A.

(4) Total Route Miles Being Acquired

The line at issue is 6.6 miles in length.

(5) Purpose of the Transaction

The purpose of the proposed transfer of the railroad properties to CHR is to provide for dedicated supervision of the railroad operations by a separate corporation. CHR expects to continue operations as they were conducted by Railway (and as they have been continued under HC's ownership), using at least initially the same employees, the same management personnel, and the same equipment as Railway employed. Customers should see no change, and certainly no adverse change, in the service they receive as a result of CHR's takeover of the railroad operations.

(f) Map

See Exhibit A, attached.

(g) Certificate Regarding Revenues

CHR hereby certifies that its annual revenues following the subject acquisition will neither reach the level that would cause it to be classified as a Class I or II carrier, nor exceed \$5 million.

(h) Environment and Historic Preservation

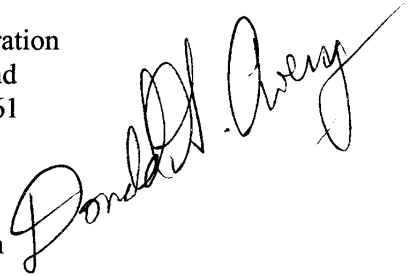
Under 49 C.F.R. § 1105.6(c)(2), no environmental documentation is required for the subject acquisition, which does not involve construction or significant changes in rail operations. Under 49 C.F.R. § 1105.8(b)(1), no historic report is required because the subject transaction is for continued rail service and any abandonment thereof would be subject to STB jurisdiction.

A Caption Summary prepared in accordance with 49 C.F.R. § 1150.34 is attached as Exhibit B. Additionally, all shippers who have received local rail service on the subject lines since January 1, 2002 have been or are being notified of the transaction and of this exemption proceeding.

Respectfully submitted,

By: Ali Alavi
Vice President & General
Counsel
Horsehead Corporation
300 Frankfort Road
Monaca, PA 15061

C. Michael Loftus
Donald G. Avery
Kendra A. Ericson
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

A handwritten signature in black ink, appearing to read "Donald G. Avery", is written over the printed name and address of Donald G. Avery.

Of Counsel:

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

Dated: March 8, 2004

Attorneys for Chestnut Ridge
Railroad Corporation

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Caption Summary

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 34480

CHESTNUT RIDGE RAILROAD CORPORATION--
EXEMPTION--ACQUISITION AND
OPERATION OF A LINE OF RAILROAD
IN CARBON COUNTY, PA--
CHESTNUT RIDGE RAILWAY COMPANY

The Chestnut Ridge Railroad Corporation (CHR) has filed a notice of exemption to acquire from Chestnut Ridge Railway Company (Railway) and operate Railway's entire line of railroad extending from a connection with Norfolk Southern at Railway's Milepost 0.0 in Palmerton, PA to Milepost 6.6 in Carbon County, PA, a distance of 6.6 miles. Comments must be filed with the Board and served on Applicant's representative: Donald G. Avery, Slover & Loftus, 1224 17th Street NW, Washington, DC 20036.

The notice is filed under 49 CFR 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

COUNTY OF CARBON)
) SS:
COMMONWEALTH OF PENNSYLVANIA)

ROBERT L. SONDERMAN, being duly sworn, deposes and says that he has read the foregoing document, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information, and belief.

Robert L. Gunderman

Subscribed and sworn to before me
this 25th day of February, 2004.

Laurel Dopperbrook
Notary Public in and for the
Commonwealth of Pennsylvania

My Commission expires 2/18/2006

