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December 4, 2008

The Honorable Anne Quinlan, Acting Secretary

Surface Transportation Board

395 E Street, SW

Washington, DC 20423-0001

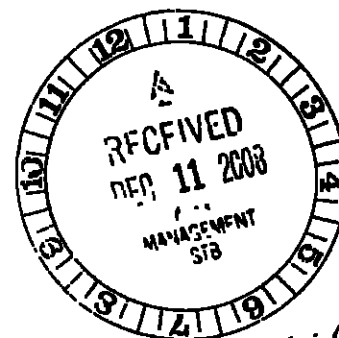
Of Counsel to:
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Pittsburgh, PA 15219

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Re: R J Corman Railroad Company/Pennsylvania Lines, Inc. - Construction and Operation Exemption - Clearfield County, PA Finance Docket No 35116 224175

R J Corman Railroad Company/Pennsylvania Lines, Inc. - Acquisition and Operation Exemption - Line of Norfolk Southern Railway Company -
Finance Docket No. 35143 224177

Conrail Abandonment of the Snow Shoe Industrial Track in Centre and Clearfield Counties, Pennsylvania - Docket No. AB-167 (Sub No 1004N) 224176

Dear Acting Secretary Quinlan:

Enclosed for filing in the above captioned proceedings is an original and ten copies of the Reply of Resource Recovery, LLC to the Statement of Intervenor Headwaters Charitable Trust.

Please date stamp the additional copy of this letter and return it to the undersigned in the enclosed self addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

RICHARD R WILSON, P.C.


Richard R. Wilson, Esq.

Attorney for Resource Recovery, LLC

ENTERED
Office of Proceedings

DEC 12 2008

Part of
Public Record

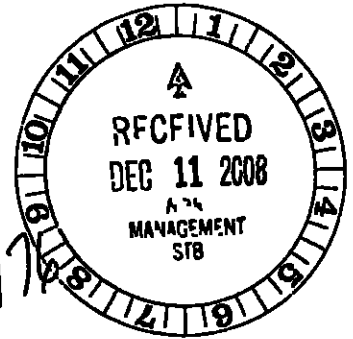
RRW/bab

Enclosure

xc: Resource Recovery, LLC

All Parties of Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



DOCKET NO. AB-167-1004

224176

CONRAIL ABANDONMENT OF THE
SNOW SHOE INDUSTRIAL TRACK
IN CENTRE AND CLEARFIELD COUNTIES, PENNSYLVANIA

FINANCE DOCKET NO. 35116

224175

R J CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
CONSTRUCTION AND OPERATION EXEMPTION
IN CENTRE AND CLEARFIELD COUNTIES, PENNSYLVANIA

ENTERED
Office of Proceedings

DEC 12 2008

Part of
Public Record

FINANCE DOCKET 35143

R J CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.

ACQUISITION AND OPERATION EXEMPTION
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY

**REPLY OF RESOURCE RECOVERY, LLC TO THE STATEMENT OF
INTERVENOR HEADWATERS CHARITABLE TRUST**

Richard R. Wilson, P.C.
Richard R. Wilson, Esq.
127 Lexington Avenue, Ste 100
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(814) 944-5302

Attorney for Resource Recovery, LLC

Dated December 4, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-167-1004

CONRAIL ABANDONMENT OF THE
SNOW SHOE INDUSTRIAL TRACK
IN CENTRE AND CLEARFIELD COUNTIES, PENNSYLVANIA

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224175

R J CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
CONSTRUCTION AND OPERATION EXEMPTION
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FINANCE DOCKET 35143

R J CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
ACQUISITION AND OPERATION EXEMPTION
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY

**REPLY OF RESOURCE RECOVERY, LLC TO THE STATEMENT OF
INTERVENOR HEADWATERS CHARITABLE TRUST**

The purpose of this brief Reply by Resource Recovery, LLC ("RRLC") is to provide the Board with the appropriate context for the negotiations between RRLC and Headwaters Charitable Trust ("HCT") which occurred several years ago. At that time, RRLC had considered acquiring and reconstructing portions of the former Snow Shoe rail line as either a private rail line or a common carrier rail line to serve the landfill site which RRLC was developing in Rush Township, PA. RRLC sought the cooperation and assistance of HCT because it was the Grantee of the 9.3 mile portion of the railbanked right of way which was

adjacent to the planned landfill site in Rush Township. As part of these negotiations, the parties entered into a nonbinding Letter of Understanding which outlined various actions to be taken by each party in order to implement the terms of the letter. Most importantly, among those was the requirement that the parties enter into a binding written agreement which would incorporate with greater specificity the proposals outlined in the Letter of Understanding as well as other arrangements necessary to coordinate the RRLLC landfill site development with the proposed alternative trail facilities described in the Letter of Understanding.

However, when RRLLC attempted to pursue further negotiations with HCT to prepare the required implementing agreement, HCT stalled and for three years refused to proceed with the implementing agreement. Instead, in 2004 it presented the Letter of Understanding to the Pennsylvania Department of Conservation and Natural Resources to indicate that state grant funds for which HCT had applied could be repaid by HCT if this trail was reconverted to rail use, notwithstanding the fact that both HCT and the Department were fully aware that no implementing agreement had been negotiated or executed with RRLLC.

Given HCT's refusal for three years to proceed with the required implementing agreement and HCT's refusal to support the RRLLC landfill project, and as other potential shippers expressed interest in the resumption of rail service, RRLLC decided to focus its efforts on landfill development and not pursue the acquisition and reconstruction of the Snow Shoe line itself. Instead, RRLLC initiated inquiries with various operating railroads in Pennsylvania regarding the reestablishment of common carrier rail service to its landfill project and to other shippers along the line. As RRLLC's discussions with those operating railroads progressed, on December 17, 2007, RRLLC withdrew its proposals to HCT.

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Despite recent attempts by HCT to characterize the Letter of Understanding with RRLLC as a binding agreement, RRLLC notes that HCT and its counsel have correctly indicated to the Board that it seeks "to attempt to restart negotiations with RRLLC and RJ Corman Railroad Company/Pennsylvania Lines, Inc. ("RJCR")." (It should also be noted that RJCR was not a party to RRLLC's prior negotiations with HCT.) Finally, RRLLC has advised HCT that it is willing to meet with HCT regarding these matters if and when the Board grants RJCR's pending Exemption Notices and request for vacation of the Notice of Interim Trail Use. Prior to that time, such a meeting would be premature.

As the Board is well aware, the matters raised by HCT are irrelevant to the pending STB proceedings. HCT states that it is not opposed to RJCR's reactivation of the 9.3 mile section of its trail. Its primary purpose in filing its statement with the Board is to seek money with which to repay the Pennsylvania Department of Conservation and Natural Resources for the grant funds HCT imprudently expended on trail improvements when it and the Department knew full well that this trail segment could be reconverted to rail use and that HCT and RRLLC had not negotiated or executed an implementing agreement as required by the letter of understanding. Such compensation issues involve private transactions and are beyond the scope of the Board's ministerial functions in vacating a Notice of Interim Trail Use. Georgia Great Southern Division, South Carolina Central Railroad Co., Inc. – Abandonment and Discontinuance Exemption – Between Albany and Dawson, In Terrell, Lee, and Dougherty Counties, Georgia, STB Docket No. AB-389 (Sub No. 1X) Service Date May 16, 2003.

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RRLLC therefore respectfully requests that the Board decline to address the issues raised by HCT and permit the parties to pursue these matters if and when appropriate.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Richard R. Wilson", is written over a horizontal line.

Richard R. Wilson, Esq.
Attorney for Resource Recovery, LLC

Dated: December 4, 2008

VERIFICATION

I, Edward Abel, verify under penalty of perjury that the foregoing is true and correct.

Further I certify that I am qualified and authorized to file this Reply


Edward Abel

Executed on Dec 4, 2008.

CERTIFICATE OF SERVICE

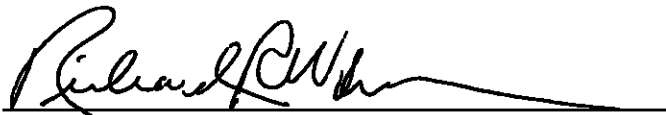
I the undersigned, hereby certify that a true and correct copy of the within REPLY
OF RESOURCE RECOVERY, LLC TO THE STATEMENT OF INTERVENOR
HEADWATERS CHARITABLE TRUST has been served by first-class, U.S. mail, on this 4/14
day of December, 2008, on the following counsel of record:

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