



**“the” Delaware-Lackawanna Railroad Company, Incorporated**

a Subsidiary of

**GENESEE VALLEY TRANSPORTATION COMPANY, INC.**

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October 5, 2015

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**Via E-Filing**

Cynthia T. Brown, Chief  
Section of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington DC 20423-0001

ENTERED  
Office of Proceedings  
October 6, 2015  
Part of  
Public Record

Re: *Reading, Blue Mountain Northern Railroad Company - Petition for Declaratory Order*, STB Finance Docket No. 35956

Dear Ms. Brown:

On September 11, 2015, Reading, Blue Mountain and Northern Railroad (“RBMN”) petitioned the Board to order that the requirements of the Pennsylvania Municipal Authorities Act (“PMMA”) are not preempted by the ICC Termination Act, 49 U.S.C. § 10501(b) (“Petition”). On October 1, 2015, the Pennsylvania Northeast Regional Railroad Authority (“PNRRA”) and the SEDA-COG Joint Rail Authority (“SEDA-COG”) (collectively, the “Authorities”) filed a reply, in which they agreed that the Board should issue a Declaratory Order. However, the Authorities maintain that because the relief that RBMN seeks in Pennsylvania Court proceedings, if granted, would potentially interfere with and/or disrupt railroad operations to the detriment of the public interest, much of the relief requested should be found to be preempted under 49 U.S.C. § 10501(b).

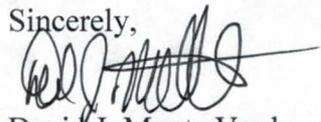
The Delaware-Lackawanna Railroad Company (“DL”), a Class III rail carrier, wishes to support the position taken by PNRRA and SEDA-COG in response to the Petition because the relief that RBMN seeks in the Pennsylvania state court proceedings would adversely affect the on-going relationship between DL and PNRRA, and the rights of DL as a common carrier subject to the Board’s jurisdiction. Pursuant to this ongoing relationship, DL continues to provide responsive rail carrier service to rail oriented customers located on the lines owned by PNRRA. While DL is not a party to the state court proceeding, RBMN is seeking to have the

Pennsylvania Courts declare that the continuing operating relationship between PNRRA and DL is void and of no effect.

DL has continuously operated the rail lines acquired by PNRRA and its predecessors, Monroe County Rail Authority and Lackawanna County Railroad Authority, since the lines were acquired pursuant to filings with the STB. In related submissions, DL specifically filed appropriate notices of exemption for authority to operate the lines belonging to PNRRA,<sup>1</sup> all of which have been effective since 2001. Pursuant to the notices and lease agreements with the owner of the line, DL has provided continuous, uninterrupted, safe and responsive rail service to meet the needs of all rail oriented customers served by PNNRA lines.

DL firmly believes that only the STB could intervene to require it to discontinue the service it provides under the mutually satisfactory ongoing contractual relationship it maintains with PNRRA, pursuant to the Board's exclusive jurisdiction and authority under sections 10501(b) and 10903 of the Interstate Commerce Termination Act. Because a declaratory order would dispel any uncertainty and doubts concerning the full extent of Board's regulatory authority, DL fully supports the reply of PNRRA and SEDA-COG, which urges the Board to clarify that the remedies sought by RBMN in Pennsylvania court proceedings, are preempted by section 10501(b) because the remedies infringe upon the Board's exclusive jurisdiction to regulate rail transportation operations in the public interest.

Sincerely,



David J. Monte Verde  
President

cc: All parties of record

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<sup>1</sup> Delaware Lackawanna Railroad Co. Line Operation Exemption - Monroe County Railroad Authority, STB Finance Docket No. 34091 (Decided September 28, 2001). Delaware Lackawanna Railroad Co. Line Operation Exemption - Lackawanna Railroad Authority, STB Finance Docket No. 33906 (Decided October 22, 2001). Delaware Lackawanna Railroad Co. Line Operation Exemption - Lackawanna County Railroad Authority, STB Finance Docket No. 34162 (Decided January 29, 2002). "Lines will continue to be operated by DL pursuant to contract" PNRRA Acquisition Exemption - Lackawanna County Railroad Authority, STB Finance Docket No. 34846 (Decided June 5, 2006).