

December 12, 2016

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Ms. Cynthia Brown
Chief, Section of Administration Office of
Proceedings Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423

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Office of Proceedings
December 14, 2016
Part of
Public Record

Re: Finance Docket No. 36071
Delmarva Central Railroad Company-Lease
and Operation Exemption with Interchange
Commitment-Norfolk Southern Railway
Company

Dear Ms. Brown:

This letter is a request that the Board deny the notice to lease 162 miles of track owned and operated by Norfolk Southern Railroad in the above-captioned Finance Docket to Carload Express/Delmarva Central Railroad. It is in the opinion of SMART/TD Delaware State Legislative Board ("SLB") that the United States government policy 49 U.S.C. § 10101-Rail Transportation Policy, regulating the rail industry, is not being fulfilled in regards to the impending lease transfer found on Finance Docket number FD 36071. This impending lease has many economic and safety considerations that should be investigated by the Board prior to final approval. This petition is filed with hopes that the STB will revoke the authority to acquire and lease operations for the following reasons.

Under U.S. Code Title 49 Section 10101

Line 8 states that the policy of the U.S. Government is "to operate transportation facilities and equipment without detriment to the public health and safety." The SMART Legislative Board-Delaware is concerned that a smaller company like Delmarva Central Railroad cannot adequately maintain the rails and bridges as they have been in the past by Norfolk Southern. There are three bridges over three main water arteries in the state along these rails. Two of these bridges are over 100 years old and another is around 60 years old. Recently, one of these bridges had issues that prevented the bridge from turning for 30 days. This was with a well-financed, major Fortune 500 company, with trained personnel and a well-equipped track department. It is hard to be confident that Delmarva Central Railroad could handle a similar situation in the same expeditious manner with their limited finances. One has to assume that these problems will continue to arise as the condition of the track and bridges continue to deteriorate and the cost to fix these issues continues to escalate. These costs in our estimation could reach well into the tens of millions of dollars. The general public and all businesses in this region count on the safe delivery of grain, fuel and other commodities to sustain their operations and livelihood. To leave this responsibility up to Delmarva Central Railroad, in our opinion, would not be in the public's best interest.

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Any type of rail or bridge catastrophe in this area would cripple businesses and the economy. It is understood that there are no insurance minimums in place for smaller railroads and this is something of grave concern. This is an issue that needs to be brought to light before local towns and surrounding counties realized the ramification of this lease agreement. Delaware taxpayers fear the monetary burden of any future disasters and Norfolk Southern is more financially equipped to handle any potential catastrophes than Delmarva Central Railroad would be.

The labor force already in place is qualified, experienced, and knowledgeable of all local details concerning railroad matters. Replacing these positions with untrained and unfamiliar employees should be a safety concern to everyone impacted by this lease.

Further, line 11 states it is U.S. Government policy "to encourage fair wages and safe and suitable working conditions in the railroad industry." The employees hired by Delmarva Central Railroad will be paid less and have substandard benefits to what is now in place by all Class I railroads in the U.S. All Delmarva Central Railroad is doing in this situation is replacing well qualified, professional railroaders, with an inferior, unqualified labor force that is willing to accept less money because they are less qualified. It is our opinion that this is a dangerous precedent to set and one that we strongly disagree with. We hope that the Board agrees with us. We pray this mentality has no future disastrous ramifications. It is a dangerous thought process that all involved should not feel comfortable with. It is also one that we on the Delmarva Peninsula do not want to gamble our future on and hopefully one that will not be considered. When you try to do the "same with less" you are not encouraging fair wages and suitable working conditions. Members of the SLB hope that "less" will not jeopardize necessary and satisfactory maintenance of infrastructure or create an inferior workforce, compared to what Norfolk Southern offers currently. One can only hope that the old adage of "you get what you pay for" will not be a future headline in the news pertaining to this matter. We hope the Board does not allow this agreement to come into fruition. If you have any questions, please feel free to contact me directly at 302-545-5609 or jjmallon11@gmail.com.

Respectfully Submitted,

s/James Mallon
James Mallon, SMART-TD
State Legislative Director-Delaware

CERTIFICATE OF SERVICE

This is to certify that on this 13th day of December 2016, a copy of the foregoing Transportation Division of SMART's letter regarding Finance Docket No: 36071 has been served by U.S. Mail on the following:

Crystal Zorbaugh
Baker & Miller, PLLC,
2401 Pennsylvania Ave., N.W.
Ste., 300
Washington, DC 20037

William A. Mullins,
Baker & Miller, PLLC,
2401 Pennsylvania Ave., N.W.
Ste., 300
Washington, DC 20037

John Heffner
Strasburger - Attorneys at Law
1025 Connecticut Avenue, N.W., Suite 717
Washington, D.C. 20036

s/James Mallon
James Mallon