

October 7, 2010

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: STB Finance Docket Nos. 35410, 35411 and 35418
Adrian & Blissfield Rail Road Company/Jackson & Lansing Railroad Company

Dear Chief Brown,

As a Michigan State Senator and the Democratic Vice-Chair of the Senate Transportation Committee, I wish to submit this letter of opposition to the Surface Transportation Board regarding the Adrian & Blissfield Railroad's (ADBF) proposed acquisition and operation of certain rail lines currently owned and operated by Norfolk Southern Railway Company in Michigan. The new railroad for these lines would be named the Jackson & Lansing Railroad Company (JAIL).

My first and foremost concern is regarding the degradation of safety to the affected communities. Norfolk Southern is the safest railroad in the nation. I believe changes in service from a Class I carrier to a Class III would result in a reduction of both public and employee safety. This assessment is based on statistical data as well as on the financial realities -- the financial resources available to a larger railroad provide for a higher level of employee training and newer, more advanced rail equipment. According to the ADBF STB financial docket 35411, it states that "the projected annual railroad operating revenues of the JAIL, in aggregate will not exceed \$5,000,000, and that JAIL will be a Class III rail carrier..."

Additional safety concerns would include the ability of a Class III carrier to correct and contain rail-related accidents, including hazardous material releases and the proper maintenance of brownfield locations, which may be a serious detriment to the public. These concerns are further exacerbated by the JAIL railroad asking for relief from an environmental impact study.

I also have concerns regarding the costs to captive rail shippers. Historically the costs to the customers increase when a line is leased by a Class III carrier. It is unknown with regard to this proposal; however, since the true financial impact as the JAIL business plan in question has not been publicly disclosed. The Norfolk Southern, which will maintain the "long haul", will also continue to charge for their services, including the possibility of charging new "interchange" fees. Ultimately, the customers -- businesses that

have struggled tremendously over the past decade to rebound from Michigan's recession -- are left with few options. They may either pay the additional costs or turn to trucking as a solution to their transportation needs. The latter option creates additional safety concerns as trucking will place more large loads, which may include hazardous materials, on our public roads and highways.

Finally, I have concerns regarding labor implications of this proposal. As you are aware, JAIL has asked (per STB finance docket FD 35410) that "no employee protective conditions may be imposed on this transaction." This request would exempt JAIL from providing lost job benefits or assuming existing union contracts for the numerous workers who are affected.

Thank you for this opportunity to comment on this proposed transaction. Given the serious concerns being raised it seems prudent for the Surface Transportation Board to at the very least require that an environmental impact study be completed and that the JAIL business plan be disclosed prior to making any final decision. I would also strongly recommend that employee protective conditions be required in any decision made by the Board. Doing so will ensure that the captive shippers', the public's and the employees' interests are all maintained.

Respectfully submitted,

A handwritten signature in black ink that reads "Raymond E. Basham". The signature is fluid and cursive, with a long horizontal stroke at the end.

RAYMOND E. BASHAM
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