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Governor

Kris Kolluri, Esq.
Board Chairman

George D. Warrington
Executive Director



February 21, 2007

Mr. Vernon Williams
Office of the Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Ashland Railroad Company
Verified Notice of Exemption - Freehold, NJ
Finance Docket Nos. D34986 and 34987
Ashland Railroad and David Crane Notices of Exemption

218692
218693

Dear Sir:

New Jersey Transit Corporation ("NJ TRANSIT") hereby submits the following comments regarding the above-mentioned Notices of Exemption ("Notices") filed by Ashland Railroad, Inc. ("Ashland") and G. David Crane ("Crane") on January 29, 2007 under the above referenced docket numbers. NJ TRANSIT respectfully requests that the Surface Transportation Board ("Board") stay the effectiveness of the Notices pending the release of factual information that has not been provided to the Board. Further development of facts is required to determine whether Ashland or Crane are entitled to the exemption set forth in 40 C.F.R. sections 1150.31-34 and 1180.2 and therefore whether Ashland is entitled to lease and operate 1.5 miles of railroad track in Freehold, New Jersey as a "rail carrier" as defined in 49 U.S.C. section 10122(5).

NJ TRANSIT is a public instrumentality of the State of New Jersey established by the New Jersey legislature in 1979 to provide efficient, safe and responsive public transportation. The Verified Notice of Exemption filed by Ashland states that ASRR intends to provide common carrier rail operations over a rail line *and interchange with Consolidated Rail Corporation at Freehold* (emphasis added) on behalf of CSX Transportation, Inc. and Norfolk Southern Railway Company (Ashland p. 4). NJ TRANSIT is the owner of that portion of the Freehold Secondary rail line where we believe the Ashland traffic will be pulled to the Conrail interchange. In addition, NJ TRANSIT is the owner of a portion of the spur track leading to the site of what we believe is the proposed Ashland facility.

Conrail operates freight service over the Freehold Secondary rail line pursuant to a freight operating easement that Conrail reserved upon transfer of title to the State of New Jersey. A Trackage Rights Agreement between NJ TRANSIT and Consolidated Rail Corporation governs freight operations on this portion of the Freehold Secondary.

Under Section 4.02 (a) (1) of the aforementioned Trackage Rights Agreement, Conrail agrees to arrange for any industry that wishes to install or activate a siding located along NJ TRANSIT properties to "negotiate a suitable permit arrangement with NJ TRANSIT". Neither Conrail, Ashland nor Crane have contacted NJ TRANSIT about this service or requested a permit from NJ TRANSIT. In addition, NJ TRANSIT has conferred with Conrail and we have been advised that Conrail has not entered into an interchange agreement with Ashland or Crane.

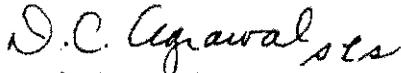
NJ TRANSIT does not have sufficient information to determine if a permit will be required or granted for this operation. NJ TRANSIT requires information about the proposed operating plan and the types of commodities Ashland intends to transport on NJ TRANSIT's rail line to fully understand the potential impacts of the proposed Ashland operation on NJ TRANSIT's property.

For all of the foregoing reasons, NJ TRANSIT requests that the Board stay the effectiveness of the exemption pending the submittal of the additional information required to evaluate the proposed Notice of Exemption.

NJ TRANSIT also requests that it be made a party of interest in these dockets.

Should you have any questions, please contact me. Thank you for your attention to this matter.

Sincerely,



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Corporate Strategy, Policy, & Contracts

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