

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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January 20, 2015
Part of
Public Record

**FD 35873
NORFOLK SOUTHERN RAILWAY COMPANY
-ACQUISITION AND OPERATION-
CERTAIN RAIL LINES OF THE
DELAWARE AND HUDSON RAILWAY COMPANY, INC.**

**COMMENTS AND REQUEST FOR RELIEF
OF THE
SARATOGA & NORTH CREEK RAILWAY**

Respectfully submitted

John D. Heffner
Strasburger & Price, LLP
1025 Connecticut Avenue, N.W.
Suite 717
Washington, D.C. 20036
(202) 742-8607

Counsel for
Saratoga & North Creek Railway

Due: January 21, 2015

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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OF THE
SARATOGA & NORTH CREEK RAILWAY**

**I.
INTRODUCTION**

Pursuant to the Board's decision in this case served December 16, 2014, Saratoga & North Creek Railway ("S&NC"), a Class III short line railroad common carrier, submits its comments and request for relief. S&NC supports Board approval of this transaction conditioned on its ability to interchange traffic directly with Norfolk Southern Railway ("NSR") in the Delaware & Hudson Railway Company's ("D&H") yard at Saratoga Springs, NY.

**II.
COMMENTS**

Originally established in 2011, S&NC operates an 89 mile branch line known as the Tahawus Line from Tahawus, NY, to Saratoga Springs, NY, that had

formerly been owned and/or operated by D&H or its predecessors.¹ That line had been out of service before S&NC resumed operations over it. S&NC connects with D&H's Albany-Montreal mainline in Saratoga Springs and has interchanged a modest amount of freight with D&H at its Saratoga Springs Yard.

NSR presently serves D&H's Saratoga Springs Yard pursuant to a trackage rights agreement with D&H dated September 30, 2004. NSR utilizes those rights on an overhead basis between Sunbury, PA, and Saratoga Springs, NY, permitting NSR to interchange with D&H at Saratoga Springs. However, a "paper barrier" prevents NSR from interchanging with any other carrier that also serves the yard such as S&NC. Should the Board approve the subject transaction as it should, NSR will acquire D&H's line of railroad between Sunbury/Kase, PA, and Schenectady, NY (known as the "D&H South Line"). While NSR's trackage rights will be subsumed in its purchase of that D&H line, it will continue to hold and exercise the trackage rights between Schenectady and Saratoga Springs.

¹ S&NC initially operated the track between Saratoga Springs and North Creek, NY, on rights of way acquired from D&H and owned by the Town of Corinth, NY, and Warren County, NY. See, *Saratoga and North Creek Railway, LLC—Acquisition and Operation Exemption—Delaware and Hudson Railway Company, Inc. d/b/a Canadian Pacific*, FD 35500 (STB served June 1, 2011) and *Saratoga and North Creek Railway, LLC—Operation Exemption—Warren County, N.Y.*, FD 35500 (Sub-No. 1)(STB served June 1, 2011). In October 2011 it sought authority to acquire and operate a segment of "private track" between North Creek and Tahawus, NY. After encountering opposition from some environmental groups, a massive demonstration of support from the public and from local, state, and federal officials persuaded the Board to approve that transaction. *Saratoga and North Creek Railway, LLC—Operation Exemption—Tahawus Line*, FD 35631 (STB served June 1, 2012).

Since reopening the entire Tahawus Line, S&NC has been working diligently over the past few years to develop traffic from the five potential on-line customers. Several of these shippers had formerly used D&H's service but that traffic disappeared before CPR acquired D&H. While rebuilding that traffic will take some time, eliminating that paper barrier to allow a direct S&NC/NSR interchange will do much to facilitate those efforts.

As S&NC witness Alex Jordan relates, S&NC has sought rate and service terms from D&H to permit it to meet shipper needs. Unfortunately, the traffic will not support D&H's three-line haul and circuitous routings. S&NC believes that it could generate up to 8,000 cars of traffic per year if it could interchange directly with NSR. It submits verified statements from selected customers documenting this assertion.²

S&NC has reviewed and supports the comments and request for conditions submitted by the New York State Department of Transportation. Overall, NSR's acquisition of the D&H South Lines is in the public interest and will strengthen the State's rail network. But there are some details that need to be addressed.

Recent Board actions appear to demonstrate an increased sensitivity to railroad competition. In *Review of Rail Access and Competition Issues*, Ex Parte No. 575 (STB served October 31, 2007) the Board announced that it would

² Supporting customers include Aggregates America, LLC, Barton International, Mitchell Stone Products, LLC, and NL Industries, Inc.

examine issues such as interchange commitments or traffic restrictions that inhibit or limit the free flow of traffic between railroads. Short line transactions approved by the Board in the past several years document a policy of examining restrictive “paper barriers.” To do so in the context of this proceeding would be in the public interest and is simply the right thing to do.

Granting S&NC’s request would not adversely affect either D&H or NSR. As S&NC’s General Manager Justin Gonyo notes, S&NC currently holds and exercises the right to operate over D&H’s track to enter the Saratoga Springs Yard. The distance between the S&NC/D&H connection and the D&H Saratoga Yard is short, 2.2 miles. No freight will be diverted from D&H as this traffic “new.” In fact, it is traffic that has not moved by rail in as many as about 25 years. Finally, he notes that there is no congestion on either the D&H Albany-Montreal main line or in the yard itself as there is ample capacity to accommodate the projected traffic to be interchanged with NSR.

The Board has the power to condition its approval of NSR’s acquisition of the D&H South Lines on the elimination of the paper barrier that prevents a direct S&NC/NSR connection.

III.
CONCLUSION

S&NC supports Board approval of NSR's acquisition of the D&H South Lines but conditioned on the elimination of the paper barrier at the Saratoga Springs Yard so that it can interchange traffic directly with NSR.

Respectfully submitted



John D. Heffner

Strasburger & Price, LLP

1025 Connecticut Avenue, N.W.

Suite 717

Washington, D.C. 20036

(202) 742-8607

Counsel for

Saratoga & North Creek Railway

Due: January 21, 2015

**VERIFIED STATEMENT
OF
JUSTIN GONYO**

Justin Gonyo, being duly sworn deposes and states as follows:

My name is Justin Gonyo, I am the General Manager of the Saratoga & North Creek Railway (“S&NC”), Class III short line railroad and wholly owned subsidiary of Iowa Pacific Holdings. I am submitting this statement in support of S&NC’s request to the Board for direct access to Norfolk Southern Railway (“NSR”) at the Saratoga Springs Yard of the Delaware & Hudson Railway (“D&H”) for the purpose of interchange.

Originally established in 2011, S&NC operates an 89 mile branch line from Tahawus, NY, to Saratoga Springs, NY, that had formerly been owned and/or operated by D&H or its predecessors.¹ S&NC connects with the D&H’s Albany-Montreal mainline in Saratoga Springs and interchanges freight with D&H at its Saratoga Springs Yard.

S&NC currently operates a Federal Railroad Administration-compliant² intercity passenger service over its line providing a direct connection with Amtrak at Saratoga Springs. It is currently developing freight service over its line, a service that had atrophied long before Canadian Pacific Railway (“CPR”) acquired

¹ D&H had owned and operated the trackage between Saratoga Springs and North Creek, NY, and had abandoned that line pursuant to Board authority. Trackage north of North Creek was private, industry-owned trackage over which D&H provided service. S&NC believes that D&H terminated that service around 1989.

² Pursuant to the FRA’s rules at 49 CFR Part 238.

control of D&H. NSR presently serves D&H's Saratoga Springs Yard pursuant to a trackage rights agreement with NSR dated September 30, 2004. S&NC also has access to that yard for interchange purposes by trackage rights over D&H's line between milepost CPC 38 and one train length south of milepost CPC 35, a distance of approximately 3.0 miles. Effecting direct interchange between S&NC and NSR is both operationally and physically practical and is in the public interest.

Prior to joining S&NC, I was employed by D&H as its Supervisor of Operations for that railroad's North End. That experience qualifies me to speak with authority about the ability of D&H's Saratoga Springs infrastructure to handle the modest additional traffic that a direct connection between S&NC and NSR would generate. Based upon my experience with the D&H, I believe there is room in the yard for S&NC to interchange with NSR.

During my employment with D&H, my territory covered the lines between Rouses Point, NY and Albany, NY and west to Oneonta, NY including all yards, sidings and spur tracks. This area of responsibility also included Saratoga Yard as well as all of the road freights and yard jobs operating within the terminal. This terminal saw four daily Amtrak passenger trains and approximately 8 road freights and 1 yard job each day. Also the Saratoga Springs Yard typically ran at approximately 60% capacity with the bulk of all traffic being confined to the East Yard. Leaving space for approximately 118 cars in the West Yard, it would

appear, that there is more than adequate capacity in Saratoga Yard for additional traffic.

The mainline between these two control points is governed by the D&H dispatch office located in Minneapolis, MN and method of operation is Centralized Traffic Control (CTC). The D&H Saratoga Springs Yard consists of 8 tracks in the East Yard ranging in length from track SE01 at 4534 feet to track SW08 at 1625 feet and 3 tracks in the West Yard ranging from track SW01 at 2599 feet to track SW03 at 2137 feet with an adjoining industrial spur. The yard has a controlled siding to the south between CPC 31 and CPC 35, a length of approximately 4 miles. There is also a controlled siding to the north between CPC 36 and CPC 37, a length of approximately 2800 feet. Between these two sidings is the Saratoga East Track, which is controlled by the Yard Master and is 4769 feet in length.

S&NC has identified 5 potential freight customers that would benefit from a direct interchange with NSR. My management estimates that these customers would generate approximately 8,000 cars moving through Saratoga Springs annually. Assuming that S&NC provided service five days per week 52 weeks per year, each S&NC moving over D&H's line would consist of about 31 cars in each direction and would take about 15-20 minutes to cover the distance between the yard and the junction with S&NC.

S&NC has previously attempted to negotiate a direct connection with NSR in the past. D&H has either refused to provide that access or has quoted a switching rate that makes the service economically impossible.

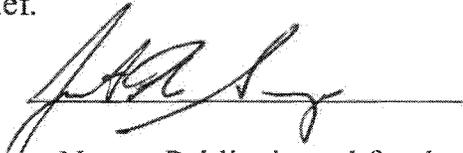
Accordingly, S&NC seeks the Board's assistance in establishing a direct NSR interchange.

VERIFICATION

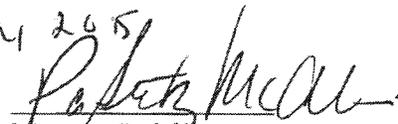
STATE NY OF Warren County
CITY OF JOHNSBURG)

SS

Justin M Conyo, being duly sworn according to law, hereby
deposes and states that (s)he is holds the position of General Manager with Secretary North Creek
is authorized to make this Verification, has read the foregoing document, and Railway
knows the facts asserted therein are true an accurate as stated, to the best of (her)
his knowledge, information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the City of
JOHNSBURG in the State of New York, this 20 day of January 2015


Notary Public

My commission expires: 4-27-18

PATRICIA A. SEITZ-McALONEN
Notary Public, State of New York
Qualified In Warren County
Commission Expires April 27, 20 18

**VERIFIED STATEMENT
OF
ALEXANDER H. JORDAN**

Alexander H. Jordan, being duly sworn, deposes and states as follows:

I am Alexander H. Jordan, Director Marketing – Northeast for Iowa Pacific Holdings (“IPH”), the owner of the Saratoga & North Creek Railway (“S&NC”). My responsibilities include direct customer contact, finding new traffic opportunities, communicating with our Class I railroad partner (Canadian Pacific Railway) and negotiating rates, and doing general research for railroad business. I have been with Iowa Pacific for three years, and did some work with them on refrigerated boxcar perishable traffic before that.

Before joining IPH, I have almost forty years of service in the railroad and the ocean container shipping industries, and with Kimberly Clark Corporation (paper manufacturer and consumer products producer). I also served at the Interstate Commerce Commission for a three year stint.

I have prepared this statement in support of S&NC’s comments to the Surface Transportation Board (“the Board”) in connection with the proposed acquisition by Norfolk Southern Railway (“NSR”) of a line of railroad owned by Canadian Pacific Railway’s¹ Delaware & Hudson (“D&H”) subsidiary between Sunbury, PA, and Schenectady, NY, with trackage rights over D&H to Saratoga

¹ Abbreviated as CP.

Springs, NY. Established in 2011, S&NC is a Class III short line common carrier railroad that operates an 89 mile long line between the D&H connection at Saratoga Springs and Tahawus in northern New York State. S&NC has been working very aggressively over the past several years to develop freight traffic and my purpose in testifying is to acquaint the Board with our experiences in working with our connecting lines. Unfortunately, the traffic that we have been developing will not support three-line hauls (particularly S&NC-D&H-NSR) and do not fit with CP's long-haul business model. I shall identify three examples.

My first example is Barton International, a S&NC customer that ships mined and processed industrial garnets from their North River, NY, plant (located north of North Creek, on the S&NC-owned Sanford Lake Branch between North Creek and Tahawus) primarily to three destinations for domestic and international distribution: Harvey, LA, (south of New Orleans, on the shortline New Orleans & Gulf Coast RR); Reserve, LA, (west of New Orleans on the Canadian National/Illinois Central Railroad); and Kent, WA, (on the BNSF Railway). Barton wishes to ship this traffic in high-cube boxcars for the economic benefit, and S&NC has worked very hard to obtain this traffic. The competitive alternative for service, although more expensive, is either truck or rail intermodal. The nature of Barton's business and marketplace needs dictate at times that their product must immediately be shipped when demand arises. When such transportation

requirements materialize very quickly, speed of service and the most direct geographic railroad routing is imperative.

For the traffic with Louisiana destinations, Barton indicated that NSR was the most direct routing and preferred that option for the timeliness of service delivery. Several shipments were made, one in winter. Thanks to Barton's willingness to make the rail merchandise service option work, S&NC was able to provide the CP Marketing & Sales groups competitive truck rate information, and CP responded with a CP routing north and west through Canada. However, once the winter trip commenced, the boxcar was routed from the Saratoga Springs interchange north to Montreal, where it sat at St. Luc Yard for at least a week, then moved on to Toronto, and then to a yard in London, ON. Thanks to S&NC General Manager Gonyo's close CP operating contacts, we were able to once again able to get the car moving again, and it continued on to Chicago via Windsor, ON; Detroit; and over CP's traffic rights on NSR. Once in Chicago, one car was misrouted to Kansas City, and then returned to Chicago for CN/IC interchange. The car then proceeded along the former IC route until it reached Memphis, where it once again sat in a yard. After numerous calls from the Iowa Pacific National Operations Center, the car was again put in motion for its Louisiana destination. Total transit time was 31 days, from Saratoga Springs, NY, to Reserve, LA., and this was simply too lengthy a transit time to retain this business on the railroad.

Barton remarked that this boxcar went the long way around Canada and the US Midwest before going down south, and that it was very difficult to obtain accurate status updates, or accurate ETA (Estimated Time of Arrival) to final destination. For the more direct and shorter NSR routing, it was felt CP would not provide a competitive rate because they would get “ short hauled”. S&NC submits a short statement from Barton as part of its comments here.

Our second customer is Aggregates America and Tahawus mine owner Contran Corporation (successor to National Lead Co.). They seek to ship aggregate products to the greater New York City/Long Island metropolitan market via either Albany interchange with CSX Transportation or the Binghamton, NY, interchange with NSR (for access to northern New Jersey truck transload or Cross New York Harbor Railroad car float service to Long Island). The relatively short interchange distance to reach either of these other railroads and the high rate charged for this short haul prohibits the offering of competitive rates to reach this huge market.

Finally, our third example involves a potential S&NC customer that wishes to receive anthracite coal for light industrial and residential use. There are many Adirondack residences which use coal for heating. While this customer presently sources the coal in northeast Pennsylvania and ships by truck, it prefers to ship direct by railroad, having an NSR and short line railroad load-out opportunity.

However, the CP quoted rate to ship the coal over the D&H portion of the route between the NSR interchange and the S&NC at Saratoga Springs makes the move uneconomic. If it could move by NSR direct to S&NC at Saratoga Springs, the traffic would move via railroad.

In closing, I would note that while the D&H is considered a Class II railroad carrier for STB economic reporting purposes, S&NC traffic bound for US destinations other than the northeast is moved over the larger CP system via Montreal, Toronto, and Windsor, thus using the CP's Class I carrier status.

I appreciate the opportunity to address the Board on this issue of importance to S&NC.

VERIFICATION

STATE OF Delaware)
CITY OF New Castle)

SS

I, ALEXANDER JORDAN, being duly sworn according to law, hereby
deposes and states that (s)he is holds the position of Director Marketing with Northwest IOWA PACIFIC ACQUISITION,
is authorized to make this Verification, has read the foregoing document, and
knows the facts asserted therein are true and accurate as stated, to the best of (her)
his knowledge, information, and belief.

Alexander Jordan

Subscribed to and sworn to before me, a Notary Public, in and for the City of
New Castle in the State of DE, this 20th day of January

[Signature]

Notary Public

My commission expires:

MARIA JAMEEL
NOTARY PUBLIC, STATE OF DELAWARE
COMMISSION EXPIRES APRIL 24, 2016

Letter of Support for Norfolk Southern Acquisition of certain rail lines

My name is H. James Bourque and I am President of Aggregates America, LLC Company ("Aggregates America"), a customer served by the Saratoga & North Creek Railway located at North Creek, NY. We have been in the aggregates business throughout North America for the past 40 years.

Aggregates America operates a stone quarry at Tahawus, NY serviced by Saratoga Northcreek Railroad. We manufacture many sizes of stone including road aggregates and rail ballast. Our target is New York City, where we have ready markets and partners that will use upwards of 500,000 to 1,000,000 tons annually. Other major markets that we are targeting are in the greater New York, Pennsylvania and Ohio region. The problem at the moment is that rail transportation cost moving over three different rail lines at present is cost prohibitive to open this large market.

The key link in the rail transportation service was formerly provided from the Delaware and Hudson Railroad. That company terminated service on that line serving North Creek some years ago. That line was acquired by public agencies in New York for the purpose of restoring freight rail service. Some three years ago, the Saratoga and Northcreek Railway (S&NC) bid on and won the right to provide service on the line as a contract operator for the public agency owners of the line. S&NC has been working diligently to restore rail service over this out of service line and to persuade dormant rail customers to return to using rail service.

Aggregates America has been working for over two years with S&NC to secure favorable and cost effective rates to service major customers in New York City and elsewhere on the east coast. The current scenario is to move freight over three rail lines which results in considerable delays due to interchange and excessive handling. The tonnage we are anticipating would be greatly reduced under the current system and are economically unfeasible, transportation wise, to service our customers.

We totally support Norfolk Southern's efforts to acquire certain rail lines in New York and Pennsylvania including NS service into Saratoga over trackage rights on the D&H railway. If this effort is approved, Aggregates America feels confident that the transportation cost will be reduced enough to make it feasible to move aggregates in greater quantities over the S&NC rail line from our quarry at Tahawus.

If the board does not approve this acquisition, there will be limited tonnage to be moved over the S&NC rail line because of cost constraints.

We also feel strongly that NS achieves this acquisition it will be an economic boost for Northern New York, where the economy is somewhat depressed. This would cause a boost in jobs and other commodities to support quarry operations such as ours.

Thank you for the opportunity to express our support for this acquisition.



H. James Bourque

President

Aggregates America, LLC

Mobile: (906) 630-0861

Office: (906) 635-9191

Email: aggregates@lighthouse.net

LETTER OF SUPPORT FOR NORFOLK SOUTHERN ACQUISITION OF
CERTAIN RAIL LINES

VERIFICATION

STATE OF MICHIGAN

SS

CITY OF SAULT STE. MARIE

_____, being duly sworn according to law, hereby
deposes and states that (s)he is holds the position of _____ with _____,
is authorized to make this Verification, has read the foregoing document, and
knows the facts asserted therein are true an accurate as stated, to the best of (her)
his knowledge, information, and belief.

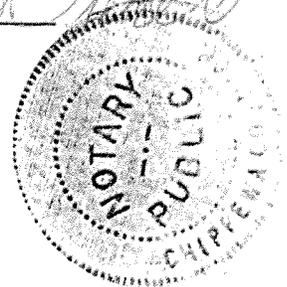
A. James Bourque

Subscribed to and sworn to before me, a Notary Public, in and for the City of
n/A in the State of Michigan, this 15th day of January 2015.

Amy D. Smith

Notary Public

My commission expires: March 22, 2020





December 28, 2014

Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

RE: Saratoga and North Creek Railway Interchange Support, Docket FD 35873

Dear Board Representative:

Barton International respectfully request that Saratoga & North Creek Railway (S&NC) receive formal interchange rights with Norfolk Southern Railway at Saratoga Springs, NY.

Barton International is a freight customer of S&NC with potential to increase rail freight traffic. Norfolk Southern Railway Company (NS) has filed an application with the US Surface Transportation Board (STB) of the Department of Transportation in Washington, DC, to acquire from the Canadian Pacific Railway (CPR) the southern portion of the Delaware & Hudson Railway, between Schenectady, NY, and Sunbury, PA. Sunbury is on an NS mainline, located north of Harrisburg, where NS has large freight yards and marshalling facilities. NS will also have trackage rights between Saratoga Springs and Schenectady, thus allowing direct NS service from Saratoga Springs to all points on the NS system. However, as a shortline railroad, Saratoga & North Creek Railway will not have direct interchange rights to NS at Saratoga. This is unfortunate because almost all of the existing and potential inbound and outbound freight traffic on the S&NC seeks to move over railroad lines south and west of Saratoga, much of it over NS. Some traffic is either destined to or originates on the NS system. A direct interchange with NS at Saratoga would greatly benefit S&NC and its ability to grow traffic with competitive rates and service.

If there are any questions, please contact me at crbarton@barton.com or 518-615-2038.

Sincerely,

CR Barton

Digitally signed by CR Barton
DN: cn=CR Barton, o=The Barton
Group, ou,
email=crbarton@barton.com,
c=US
Date: 2014.12.28 12:49:48 -05'00'

Chuck Barton
Chief Operating Officer

MITCHELL STONE PRODUCTS, LLC.



January 15, 2015

My name is Paul Mitchell. I operate Mitchell Stone Products, LLC., ("MSP") a company served by the Saratoga & North Creek Railway located at North Creek, NY.

Historically this rail serviced NL Industries from their titanium mine in Tahawus, NY with outbound product. While NL Industries received service from the Delaware & Hudson Railway ("D&H"), that company terminated service on its line serving North Creek some years ago. Subsequently, that line was acquired by public agencies in New York for the purpose of restoring freight rail service. About three years ago, the Saratoga & North Creek Railway ("S&NC") bid on and won the right to provide service on the line as a contract operator for the public agency owners of the line. S&NC has worked diligently to restore railroad service over this out of service line and to persuade "dormant" rail customers to return to using rail service.

Recently, MSP worked with S&NC on a series of outbound aggregate movements serving other rail lines in the Northeast. We have moved 60 cars containing 6000 tons of aggregates. This is a new venture for MSP and S&NC to sell high quality aggregate product across the Northeast.

Should the Board approve Norfolk Southern's ("NS") acquisition of certain rail lines in New York and Pennsylvania including NS' service into Saratoga over trackage rights on the D&H Railway, MSP anticipates using S&NC's service.

More specifically, MSP anticipates that it will ship at least 200,000 tons of aggregate product per year. MSP has requested that S&NC and NS furnish it with rates and other information to enable it to begin using rail service. MSP plans to begin shipping this cargo in May of 2015.

Thank you for the opportunity to express our views.

Sincerely,

Paul Mitchell

15 MITCHELL LANE
TUPPER LAKE, NY 12986
PHONE: (518) 359-7029
FAX: (518) 359-3707
EMAIL: PJMLOG@HOTMAIL.COM
WWW.PJMLOGGING.COM

VERIFICATION

STATE OF NEW YORK)
TOWN)
CITY OF TUPPER LAKE)

SS

PAUL MITCHELL, being duly sworn according to law, hereby
deposes and states that (s)he is holds the position of President with Mitchell Stone LLC
is authorized to make this Verification, has read the foregoing document, and
knows the facts asserted therein are true an accurate as stated, to the best of (her)
his knowledge, information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the ^{TOWN} City of
TUPPER LAKE in the State of NEW YORK, this 15 day of JANUARY


Notary Public

My commission expires:

DONNA K. MALISZEWSKI
Notary Public, State of New York
No. 01MA6261773
Qualified in Franklin County
Commission Expires May 14, 20 16



REAL ESTATE DEPARTMENT
TELEPHONE: 972.450.4288

NL INDUSTRIES, INC.
THREE LINCOLN CENTRE
5430 LBJ FREEWAY
SUITE 1700
DALLAS, TEXAS 75240-2697

TELEPHONE FACSIMILE: 972.450-4281

January 20, 2015

I am Real Estate Manager of NL Industries, Inc., a customer served by the Saratoga & North Creek Railway located at North Creek, NY. I have been with the company for the past 20 years and my responsibilities include arranging for transportation of our product as well as logistics matters.

Historically NL has depended upon both rail and motor carrier service for outbound shipments. While we formerly received service from the Delaware & Hudson Railway, that company terminated service on its line serving North Creek some years ago. Subsequently, that line was acquired by public agencies in New York for the purpose of restoring freight rail service. About three years ago, the Saratoga & North Creek Railway ("S&NC") bid on and won the right to provide service on the line as a contract operator for the public agency owners of the line. S&NC has worked diligently to restore railroad service over this out of service line and to persuade "dormant" rail customers to return to using rail service.

Recently, NL worked with S&NC on a series of outbound rock shipments. We moved a total of 4,000 tons of rock from our facility on S&NC at North Creek. S&NC handled the freight from North Creek to the D&H Ry interchange at Saratoga, NY, and then to Norfolk Southern ("NS") for the rest of the trip to southern New York. Inserting a third carrier (D&H) in the movement resulted in unnecessary delays due to interchange, excessive handling and added freight charges. Had S&NC been able to interchange directly with NS, we could have eliminated these delays and saved on switching fees as well.

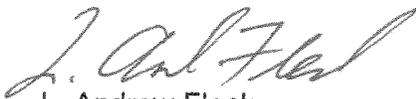
Should the Board approve NS' acquisition of certain rail lines in New York and Pennsylvania including NS' service into Saratoga over trackage rights on the D&H Railway, NL anticipates using S&NC's service more often in the future.

January 20, 2015
Page 2

More specifically, NL anticipates that it will ship at least 200,000 tons of rock per year. NL has requested that S&NC and NS furnish it with rates and other information to enable it to increase rail service. NL plans to begin shipping rock on or about June 1, 2015.

Thank you for the opportunity to express our views.

Sincerely,



L. Andrew Fleck
Real Estate Manager

VERIFICATION

STATE OF TEXAS)
)
CITY OF DALLAS) ss

L. Andrew Fleck _____, being duly sworn according to law, hereby deposes and states that (s)he is holds the position of Real Estate Manager with NL Industries, Inc., is authorized to make this Verification, has read the foregoing document, and knows the facts asserted therein are true an accurate as stated, to the best of (her) his knowledge, information, and belief.

L. Andrew Fleck

Subscribed to and sworn to before me, a Notary Public, in and for the City of Dallas in the State of Texas this 20th day of 2015.



Michelle L. Lamere
Notary Public

My commission expires: 2-19-2015

CERTIFICATE OF SERVICE

I, John D. Heffner, hereby certifies that I transmitted a copy of the foregoing Comments and Request for Relief of the Saratoga & North Creek Railway to the following parties by first class United States Mail and electronic mail this 21st day of January, 2015:

Jeffrey A. Bartos
Guerrieri, Clayman, Bartos & Parcelli, P.C.
1900 M Street, N.W., Suite 700
Washington, DC 20036

David Bernhardt
Main Department of Transportation
16 State House Station
Augusta, ME 04333

Eugene H. Blabey
Western New York & Pennsylvania Railroad, LLC
3146 Constitution Ave
Olean, NY 14760

Honorable Robert P. Casey, Jr.
United States Senate
Washington, DC 20510

P. Scott Conti
75 Hammond Street
Worcester, MA 01610

Frank Depaola
Ten Park Plaza, Suite 4160
Boston, MA 02116

Richard S. Edelman

O'Donnell, Schwartz and Anderson, P.C.
1300 L Street, N.W., Suite 1200
Washington, DC 20005

Steven M. Golich
Celtic International
7840 Graphics Drive, Suite 100
Tinley Park, IL 60477

Eric M. Hocky
Clark Hill, PLC
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103

Peter R. Leishman
Milford-Bennington Railroad Co., Inc.
62 Elm Street
Milford, NH 03055

Gordon P. MacDougall
1025 Connecticut Avenue, NW
Suite 919
Washington, DC 20036-5444

Keith D. Martin
New York State Department of Transportation
50 Wolf Road, 6th Floor
Albany, NY 12232

Terrence D. Matthews
JB Hunt Transport Services, Inc.
130
Lowell, AR 72745-0130

Thomas F. McFarland
Thomas F. McFarland, P.C.
208 South Lasalle St., Suite 1890
Chicago, IL 60604

Wayne A. Michel
Reading Blue Mountain and Northern Railroad Company
P.O. Box 218
Port Clinton, PA 19549

Raj Mukherji
PO Box 1
Jersey City, NJ 07303

William A. Mullins
Baker & Miller PLLC
2401 Pennsylvania Ave. NW, Suite 300
Washington, DC 20037

Sam Niness
Thoroughbred Direct Intermodal Service, Inc.
5165 Campus Drive, Suite 400
Plymouth Meeting, PA 19462

Mike Radak
Hanjin Shipping America, L.L.C.
80 Route 4 East
Paramus, NJ 07652-4600

Joe Shefchik
PTI Logistics LLC
2701 Executive Dr.
Green Bay, WI 54304

Gary Strausbaugh
Perdue Inc.
P O Box 1537
Salisbury, MD 21801

Vincent P Szeligo
Wick Streiff Meyer O'Boyle & Szeligo PC
1450 Two Chatham Center
Pittsburgh, PA 15219-3427

John B Vermylen
Zerega (A. Zerega Sons, Inc.)
241
Fair Lawn, NJ 07410

/s/ John D. Heffner
John D. Heffner

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