STRASBURG RAIL ROAD COMPANY
America's Oldest Short Line
Chartered June 9, 1832

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September 9, 2014

Daniel R. Elliott III, Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Railroad Assessment for the Fourth Quarter 2014 – First Quarter 2015

Dear Chairman Elliott:

As a Class III short line engaged in terminal services for the North American rail network, we do not anticipate any seasonal demands that we would not be able to fully and successfully internalize going into this Fall and Winter.

While we have invested over two million dollars in bridge, track and terminal improvements in the last three years, and this from a company that grosses less than eight million dollars per year, our greatest challenges are rail car, supply-related. Our local-based customers, who traffic in one to two-dozen car orders, are routinely sidelined by those who order by unit train or greater quantities.

The two greatest commodity supply challenges for our customers have been inbound grain to our area and DOT 111 tank cars for non-hazmat biofuels. The tank car shortage of course, came about with the Bakken crude development. We expect that as DOT 111 tank cars are phased out of volatile crude shipments, biofuel traffic might return. Until then, we have suffered a winter traffic loss of around forty (40%) percent of our annual carloading.

The gated, covered hopper car shortage at Midwestern elevators also caused a drop in traffic in 2013 of around (20%) percent of our annual carloading. In order to make up their orders, local mills were resorting to other sources such as grain imports at Baltimore.

We feel like we are doing our part with flexible crew scheduling, facilitating customer transloading, a meaningful demurrage policy and short dwell times. We soldier on in the hope that the playing field might level out someday for small short lines, general cargo commodities and local businesses.

Thank you for your kind consideration.

Sincerely,

Stephen S. Weaver