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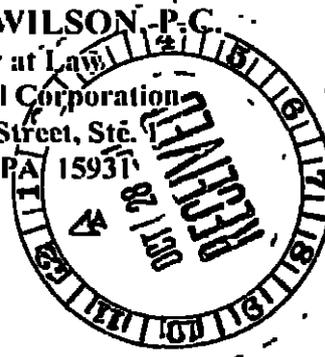
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October 22, 2013

**ENTERED
Office of Proceedings**

OCT 28 2013

**Part of
Public Record**

The Honorable Cynthia T. Brown, Chief
Section of Administration
Surface Transportation Board
395 E Street, S.W., Ste. 1260
Washington, DC, 20423-0001

Re: Finance Docket No. AB-1110, Lackawaxen-Honesdale Shippers Association
Stourbridge Railroad Company and Delaware, Lackawaxen and Stourbridge
Railroad Company - Adverse Discontinuance of Operating Authority
Morristown & Erie Railway d/b/a Stourbridge Railway for M P 0 0 at
Lackawaxen, PA to M.P. 24 8 at Honesdale, PA

Dear Ms. Brown:

This letter is a brief response to the October 15, 2013 letter received from counsel for Morristown & Erie Railway, Inc. ("M&E")

The pleadings filed to date in this proceeding clearly indicate the actions taken by M&E in connection with its withdrawal of service on the Lackawaxen-Honesdale line. Notwithstanding the self-serving representations of M&E contained in its October 15, 2013 letter, it is clear that M&E rather than seek a private resolution of its differences with Stourbridge Railroad Company has improperly used a withdrawal of service to exert pressure on both the Stourbridge Railroad Company and the Lackawaxen-Honesdale Shippers Association to force a resolution of its contract dispute with Stourbridge Railroad Company. M&E claims that there is presently no traffic on this rail line to justify providing rail service, but when the operating carrier announces that it is withdrawing service, the lack of active shippers becomes a self-fulfilling prophecy.

Furthermore, there is nothing to arbitrate between Lackawaxen and Honesdale Shippers Association and the M&E. M&E's dispute is with Stourbridge Railroad Company and M&E's request for arbitration in connection with this adverse discontinuance proceeding is merely an effort to avoid the consequences of its service failings. Indeed, M&E's request for arbitration "to see if an agreement which would ensure the continued operation of the line when freight service is required" is already M&E's legal obligation and appears to be nothing less than an attempt by

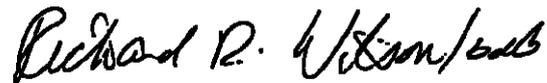
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M&E to exact further economic concessions from the Shippers Association to resume rail service on the rail line.

Accordingly, Lackawaxen-Honesdale Shippers Association and the Delaware Lackawaxen and Stourbridge Railroad Company do not believe that M&E's request for arbitration is a proper or appropriate use of this procedure given the past conduct of M&E.

Very truly yours.

RICHARD R. WILSON, P.C

A handwritten signature in black ink that reads "Richard R. Wilson" followed by a stylized flourish.

Richard R. Wilson, Esq.
Attorney for Lackawaxen-Honesdale Shippers
Association and the Delaware Lackawaxen and
Stourbridge Railroad Company

RRW/bab
xc. Morristown & Erie Railroad, Inc.
John K. Fiorella, Esq.
Stourbridge Railroad Company