

READING & NORTHERN RAILROAD

2011 Regional Railroad of the Year

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December 8, 2014

Chairman Dan Elliott
Vice Chairman Deb Miller
Commissioner Ann Begeman
Surface Transportation Board
395 E Street, SW
Suite 1220
Washington, DC 20423-0001

RE: Finance Docket No. 35873
Norfolk Southern Railway Company – Acquisition and Operation – Certain Rail Lines of
the Delaware and Hudson Railway Company, Inc.

Dear Board Members:

Reading & Northern Railroad (R&N) submits this letter in strong support of the application filed on November 17, 2014 by Norfolk Southern Railway Company (“NS”) to acquire and operate certain rail lines of the Delaware and Hudson Railway Company, Inc. (“D&H”).

Since the NS takeover of our prior Conrail connections R&N has developed an excellent working relationship with NS. As our CEO wrote in our company newsmagazine back in the Fall of 2012 NS is a true partner in every sense of the word. From a marketing perspective, NS has been supportive of all of our initiatives. Its support has helped us grow our railroad into the award-winning regional railroad we have become. From an operating perspective, we have found NS committed to safe and efficient interchanges. And as a trackage rights tenant, NS has been supportive of our efforts to maintain and upgrade our tracks. And we cannot understate the importance to us as a shortline the fact that NS pays us quickly and accurately.

The result of our NS partnership has been unprecedented growth for the RBMN. We have developed new customers and retained old customers despite tough economic and competitive circumstances. We have emerged from the past decade as the largest privately-owned railroad in Pennsylvania with over 80,000 carloads moving over our 320+ mile system. And our employment has grown by over 35 percent in the last few years. At present we have over 180 employees at the railroad and our affiliated companies.



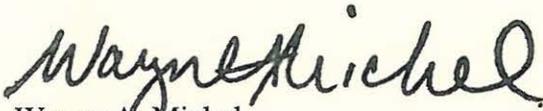
“The Road of Anthracite”

SERVING OUR CUSTOMERS AND THE ENVIRONMENT

It is for all of these reasons that we strongly support the NS acquisition of the D&H South Lines. This acquisition will strengthen NS and improve service to our entire region. By aligning ownership of the D&H South Lines with usage, the proposed acquisition creates operating efficiencies that should improve the reliability and sustainability of service. The fact that NS will have improved service to New England opens up that market for our anthracite shippers. And the fact that NS and D&H have agreed to preserve our future access to D&H/CP routings means our dozens of customers will continue to have competitive alternatives.

For all of the above reasons and for the benefit of our employees, our customers and our region, R&N strongly supports the application of NS before the STB to acquire and operate certain rail lines of D&H. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in black ink that reads "Wayne Michel". The signature is written in a cursive, flowing style.

Wayne A. Michel
President
Reading & Northern Railroad
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cc: All Persons on Attached Service List

Service List – Docket No. FD 35873

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