

LAWRENCE J. MORAN, ESQ.
EMAIL: LJM@JOYCECARMODY.COM

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US Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

**RE: Docket No. FD 36429 - R.J.CORMAN RAILROAD COMPANY/
LUZERNE & SUSQUEHANNA LINE, LLC-CHANGE OPERATORS,
LEASE AND OPERATIONS EXAMPTION - LUZERNE AND
SUSQUEHANNA RAILWAY COMPANY AND LUZERNE COUNTY
RAIL CORPORATION**

Ladies and Gentlemen:

I am writing on behalf of the Reading Blue Mountain and Northern Railroad ("RBMN"), a privately held railroad company serving major businesses in nine Eastern Pennsylvania counties, (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill and Wyoming). The railroad runs about 400 miles from Reading, PA to Mehoopany, PA and it also operates the 7 mile rail line from Towanda to Monroeton in Bradford County. RBMN offers both freight services and passenger excursion operations and currently employ over 200 employees.

The rail lines of Luzerne and Susquehanna Railway Company ("LSX") and RBMN connect at the Pittston Junction in Pittston, Pa. In August, 1994, LSX and Conrail, who was RBMN's predecessor in interest to the relevant track at the Pittston Junction, entered in to an agreement in which LSX and Conrail granted one another the right to use their portions (LSX portion owned by the Redevelopment Authority of Luzerne County) of the Wye Track at the Pittston Junction for the purposes of turning locomotives, cars, and other railroad equipment ("the 1994 Agreement"). A copy of the 1994 Agreement is attached hereto. The 1994 Agreement remains in force today between RBMN and LSX.

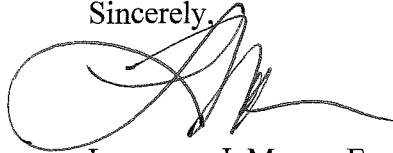
For the past 26 years RBMN has dispatched, maintained, and upgraded all 3 segments of the Pittston Wye track, which included the installation of new cross ties, ballast, and surfacing. This includes the North Leg of the Pittston Wye Track (RBMN's Scranton Branch), the Straight Leg of the Pittston Wye Track (located adjacent to N. Main Street) as well as the South leg of the Pittston Wye Track (LSX operated portion). RBMN regularly utilizes all 3 segments of the Pittston Wye Track as part of RBMN's day to day operations. This includes utilizing the Wye for the critical purpose of turning locomotives, rail cars and other railroad related equipment to maintain efficient and safe operations in Pittston Yard for both RBMN and LSX.

The 1994 Agreement states that “in the event, and on the date [LSX] ceases to be the contract operator for the Authority, this Letter Agreement shall automatically terminate.” As the Board is aware, in the instant matter (Finance Docket No. 36429), R.J. Corman Railroad Company/Luzerne & Susquehanna Line, LLC (“LS”) seeks permission to assume the lease and operations of certain portions of rail line currently operated by LSX.

RBMN would like to express its interest in maintaining the terms of the 1994 Agreement with the future lessee and operator of the relevant track owned by the Luzerne County Redevelopment Authority. An automatic termination of the 1994 Agreement upon LSX’s cessation as the contract operator would have a significant impact on RBMN’s operations at the Pittston Junction. To that end, RBMN reached out to LS in order to extend the terms of the 1994 Agreement regarding reciprocal use of the Wye Track for so long as LS is the lessee and contract operator of the Wye, should the Board permit LS to assume the lease and operations in the instant proceeding. Attempts between RBMN and LS to negotiate the terms of such an agreement have stalled. Accordingly, RBMN files the instant letter requesting that if the Board is inclined to grant the requested regulatory approval, that such approval be conditioned on RBMN and LS’s agreement to reciprocal use of the Wye Track for as long as both parties have use of the track or until the termination of LS’s lease of the track.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'LJ Moran', with a large, stylized initial 'L' and a long horizontal flourish extending to the right.

Lawrence J. Moran, Esq.

cc: Catherine Salmen Wright
110 North Main Street
Nicholasville, KY 40356
cwright@irvinrigsby.com