

BEFORE THE
SURFACE TRANSPORTATION BOARD

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ORIGINAL

STB FINANCE DOCKET NO. 34655

GEORGIA & FLORIDA RAILNET, INC.
-ACQUISITION AND OPERATION EXEMPTION-
GEORGIA DEPARTMENT OF TRANSPORTATION

ORIGINAL

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 AND 49 CFR 1150.41
NOTICE OF ACQUISITION AND OPERATION OF RAIL LINES
INFORMATION REQUIRED BY 49 CFR 1150.43

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Public Record

Submitted by:

John D. Heffner
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Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner
Georgia & Florida
RailNet, Inc.

Dated: February 9, 2005

FILED

FEB 10 2005

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34655

GEORGIA & FLORIDA RAILNET, INC.
-ACQUISITION AND OPERATION EXEMPTION-
GEORGIA DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 AND 49 CFR 1150.41

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINES
INFORMATION REQUIRED BY 49 CFR 1150.43

49 CFR 1150.43(a): Full name and address of the applicant

Georgia & Florida RailNet, Inc.
2350 Airport Freeway #300
Bedford, Texas 76022

49 CFR 1150.43(b): Name, address, and telephone number of
applicant's representative

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

49 CFR 1150.43(c): Statement of agreement(s)

Georgia & Florida RailNet, Inc. ("GFRR") is negotiating and expects to execute an agreement soon with the Georgia Department of Transportation ("GDOT") whereby GFRR will acquire and initiate operations as a rail common carrier over a permanent

irrevocable rail easement on property to be acquired by GDOT from the City of Willacoochee, GA.

49 CFR 1150.43(d): The operator of the property

In all cases anticipated by this Notice, and as described in the transaction summary provided below, GFRR will hold itself out to provide common carrier rail freight service over the subject rail line.

49 CFR 1150.43(e): Brief summary of transaction

GFRR proposes to acquire and initiate operations as a rail common carrier over a permanent irrevocable rail easement on property to be acquired by GDOT from the City of Willacoochee, GA. The subject track extends from Nashville, GA, at milepost 57.2 to Willacoochee, GA, at milepost 73.8, a distance of 16.6 miles. GDOT will acquire the subject track in a separate transaction outside the Board's jurisdiction.¹ The City of Willacoochie acquired that track from Norfolk Southern Railway upon its abandonment in an unregulated transaction in December 1996. GFRR has operated this track as "an exempt industrial spur" since it acquired its entire railroad in 1999.²

¹ Because this trackage is an "exempt industrial spur", GDOT's acquisition should not require any STB authorization.

² See, STB FD No. 33716, Georgia & Florida RailNet, Inc.-Acquisition and Operation Exemption-Lines of Gulf & Ohio Railways, Inc. (served May 13, 1999). Gulf & Ohio Railways also operated it as "an exempt spur."

Soon GDOT will be submitting a Petition for Declaratory Relief³ seeking a ruling that GDOT's acquisition of a contiguous "line of railroad" between Valdosta and Nashville from GFRR will not render the State a rail common carrier under State of Maine and similar STB precedent.⁴ In that transaction, GFRR will reserve from GDOT's acquisition an exclusive perpetual operating easement to continue its common carrier operations over the line.

This transaction qualifies for a class exemption under 49 CFR 1150.41 et seq., because it involves the initiation of common carrier rail service over rail property acquired by a third party that was formerly operated as "exempt" industrial trackage.⁵ GFRR plans to begin common carrier operations over the subject track as soon as it complies with the requirements of 49 CFR 1150.42(e), at least 60 days from the date of this filing⁶ or it obtains a waiver from that regulation. GFRR has

³ Docketed as STB FD No. 34665.

⁴ Maine, DOT-Acq. Exemption, Me. Central R. Co., 8 I.C.C.2d 835 (1991); See also, Wisconsin Department of Transportation-Petition for Declaratory Order, STB Finance Docket No. 34623 (STB served Dec. 23, 2004), and cases cited therein.

⁵ The Board has granted authority to initiate common carrier rail service in similar situations. See Raritan Central Railway, L.L.C.-Operation Exemption-Heller Industrial Parks, Inc., STB Finance Docket No. 34514 (STB served June 25, 2004); SMS Rail Service, Inc.-Petition for Declaratory Order, STB Finance Docket No. 34483 (STB served Jan. 24, 2005).

⁶ Because GFRR's annual railroad operating revenues exceed \$5 million, section 1152.42(e) of the Board's rules require GFRR at least 60 days before the exemption becomes effective to post a notice of intent to undertake the proposed transaction at the workplace of the employees on the affected line, to serve a copy of that notice on the national office of the labor unions with employees on the affected lines, and to certify compliance to the Board.

submitted a Request for Waiver of that requirement and has also served notice of the transaction on its employees and filed the appropriate certification with the Board concurrent with this filing.

49 CFR 1150.43(f): Map

A map depicting the line to be operated is attached as Exhibit A.

49 CFR 1150.43(g): Certificate of carrier classification

GFRR hereby certifies that, with this operation exemption, its projected annual revenues will not result in the creation of a class II or class I rail carrier so as to require processing under 49 CFR 1150.45.

49 CFR 1150.44: Caption summary

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

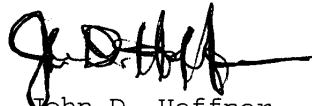
49 CFR 1105: Environmental and historic preservation data

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 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. D. Heffner", with a long horizontal flourish extending to the right.

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner
Georgia & Florida
RailNet, Inc.

Dated: February 9, 2005

P.04

NORTH CAROLINA

HANDY RAILROAD MAP

HANDY RAILROAD MAP

Georgia

Copyright by Rand McNally & Company
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EXHIBIT A

SOUTH CAROLINA

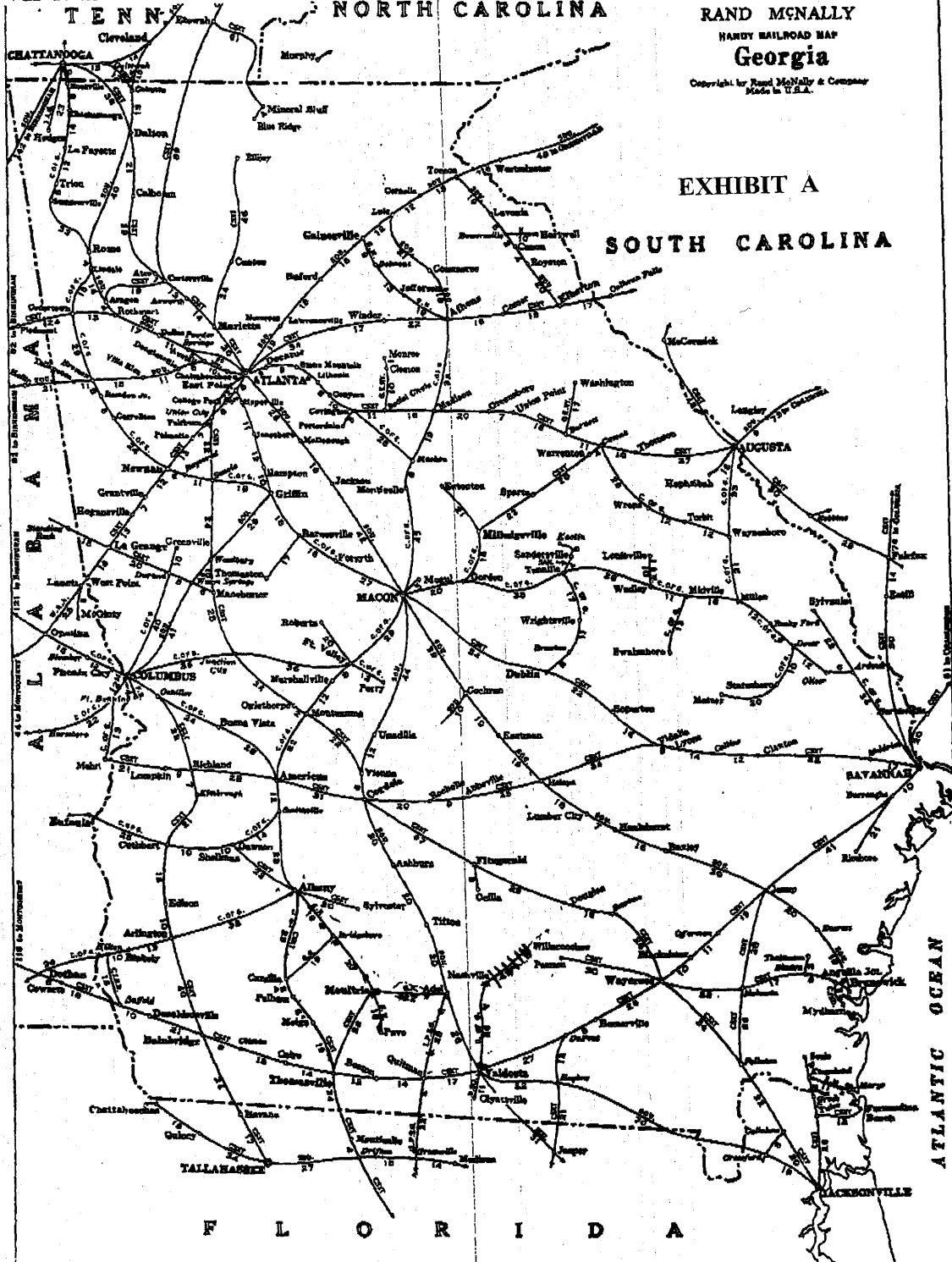


EXHIBIT B

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34655

GEORGIA & FLORIDA RAILNET, INC.
-ACQUISITION AND OPERATION EXEMPTION-
GEORGIA DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 AND 49 CFR 1150.41

NOTICE OF ACQUISITION AND OPERATION OF RAIL LINES
INFORMATION REQUIRED BY 49 CFR 1150.43

Georgia & Florida RailNet, Inc. ("GFRR"), an existing class III short line railroad, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to acquire and initiate operations as a rail common carrier over a permanent irrevocable rail easement on property to be acquired by the Georgia Department of Transportation ("GDOT") from the City of Willacoochee, GA. The subject track extends from Nashville, GA, at milepost 57.2 to Willacoochee, GA, at milepost 73.8, a distance of 16.6 miles. GFRR currently operates over the subject track as an "exempt" industrial spur.

GFRR plans to initiate common carrier service over the subject track as "line of railroad" as soon as it complies with

the requirements of 49 CFR 1150.42(e), at least 60 days from the date of this filing, or obtains a waiver of that regulation.

This notice is filed under 49 CFR 1150.41. 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34655 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on John D. Heffner, 1920 N Street, N.W., Suite 800, Washington, D.C. 20036.

Vernon A. Williams
Secretary

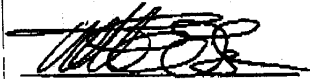
EXHIBIT C

CERTIFICATION

I, William E. Gervin, an officer of ("Georgia & Florida Railnet, Inc.")

hereby certify under penalty of perjury that the projected annual revenues of

Approximately \$9,000,000.00, in the aggregate, will not result in the creation of a class II or class I rail carrier as to require processing under 49 CFR 1150.45. Further, I certify that I am qualified and authorized to make this certification on behalf of Georgia & Florida Railnet, Inc.



Signature

VERIFICATION

STATE OF TEXAS)
) SS
CITY OF BEDFORD)

William E. Glavin, being duly sworn according to law,
hereby deposes and states that (s)he is authorized to make the
Verification, has read the foregoing document, and knows the
facts asserted therein are true and accurate as stated, to the
best of (her)his knowledge, information and belief.



Subscribed and sworn to before me, a Notary Public, in and for
the City of Bedford in the State of Texas, this 4th
day of February, 2005.



Notary Public

My Commission expires:

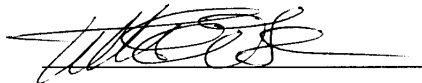
9/24/07



VERIFICATION

STATE OF TEXAS)
) SS
CITY OF BEDFORD)

William E. Guavin, being duly sworn according to law,
hereby deposes and states that (s)he is authorized to make the
Verification, has read the foregoing document, and knows the
facts asserted therein are true and accurate as stated, to the
best of (her)his knowledge, information and belief.



Subscribed and sworn to before me, a Notary Public, in and for
the City of Bedford in the State of Texas, this 4th
day of February, 2005.



Notary Public

My Commission expires:

9/24/07



EXHIBIT C

CERTIFICATION

I, William E. Guavin, an officer of ("Georgia & Florida Railway, Inc.")
hereby certify under penalty of perjury that the projected annual revenues of
Approximately \$9,000,000.00, in the aggregate, will not result in the creation of a class II or
class I rail carrier as to require processing under 49 CFR 1150.45. Further, I certify that I am
qualified and authorized to make this certification on behalf of Georgia & Florida Railway, Inc.


Signature