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**BALL JANIK LLP**

A T T O R N E Y S

1455 P STREET, NW, SUITE 225  
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307  
FACSIMILE 202-783-6947

KARL MORELL

kmorell@dc.bjllp.com

February 4, 2011

E-File

ENTERED  
Office of Proceedings

FEB 4 - 2011

Part of  
Public Record

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

Re: STB Finance Docket No. 35412, Middletown & New Jersey  
Railroad, LLC – Lease and Operation Exemption – Norfolk  
Southern Railway Company

Dear Ms. Brown:

By decision served December 23, 2010, the Surface Transportation Board ("Board") instituted a proceeding in the above-referenced proceeding. The Board invited comments from interested parties on the effect of the involved transaction on competition and shippers. Commenters were also invited to address safety and employee-interest issues.

Middletown & New Jersey Railroad, LLC ("M&NJ") hereby submits the attached comments of JCI Jones Chemical, Inc. ("Jones"), Ampac Paper LLC ✓ ("Ampac"), Amercian Lumber Company ("American Lumber"), and Reed Systems LTD ✓ ("Reed"). These five companies represent half of M&NJ's active rail customers and accounted for 57 percent of M&NJ's carloads in 2010.

Jones notes that M&NJ's lease of the rail lines from Norfolk Southern Railway Company has had no impact on pricing and that service and communication of scheduled deliveries is much improved. Jones also notes that it has had formal meetings with M&NJ to insure safe operations. Ampac addresses the improved service M&NJ is providing. American Lumber characterizes M&NJ's service and customer

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service department as excellent. Similarly, Reed considers M&NJ's service to be excellent.

The remaining five M&NJ customers informed M&NJ that they were not authorized to send a letter to the Board but stated that they would be happy to discuss M&NJ's service with anyone from the Board by phone.

Respectfully submitted,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Enclosures

cc: All parties of record.



1 Feb 2011

Mr. Karl Morell

1455 F Street, NW, Suite 225

Washington, D.C. 20005

RE: STB Finance Docket No. 35412, Middletown and New Jersey Railroad, LLC

Lease and Operation Exemption- Norfolk Southern Railway Corporation

Dear Mr. Morell,

In response to your letter dated 4 Jan 2011, I offer the following information as requested from the STB direction regarding soliciting comment as related to the impact of the lease as it affects pricing, service safety and employee-interest issues.

- A. There has been no impact on our pricing as a result of this agreement being consummated. Please note that our company JCI Jones Chemicals Inc., is not the direct customer for the rail services but would be affected none the less if there were an increase in shipping costs.
- B. The service and communication of scheduled deliveries is much improved since the lease went into effect and Middletown and New Jersey Railroad took over providing these services to our facility.
- C. JCI Jones Chemicals Inc. takes safety of the utmost importance and formal meetings were held with Middletown and New Jersey Railroad officials to insure that proper safety and security plans were in place prior to receiving railcar shipments.
- D. JCI Jones Chemicals Inc. has no comments as related to employee-interest issues.

**We hope that our comments are considered as the Board makes its final decision. Should any further comment be required please feel free to contact me.**

**Sincerely yours,**

A handwritten signature in black ink, appearing to read 'T. Sherwood', with a large, stylized flourish at the end.

**Tom Sherwood**

**Branch Manager**

**JCI Jones Chemicals Inc.**

**103 River Street**

**Warwick, NY 10990**

**845-986-1715 Office**



Mr. Karl Morell  
Bail Janik LLP  
1455 F Street, NW, Suite 225  
Washington, D.C. 20005

RE: Letter and information regarding the Middletown & New Jersey Railroad

Dear Mr. Morell:

I would just like to comment on the service that I am receiving from the railroad.

I have day time deliveries now. This helps my company because of being able to start dealing with the cars in the daylight. It also helps with the surrounding neighbors who no longer have to deal with 3:00AM train noises.

The Middletown & New Jersey Railroad is in contact with me every day. They have not missed a switch to date. I find them dependable and very professional in their service.

Thanks for letting me comment.

Sincerely,

Carol A. Forstner  
Purchasing Agent  
Ampac Paper LLC  
30 Coldenham Road  
Walden, NY 12586

[ampaonline.com](http://ampaonline.com)  
innovation in action

30 COLDENHAM ROAD  
WALDEN, NY 12586  
P: 845-778-5511  
F 845-778-2369



January 25, 2011

To Whom It May Concern,

I am writing this to give my views concerning the Middletown and New Jersey Railroads service since taking over for Norfolk Southern a few months ago.

We here at American Lumber Co. Inc. have found their rail service and customer service departments to be excellent and are hoping to continue working with them in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald Silvestri", written over a horizontal line.

Donald Silvestri  
Operations Manager

**OUR WAREHOUSE IS YOUR WAREHOUSE.™**

**A. 845-778-1111 / F. 845-778-5388 / WWW.AMERICANLUMBERCO.COM  
61 AMERICAN WAY, WALDEN, NY 12586-0111**

**REED SYSTEMS LTD**  
PO Box 209, Ellenville, NY 12428  
Tel. 800-743-3661 Fax 845-647-3660  
Website – reedssystemsltd.com  
Jim Reed email – rsjim@hvc.rr.com

January 6, 2011

Karl Morell  
Ball Janik LLP  
1455 F Street, NW  
Suite 225  
Washington D.C., 20005

Re: STB Docket No. 35412, Middletown & New Jersey Railroad, LLC -  
Lease and Operation Exemption - Norfolk Southern Railway Company

Our Company, which is a small business, owns a commercial property in Montgomery,  
New York. As part of that property we own and use a siding, #749, Walden Station.

Recently the Middletown & New Jersey Railroad took over operations for that section from  
Norfolk Southern.

The service provided has been excellent. Also the staff of Middletown & New Jersey Railroad  
has provided valuable service communicating and coordinating with Norfolk Southern saving me  
valuable time that is spent running my business. The combination of Middletown & New Jersey  
Railroad and Norfolk Southern has provided excellent service to allow me to grow our business.

Sincerely,

A handwritten signature in black ink, appearing to read "J Reed", with a stylized flourish at the end.

Jim Reed, President  
Reed Systems Ltd