

Nauman Smith

Attorneys At Law

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Benjamin C. Dunlap, Jr.
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July 2, 2010

Via Hand Delivery

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

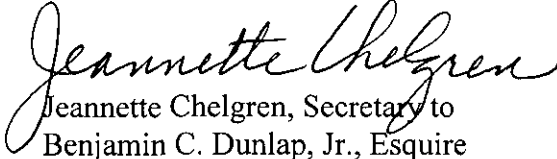
In re: Application of Norfolk Southern Railway Company to abolish the public rail-highway crossing of High Street above its tracks in the City of Bethlehem and the Borough of Hellertown, Northampton County, Pennsylvania (DOT # 592 787 H). PUC Docket No. A-2008-2075123

Dear Secretary Chiavetta:

Enclosed please find the original and three (3) copies of the Third 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.)
David Wyatt (w/enc.)
Alex Rocca (w/enc.)
Malcolm Roop (w/enc.)

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SECRETARY'S BUREAU

**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) :**

THIRD STATUS REPORT

Norfolk Southern Railway Company (“Norfolk Southern”), by and through its attorneys, Nauman, Smith, Shissler & Hall, LLP, hereby files this Third 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.

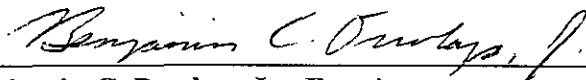
The undersigned is pleased to report that it appears a settlement has been reached as between Norfolk Southern and the City of Bethlehem (“City”) in regard to the maintenance and disposition of the High Street bridge, which would preserve the present structure and lay the groundwork for its eventual reconstruction. The City responded to Norfolk Southern’s prior counteroffer on May 28, 2010. Following further discussions, Norfolk Southern sent the City a revised offer on June 25, 2010. Assistant City Solicitor Joseph Kelly verbally accepted Norfolk Southern’s settlement offer contained in its June 25 letter in a telephone conference on July 1, 2010. Mr. Kelly said that written confirmation would follow in a few days.

Following written confirmation of the City’s acceptance of Norfolk Southern’s settlement terms, the settlement will still need final approval by Norfolk Southern upper management in order to become final. That process generally takes four to six weeks. During that time period, Mr. Kelly

informed the undersigned that he would initiate discussions with the other municipal parties regarding additional settlement terms. Mr. Kelly said that City engineers would begin work on a plan for mitigation measures, which it is anticipated would be reviewed by the Pennsylvania Department of Transportation and the Department of Conservation and Natural Resources ("DCNR") in compliance with Steps 3 and 4 of DCNR's Decision Tree Process. The City would also work on Steps 5 and 6, with the railroad's contribution in Step 6 being determined by the tentative settlement between Norfolk Southern and the City.

The undersigned will begin work on a Stipulation of Settlement to be executed by all parties when all terms are finalized, which would fulfill Step 7 of the Decision Tree Process. If a Stipulation of Settlement is not finalized and submitted to the Commission prior to the due date for the next status report on August 31, 2010, it is anticipated that the parties will have made further substantial progress toward that goal.

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



Benjamin C. Dunlap, Jr., Esquire

Supreme Court I.D. No. 66283

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Counsel for Norfolk Southern Railway Company

Date: July 2, 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 Third 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
PA Public Utility Commission
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SECRETARY'S OFFICE

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PPL Electric Utilities Corporation
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Verizon Pennsylvania, Inc.
Attn: Ernestine Draper
900 Race Street, 6th flr.
Philadelphia, PA 19107

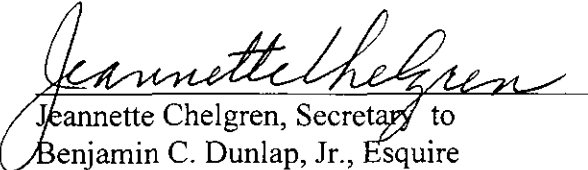
Hellertown Boro Authority/Hellertown Boro
Attn: Glenn B. Higbie
501 Durham Street
P. O. Box 81
Hellertown, PA 18055

RCN Telecom Services, Inc.
Attn: Marie M. Lew, President
196 Van Buren Street, Suite 300
Herndon, PA 20170

Suburban Propane LP
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Whippany, NJ 07981

Borough of Hellertown
685 Main Street
Hellertown, PA 18055

Date: July 2, 2010


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