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LAW OFFICES
FRITZ R. KAHN, P.C.
1919 M Street, NW (7th fl.)
Washington, DC 20036

Tel.: (202) 263-4152 Fax: (202) 331-8330 E-mail: xiccgc@gmail.com

ENTERED
Office of Proceedings
August 4, 2014
Part of
Public Record

August 4, 2014

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D. C. 20423

Re: Docket No. AB 1095 (Sub-No. 1), Paulsboro Refining Company LLC
--Adverse Abandonment—SMS Rail Service, Inc.,
In Gloucester County, N.J.

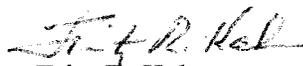
Dear Ms. Brown:

Attached for filing in the subject proceeding is the Reply of SMS Rail Service, Inc., to the Letter of Paulsboro Refining Company LLC, filed July 15, 2014.

I have served this letter and its attachment upon each of the parties of record by e-mailing copies to their respective counsel.

If you have any question concerning this filing or if I otherwise can be of assistance, please let me know.

Sincerely yours,


Fritz R. Kahn

Att.

Cc: Eric M. Hocky, Esq.
David L. Coleman, Esq.
Paul R. Hitchcock, Esq.
David C. Ziccardi, Esq.

SURFACE TRANSPORTATION BOARD

Docket No. AB 1095 (Sub-No. 1)

PAULSBORO REFINING COMPANY LLC
-- ADVERSE ABANDONMENT --
SMS RAIL SERVICE, INC., IN GLOUCESTER COUNTY, N.J.

REPLY
OF
SMS RAIL SERVICE, INC.

Fritz R. Kahn
Fritz R. Kahn, P.C.
1919 M Street, NW (7th fl.)
Washington, DC 20036
Tel.: (202) 263-4152

Attorney for

SMS RAIL SERVICE, INC.

Dated: August 4, 2014

SURFACE TRANSPORTATION BOARD

Docket No. AB 1095 (Sub-No. 1)

PAULSBORO REFINING COMPANY LLC
-- ADVERSE ABANDONMENT --
SMS RAIL SERVICE, INC. IN GLOUCESTER COUNTY, N.J.

REPLY
OF
SMS RAIL SERVICE, INC.

Protestant, SMS Rail Service, Inc. ("SMS"), pursuant to 49 C.F.R. § 1104.13, replies to the letter filed by Paulsboro Refining Company LLC ("PRC") on July 15, 2014, as follows:

A. Safety allegations

PRC's letter alleges that there is a need for the Board's early decision of PRC's pending adverse abandonment application because SMS "has had three additional safety incidents at the Paulsboro refinery since the last filings were made." The contention is unsupported by any evidence. The letter's author certainly has no personal knowledge of the alleged occurrences within the refinery and does not allege the contrary. The letter, thus, is nothing more than another of PRC's persistent self-serving arguments which it has advanced throughout the proceeding.

Attached is the Verified Statement of Mr. James R. Pfeiffer, certified as an engineer, pursuant to 49 C.F.R. § 240.223, and as a conductor, pursuant to 49 C.F.R. § 242.207, who serves as SMS' Superintendent of Operating Practices. In paragraph 7 of his Verified Statement, Mr. Pfeiffer notes that PRC's letter fails to offer any

information or even clues about two of the supposed safety incidents. and, therefore, Mr. Pfeiffer states, “SMS cannot respond to those allegations.”

As for the occurrence on June 14, 2014, Mr. Pfeiffer denies PRC’s allegation in its letter that “an SMS locomotive pushed six loaded and five empty propane car for a distance of 10 feet beyond the end of track-stop/bumper, separating the track, and causing a derailment.” In paragraph 8.b. of his Verified Statement, Mr. Pfeifer declares, “That statement is false and deliberately misleading.”

“In reality,” Mr. Pfeiffer explains in paragraph 8. c. of his Verified Statement, “A train consisting of a locomotive, six loaded propane cars and five empty propane cars was attempting to couple to four empty cars standing at the bumper-end of a storage track. . . . [A] harder than normal coupling pushed the four empty cars eight to ten feet and caused the lead empty rail car to come into contact with the bumper. This resulted in the bolts in the timetable west side rail joint nearest the bumper to fail, and the rail on the timetable east side broke through the bolt holes at the bumper’s attachment point separating those two areas of track. This caused one side of one set of two wheels of the lead empty rail car to become suspended or to come off the rail at the location of the afore-referenced rail break, and the rail to be pulled from under one wheel of the truck on the opposite end of the rail car, which settled onto a tie plate at the location of the separated joint. However, the other five wheels of this single empty rail car remained on the track and the wheel trucks of the rail car never skewed out of gauge. The other rail cars also remained on the track.”

In paragraph 8. d. of his Verified Statement, Mr. Pfeiffer states, “The incident caused no injuries to railroad or refinery personnel, no service interruptions to the refinery and no monetary cost to PRC The track was repaired the next day.”

In paragraph 8. a. of his Verified Statement, Mr. Pfeiffer declares that the June 15, 2014, incident was not a reportable one within the meaning of 49 C.F.R. Part 225, Railroad Accidents/Incidents: Reports Classification, and Investigations and, accordingly, was not reported to the FRA.

B. Timing allegations

PRC’s July 15, 2014, letter claims, “According to 49 CFR 1152.26(a), the Board will issue a decision in an abandonment proceeding within 110 days of when the application was filed [underscoring in original].” That may be true generally, but it is utterly false and disingenuous in the pending adverse abandonment proceeding.

The Board’s endeavor to issue a decision in an abandonment proceeding within 110 days’ time stems from the provision for allowing an offer financial assistance to be filed so as to permit a railroad line slated for abandonment to continue to be operated. 49 U.S.C. § 10904(c) provides, in part, “Within 4 months after an application is filed under section 10903, any person may offer to subsidize or purchase the railroad line that is the subject of the application.” In order to permit the offer of financial assistance to be made within the 4 months set forth in the statute, 49 C.F.R. § 1152.26 contemplates that the Board will endeavor to render its decision 110 days after the abandonment application is filed, so that the offer of financial assistance can be filed within the ensuing ten days in compliance with the statutory deadline.

PRC, however, when requesting the waivers and exemptions from the provisions which ordinarily are a part of an abandonment application, specifically asked that the adverse abandonment application it was prepared to file to evict SMS from the refinery not permit the filing of an offer of financial assistance. In its Petition for Waivers and Exemptions, filed March 26, 2012, PRC asked for the “waiver and/or exemption from the offer of financial assistance (“OFA”) requirements of 49 U.S.C. §10904 and the related regulations at 49 CFR §1152.27.” The Board granted PRC’s request. In its Decision, served July 26, 2012, it said, “The Board will grant PRC’s request for exemption from the OFA provisions of 49 U.S.C. § 10904 . . . the Board will grant a corresponding waiver of 49 C.F.R. § 1152.27.”

For PRC to suggest, as it does in its July 15, 2014, letter, that the Board is 75 days late in rendering its decision in the pending adverse abandonment proceeding constitutes shameful hypocrisy. It is irrelevant and argumentative pleadings such as PRC’s letter filed July 15, 2014, which necessarily extends the time it takes for the Board to render its decision in the pending adverse abandonment proceeding.

Contested adverse abandonment proceedings simply are not rendered in 110 days’ time. Docket AB 33 (Sub-No. 18), Salt Lake City Corporation—Adverse Abandonment—In Salt Lake City, UT (STB, served March 8, 2002) took slightly more than four months. Docket AB 400 (Sub-No. 4), Seminole Gulf Railway, L.P.—Adverse Abandonment—In Lee County, FL (STB, served November 18, 2004) took slightly more than five months. Docket AB 124 (Sub-No. 2), Waterloo Railway Company—Adverse Abandonment—Lines of Bangor and Aroostock Railroad Company and Van Buren Bridge Company in Aroostock County, Maine (STB,

served May 3, 2004) took slightly less than seven months. Docket AB 600, Yakima Interurban Lines Association—Adverse Abandonment—In Yakima County, Wash. (STB, served November 19, 2004), took slightly less than one year. Docket AB 290 (Sub-No. 286), Norfolk Southern Railway Company—Adverse Abandonment—St. Joseph County, Ind. (STB, served February 14, 2008) took nearly a year and three months.

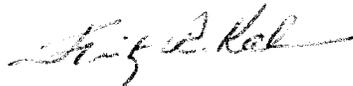
Considering that it filed its adverse abandonment application as recently as January 10, 2014, it took a good bit of unmitigated gall for PRC to conclude its July 15, 2014, letter with its plea “that the Board promptly issue a decision.”

WHEREFORE, Protestant, SMS Rail Service, Inc., respectfully requests that the letter filed July 15, 2014, by Paulsboro Refining Company LLC be denied.

Respectfully submitted,

SMS RAIL SERVICE, INC.

By its attorney,



Fritz R. Kahn
Fritz R. Kahn, P.C.
1919 M Street, NW (7th fl.)
Washington, DC 20036
Tel.: (202) 263-4152

Dated: August 4, 2014

SURFACE TRANSPORTATION BOARD

Docket No. AB 1095 (Sub-No. 1)

PAULSBORO REFINING COMPANY LLC
--ADVERSE ABANDONMENT--
SMS RAIL SERVICE INC IN GLOUCESTER COUNTY, NJ

VERIFIED STATEMENT OF
JAMES R. PFEIFFER

Dated: July 17, 2014

**VERIFIED STATEMENT
OF JAMES R. PFEIFFER**

I, James R. Pfeiffer, hereby state as follows:

1. Since 2009 I have been employed by SMS Rail Service, Inc. ("SMS"), having held various positions within the operations department including engineer and conductor, and, since that time, have served on the SMS Safety Committee, a committee of peers holding monthly meetings during which we examine and discuss safety topics both locally and industry-wide. Prior to my employment with SMS I have, since 1992, been involved in the railroad industry in varied functions.
2. I am currently the Superintendent of Operating Practices for SMS, a position in which I have served since September of 2012. In this position I am a Designated Supervisor of Locomotive Engineers, charged with overseeing the federally mandated Engineer and Conductor training and licensing programs, annual training programs (SMS's training requirements are voluntarily more stringent than the federal requirements), and the federally mandated Efficiency Testing program, whereby each operating employee is spot-checked several times per year to ensure rule compliance and operational competency and ability.
3. As SMS's Superintendent of Operating Practices I am a qualified engineer and conductor, pursuant to 49 CFR §240.223 and 49 CFR §242.207 respectively, on all of the properties over which SMS operates trains, including the PRC Refinery in Paulsboro, New Jersey ("PRC").
4. On July 15, 2014, PRC, by its attorney, Eric M. Hocky, submitted a letter in which he "request[s] that the Board issue a decision on the Application for Adverse Abandonment in the above referenced matter as promptly as possible..."

5. PRC's counsel asserts that SMS has had three "safety incidents at the Paulsboro refinery since the last filings were made..." and "is concerned that... SMS is los[ing] focus on the safety of its operations, as well as the maintenance and repair of the tracks and SMS's equipment." The basis for the letter is a distortion of the facts, as I explain below.
6. PRC should not be concerned about SMS's focus on safety. We continue to monitor our employees in accordance with the FRA mandated efficiency testing program, require our T&E employees to submit to annual rules classes and testing (a requirement more stringent than the three year intervals that are federally mandated), hold monthly Safety Committee Meetings, inspect the right-of-way and track infrastructure every thirty (30) days (an additional extra safeguard not required by FRA regulation due to the site's status as industrial track), and perform inspections on the locomotives both daily as well as every ninety-two (92) days as required by Federal regulation.
7. PRC does not specifically address two of the three "safety incidents" in which it alleges SMS was involved since the last filings were made. Thus, SMS cannot respond to those allegations.
8. With regard to the "most recent" occurrence specifically addressed in paragraph three of PRC's counsel's letter, that occurrence took place on June 14, 2014, more than a month before the date of PRC's counsel's letter. I was a member of the crew on the train at the time of the occurrence. The occurrence was not as reported in PRC's counsel's letter. SMS responds to PRC's counsel's allegations, as follows:
 - a. The occurrence on June 14, 2014 was not a reportable incident and, accordingly, was not reported to the FRA. As part of SMS's exercise of extreme caution, all incidents regardless of whether they are reportable, are reported to PRC.

- b. SMS did not, as alleged in PRC's counsel's letter, "push 6 loaded and five empty propane cars for a distance of 10 feet beyond the end of track-stop/bumper..." That statement is false and deliberately misleading.
- c. A train consisting of a locomotive, six loaded propane cars and five empty propane cars was attempting to couple to four empty cars standing at the bumper-end of a storage track. After the conductor advised the engineer that there were about three car lengths to go until the coupling was to be made, the locomotive's radio failed. Hearing no further radio instructions, the engineer brought the train to a stop as required by railroad operating rules. However, a harder than normal coupling pushed the four empty cars eight to ten feet and caused the lead empty rail car to come into contact with the bumper. This resulted in the bolts in the timetable west side rail joint nearest the bumper to fail, and the rail on the timetable east side broke through the bolt holes at the bumper's attachment point separating those two areas of track. This caused one side of one set of two wheels of the lead empty rail car to become suspended or to come off the rail at the location of the afore-referenced rail break, and the rail to be pulled from under one wheel of the truck on the opposite end of the rail car, which settled onto a tie plate at the location of the separated joint. However, the other five wheels of this single empty rail car remained on the track and the wheel trucks of the rail car never skewed out of gauge. The other rail cars also remained on the track.
- d. The incident caused no injuries to railroad or refinery personnel, no service interruptions to the refinery and no monetary cost to PRC. The track was repaired the next day.

- e. The locomotive's radio was immediately taken out-of-service and subsequently sent to a repair facility where it was discovered that an internal connection in the power circuit had to be re-soldered.
- f. In addition to removing the radio from service and having it inspected and repaired, in response to this incident SMS:
 - i. Doubled the "outage" distance as measured from the knuckle at the bumper/stub-end of all storage tracks within the refinery;
 - ii. Updated its Timetable with a new Special Instruction 101-1 titled *Coupling, Shoving or Switching Cars* (see Bulletin Order S-1426, attached hereto);
 - iii. Began installing painted *and* reflective indicators at the bumper/stub-end of all storage tracks designating the point at which cars must not pass to be in compliance with SMS's new Special Instruction 101-1;
 - iv. Amended Timetable Special Instruction 109-3 *Setting Hand Brakes* to double the handbrake requirement at the "bumper-end" of cars left standing on any storage tracks within the refinery with the exception of one track, Warehouse 1, where normal operations require different handbrake rules (see Bulletin Order S-1426, attached hereto);
 - v. Held informal retraining sessions (what some industries may refer to as "Tailgate Sessions") with all crews, system wide, regarding the rules and procedures surrounding railroad radios and shoving and pushing movements;

- vi. Made the incident the primary topic of the most recent meeting of the SMS Safety Committee; and
- vii. Issued Division Notice 14-07 (attached hereto), an official railroad publication that by railroad operating rules train crews are required to read at the beginning of their tour-of-duty.
- g. PRC alleges that at a post incident investigation “the engineer indicated that he believed that he was following FRA procedures when communications are lost...,” that “he felt good about the operations,” and ““it could have been worse...”” That allegation is false. In fact, the engineer was not even present at the investigation.
- h. PRC’s counsel’s allegations in his letter suggests that SMS is compromising safety pending the Board’s decision. This is untrue. The incident was not even reportable under FRA requirements. However, SMS, in accordance with its practice above the requirements of the FRA, reported the event to PRC when it did not have to, and implemented the procedures previously stated. The root of the event was nothing more than a minor radio malfunction. In response to this minor malfunction, SMS took the above steps. SMS has an exemplary safety record, among the best in the industry, and the allegations in PRC’s counsel’s letter are untrue, unwarranted, contrived and self-serving.
- i. In the final paragraph of his letter, PRC’s counsel appears to be basing “SMS’s unacceptable response” to the June 14, 2014 occurrence on “casual responses” it alleges were made at a post-incident investigation meeting by the engineer of the

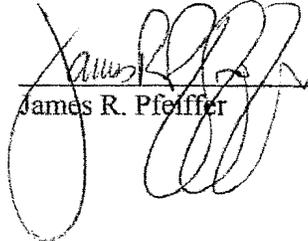
train. As noted, the occurrence was not reportable and the engineer was not even present at such investigation meeting.

- j. In reality, SMS has taken several steps to improve its operations within the refinery going above and beyond what is federally required of it.
- k. As such, PRC need not be at all concerned about alleged “escalating safety concerns.” SMS provides the highest level of service possible within the refinery as well as system-wide while continuing to examine its operations and implement changes to improve the high level of service already provided together with the safety of its employees, customers and the communities in which we do business.

VERIFICATION

I, James R. Pfeiffer, verify that the statements contained herein are true and correct to the best of my knowledge, information and belief. I understand that false statements contained herein are made subject to the penalties of 28 USC §1746 relating to unsworn declarations under penalty of perjury.

Dated: July 17, 2014


James R. Pfeiffer



BULLETIN ORDER S-1426
Supersedes all previous Bulletin Orders.

DATE ISSUED: Wednesday, July 10, 2014
EFFECTIVE: Wednesday, July 10, 2014

Pureland Branch:

a.) NuStar Hazmat Storage – Exclusive Possession

The following tracks are now being leased to Nustar Asphalt, LLC for the exclusive use of storing hazardous materials railcars:

Track Name	Linear Feet	Car Lengths
ADS 1	2,180'	35
Bayside Storage	2,100'	38
Backtrack	1,200'	20

Any inbound storage cars must be directed to one of the above locations. Until further notice, the above listed tracks may *not* be used for *any* other purpose. Train crews may not enter the tracks unless the movement is to place or pull NuStar tank cars. The track will revert back to SMS control once the last car is pulled from that track.

b.) Royal Sharptown (510/512)

The bumper on the 510/512 Royal spot track has been removed. Extra care must be taken not to run off the end-of-track.

c.) Tracks Out-of-Service

Sharptown Storage is out-of-service for installation of the switch leading to the George Young project.

d.) Hazardous Walking Conditions

Hazardous walking conditions exist along the Main from Home Depot northward. Use extra caution when walking in this area.

e.) Ongoing Work Area

Work has commenced on right-of-way widening from Home Depot northward to the Swamp. Be alert for men and equipment on or about the tracks being sure to check the Track Status Sheets daily. Per relevant operating rules, communication must be established with the Person-in-Charge of the work area, who will authorize movements in the area. Work will continue for the next few months.

f.) Addition of Special Instruction 106-1 – Semi-Automatic Switches

Semi-Automatic Switches are in service at the following locations:

- a. High Hill Siding;
- b. Bayside Storage; and
- c. Swamp Siding.

If crew members have determined that there are no conflicting movements, trains are authorized to make trailing movements through semi-automatic switches where switch stands are painted yellow or orange without lining them for movement.

Reverse movement must not be made unless:

- 1. An entire car or engine has passed over the switch; or
- 2. The switch has been lined by hand to assure that it has completed movement to proper position.

During periods of snow or ice accumulation, semi-automatic switches must be properly lined by hand before being used in either direction.

g.) Temporary Crossing – Home Depot Lead

A temporary crossing has been installed on the Home Depot Lead between the Track 2 and Track 3 switches. Dump trucks will be utilizing this crossing often over the coming weeks in order to prepare grading for construction of additional trackage. Orange cones have been placed at the crossing. Train crews are to use the cones to block the crossing from truck traffic while performing active switching operations in Home Depot. The cones must be removed upon completion of the work.

h.) Protection for Shop Employees

Protection for shop employees has changed. The derails have been removed and protection is now afforded by virtue of a locked switch on the Main protecting Tracks 1, 2 & 3 and a locked switch on the Loop protecting Tracks 4 & 5. Blue signals have also been added. Therefore, the *Locked Switches*, *Derails*, and *Blue Signal Protection* sections of the Timetable are amended as follows:

LOCKED SWITCHES		
NORMAL POSITION OF LOCKED SWITCHES		
Switch Located at	Connecting With	Normal Position Is for movement to
Interchange Main	Home Depot	Interchange Main
Interchange Main	Southern Extension	Interchange Main
South Swamp	Main	Main
North Swamp	Main	Main
Sanofi	Main	Main
Transload 2 *	Shop Track 1	Shop Track 1
Main **	Shop Track 1	Main
Loop **	Shop Tracks 4&5	Loop
Transload 4 *	Shop Track 1	Shop Track 1

* Lock is controlled by Torissi Employees. Switches must be aligned by SMS Employees only.
 ** Lock is controlled by SMS Shop Employees.

DERAILS	
LOCATION AND POSITION OF DERAILS	
Derail Located at	Normal position is for
Conrail Interchange	Derailing Position
WSI	Positioned by WSI personnel
Transload 1	Positioned by Torrissi Transport

BLUE SIGNAL PROTECTION

- Blue Signal Protection is utilized by WSI while unloading railcars. The blue signal is to be placed and removed by WSI personnel only.
- Blue Signal Protection is utilized by Home Depot while unloading railcars. Blue signals are to be placed by SMS Train Crews after cars have been spotted. Home Depot personnel are to remove them when cars have been released.
- Blue Signal Protection is utilized by Torrissi Transport while unloading on the Transload Tracks 1, 2, 3 & 4. Blue signals are placed and removed by Torrissi personnel.
- Blue Signal Protection is utilized by Shop Employees. One blue flag protects Shop Tracks 1, 2 & 3. One blue flag protects Shop Tracks 4 & 5. Blue Signal Protection is to remain up at all times work within the shop is underway unless removed by shop personnel to permit movement into the shop/transload area.
- Blue Signal Protection is utilized by American Steel Processing while loading railcars. Blue signal is to be placed and removed by ASP personnel.

Paulsboro Branch

a.) Amendment of Special Instruction 109-3 – Setting Hand Brakes

Special Instruction 109-3 has been amended to require two (2) hand brakes to be applied to the bumper end/stub end of all storage tracks with the exception of Warehouse 1, where normal operating procedure will continue. The Rule now reads:

Hand Brakes shall be applied according to the following chart:

TRACK	HANDBRAKE HEAD OUT	HANDBRAKE AT BUMPER	SKATE
Yard Main (Interchange)	YES (2)	NO	NO
Air Products Main	YES	NO	NO
Air Products Siding	YES	NO	NO
Inbound Main	NO	YES (2)	NO
Inbound 1	NO	YES (2)	NO
Inbound 2	NO	YES (2)	NO
Inbound 3	NO	YES (2)	NO
Inbound 4	NO	YES (2)	NO
Storage 1	NO	YES (2)	NO
Storage 2	NO	YES (2)	NO
Storage 3	NO	YES (2)	NO
Storage 4	NO	YES (2)	NO
Storage 5	NO	YES (2)	NO
Storage 6	NO	YES (2)	NO
Old Main (Research)	YES	NO	NO
Alky	YES	YES (2)	NO
LPG 1	NO	YES (2)	NO

	NO	YES (2)	NO
LPG 2	NO	YES (2)	NO
Smitty	NO	YES (2)	YES (Rear)
Main Storage	NO	YES (2)	NO
Mid Storage	NO	YES (2)	NO
RO Track	YES	NO	NO
Coke Storage	YES	NO	NO
Coke Transload	YES	NO	NO
Warehouse 1	YES	NO	YES
Warehouse 2	YES	YES (2)	YES
Warehouse 3	YES	YES (2)	YES
Warehouse 4	YES	YES (2)	YES
Warehouse 5	YES	YES (2)	YES
Warehouse 6	YES	YES (2)	YES
Warehouse 7	YES	YES (2)	YES
River Storage 1	YES	YES (2)	NO
River Storage 2	YES	YES (2)	NO
River Storage 3	YES	YES (2)	NO
Lube Storage 1	YES	YES (2)	NO

Exceptions to the above chart:

Cuts of 10 or more cars left on Warehouse 1 must have 2 handbrakes set on the head end.

Sets of Savage gondolas may be left with only 1 handbrake (head out) provided they are left on a rail skate.

If cars are left in 2 or more separate cuts on Warehouse 1-7, the rail skate must be placed under the head out car.

Any car(s) left on Warehouse 1-7 during switching operations must be skated and have a handbrake applied.

At no time shall any car or cars be left without setting a sufficient number of hand brakes as prescribed in Rule 109-2.

b.) Addition of Special Instruction 101-1 – Coupling, Shoving or Switching Cars

When coupling to, shoving, or switching cars, precaution must be taken to prevent damage or fouling other tracks. Employees must confirm that there is sufficient room in the track to hold the cars.

Before coupling to cars standing on a grade or near the ends of tracks, buildings, derails or highway crossings at grade, sufficient hand brakes must be applied on standing cars to prevent them from rolling.

Cars left standing on storage tracks shall be left no closer than ten feet (10') from the bumper/wheel stops/stub end as measured from the knuckle. (emphasis added)

c.) Addition of Exxon Mobile Research Derail

A derail has been added to the Old Main inside the Exxon Mobile Research gate. Thus, the Derails section of the Timetable is amended as follows:

LOCATION AND NORMAL POSITION OF DERAILS	
Derail Located at	Normal Position is for
South End of Sulfur Rack	Positioned by PBF Personnel
Coke Transload Track	Derailing and Locked
Air Products	Derailing
Air Products Storage	Derailing
South End of Old Main (Inside Exxon Mobile Research Gate)	Positioned by Exxon Mobile Personnel

d.) Speed Restrictions

Until further notice, the following speed restrictions are in effect:

- R.O. from Sulfur Switch to the Extract Rack – walking speed
- Coker and Coke Storage – walking speed

Penn Warner Branch

a.) Arkema Hazmat Storage – Exclusive Possession

The following track is now being leased to Arkema Inc. for the exclusive use of storing hazardous materials railcars:

Track Name	Linear Feet	Car Lengths
KTC Storage	300' (From Bumper)	5

Any inbound storage cars must be directed to the above location. Until further notice, the above listed tracks may *not* be used for *any* other purpose. Train crews may not enter the track unless the movement is to place or pull Arkema tank cars. The track will revert back to SMS control once the last car is pulled from that track.

b.) Derails

The Timetable has been amended to include the following chart specifying locations of and special instructions regarding derails:

LOCATION AND POSITION OF DERAILS	
Derail Located at	Normal position is for
Courier Times	Non-derailing, except when cars are spotted for unloading
Capitol (Arnold)	Non-derailing (out-of-service)
KTC South *	Removed by KTC personnel
KTC North 1 (A Track) *	Removed by KTC personnel
KTC North 2 (B Track) *	Removed by KTC personnel
Future Foam	Positioned by Future Foam personnel
Wonder Track 1	Non-derailing
Crystal Clean	Positioned by Crystal Clean personnel
* Derails at KTC are to be placed by SMS train crews after rail movements within the protected area have been completed. Derails must be removed solely by KTC employees when rail movements are required within the protected area.	

c.) Blue Signal Protection

The Timetable has been amended to include the following instructions regarding blue signal protection:

BLUE SIGNAL PROTECTION
1. Blue Signal Protection is utilized on all tracks at KTC while railcars are unloading. The Blue Signal is to be placed by SMS train crews after rail movements within the protected area have been completed. KTC employees are to remove the blue signal protection when rail movements are required within the protected area.
2. Blue Signal Protection is utilized by Future Foam while railcars are unloading. Protection is placed and removed by Future Foam employees only.
3. Blue Signal Protection is utilized by Crystal Clean while railcars are unloading. Protection is placed and removed by Crystal Clean employees only.

Westville Branch

a.) Tracks Out-of-Service

The Old Rack Track (Track 4) is no longer in existence and is thus out-of-service.

b.) Amendment of Special Instruction S-1 – Safety Apparel

All personnel must comply with the Sunoco Logistics Safety Apparel Rules. Hard hats, safety glasses, Nomex and steel toe boots must be worn at all times. The only exception is the use of a hard hat while inside the cab of a locomotive.

J.R. Pfeiffer
Superintendent of Operating Practices

SMS Rail Service

Division Notice 14-07

Date: July 2, 2014

To: All T&E Employees

SHOVING & RADIO USE - RULES AND PROCEDURES

Radios are mechanical/electronic devices and are not fail-safe. When operations are underway please make sure to follow all rules and procedures pertaining to their use and operation, especially the following:

NORAC Rule 711. Radio Communication Instead of Hand Signals

Employees must take the following actions when radio communication is used instead of hand signals to control a shoving, backing or pushing movement:

1. The employee directing the movement must specify a distance to be traveled. The distance specified must not exceed the distance known to be clear.
- 2. The movement must stop in one-half the specified distance, unless additional instructions are received.**
3. The names of fixed signals affecting the movement must be communicated to the Engineer.

If the instructions are not understood or radio contact is not maintained, the movement must be stopped immediately. If the means of communication is changed, no movement may be made until all crew members have been notified.

PAULSBORO - BUMPERS/STUB END TRACKS

Bulletin Order S-1425 contains information on new procedures for storing cars. In sum, two (2) hand brakes are now required at the bumper/stub end of all storage tracks, with the exception of Warehouse 1, where we will continue to put the hand brakes head-out.

In addition, there is now a requirement to leave at least ten feet (10') between a bumper/wheel stop/stub end and the knuckle of cars left standing on all storage tracks. Foul marks will be painted and reflective markers installed in the immediate future. Please note that the measurement is to be taken *from the knuckle*, not the leading wheel.

PAULSBORO - SPOTTING EXTRACT CARS

Cars left standing on the trailer end of the RO must be separated from the spot cars by approximately one (1) car length to allow for the installation of Blue Signal Protection on the car(s) being loaded.

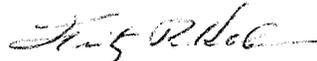
B.R. Murray
General Manager

J.R. Pfeiffer
Superintendent of Operating Practices

CERTIFICATE OF SERVICE

I certify that I this day have served the foregoing Reply on the Paulsboro Refining Company, Norfolk Southern Railway Company, CSX Transportation, Inc. and Consolidated Rail Corporation by e-mailing copies to their attorneys, Eric M. Hocky, Esq., at ehocky@clarkhill.com, David L. Coleman, Esq., at david.coleman@nscorp.com, Paul R. Hitchcock, Esq. at Paul_Hitchcock@CSX.com, and David C. Ziccardi, Esq. at David.Ziccardi@Conrail.com.

Dated at Washington, DC, this 4th day of August, 2014.



Fritz R. Kahn