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KARL MORELL

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July 8, 2009

E-File

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-0001

Re: STB Finance Docket No. 35187, Grand Elk Railroad, L.L.C. –
Lease and Operation Exemption – Norfolk Southern Railway
Company

STB Finance Docket No. 35188, Watco Companies, Inc. –
Continuance in Control Exemption – Grand Elk Railroad, L.L.C.

Dear Acting Secretary Quinlan:

Grand Elk Railroad, L.L.C. ("GER") and Watco Companies, Inc. ("Watco") hereby respond to the Declaration of Dennis Baca, filed with the Surface Transportation Board ("Board") on June 29, 2009.

Initially, GER and Watco are perplexed as to why the State Director of the New Mexico State Legislative Board for United Transportation Union ("UTU") is filing a Declaration in a proceeding involving rail lines in Michigan and Indiana.

In any event, Mr. Baca's Declaration is virtually identical to the Declaration of Mr. Gibson attached to UTU's Petition to Revoke, filed with the Board on April 14, 2009. In their joint Reply filed on May 1, 2009, GER and Watco explained that the "customer leads" Mr. Gibson referred to (and which Mr. Baca now refers to) "were actually provided to GER and Watco officials by NS union employees at town hall meetings held before GER commenced operations." Reply at 10.

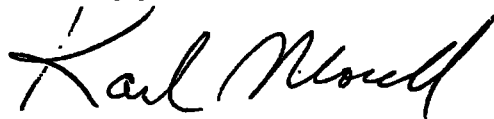
Moreover, GER and Watco fail to see the relevance of this information to UTU's Petition to Revoke.

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If you have any questions, please contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

cc: All parties of record