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September 6, 2016

VIA ELECTRONIC FILING

241433

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20006

ENTERED
Office of Proceedings
September 6, 2016
Part of
Public Record

Re: **Docket No. FD 35187 (Sub-No. 1)**
Grand Elk Railroad, Inc. – Acquisition of Incidental Trackage
Rights Exemption -- Norfolk Southern Railway Company

Supplement

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are copies of letters offered by the following entities in support of Grand Elk Railroad, Inc. (“GDLK”) in the above-referenced proceeding in which GDLK seeks to secure the restoration of its recently-disrupted trackage rights operations in Grand Rapids, Michigan: Padnos, King Milling Company, Universal Well Services, Inc., and the Michigan Agri-Business Association. Each of the aforementioned entities has provided GDLK with written support, and each has requested that GDLK assist it to ensure that its written support is accepted and considered on the record, inasmuch as each is inexperienced with the Board’s e-filing processes.

If you have any questions regarding the enclosed materials, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,



Robert A. Wimbish
Attorney for Grand Elk Railroad, Inc.

Enclosures

cc: Craig Richey
Garrett Urban
All parties of record

September 2, 2016

VIA U.S. MAIL [or] ELECTRONIC FILING

Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20034

Deb Miller
Vice Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20034

Ann D. Begeman
Commissioner
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20034

Re: **Docket No. FD 35187 (Sub-No. 1)**
Grand Elk Railroad, Inc. – Acquisition of Incidental Trackage
Rights Exemption – Norfolk Southern Railway Company

Dear Chairman Elliott, Vice Chairman Miller and Commissioner Begeman:

I am writing you today on behalf of Padnos, a recycling operation with locations in Grand Rapids, Michigan that are directly affected by the above-referenced proceeding. Padnos asks that the Surface Transportation Board act quickly and decisively to restore the service that has been disrupted that allows the Grand Elk Railroad operations in Grand Rapids, Michigan. We rely on this service and this recent disruption has impacted us resulting in an inability to ship to certain customers. It is our understanding that the Grand Elk is taking necessary legal action to restore its service in Grand Rapids in the face of another railroad's objection. Padnos understands that this Board has the authority to order the service access by the Grand Elk be restored promptly and we have a vested business interest in seeing this happen quickly.

Padnos has been in the recycling business for over 110 years. We ship scrap products for recycling purposes to consumers throughout the United States and rely heavily on rail transportation to accomplish this in an efficient and cost effective manner. Padnos has enjoyed a dual service arrangement at our facility located at 601 Letellier SW in Grand Rapids for over 30 years. This arrangement provided us with direct service from Grand Elk on one line and the CSX on another. This dual service arrangement allowed us to reach customers that were serviced by different rail lines in a more cost effective manner than a reciprocal switch arrangement. Padnos has never had reason to believe that the service provided to us by the

Grand Elk would be disrupted without advance warning. In fact just over one year ago Padnos, working with the State of Michigan, the City of Grand Rapids, the Grand Elk Railroad, the NS Railroad and the CSX Railroad entered into an agreement to consolidate rail lines into our facility at 601 Letellier to reduce the number of roadway train crossings for the benefit of public service. As a part of this agreement Padnos insisted and was assured, in writing, that the dual service arrangement would be preserved. Attached please find a copy of the document preserving that agreement in writing, by all affected parties. As a result of this most recent disruption the rail traffic that had been moving via the Grand Elk line has now shifted to truck shipments.

That a short line operator such as Grand Elk would be forced, due to a contract dispute with another railroad to cease service over lines over which it has operated for years is astonishing to us. Padnos does not believe that the Board should sanction such a service disruption, or allow shippers that have come to depend on upon Grand Elk's service to be deprived of that service. Padnos believes that the Board could and should direct the restoration of this service to Grand Elk and that you are able to order all railroads in this dispute to negotiate new terms of operation in Grand Rapids that will allow a return of this vital service.

Padnos looks forward to the Board's prompt action on this issue. We urge you to please expedite consideration of Grand Elk's filing in this matter and ask the Board to take all necessary action to restore the access we have had for many years as soon as reasonably possible.

Respectfully submitted,



Scott Wolters

Senior Logistics Manager

Padnos



King Milling Company

115 S. Broadway • P.O. Box 99 • Lowell, MI 49331
Established 1890

September 2, 2016

Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20034

Deb Miller
Vice Chairman
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Re: **Docket No. FD 35187 (Sub-No. 1)**
Grand Elk Railroad, Inc. – Acquisition of Incidental Trackage
Rights Exemption -- Norfolk Southern Railway Company

Dear Chairman Elliott, Vice Chairman Miller and Commissioner Begeman:

I am writing on behalf of King Milling Company in response to the above-referenced proceeding. King Milling Company urges the Surface Transportation Board to act quickly and decisively to restore recently-disrupted Grand Elk Railroad (“Grand Elk”) operations in Grand Rapids, MI. King Milling relies upon Grand Elk’s railroad transportation services, and we are harmed by the current railroad service disruption. We understand that Grand Elk is taking necessary legal action to restore its service in Grand Rapids in the face of another railroad’s obstruction. King Milling understands that the Board has the authority to order Grand Elk service restored quickly, and we have a vested interest in seeing that happen. Accordingly, your prompt attention to this matter is urgently requested.

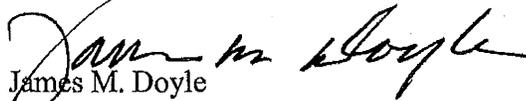
King Milling Company is a flour milling business providing milled grains to large commercial bakeries, cereal companies and food processors. We source 100 cars per month of wheat that had moved over the Grand Elk line to our delivering carrier the Grand Rapids Eastern Railway. King Milling has never had reason to believe that use of Grand Elk service would be disrupted without advance warning, particularly not without the Board permitting Grand Elk’s cessation of service in the first place. Because Grand Elk has been prohibited from accessing certain lines in Grand Rapids, despite years of operation over those lines, King Milling Company has had to abruptly move all its traffic to the CSXT with an immediate rate increase. Our existing contract with the NS-Grand Elk could not be utilized due to CSXT’s actions. In fact, unless the Board acts soon to restore Grand Elk’s service to King Milling Company, we will be faced with

be faced with a monopoly provider and will likely see deteriorating rail service, further rate increases and less responsive customer service.

That a short line operator such as Grand Elk could be forced for reasons of a contract dispute with another railroad to cease service on lines over which it has operated for several years is baffling. King Milling Company does not believe that the Board would sanction such service disruptions, or allow shippers that have come to depend upon Grand Elk to be deprived of railroad transportation due to an apparent contract dispute. It appears to King Milling that the Board can and should direct the restoration of Grand Elk service, and that it should order the railroads in this dispute to negotiate new terms of operation in Grand Rapids.

King Milling Company looks forward to your prompt action on this issue. We urge your expedited consideration of Grand Elk's filings in this proceeding, and look to the Board to take all necessary action to restore our access to Grand Elk's railroad service as soon as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James M. Doyle". The signature is written in a cursive style with a large initial "J" and "D".

James M. Doyle
Senior Vice President
King Milling Company

8/31/16

Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20034

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Vice Chairman
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Rights Exemption – Norfolk Southern Railway Company

Dear Chairman Elliott, Vice Chairman Miller and Commissioner Begeman:

I am writing in regard to the railroad dispute at the Turner Yard in Grand Rapids, MI involving the CSX, the Grand Elk, and Norfolk Southern Railroads. I was advised by CSX on 7/29/16 of a punitive increase in the Intermediate Switch cost there from a total of \$210/car to \$600/car, effective 9/1/16. An increase of this magnitude is prohibitive from a cost standpoint and would bring an end to shipments emanating from Turner. I believe the motivation of CSX is to direct our Sargent Sand Co. shipments away from the GDLK/NS and to CSX.

My purpose in originating shipments from Turner is to maintain to a balanced relationship between the competing Class 1 railroads in the region. This strategy has served Universal Well Services in facilitating shipments from Sargent Sand to compete well with other mines in providing the special sand we require. It's also afforded Universal Well with a cost effective and dependable source of this sand. It is indeed the most critical raw material component in our ability to work in the oil and gas exploration of the Marcellus and Utica Shales.

18360 Technology Drive, Box 4 ♦ Meadville, PA ♦ 16335

Business 814-373-3200 ♦ Fax 814-373-3299 ♦ universalwellservices.com

We in the oil and natural gas exploration industry are in the midst of an incredible downturn in the demand for our services that support of the supply of the natural gas our country requires. We're currently working at miniscule margins with no room for error. Frankly we've found NS to be more supportive of the challenges we face by holding rail rates level throughout this trying time. We have not been able to garner similar support from CSX, who instead have chosen to increase our costs in an environment where they cannot be passed on. Consequently, the CSX actions were not a complete surprise. The CSX rates for the Ludington, MI origins on the MQT already come at a premium due to a paper barrier CSX has in place with the MQT. It has forced Sargent to sell its sand at or near cost to remain viable for Universal.

I ask you to consider if this pricing action is intended to cover a cost or if it may be in fact intended to hold captive the shipments from Sargent Sand to Universal Well Services? Does it support free trade in the State of Michigan or might it be intended to restrict it? My 10 year tenure in this role has taught me that in order to do business with CSX; you must be able to digest unilateral actions. These decisions have forced me at times to devise options to reduce that leverage that inhibits Universal Well Services from attaining competitive costs. Undoubtedly, I will do so again unless a cost neutral Intermediate Switch cost can be determined.

I appreciate your time in the interest of Universal Well Services and look forward to your prompt action on this issue. We urge your expedited consideration of Grand Elk's filings in this proceeding, and look to the Board to take all necessary action to restore our access to Grand Elk's railroad service as soon as possible

Respectfully,



Thomas J. Watkins, C.P.M.
Director of Supply Chain Management
Universal Well Services, Inc.
18360 Technology Drive, Box 4
Meadville, PA 16335
(814) 373-3223

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**Michigan
Agri-Business
Association**

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September 1, 2016

Daniel R. Elliott III
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Deb Miller
Vice Chairman
Surface Transportation Board
395 E. Street, S.W.
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Grand Elk Railroad, Inc. – Acquisition of Incidental Trackage
Rights Exemption -- Norfolk Southern Railway Company

Dear Chairman Elliott, Vice Chairman Miller and Commissioner Begeman:

I am writing on behalf of The Michigan Agri-Business Association (MABA) in response to the above-referenced proceeding. MABA urges the Surface Transportation Board to act quickly and decisively to restore recently-disrupted Grand Elk Railroad (“Grand Elk”) operations in Grand Rapids, MI. Many MABA members rely upon Grand Elk’s railroad transportation services, and we are harmed by the current railroad service disruption. We understand that Grand Elk is taking necessary legal action to restore its service in Grand Rapids in the face of another railroad’s obstruction. MABA understands that the Board has the authority to order Grand Elk service restored quickly, and we have a vested interest in seeing that happen. Accordingly, your prompt attention to this matter is urgently requested.

The Michigan Agri-Business Association began as The Michigan Grain Dealers Association in 1903, evolving over the years to more broadly encompass agricultural interests. MABA comprises the heart of the industry—seed, fertilizer, and crop protection manufacturers, retailers and advisers; grain handlers; feed suppliers; and food processors. All major commodity groups in Michigan are represented as well. Membership has grown to include many supporting sectors, including truck and rail transportation, energy providers, legal services, accounting firms, and insurance providers. MABA has never had reason to believe that use of Grand Elk service

would be disrupted without advance warning, particularly not without the Board permitting Grand Elk's cessation of service in the first place. Because Grand Elk has been prohibited from accessing certain lines in Grand Rapids, despite years of operation over those lines, several of our members have lost opportunities, seen costs skyrocket and face an uncertain future regarding rail service to their facilities. In fact, unless the Board acts soon to restore Grand Elk service on this line, many will have to seek alternative transportation options.

For a short line operator such as Grand Elk could be forced for reasons of a contract dispute with another railroad to cease service on lines over which it has operated for several years is baffling. MABA does not believe that the Board would sanction such service disruptions, or allow shippers that have come to depend upon Grand Elk to be deprived of railroad transportation due to an apparent contract dispute. It appears to MABA that the Board can and should direct the restoration of Grand Elk service, and that it should order the railroads in this dispute to negotiate new terms of operation in Grand Rapids.

The Michigan Agri-Business Association looks forward to your prompt action on this issue. We urge your expedited consideration of Grand Elk's filings in this proceeding, and look to the Board to take all necessary action to restore our access to Grand Elk's railroad service as soon as possible. Thank you for your consideration.

Sincerely,



James E. Byrum, President
Michigan Agri-Business Association