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**SURFACE
TRANSPORTATION BOARD**

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Before the
Surface Transportation Board
Finance Docket No. 35527

SEP 1

ERIC STROHMEYER AND JAMES RIFFIN –
\$10901 ACQUISITION AND OPERATION APPLICATION–
VALSTIR INDUSTRIAL TRACK – IN MIDDLESEX AND UNION COUNTIES, NJ

EXPEDITED HANDLING REQUESTED

TRANSPORTATION BOARD
SURFACE

SEP - 1 2011

1. Eric Strohmeier and James Riffin, jointly, in their individual capacities, Applicants (“Applicants”), herewith, pursuant to 49 U.S.C. §10901 and 49 CFR 1150.1 to 1150.10, file this §10901 Application to Acquire and Operate the Valstir Industrial Track as a Line of Railroad, all in Middlesex and Union Counties, New Jersey (“Application”), and in support thereof state:

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Office of Public Recor

APPLICATION

SEP - 1 2011

Part of
Public Record

2. The Applicants, currently non-carriers, pursuant to 49 U.S.C. §10901, provide the following information in support of their Application to acquire from Valstir LLC, a non-carrier, approximately 800 feet of privately-owned industrial track (“Industrial Track”), and to operate the Industrial Track as a line of railroad, which Industrial Track is located in Plainfield, Union County, NJ and in Dunellen, Middlesex County, NJ.

3. Overview (§1150.2): SUMMARY OF PROPOSAL:

The Applicants, currently non-carriers, are acquiring from Valstir LLC, a non-carrier, a long-term leasehold interest in the track material and underlying real estate associated with an 800-foot +/- privately-owned Industrial Track. Pursuant to 49 U.S.C. §10901, Applicants propose to operate the Industrial Track as a line of railroad. The Industrial Track is located on the former National Starch and Chemical Company property in Plainfield and in Dunellen, New Jersey, on the south side of W. Front Street, between Jefferson and Rock Avenues. Applicants propose to interchange with Conrail at the western end of the Industrial Track. Applicants propose to use the Industrial Track to provide rail service to adjacent properties and transload rail service to local shippers. The Industrial Track serves four separate industrial / commercial -

zoned properties. The tenants of these four industrial / commercial properties, and other local shippers, have expressed a desire to use rail service when it becomes available. An out-of-state shipper has a desire to acquire one of the industrial properties, providing rail service becomes available. The Applicants propose to acquire and operate the Industrial Track in order to provide rail service to local shippers and to that out-of-state shipper. Commodities that may be shipped on the Industrial Track include, but are not limited to, paper, periodicals, plastic goods, ceramics, corn, railroad ties, rails, steel, chemicals, wood products and rail cars. The Applicants explicitly propose to limit the goods to be shipped to non-Toxic Inhalation Hazard products. Estimated number of cars to be shipped per year: 200+. Highly confidential marketing information is contained in a Protective Order to be filed at a later date. Valstir LLC acquired the fee simple interest in the property from the National Starch and Chemical Company in 2000, which acquired the property from the Central Railroad of New Jersey in 1953. The property was formally a part of the Central Railroad of New Jersey's Dunellen 13-track rail yard. The Industrial Track appears to be currently functional as Class I track.

4. Information about the Applicants [1150.2(b) and 1150.3]:

(a) APPLICANTS and representatives to whom correspondence should be sent:

Eric Strohmeyer
81 Century Lane
Watchung, NJ 07069
Phone: (908) 361-2435

James Riffin
1941 Greenspring Drive
Timonium, MD 21093
Phone: (443) 414 - 6210

(b) Facts showing Applicants are not currently a common carrier. Eric Strohmeyer has never sought to be a common carrier in his individual capacity. In a separate filing, *James Riffin – Petition for Declaratory Order*, FD No. 35245, filed on May 5, 2009, Riffin petitioned the Board to institute a declaratory order proceeding for the purpose of determining whether Riffin is a common carrier by rail. In a decision served on July 13, 2011, the STB determined that Riffin is not a common carrier. That decision will become administratively final on September 10, 2011, if not appealed, and may be reopened at any time.

(c) Operator: The Operator of the Line will be the Applicants.

(d) Affiliation with any industry to be served by Line: James Riffin owns and operates a rail carrier maintenance-of-way facility / rail car maintenance and repair shop, located in Cockeysville, MD. The subject Line may be used to receive / ship maintenance-of-way

equipment and material and may be used to repair, maintain or store rail cars.

(e) Date and place of organization: The Applicants are individuals. They intend to acquire and operate the Line in their individual capacities, jointly. Applicant's objective is to provide common carriage by rail and transload¹ services to local shippers.

(f) Corporations: The Applicants are not a corporation.

(g) Individuals: The Applicants are individuals who presently do not own and control another line of railroad and do not own or control any other carrier.

(h) (other types of entities) and (i) (trustees): Not applicable.

(j) Existing carrier: The Applicants currently are not an existing carrier.

5. Information about the proposal (1150.4):

(a) Description of proposal: See ¶ 3, Summary of Proposal. A copy of the Applicants' lease of the Industrial Track will be included in a Protective Order to be filed at a later date. Additional information: Prior to 1953, the subject property was a part of the Central Railroad of New Jersey's Dunellen 13-track yard. Circa 1953, the four-track main line was raised about 20 feet in order to facilitate eliminating at-grade crossings. The Dunellen yard was reduced to a 4-track yard, which tracks were located on the north side of the main line and were numbered tracks 6, 8, 10 and 12, with track 6 closest to the main line. Track #8 was removed several years ago. A spur track descended from the main line to the 4-track yard. The surplus land was sold to the National Starch and Chemical Company. The subject Industrial Track was constructed to serve the National Starch property. The subject Industrial Track connects via a turn-out to track 12. In 1976, Conrail acquired the Central Railroad of New Jersey pursuant to the 3-R Act. In 1982, New Jersey Transit acquired the former Central Railroad of New Jersey's assets (excluding the freight component of Conrail's assets) pursuant to the North East Rail Passenger Service Act. Conrail retained a permanent freight easement over all of its assets. The remaining 4-track Dunellen Yard is considered to be a freight rail yard, is located within the North Jersey Shared

¹ A transload facility is where freight is transloaded from rail cars to trucks and vice versa.

Assets area, and as such, is subject to Conrail's freight rail easement.

The Applicants propose to interchange with Conrail. Conrail would use Track #12 in the 4-track Dunellen Yard to access the subject Industrial Track. Conrail would place cars on the western end of the Industrial Track. The Applicants would move those cars along the Industrial Track, positioning cars adjacent to whichever property / shipper the car was consigned to. Goods consigned to local non-contiguous shippers, would be transloaded onto trucks, to be carried to / from local non-contiguous shippers.

The Applicants expressly exclude Toxic Inhalation Hazard ("TIH") products from this Application. The Applicants expressly do not want the common carrier obligation to carry TIH products. The Applicants expressly limit their common carrier obligation to carry, to non-TIH products. Put another way: The Applicants seek a Certificate of Public Convenience and Necessity to carry non-TIH products and expressly exclude any obligation to carry TIH products. This limitation on their obligation to carry is warranted, since a common carrier is only required to carry that which it is capable of carrying. If the Applicants were required to carry TIH products, the liability limits on their insurance policy would be multi-millions of Dollars, which would cause the premiums associated with the insurance policy to be far too expensive for Applicants. (Applicants' potential liability would be hundreds of millions of Dollars since the subject track is located in a highly populated urban area.) In addition, Applicants' Lessor has requested that the Applicants exclude any obligation to carry TIH products, due to the Lessor's liability.

The Applicants do not propose to use the subject track to carry municipal solid waste.

(b) Amount of traffic and commodities to be handled: Amount of traffic: 200 + rail cars / year. Specific details about potential shippers and the amount of traffic these potential shippers generate per year, will be included in a Protective Order to be filed at a later date. See ¶3, Summary of Proposal, for a list of commodities that may be handled on the Line.

(c) Purpose of proposal / public convenience and necessity: The Applicants intend to use the Industrial Track to provide non-TIH rail service to the adjacent four industrial / commercial properties, and for transload purposes. Local non-contiguous shippers may consign rail cars to the Industrial Track. (The Industrial Track is readily accessible by truck.)

Applicants will move the consigned rail cars from the point of interchange with Conrail (on the western end of the Industrial Track), to the appropriate contiguous property, or to transload areas on the Industrial Track. After the rail cars have been unloaded / loaded, Applicants will move the railcars back to the Conrail interchange area. Applicants' Industrial Track will be available to the non-TIH general public. Shippers utilizing Applicants' Industrial Track, will pay Applicants' applicable tariff. The shippers Applicants intend to offer rail service to, typically would be any non-TIH shipper who desires to utilize Applicants' Industrial Track.

There is significant demand for non-TIH rail service in the vicinity. The public convenience and necessity requires or permits that this demand for rail service be provided. An out-of-state shipper desires to use one of the adjacent industrial properties. This out-of-state shipper requires rail service. The public convenience and necessity requires or permits the Applicants to provide this rail service. Since the Industrial Track serves more than one shipper, and since the Industrial Track presently is privately owned, the Applicants propose to acquire this privately-owned Industrial Track, then provide for the non-TIH public convenience and necessity by offering to the contiguous shippers and to local shippers the use of the Industrial Track.

(d) Map. A map is attached hereto.

(e) Counties and cities to be served, etc.: The Industrial Track will provide non-TIH service to shippers in Plainfield and Dunellen, New Jersey, and the surrounding area. Plainfield is in Union County, NJ. Dunellen is located in Middlesex County, NJ.

The connecting point / place of interchange, would be on the Industrial Track. The Industrial Track connects to Track #12 in the Dunellen Yard, which in turn connects to the Raritan Valley main line. The volume of traffic estimated to be interchanged would be 200 + rail cars per year. No agreement has been reached with Conrail regarding interchange of traffic, division of rates or trackage rights. [No trackage rights would be involved. The Applicants do not propose to operate on Conrail's tracks. The Applicants will participate in establishing through rates for shippers. Conrail has a policy of not negotiating interchange agreements until after the putative new carrier obtains authority to operate on a line that connects with a Conrail line.] While Conrail could provide transload rail service in its Dunellen Yard, it has chosen not to. None of the contiguous property owners / tenants desire to operate the Industrial Track.

(f) Time schedule: The Industrial Track is presently functional. [The tracks are in place right up to the right-of-way of the Dunellen Yard. The Industrial Track and Track # 12 in the Dunellen Yard appear to be at least Class I track. Track # 6 in the Dunellen Yard is currently in use.]

(g) New line: No new line is proposed for construction.

6. Operational data (1150.5): Traffic is projected to be 200+ rail cars per year. A copy of the Applicants' traffic projection study will be included in a Protective Order to be filed at a later date. Crews will consist of a locomotive engineer and a conductor, to be obtained locally on an as-needed, on-call basis. Applicants presently own their own prime mover. It is expected shippers will utilize rolling stock available in the national rolling stock inventory. The only significant change in patterns of service, will be the Applicants will begin to provide rail service in Dunellen and Plainfield, NJ. There are no associated discontinuances or abandonments. No operating economies are expected.

7. Financial information (1150.6): (a): The Applicants will use their own existing funds to finance the acquisition and rehabilitation of the Industrial Track. No securities will be issued.

(b) Financial statements: A copy of the Applicants' personal financial statements will be included in the Protective Order to be filed at a later date.

(c) Full costs of proposal: The full cost to acquire and rehabilitate the Industrial Track will be less than \$1,000.

(d) Projected net income: A statement showing projected net income will be included in the Protective Order to be filed at a later date.

8. Environmental and energy data (1150.7): Applicants certify that these activities will not exceed the thresholds established in 49 CFR §§1105.7 (e) (4) or (5), that per 49 CFR §1105.6 (c) (2) no environmental documentation need be prepared, and that the proposed activities will not affect any historic structures.

9. Additional support (1150.8): Additional confidential information will be included in the Protective Order to be filed at a later date.

10. Notice (1150.9): A Caption Summary is appended hereto.

11. Procedures (1150.10): (a) Waivers: Applicants seek a permanent waiver of the 49 CFR 1150.1(b) requirement to consult with the Board's Section of Environmental Analysis at least 6 months prior to filing an application. Applicants seek a temporary waiver of their obligation to provide financial information, traffic projections, lease agreement, details about potential shippers, and their interchange agreement with Conrail. Applicants expect to provide the Board with financial information, traffic projections, lease agreement, and details about potential shippers, no later than September 15, 2011. Applicants will provide the Board with a copy of their interchange agreement with Conrail when it has been executed (sometime after the Board has approved this Application).

(b) Filing: An original and 10 copies of the Application, are being filed with the Board.

(c) Signature: Applicants have signed the Application original, under oath.

(d) Related applications: The Applicant's Motion for Protective Order will be filed no later than September 15, 2011. The Applicants propose to file a Notice of Exemption and Continuance in Control at a later date, wherein a limited liability company subject to the control of Applicants, will seek authority to operate the Industrial Track.

(e) Service: On September 1, 2011, a copy of the Application was served, via first class mail, postage prepaid, on the Governor of New Jersey, New Jersey's Public Service Commission, New Jersey's Department of Transportation, and on counsel for Conrail.

(f) Publication: A summary of the proposal will be published in a paper of general circulation in Union and Middlesex Counties, NJ. A copy of the notice, along with a certification of publication, will be forwarded to the Board as soon as the Applicants receive them from the publisher. The notice will state that comments must be received by the Board no later than October 6, 2011, which is 35 days from September 1, 2011, the date the Application was filed.

12. The Applicants certify that the projected annual revenues of the carrier associated with this transaction, will not exceed the Class III carrier threshold, nor are they expected to exceed \$5,000,000.00.

13. A Caption Summary is attached.

Respectfully submitted,



Eric Strohmeyer

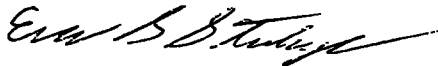


James Riffin

Date: September 1, 2011

VERIFICATION

I, Eric Strohmeyer, and I, James Riffin, having been duly sworn, state under the penalties of perjury, that I have read the foregoing §10901 Application , and that its contents are true and correct to the best of my knowledge and belief.

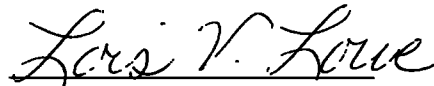


Eric Strohmeyer



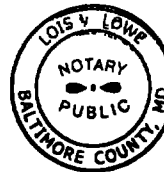
James Riffin

Subscribed and sworn to before me this 1st day of September, 2011.



Notary Public

(SEAL)



Lois V. Lowe
NOTARY PUBLIC
Baltimore County
State of Maryland
My Commission Expires
March 18, 2014

My Commission expires:

SURFACE TRANSPORTATION BOARD

§10901 APPLICATION

Finance Docket No. 35527

CAPTION SUMMARY

**ERIC STROHMEYER AND JAMES RIFFIN –
§10901 ACQUISITION AND OPERATION APPLICATION–
VALSTIR INDUSTRIAL TRACK – IN MIDDLESEX AND UNION COUNTIES, NJ**

Eric Strohmeier and James Riffin, both currently non-carriers, have filed an Application pursuant to 49 U.S.C. §10901 to acquire from Valstir LLC, a non-carrier, approximately 800 feet of privately-owned industrial track, and to operate the industrial track as a line of railroad. The industrial track is located in Plainfield and Dunellen, NJ, south of State Route 28 between Jefferson and Rock Avenues, and is connected to the Raritan Valley Line in Dunellen, NJ.

Comments must be filed with the Surface Transportation Board by October 6, 2011. and must be served on Eric Strohmeier, 81 Century Lane, Watchung, NJ 07069, telephone (908) 361-2435, and on James Riffin, 1941 Greenspring Drive, Timonium, MD 21093, telephone (443) 414-6210.

Dated:

By the Board: Cynthia T. Brown, Chief

Administrative Section, Office of Proceedings

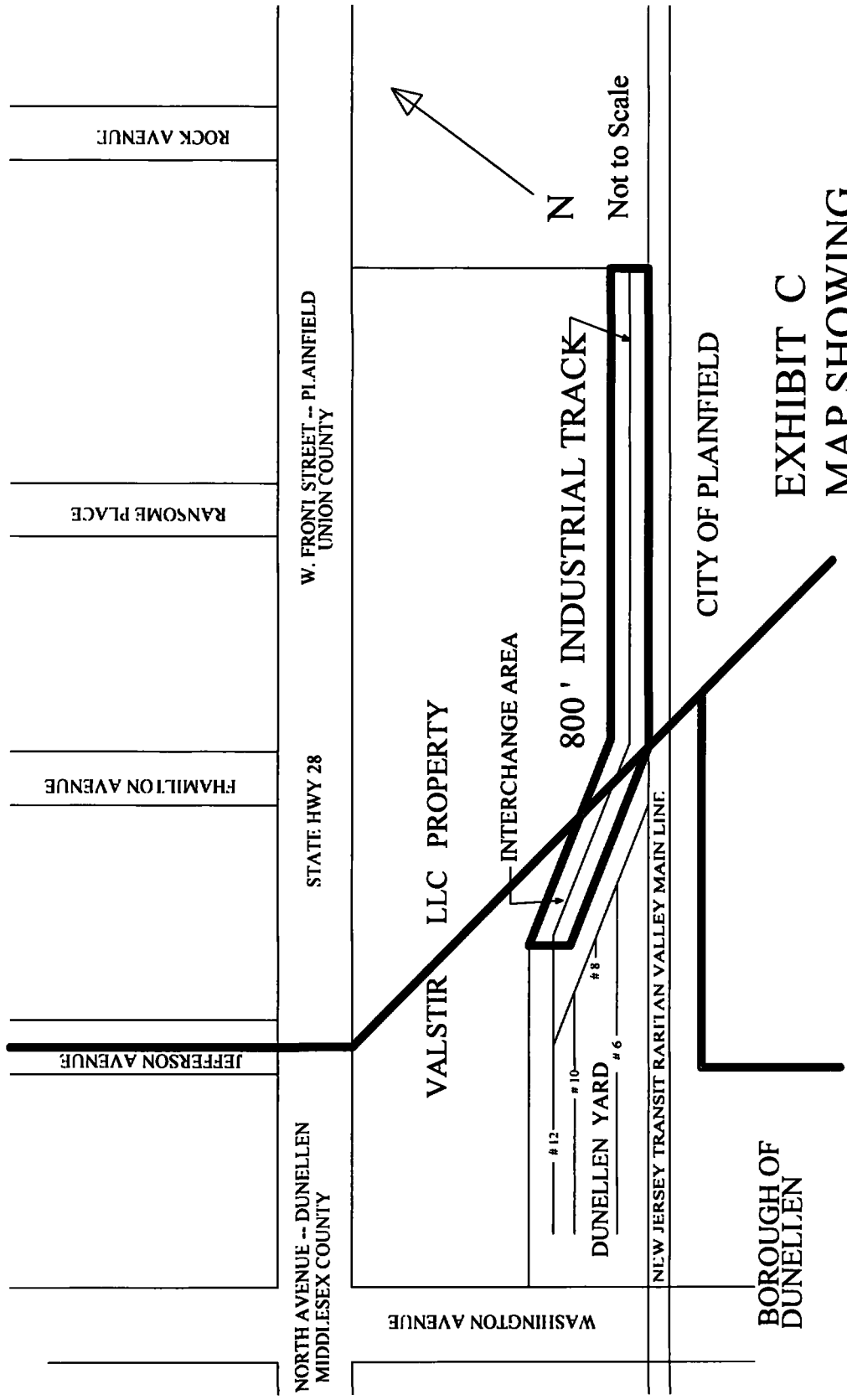


EXHIBIT C
MAP SHOWING
INDUSTRIAL TRACK