

214529

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August 11, 2005



VIA FEDERAL EXPRESS

Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



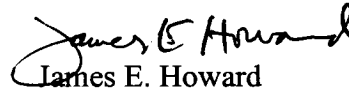
Re: Finance Docket No. 34734
Northeast Interchange Railway, LLC--Lease and Operation
Exemption--Line in Croton-on-Hudson, New York

Dear Secretary Williams:

Enclosed for filing in the above-captioned matter are the original and 10 copies of the "Supplemental Reply of Northeast Interchange Railway, LLC to 'Petition of the Village of Croton-on-Hudson to Reject Notice of Exemption or, in the Alternative, for Stay of Effectiveness'". Could you please date stamp the enclosed extra copy of the Supplemental Reply and return it to me in the enclosed self-addressed, stamped envelope?

If you have any questions with respect to this matter, please direct them to me.
Thank you very much for your assistance.

Very truly yours,


James E. Howard

Enclosures
cc: Andreas Y. Gruson

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Office of Proceedings

AUG 12 2005

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Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34734

NORTHEAST INTERCHANGE RAILWAY, LLC -- LEASE AND OPERATION
EXEMPTION -- LINE IN CROTON-ON-HUDSON, NEW YORK

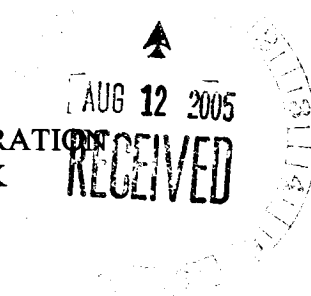
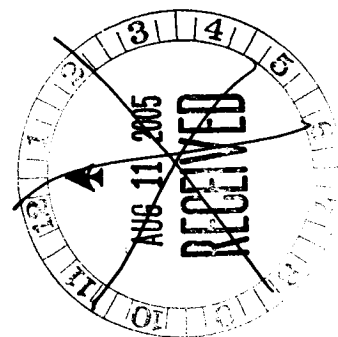
SUPPLEMENTAL REPLY OF NORTHEAST INTERCHANGE RAILWAY, LLC TO
"PETITION OF THE VILLAGE OF CROTON-ON-HUDSON TO REJECT NOTICE
OF EXEMPTION OR, IN THE ALTERNATIVE, FOR STAY OF EFFECTIVENESS"

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Public Record

James E. Howard
One Thompson Square
Suite 201
Charlestown, MA 02129
Tel. No. 617-886-9322

Attorney for Northeast Interchange Railway, LLC

Dated: August 11, 2005



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34734

NORTHEAST INTERCHANGE RAILWAY, LLC -- LEASE AND OPERATION
EXEMPTION -- LINE IN CROTON-ON-HUDSON, NEW YORK

SUPPLEMENTAL REPLY OF NORTHEAST INTERCHANGE RAILWAY, LLC TO
"PETITION OF THE VILLAGE OF CROTON-ON-HUDSON TO REJECT NOTICE
OF EXEMPTION OR, IN THE ALTERNATIVE, FOR STAY OF EFFECTIVENESS"

In a decision served on August 5, 2005, the Board stayed the effectiveness of a Notice of Exempt Transaction filed by Northeast Interchange Railway, LLC ("NIR") pursuant to 49 CFR 1150.31 relating to the lease and operation of a rail line located in the Village of Croton-on-Hudson, New York (the "Village") in order to permit NIR to respond to a petition by the Village requesting the Board to reject the Notice or, alternatively, to stay its effective date. Accordingly, NIR hereby submits this Supplemental Reply to the Village's petition. For the reasons described below and in the attached Verified Statement of Andreas Y. Gruson, the Chief Executive Officer of NIR, and the Reply of NIR filed electronically on August 4, 2005, the Board should vacate the stay and permit the Notice to become effective immediately.

NIR Will Be a Rail Carrier Providing Transportation Subject
to the Jurisdiction of the Board.

The issue before the Board at this time is simply whether NIR may begin operations as a rail carrier pursuant to the class exemption procedures set forth at 49 CFR

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1150.31. As demonstrated in this Supplemental Reply, in the Gruson Verified Statement and in the NIR Reply dated August 4, 2005, NIR meets the criteria of the class exemption, and no additional review by the Board is required or appropriate in order to permit NIR to begin operations as a rail carrier.

NIR will be a "rail carrier" within the meaning of 49 U.S.C. 10102(5). Specifically, NIR will hold itself out to provide common carrier railroad transportation for compensation. Initially, the rail transportation services of NIR will be available to trucking companies that wish to ship construction and demolition waste to disposal sites. Eventually, NIR will handle other commodities as well. NIR will be providing rail transportation services at a "facility"--the 10 acre property and line--that comes within the definition of "transportation" set forth in 49 U.S.C. 10102 (9) (A). NIR will provide "services" related to the movement of commodities by rail, including the receipt, transfer, handling and delivery of property within the meaning of 49 U.S.C. 10102 (9) (B).

Contrary to the argument of the Village, transloading activities performed by a rail carrier are within the definition of "transportation". The Board has found transloading activities to be transportation in a number of cases. Green Mountain Railroad Corp.--Petition for Declaratory Order, STB Finance Docket No. 34052 (STB served May 28, 2002); Borough of Riverdale--Petition for Declaratory Order--The New York Susquehanna and Western Railway Corp., STB Finance Docket No. 33466 (STB served September 10, 1999); Joint Petition for Declaratory Order--Boston and Maine Corp. and Town of Ayer, Massachusetts, STB Finance Docket No. 33971 (STB served May 1, 2001); Hi Tech Trans, LLC--Petition for Declaratory Order--Newark, New

Jersey, STB Finance Docket No. 34192 (STB served August 14, 2003); Growers Marketing Company v. Pere Marquette Railway, 248 I.C.C. 215 (1941).

Indeed, the Board has found that transloading construction and demolition debris from trucks to rail cars is an activity that is integrally related to rail transportation. In Hi Tech Trans, LLC--Petition for Declaratory Order--Hudson County, New Jersey, STB Finance Docket No. 34192 (STB served November 20, 2002), the Board was considering whether motor carrier transportation of construction and demolition material to a Canadian Pacific line where Hi Tech Trans, a noncarrier, performed transloading services would be subject to the jurisdiction of the Board. The Board found that such motor carrier transportation was not integrally related to rail transportation services but that the "Hi Tech activity that might be considered integral to the rail transportation of [construction and demolition] debris would be the transfer of [construction and demolition] debris at the [Canadian Pacific] transload facility itself."

The attempt by the Village to convert typical railroad transloading operations conducted by rail carriers into some type of alleged "processing" of waste material is unpersuasive. NIR will receive construction and demolition material from the trucking companies that will be NIR's customers, will crush the material in order to maximize the volume of material that can be loaded into each rail car and will haul the cars to the interchange with CSX. Crushing the material is simply a step that is integral to the rail transportation and that makes the rail transportation and the use of rail cars more efficient. See Gruson Verified Statement.

In its petition, the Village has relied upon a decision of the Court of Appeals for the 3d Circuit--Hi Tech Trans, LLC v. New Jersey, 382 F. 3d 295 (3d Cir. 2004)--for the

proposition that the operations of NIR will be outside the jurisdiction of the Board. Hi Tech Trans is, however, readily distinguishable from the situation of NIR. The operator of the facility in Hi Tech Trans did not even purport or aspire to be a rail carrier, and the Court of Appeals found that its activities could not, therefore, involve "transportation by rail carrier". By contrast, NIR will be a common carrier by rail, holding itself out to handle all types of transload business and performing both the transloading and the switching service itself.

A more recent decision by a district court in Michigan provides a more appropriate precedent to analyze the operations and status of NIR. Canadian National Railway Company v. City of Rockwood, 2005 WL 1349077 (E.D.Mich. 2005), involved a situation in which Canadian National constructed a transload facility to permit the transfer of construction and demolition debris between trucks and rail cars. Canadian National entered into an agreement with a non-rail entity to operate the transload facility, which was located on Canadian National property. Relying upon the definitions of 49 U.S.C. 10102 referred to above and various decisions of the Board, including those cited above, the court stated that the activities that take place at railroad transload facilities are considered "transportation". See also Grafton & Upton Railroad Company v. Town of Milford, 337 F. Supp. 2d 233 (D.Mass. 2004); Norfolk Southern Railway Company v. City of Austell, 1997 WL 1113647 (N.D.Ga. 1997). The court in the Canadian National case distinguished the Third Circuit's Hi Tech Trans decision by noting that in Hi Tech Trans the railroad had little or no involvement or control over the transload operations of Hi Tech Trans, a non-rail entity, while the entity operating the transload facility for Canadian National was a subcontractor working under the control of Canadian National

and providing "transloading services so that CN may complete its obligations under CN's transportation agreements with its shippers." The situation with respect to NIR is even more compelling than the Canadian National case, because NIR intends to perform the transloading directly rather than through an agent or subcontractor.

There is No Reason to Delay the Effectiveness of the Notice.

NIR is proceeding in good faith to begin operations as a rail carrier. Contrary to the allegations of the Village, the intent of NIR is not to flout local regulations or court decisions. Rather, the rail operations proposed by NIR are consistent with the lines of business in which Regus Industries and its affiliates are already heavily involved. Furthermore, the acquisition by NIR of the property and line in the Village is merely part of a larger transaction, as described in the Notice, involving Regus and Allied.

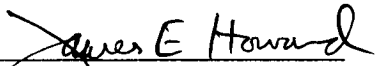
Significantly, NIR has stated its willingness to proceed with a spirit of cooperation and to operate in accordance with applicable federal, state and local regulations, including regulations of the New York State Department of Environmental Conservation and the Westchester County Solid Waste Commission as they apply to waste transfer operations that do not involve rail carriers. See Gruson Verified Statement. This is not to say, however, that NIR will not avail itself of the ability to seek the preemption of such state and local regulations if their application interferes with or prevents rail operations, but there are no preemption issues before the Board at this time. Rather, the only issue, as noted above, is whether NIR should be permitted to begin its rail operations promptly pursuant to the class exemption procedures.

The Board now has a full record upon which to base a decision to permit the Notice to become effective. Furthermore, as described above, in the Reply dated August

4, 2005 and in the Gruson Verified Statement, there are compelling reasons to permit NIR to begin operating promptly. Failure to do so will result in additional truck traffic on the highways. In addition, enabling NIR to begin operations will further the goal of providing less expensive and more environmentally friendly freight transportation in the area that NIR will serve.

Respectfully submitted,

NORTHEAST INTERCHANGE RAILWAY, LLC



James E. Howard LLC
One Thompson Square
Suite 201
Charlestown, MA 02129
Tel. No. 617-886-9322

Attorney for Northeast Interchange Railway, LLC

Dated: August 11, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34734

NORTHEAST INTERCHANGE RAILWAY, LLC -- LEASE AND OPERATION
EXEMPTION -- LINE IN CROTON-ON-HUDSON, NEW YORK

VERIFIED STATEMENT OF ANDREAS Y. GRUSON

My name is Andreas Y. Gruson, and I am the Chief Executive Officer of Northeast Interchange Railway, LLC ("NIR"). I am also the Chairman and Chief Executive Officer of Regus Industries, LLC ("Regus"), the sole owner of NIR. I have more than 11 years experience in the areas of environmental services and transportation logistics.

I am familiar with the transaction by which NIR will acquire certain assets of Allied Waste North America, Inc., including Metro Enviro Transfer, LLC ("Metro"). The transaction is described in the Notice of Exempt Transaction (the "Notice") filed by NIR in this proceeding. The assets of Metro include a lease of approximately 10 acres of real property, which includes a railroad line, located in the Village of Croton-on-Hudson,

New York (the "Village"). As described in the Notice, NIR it will acquire control of the railroad line and property and provide common carrier rail service at the location by transferring construction and demolition waste and other commodities from trucks to rail cars (and vice versa, depending on the commodity) for shipment over the line of NIR to interchange with CSX Transportation and further movement by rail to various destinations on the national rail network.

I am familiar with the petition filed by the Village asking the Board to reject the Notice or to stay its effective date. This Verified Statement is submitted in response to the petition of the Village and to support and amplify the reply filed on behalf of NIR on August 4, 2005 and the supplemental reply that is being filed with this Verified Statement.

Regus and NIR are part of a group of companies that are principally controlled by Gordon Reger and that are engaged in the business of rail transportation of various commodities, including the transloading and disposal of solid waste material. For example, Regus operates several facilities at which waste material is transferred from trucks to rail cars for transportation by rail to disposal sites on the national rail network. A company controlled by Regus provides transfer services on the New York & Atlantic Railroad, a class III rail carrier operating in New York City and Long Island. Another company controlled by Regus owns and operates a direct rail served landfill in Ohio, and Regus controls a fleet of approximately 430 rail cars. In addition, Gordon Reger indirectly controls New York Cross Harbor Railroad, Inc., a class III rail carrier that handles a variety of commodities, including waste material.

As a result of the business activities described above, Regus and NIR have great experience in and understand of the transportation and rail logistics business. We are very sensitive to the concerns of local and state regulatory agencies, and we have always placed the highest degree of emphasis on complying with applicable regulations. Furthermore, we have been very successful in this effort. I am aware of no instance in which Regus or any of its affiliates have been found to be in contempt of any orders of state or local agencies. NIR intends to operate in the same manner as Regus and its other affiliates. Specifically, NIR intends to provide rail transportation service in compliance with applicable federal, state and local regulations.

We understand that Metro and the Village have been involved in a dispute concerning Metro's operations. At the risk of stating the obvious, it should be emphasized that Regus and NIR are completely separate and have no responsibility for or involvement in the operations or prior conduct of Metro. When NIR takes over the property currently leased by Metro and begins operating the rail line, it will be a completely new enterprise guided by the philosophy and attitude described above--to operate in accordance with applicable federal, state and local regulation.

NIR intends to apply to the New York State Department of Environmental Conservation ("DEC") for authority to transfer the license currently held by Metro. In our experience, such a transfer will in all likelihood be routinely granted. Even if it is not granted, NIR intends to comply with the regulations of DEC in any event. Based upon past experience of Regus and its affiliates, we understand the regulations of DEC and how to work cooperatively with DEC.

Although it is not strictly relevant to the rail operations that will be conducted by NIR, it is my understanding that Metro has operated in accordance with its DEC permit and DEC regulations. As outlined in a letter dated August 2, 2005 from DEC to counsel for Metro, in response to a letter dated July 26, 2005, both of which are attached as exhibits, the last violation of any DEC regulation by Metro occurred approximately three years ago and has been cured. Furthermore, DEC found no serious or systemic violations by Metro that would warrant any enforcement action.

The 10 acre site in the Village that will be acquired by NIR and that includes the rail line has been zoned by the Village for light industrial use. The zoning law (section 230-18B) specifically mentions railroad lines and stations as permitted light industrial uses. Consequently, when NIR becomes a rail carrier, its use of the 10 acre parcel and the rail line will be in compliance with section 230-18B of the Village's zoning law.

NIR has submitted an application to the Westchester County Solid Waste Commission (the "Commission"), which regulates and oversees waste operations in Westchester County. We believe that NIR would be exempt from regulation by the Commission if such regulation interfered with rail transportation service, but NIR is willing to work with the Commission, just as NIR will work with the DEC, on a cooperative basis.

As stated in the Notice, we estimate that the revenues of NIR will be less than \$5 million annually. This estimate was based upon the freight revenue that could reasonably be expected to be generated from the transloading of construction and demolition waste and rail movement to the interchange with CSX. The freight revenues will be collected from the customers of NIR--the trucking companies that deliver construction and

demolition waste for transloading and further rail movement. NIR will not realize any revenue from the rail transportation provided after interchange with CSX or other connecting railroads or from any disposal charges that may be assessed against the trucking companies by the disposal site. Unlike Metro, which has title to the construction and demolition material delivered to it, NIR will not "own" the construction and demolition material. Rather, NIR will ship the material for its trucking company customers.

We anticipate that for the foreseeable future NIR will handle approximately the same volume of waste material as had been shipped over the last several years. In its petition, the Village estimated that approximately 150 rail cars per month would be generated. It is my understanding that the current business at the site is moved in rail cars that are 5,700 cubic feet or less in size. NIR will use rail cars, owned by Regus, that are approximately 6,800 cubic feet in size. As a consequence, if the volume of material remains approximately the same, there will be approximately 110 rail cars per month, rather than 150.

We are negotiating with CSX to enter into an interchange agreement and other commercial relationships that will govern the movement of rail cars over the lines of NIR and CSX. In addition, we have been in communication with the Federal Railroad Administration to discuss the startup of operations of NIR and such matters as FRA reporting requirements and safety regulations. We have also been working with Housatonic Logistics Company ("Housatonic"), an affiliate of the Housatonic Railroad Company, a class III rail carrier that operates in New York, Connecticut and Massachusetts, to have them provide rail marketing and management advice to NIR.

Housatonic will identify and attempt to attract new rail customers to the NIR line and will be available to consult with us on rail issues generally and to provide rail management and other rail related services as requested.

It is the intention of NIR that its employees will perform all necessary functions to operate the line, including transloading, switching cars and inspection and maintenance of the track. The Village has asserted that construction and demolition waste will be "processed" by NIR. This assertion is not accurate. The transloading function that will be performed by NIR involves removal of the material from the trucks in which it arrives, crushing the material in order to maximize the amount of material that can be loaded in each railcar and actually loading the material into rail cars. Crushing the material is incidental to and in furtherance of the efficient rail movement of the material; it does not "add value" as alleged by the Village. The employees of NIR will be subject to Railroad Retirement.

NIR hopes to begin its operations promptly. If the startup of operations is delayed, it is likely that many of the trucking companies currently delivering construction and demolition waste to the site for rail shipment will either go to truck transfer sites which would long-haul the material to its final disposal site by tractor trailer or will drive longer distances to locations on Long Island or in New Jersey in order to find truck to rail transloading services. In either case, there will be more trucks on the highways for longer distances.

The initiation of rail operations by NIR is consistent with and in furtherance of the conclusions of a study done in 2004 by Environmental Defense and the East of Hudson Rail Freight Transportation Task Force. The report, which is available at

www.environmentaldefense.org, recognizes that the area east of the Hudson River, which includes Westchester County and the area around the Village, must improve its rail freight system and service in order to meet the transportation demands of the region and to alleviate highway congestion and air pollution problems. The report notes that waste materials "are generally considered an ideal candidate for rail transport, as they are a low value bulk good that is not time sensitive." Report at page 7. NIR will be in a position to handle not only waste material but other commodities as it pursues the marketing efforts described above.

Croton-on-Hudson is an ideal location both for NIR and to promote freight rail transportation east of the Hudson River. The NIR line is located adjacent to the Metro North maintenance and switching yard, and CSX has a yard located approximately 1 mile north of the NIR line. US Highway 9, a major north-south four-lane highway, is adjacent to these rail properties. In fact, the Village has touted the availability of rail service as an asset.

VERIFICATION

State of New York :

ss

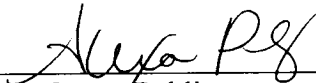
County of New York :

Andreas Y. Gruson, being duly sworn, deposes and states that he has read the foregoing Verified Statement, knows the facts asserted there are true and the same are true as stated.



Andreas Y. Gruson

Subscribed and sworn to before me
This 0 day of August, 2005


Notary Public

ALEXA PEREZ
No. 01PE6035844
Notary Public, State of New York
Qualified in New York County
My Commission Expires Jan. 6, 2007

New York State Department of Environmental Conservation
Regional Director, Region 3
21 South Putt Corners Road, New Paltz, New York 12561-1620
Phone: (845) 256-3003 • FAX: (845) 255-3042
Website: www.dec.state.ny.us



Denise M. Sheehan
Acting
Commissioner

August 2, 2005

David S. Steinmetz
Zarin & Steinmetz
81 Main Street, Suite 415
White Plains, New York 10601

Dear Mr. Steinmetz:

This replies to your letter of July 26th regarding the Metro Enviro Transfer LLC facility in the Village of Croton-on-Hudson.

As you and I discussed, the Department of Environmental Conservation is not a party to the ongoing litigation between Metro Enviro Transfer LLC and the Village of Croton-on-Hudson, and has not taken any position regarding that dispute. This letter is provided solely in response to your letter, written on behalf of Metro Enviro Transfer LLC, and addresses only Metro's status as a facility operating under a Department solid waste permit. In reply to the questions posed in your letter, the Department offers the following responses:

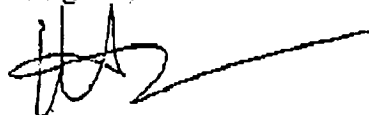
1. The frequency of Department inspections of this facility varies, depending upon available staff resources, competing needs, etc. However, staff estimate the number of inspections of this facility to generally average four per month.
2. The Department's files indicate a Notice of Violation was last issued for this facility on August 22, 2002.
3. The Department's files indicate that Orders on Consent regarding this facility were executed on March 26, 2002 and December 19, 2002. The violations cited in these Orders have been cured, in the Department's view.
4. The Department does not typically engage in comparisons of facilities, and respectfully declines to do so in this case. As noted above, however, in recent years, Department staff have not identified violations at this facility of a sufficiently serious or systematic nature as to warrant legal enforcement action by the Department.

David S. Steinmetz
August 2, 2005
Page 2

- 5 & 6. This specific facility's location would have been considered during the facility's initial permitting by the Department, as well the review conducted by the Village of Croton-on-Hudson at that time, pursuant to each agency's specific approval authority as well as our common responsibilities under the State Environmental Quality Review Act. However, the Department would generally favor the siting of solid waste transfer facilities in industrial zones with ready access to highways and/or rail lines, as such a location can reasonably be expected to reduce the potential for land-use disputes and facilitate the efficient movement of material to and from the facility.
- 7 & 8. The Department has not issued a violation to this facility for acceptance of processed waste from a facility located outside of New York State. As you may be aware, earlier this year counsel representing the Village of Croton-on-Hudson wrote to the Department maintaining that acceptance of this material should be cited as a violations of the New York State Environmental Conservation Law and the Department's solid waste regulations. I have enclosed copies of this correspondence for your information.
9. To my knowledge, the Department permit governing operations at this facility has not been substantially modified since its initial issuance, nor has the general nature of the facility's operations changed substantially.

I trust this responds to your inquiry.

Regards,



Marc Moran
Regional Director

enclosures

cc: Michael B. Gerrard, Esq.
Richard Herbek, Village Manager, Croton-on-Hudson

DEC: Vincent Altieri
Richard Baldwin
Kenneth Grzyb
David Pollock

ZARIN & STEINMETZ
ATTORNEYS AT LAW
81 MAIN STREET
SUITE 415
WHITE PLAINS, NEW YORK 10601

DAVID S. STEINMETZ *
MICHAEL D. ZARIN

* ALSO ADMITTED IN D.C.
* ALSO ADMITTED IN MA.
* ALSO ADMITTED IN CT.
* ALSO ADMITTED IN NJ

TELEPHONE: (914) 682-7800
FACSIMILE: (914) 683-5490

July 26, 2005

JUDY T. CROSS *
ADAM L. PAGET *
DANIEL M. RICHMOND
MARK R. RIELLY +
BRAD K. SCHWARTZ

MARSHA RUBIN GOLDSTEIN
HELEN COLLIER MAUCH *
SUSAN H. SARCH *
LISA F. SMITH *

OF COUNSEL

Via Facsimile (845-255-3042) & Regular Mail

Mr. Marc Moran
Regional Director
Department of Environmental Conservation, Region 3
21 South Putt Corners
New Paltz, NY 12561

Re: Metro Enviro Transfer, LLC
DEC Part 360 Permit No. 3-5522-00119/00002

Dear Marc:

As you know, we represent Metro Enviro Transfer, LLC ("Metro Enviro"), the operator of the construction and demolition debris ("C&D") transfer station (the "Facility"), located at 1A Croton Point Avenue, Croton-on-Hudson, New York, in the Light Industrial ("LI") District, also known and designated on the Village Tax Map as Section 78.16, Block 2, Lots 1 and 2 (the "Property"). We also represent Greentree Realty, LLC ("Greentree"), the owner of the Property, and Metro Enviro's landlord.

As we discussed last week, a recent decision of the New York State Court of Appeals has upheld the Village of Croton-on-Hudson's (the "Village") denial of the Facility's local special use permit (the "Special Permit") to operate the Facility. Following that decision, by Resolution on July 18, 2005, the Village ordered Metro Enviro to cease accepting waste as of July 23, 2005, and to begin the 90 day closure process required in the Facility's Operations and Maintenance Manual. On July 21, 2005, Metro Enviro and Greentree commenced a new lawsuit against the Village predicated upon numerous legal theories, including, but not limited to, the Facility's status as a pre-existing, legal nonconforming use. Judge Francis A. Nicolai of the Westchester County Supreme Court, Environmental Claims Part, granted a Motion brought by Metro Enviro and Greentree for a Temporary Restraining Order, which permits the Facility to continue operating until at least August 5, 2005.

Accordingly, we are respectfully seeking responses to the following questions from the Department of Environmental Conservation (the "Department") for informational purposes:

1. Does the Department regularly inspect the Facility? If yes, how often?
2. When was the last time the Department issued a Notice of Violation in connection with the operation of the Facility?
3. Has the Department determined whether the prior violations that existed at the Facility – concerning capacity exceedances, acceptance of industrial waste and training deficiencies – have been cured?
4. How does the Facility's present operation compare to other facilities in the county and region?
5. Has the Department determined that the Property is a suitable or unsuitable location for a solid waste transfer station such as the Facility?
6. Does the Facility's location (e.g., its proximity to the rail lines and major roadways in the Village's LI District) reduce environmental impacts as compared to other facilities in the county and region without rail access?
7. Has the Department issued any violations to the Facility in connection with the acceptance of pulverized and/or unrecognizable waste from a facility located outside of New York?
8. Is a facility that is duly licensed in the State of Connecticut, or any other jurisdiction, required to obtain DEC approval in order for Metro Enviro to be permitted to accept the waste at its Facility? Similarly, is Metro Enviro required to obtain any approval or authorization to accept waste from outside of New York State?
9. Has the operation of the Facility and/or use of the Property changed in any meaningful way since May of 1998. If so, how?

We look forward to your response to our inquiries. It is our opinion, and hopefully that of the Department as well, that the loss of this Facility – especially one that has become a state-of-the-art, compliant Facility, ideally located in an LI District, with rail and major roadway access – would be a severe detriment to the County's and Region's solid waste stream. We therefore believe that your prompt response to this letter may be of significant importance.

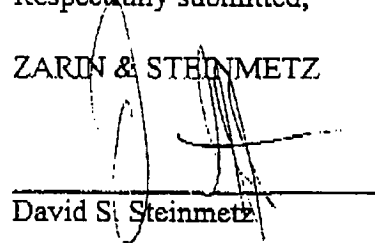
Mr. Marc Moran
July 26, 2005
Page 3

If you have any questions with regard to the foregoing, please do not hesitate to contact me. Thank you for your attention to this matter.

Respectfully submitted,

ZARIN & STEINMETZ

By:



David S. Steinmetz

DSS:jlc

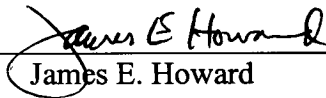
cc: Mr. Bruce Stanas
Mr. Perry Mitrano
Joseph Sciarrotta, Esq.
Charles Martabano, Esq.

CERTIFICATE OF SERVICE

I hereby certify that this __ day of August, 2005, I have served the "Supplemental Reply of Northeast Interchange Railway, LLC to 'Petition of the Village of Croton-on-Hudson to Reject Notice of Exemption or, in the Alternative, for Stay of Effectiveness'" and the Verified Statement of Andreas Y. Gruson by causing copies to be sent via Federal Express to the following:

Michael B. Gerrard
Arnold & Porter
399 Park Ave.
New York, NY 10022-4690

Marianne Stecich
Murphy Stecich & Powell
828 South Broadway
Tarrytown, NY 10591


James E. Howard