



NORTH SHORE RAILROAD COMPANY



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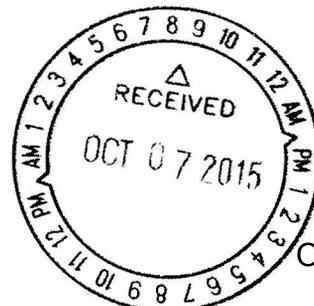
Fax: (570) 473-8432

September 30, 2015

Ms. Rachel Campbell

Director

Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423



239341

ENTERED
Office of Proceedings
October 7, 2015
Part of
Public Record

**Re: Reading Blue Mountain & Northern Railroad Company – Petition for Declaratory Order;
Finance Docket No. 35956**

Dear Ms. Campbell,

North Shore Railroad Company and its affiliated carriers, Nittany & Bald Eagle Railroad Company, Lycoming Valley Railroad Company, Shamokin Valley Railroad Company and Juniata Valley Railroad Company would like to express their interest and concern regarding the Petition for Declaratory Judgment filed by the Reading Blue Mountain & Northern Railroad Company (“RBM&N”) on September 11, 2015. Our companies are the STB authorized operating railroads which have provided common carrier rail service on the SEDA-COG Joint Rail Authority (“JRA”) owned rail lines for over thirty years. In response to the JRA’s decision to seek competitive bids for the renewal of its rail service operating contract in 2017, NSHR, like RBMN, submitted a bid package to JRA and has participated in the JRA’s request for proposal process.

However, RBM&N was eliminated as a bidder in the initial selection round and since that time has sought to delay and obstruct the orderly and timely operation of the JRA’s bid procedures by filing legal proceedings before state administrative agencies, state courts and now before the Surface Transportation Board. Like a rejected suitor, it appears that RBM&N is attempting to achieve by litigation what it was unable to obtain on its merits.

As a consequence, it now appears that the litigation initiated by RBM&N may well extend beyond the 2017 expiration date of our current JRA operating agreement. The uncertainty and confusion created by the RBM&N litigation strategy has adversely affected our companies’ ability to undertake long term capital planning, market our freight services and participate in rail oriented regional economic development activities. We have been advised by several shippers that this uncertainty over the award of a future operating contract has been a major consideration in postponing or eliminating planned plant locations on JRA’s lines.

It is not our intent to become involved in the merits of the legal dispute between RBM&N and JRA. However, we do wish to inform the Board that this dispute is not a mere academic argument; it has real economic consequences which are adversely impacting our freight operations and the shippers we wish to serve.

Accordingly, we urge the Board to promptly address the issues presented in this matter and, if possible, avoid a multiplicity of time consuming legal proceedings.

We greatly appreciate your consideration of our concerns.

Very truly yours,

A handwritten signature in cursive script that reads "Gary R. Shields".

Gary R. Shields

President & CEO

North Shore Railroad Company and Affiliates

xc: Chairman Daniel R. Elliot, III
Commissioner Anne D. Begeman
Commissioner Deb Miller
Keith O'Brien, Esq.
Eric Hockey, Esq.