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July 10, 2012

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BY E-File

232539

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
July 10, 2012
Part of
Public Record

Re: STB Finance Docket No. 35412, Middletown & New Jersey
Railroad, LLC -- Lease and Operation Exemption -- Norfolk
Southern Railway Company

Dear Ms. Brown:

Attached for e-filing is the Reply of Middletown & New Jersey
Railroad, LLC to the Motion To Strike filed by United Transportation
Union-New York State on June 28, 2012.

If you have any questions, please contact me.

Sincerely,

Karl Morell
Of Counsel

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35412

MIDDLETOWN & NEW JERSEY RAILROAD, LLC
--LEASE AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY

REPLY TO UNITED TRANSPORTATION UNION-NEW YORK STATE
LEGISLATIVE BOARD'S MOTION TO STRIKE

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Attorney for:
MIDDLETOWN & NEW JERSEY
RAILROAD, LLC.

Dated: July 10, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35412

MIDDLETOWN & NEW JERSEY RAILROAD, LLC
--LEASE AND OPERATION EXEMPTION--
NORFOLK SOUTHERN RAILWAY COMPANY

REPLY TO UNITED TRANSPORTATION UNION-NEW YORK STATE
LEGISLATIVE BOARD'S MOTION TO STRIKE

Middletown & New Jersey Railroad, LLC ("M&NJ"), hereby briefly replies in opposition to the Motion To Strike filed with the Surface Transportation Board ("Board") by Samuel J. Nasca, for and on behalf of United Transportation Union-New York State ("UTU") on June 28, 2012 ("Motion").

REPLY TO MOTION

UTU seeks to strike portions of M&NJ's Reply to UTU's Petition to Reopen on grounds that the Reply introduces new evidence. All of the evidence and argument submitted in the Reply, however, was in direct response to the new evidence submitted by UTU in its Petition to Reopen. In support of its Petition to Reopen, UTU, for the first time in this proceeding, introduced evidence that M&NJ advertises loaded and empty car storage on its website. In response to this new evidence, M&NJ pointed out that car storage is listed as "additional services" and that the website primarily advertises M&NJ's common carrier services.

Moreover, the Interchange Report, previously introduced into the record in this proceeding, clearly demonstrates UTU's faulty logic since more loaded cars moved outbound than inbound, which, of course, is not possible if all of the loaded cars were held for storage. The updated Interchange Report simply lists the car reporting marks and numbers to further demonstrate that none of the loaded cars listed in the original Interchange Report were for storage.

All of the traffic moving to and from the rail line owned by M&NJ before and after the filing of the Notice of Exemption in this proceeding was interchanged with Norfolk Southern Railway Company ("NS"). Since the NS trains are crewed by UTU members, UTU is fully aware of the nature and scope of M&NJ's common carrier operations. To suggest otherwise to the Board is disingenuous at best.

M&NJ respectfully urges the Board to deny the Motion.

Respectfully submitted,



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MIDDLETOWN & NEW JERSEY RAILROAD,
LLC

Dated: July 10, 2012

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of July, 2012, I have caused a copy of the foregoing
Reply to be served on all parties of record.

A handwritten signature in cursive script that reads "Karl Morell". The signature is written in black ink and is positioned above a horizontal line.

Karl Morell