

Nauman Smith

Attorneys At Law

Please Reply to:
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Benjamin C. Dunlap, Jr.
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May 3, 2010

Via Hand Delivery

James McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

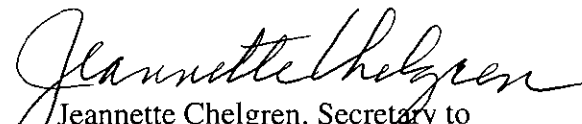
In re: Application of Norfolk Southern Railway Company to abolish the public rail-highway crossing of High Street above its tracks in the City of Bethlehem and the Borough of Hellertown, Northampton County, Pennsylvania (DOT # 592 787 H). PUC Docket No. A-2008-2075123

Dear Sir:

Enclosed please find the original and three (3) copies of the Second Status Report of Norfolk Southern Railway Company for filing in the above-referenced matter. In accordance with the accompanying Certificate of Service, we are serving a copy of the Status Report on all parties of record by electronic and regular mail.

If you have any questions, please don't hesitate to contact our office.

Sincerely yours,


Jeannette Chelgren, Secretary to
Benjamin C. Dunlap, Jr., Esquire

Enclosures

cc: All Parties of Record (w/enc.)
Randal S. Noe, Esquire (w/enc.)
Thomas Bracey (w/enc.)

SECRETARY'S BUREAU
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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SECURITY'S BUS-11

**In re: Application of Norfolk Southern Railway :
Company to abolish the public rail-highway :
crossing of High Street above its tracks in the : Docket No. A-2008-2075123
City of Bethlehem and Borough of Hellertown, :
Northampton County, Pennsylvania :
(DOT # 592 787 H) :**

SECOND STATUS REPORT

Norfolk Southern Railway Company (“Norfolk Southern”), by and through its attorneys, Nauman, Smith, Shissler & Hall, LLP, hereby files this Second Status Report, pursuant to the requirements of Ordering Paragraphs 3 and 4 of the Procedural Order dated December 4, 2009, in the above-referenced matter.

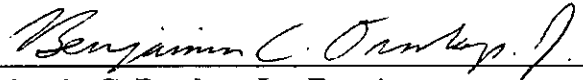
On December 4, 2009, counsel for Norfolk Southern spoke with Joseph M. Kelly, Solicitor for the City of Bethlehem (“City”) and made a settlement offer. Mr. Kelly responded to counsel for Norfolk Southern by letter dated March 31, 2010, in which he made a counterproposal on behalf of his client. Counsel for Norfolk Southern responded to the counterproposal with a further counteroffer on April 26, 2010. City Attorney Christopher Cooper informed the undersigned on May 3, 2010, that a response from the City should be forthcoming in one to two weeks.

The course of settlement discussions that Norfolk Southern and the City are pursuing would preserve the bridge structure for use in conjunction with a potential trail on the former rail line. Thus, if the parties are able to reach settlement terms, counsel for Norfolk Southern and the City agree that the requirements of the Department of Conservation and Natural Resources (“DCNR”) Decision Tree Process would essentially be fulfilled through the settlement. The only significant

remaining steps at that point would be review by the Pennsylvania Department of Transportation (“PennDOT”) and DCNR of any comprehensive mitigation measures (Steps 3 and 4) and the establishment of a formal written ownership and maintenance responsibility agreement for the structure (Step 7). Mr. Cooper informed the undersigned that the City’s engineering information is ready for submittal to PennDOT and DCNR if Norfolk Southern and the City otherwise reach agreement.

If Norfolk Southern and the City are able to reach agreement regarding the future of the bridge structure, Mr. Cooper and the undersigned estimate that these additional steps of the Decision Tree Process will take approximately two months. If Norfolk Southern and the City are not able to reach agreement, however, the matter will need to be set for hearing and resolved in that manner. Counsel for Norfolk Southern submits that the parties should know whether a comprehensive settlement can be achieved by the due date of the next status report, *i.e.*, by July 2, 2010.

Respectfully submitted,
NAUMAN, SMITH, SHISSLER & HALL, LLP



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Facsimile: (717) 234-1925
Counsel for Norfolk Southern Railway Company

Date: May 3, 2010

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**In re: Application of Norfolk Southern Railway :
Company to abolish the public rail-highway :
crossing of High Street above its tracks in the : Docket No. A-2008-2075123
City of Bethlehem and Borough of Hellertown, :
Northampton County, Pennsylvania :
(DOT # 592 787 H) :**

CERTIFICATE OF SERVICE

I hereby certify that I served one (1) copy of the Second Status Report in the above action, this day by electronic mail and by depositing the same in the United States mail, postage prepaid, in Harrisburg, Pennsylvania, addressed to:

Via Electronic Mail/Regular Mail:

Adm. Law Judge Kandace F. Melillo
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2010 MAY -3 PM 3:57
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SECRETARY'S BUREAU

Via Regular First Class Mail:

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1415 Cortland Street
Bethlehem, PA 18018

PPL Electric Utilities Corporation
Attn: Jennifer Perdick
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Philadelphia, PA 19107

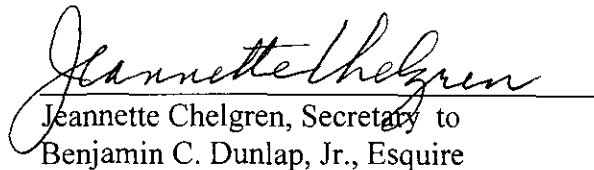
Hellertown Boro Authority/Hellertown Boro
Attn: Glenn B. Higbie
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Hellertown, PA 18055

RCN Telecom Services, Inc.
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Herndon, PA 20170

Suburban Propane LP
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Whippany, NJ 07981

Borough of Hellertown
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Hellertown, PA 18055

Date: May 3, 2010


Jeannette Chelgren, Secretary to
Benjamin C. Dunlap, Jr., Esquire