

M. B. FUTHEY JR.  
International President

ARTHUR MARTIN III  
Assistant President

KIM N. THOMPSON  
General Secretary and Treasurer



14600 DETROIT AVENUE  
CLEVELAND, OHIO 44107-4250  
PHONE: 216-228-9400  
FAX: 216-228-0937  
www.utu.org

**LEGAL DEPARTMENT**

CLINTON J. MILLER, III  
General Counsel

• KEVIN C. BRODAR  
Associate General Counsel

• ROBERT L. McCARTY  
Associate General Counsel

• DANIEL R. ELLIOTT  
Associate General Counsel

**UPS Next Day Air**

December 18, 2008



Anne K. Quinlan, Secretary  
Surface Transportation Board  
395 E. Street, S.W.  
Washington, DC 20423-0001

Re: STB Finance Docket Nos. 35187 & 35188  
Watco Companies, Inc. – Continuance  
In Control Exemption – Grand Elk  
Railroad, LLC

224232 224733

Dear Secretary Quinlan:

Please find enclosed the original and ten copies of United Transportation Union's Petition for Stay for filing in the above-captioned matter along with a check covering the \$200 filing fee.

Thank you for your cooperation.

Sincerely,

Daniel R. Elliott, III  
Associate General Counsel

**ENTERED**  
Office of Proceedings

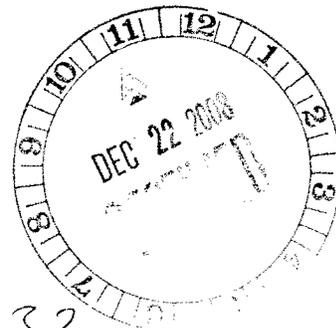
DEC 22 2008

Part of  
Public Record

Enclosure

cc: C. J. Miller, III, General Counsel

BEFORE THE  
SURFACE TRANSPORTATION BOARD



\_\_\_\_\_  
FINANCE DOCKET NO. 35187

\_\_\_\_\_  
GRAND ELK RAILROAD, LLC -  
LEASE AND OPERATION EXEMPTION -  
NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_  
AND

\_\_\_\_\_  
FINANCE DOCKET NO. 35188

\_\_\_\_\_  
WATCO COMPANIES, INC. -  
CONTINUANCE IN CONTROL EXEMPTION -  
GRAND ELK RAILROAD, LLC

\_\_\_\_\_  
UNITED TRANSPORTATION UNION'S  
PETITION FOR STAY

ENTERED  
Office of Proceedings

DEC 22 2008

Part of  
Public Record

Daniel R. Elliott, III  
Associate General Counsel  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107  
Tel: (216) 228-9400  
Fax: (216) 228-0937  
[d\\_elliott@utu.org](mailto:d_elliott@utu.org)

Pursuant to 49 C.F.R. § 1150.32(c), United Transportation Union (“UTU”) respectfully moves the Board for a stay of the effective date of the exemption in the above-captioned proceedings. “Irreparable harm” is evident here since UTU members will be displaced as a result of this lease, and it will be nearly impossible to unscramble the egg of seniority rights and residence changes created by this 49 U.S.C. § 10901 lease proceeding once it goes into effect. UTU has recently served discovery on Applicant and the other parties and now asks the Board to hold the proceeding in abeyance until this transaction can be given increased scrutiny.

As the Board well knows, these filings are the progeny of the Watco Companies/Norfolk Southern Railway Company filings which were rejected in Finance Docket Nos. 35063, 35064, and 35065. *See* Finance Docket No. 35063, *Michigan Central, LLC - Acquisition and Operation Exemption – Lines of Norfolk Southern Railway Company* (served December 10, 2007). Consequently, UTU asks to be given further time to review the discovery responses once provided by Applicant, among others, to ensure there are no similar problems at issue here.

Moreover, the Michigan Economic Development Corporation has filed a recent stay request which raises some serious economic concerns about this transaction. UTU likewise believes a more sober look at this transaction is warranted in light of these issues raised about Watco’s financial health.<sup>1</sup>

It would appear to be in the public interest to have a more careful look at this transaction based on these concerns. Applicant would not be harmed considering the related transaction was filed back

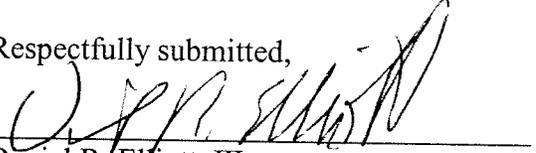
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<sup>1</sup> Apparently, Watco Transportation Services has a current Dunn & Bradstreet (D&B) rating of 1R4 and a credit score of 419. Per the latest report, the rating of 1R4 indicates slowness in meeting trade obligations, including, but not limited to, open suits, liens (including delinquent taxes in multiple states) and or judgments. Its credit score of 419 also will most likely severely limit access to the significant financial resources which would be required for the capital improvements the company claims will be accomplished within the first year on this line.

on July 13, 2007, and there does not seem to be any great rush to consummate here by Applicant based on its late filing of its notice required under 49 C.F.R. § 1150.32(e).

As a result, this matter should be stayed, and a briefing schedule should be imposed.

Respectfully submitted,



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Daniel R. Elliott, III  
Associate General Counsel  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107  
Tel: (216) 228-9400  
Fax: (216) 228-0937

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing United Transportation Union's Motion for Stay to Norfolk Southern Railway, Grand Elk and Watco Companies has been served this 18<sup>th</sup> day of December, 2008 via first-class, postage pre-paid mail upon the following:

All Parties of Record

  
Daniel R. Elliott, III