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June 8, 2005

via fax 202-565-9000 and original via mail - 5 total pages

Ms. Victoria Rutson, Chief
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: STB Docket No. AB-290 (Sub-No. 248X), Norfolk Southern Railway Company – Abandonment Exemption – In Washington County, NC - Further Report on Environmental Consultations or Notification Conditions in STB Decision Served July 26, 2004

Dear Ms. Rutson:

In a decision served July 26, 2004 in the subject docket, the Board granted to Norfolk Southern Railway Company ("NSR") an exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903 to abandon a 7.3-mile line of railroad between Milepost NS-82.7 at Mackeys, NC and Milepost NS-90.0 at Plymouth, NC, in Washington County, NC (the "Line"), subject to eight environmental consultation or notice conditions and standard employee protective conditions.

My letter to you of March 9, 2005 described the background of this matter and reported on the notices and environmental consultations undertaken by NSR in accordance with the eight conditions in the Board's decision. This was done in an effort to rectify and mitigate the mishandling of the matter in which NSR's environmental report did not disclose (because NSR had not adequately monitored the situation) that the track and material on the right-of-way had been, or would be, prematurely salvaged by a contractor of VEPCO, which had purchased the line, as it repaired and upgraded its facilities as a result of Hurricane Isabel.

The salvage work did not involve any removal of bridges or structures, re-contouring of the right-of-way or disturbance of geodetic markers. One small eight-foot trestle, for which we provided photographs, is the only structure on the right-of-way. After the additional consultations, and a personal inspection of the property by NSR's

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System Engineer Design and Construction, Mr. Richard P. Dietz, NSR concluded that the salvage work was done satisfactorily and the environmental agencies had no objection to the work as performed. No agency requested additional mitigation measures. We regret the mishandling of the matter and the additional work caused to the Board's staff but are pleased to report that all consultations could be made, even though after the fact, and more importantly, that the premature work was done in line with any agency concerns or requirements and that no adverse environmental effects resulted from the contractor's work. We were initially confident that VEPCO would have had its contractor comply with all environmental conditions, standards or requirements in performing its work. Our inspection and the subsequent agency consultations have confirmed that VEPCO's contractor's work was performed in accordance with our salvage standards and did not result in any adverse environmental consequences.

Previous correspondence described the background of this matter and the actions taken by NSR to mitigate any problems in more detail. Therefore, I will not repeat the background or the previously reported matters in detail, but simply refer to my March 9, 2005 letter in particular to show that the notices and consultations were substantially and successfully completed by that date. This letter will simply provide some further detail that we trust will enable you to be assured that all of the notices and consultations have been made, no harm resulted from the contractor's work, and no additional mitigation measures are necessary.

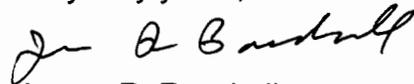
After my previous letter, Mr. Troy Brady of your staff asked Mr. Dietz to obtain written responses from the Army Corps of Engineers that no permit or authorization was required from the Corps and from the Environmental Protection Agency, with its recommendations. Those written responses are enclosed. Again, Mr. Dietz obtained these replies more promptly than I have transmitted them to you, so I must bear the responsibility for keeping the matter open for several additional weeks.

I trust that this further report will assure the Board that NSR has fulfilled the environmental consultations required by the Board's decision served July 26, 2004, even though after the fact; that to the extent our inspection and consultations have revealed, the salvage work undertaken by VEPCO's contractor did not result in any adverse environmental consequences; that the consulted agencies were satisfied with the work done by the VEPCO contractor or at least by NSR's personal inspection, description and report on that work to the extent they were unfamiliar with the work itself; that the agencies do not require any further mitigation measures as a result of the salvage work; and, that these further actions by NSR have mitigated and rectified the earlier mishandling of the matter. If anything else is required from NSR in connection with this matter, however, please let us know. Otherwise, we hope we can consider this matter closed.

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I appreciate your patience and understanding with respect to our further handling of this matter.

Very truly yours,



James R. Paschall

Enclosures - 2 additional pages

cc w/ encl:

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

**U.S. ARMY CORPS OF ENGINEERS
WILMINGTON DISTRICT**

Action ID. 200510890County: Washington

NO DEPARTMENT OF THE ARMY AUTHORIZATION REQUIRED

Property Owner / Agent: Norfolk Southern RailroadAddress: 175 Spring Street, Box 142
Atlanta, Georgia 30303Telephone Number: 404-529-1434

Size and Location of Property (waterbody, road name/number, town, etc.): Railroad tracks from Mackeys to just west of the intersection of NC Highway 45 and US Highway 64.

Description of Activity: Removal of the rail line will not impact waters of the US including wetlands. The railroad bed nor railroad bridges will not be removed or expanded.

Your work as proposed does not require Department of the Army authorization for the following reason(s):

- There are no jurisdictional waters or wetlands within the boundaries of the property.
 The proposed project does not impact jurisdictional waters or wetlands.
 The proposed project is exempt from Department of the Army regulation.
 Specify: _____.

This Department of the Army determination does not relieve the permittee of the responsibility to obtain any other required Federal, State, or local approvals/permits. The permittee may need to contact appropriate State and local agencies before beginning work.

For any activity within the twenty coastal counties, before beginning work, you must contact the N.C. Division of Coastal Management in Washington, North Carolina, at (252) 956-6481 to discuss any required State authorization.

Any changes in the above described work must be coordinated with the Corps of Engineers prior to commencement. If you have any questions regarding the Corps of Engineers regulatory program, please contact William Wescott at telephone number (252) 975-1616 ext. 25.

Regulatory Project Manager Signature William Wescott P.W.S.

Date: 05/02/2005

SURVEY PLATS, FIELD SKETCH, WETLAND DELINEATION FORM, ETC., MUST BE ATTACHED TO THE YELLOW (FILE) COPY OF THIS FORM, IF REQUIRED OR AVAILABLE.

Dietz, Richard P.

From: Hoberg.Chris@epamail.epa.gov
Sent: Thursday, March 17, 2005 5:54 PM
To: richard.dietz@nscorp.com
Cc: Mueller.Heinz@epamail.epa.gov
Subject: Mackeys to Plymouth, NC - Norfolk Southern Rail Abandonment and Track Removal

Mr. Dietz - This is in response to your 3/17/05 discussion with my manager (Heinz Mueller, Chief of the NEPA Program Office) regarding the proposed Norfolk Southern railroad abandonment from Mackeys to Plymouth, NC. Although we generally do not review railroad abandonments (and have not reviewed this one) since they typically have minimal environmental impacts, you have requested a documented response from EPA for the Surface Transportation Board (STB).

Unless the proposed abandonment would have substantive water quality, wetland, air quality, endangered species, noise, hazardous waste or other impacts, EPA would probably not have objections to its implementation. However, we recommend that any runoff from the exposed rail bed be controlled, particularly at any rail line waterbody crossings such as streams. Any past petroleum or other chemical spills along the line should also be cleaned up. All construction staging areas for the abandonment work should be sited outside of wetlands or streams, and should be restored after project completion. If residences are located near the line, any noisy construction work should be limited to weekdays during daytime hours to the extent feasible. The abandonment work must also be in compliance with all federal and state laws and regulations, as well as any local ordinances.

Additionally, we suggest that all rails be recycled and that the railroad corridor be allowed to naturally revegetate or reused for approved linear projects.

We appreciate your coordination with EPA.

EPA Region 4.....Atlanta, GA

Christian M. Hoberg
Life Scientist
EPA Region 4
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