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June 30, 2017
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June 27, 2017

VIA E-FILING

Ms. Cynthia T. Brown
Chief, Section of Administration – Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, D.C. 20024

Re: *Grand Elk Railroad, Inc. – Acquisition Exemption – Norfolk Southern Railway Company, Docket No. 36127*

Grand Elk Railroad, Inc. – Petition for Board Order Pursuant to 49 U.S.C. § 1321, Docket No. FD 36127 (Sub-No. 1)

Dear Ms. Brown:

I am writing once again on behalf Padnos, a recycling operation with locations in Grand Rapids, Michigan, just as we had written to this agency in 2016 urging the agency then to take action needed to restore the operations of one of our transportation service providers – Grand Elk Railroad, Inc. (“Grand Elk”). Padnos has a very significant stake in the above-referenced proceeding, and we ask once again for this Board to act quickly and decisively to restore the service that has been disrupted by another railroad. We rely on Grand Elk’s railroad service, but the events of last summer have left Padnos unable to ship to certain customers. We understand that the Grand Elk is taking necessary legal action to restore its service in Grand Rapids, and we understand that a resolution to the current situation is now up to the STB.

Padnos has been in the recycling business for over 110 years. We ship scrap products for recycling purposes to consumers throughout the United States and rely heavily on rail transportation to accomplish this in an efficient and cost effective manner. Padnos has enjoyed a dual service arrangement at our facility located at 601 Letellier SW in Grand Rapids for over 30 years. This arrangement provided us with direct service from Grand Elk on one line and CSX Transportation, Inc. on another. This dual service arrangement allows us to reach customers that were serviced by different rail lines more cost-effectively than would be the case if Grand Elk were only afforded access via intermediate switch. Padnos has never had reason to believe that the service provided to us by the Grand Elk would be disrupted.

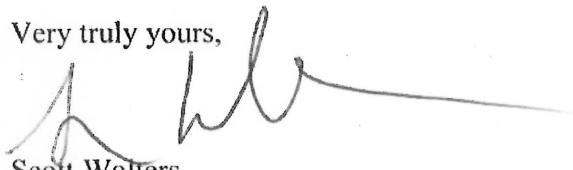
Roughly two years ago, Padnos, working with the State of Michigan, the City of Grand Rapids, Grand Elk, the Norfolk Southern Railway and the CSXT agreed to consolidate rail lines into our facility at 601 Letellier to reduce the number of roadway train crossings for the benefit of public service. As a part of this agreement Padnos insisted and was assured, in writing, that the dual service arrangement would be preserved. All of this was explained and documented in our statement in support of Grand Elk in connection with the, evidently ineffectual, proceedings before this agency from last August.

Currently deprived of our direct access to Grand Elk and the inefficient service arrangements that CSXT has insisted upon ever since, much of the rail traffic that had been moving via the Grand Elk line has now shifted to truck.

What we said last year in our statement to this Board remains the case today: That a short line operator such as Grand Elk would be forced, due to a contract dispute with another railroad, to cease service over lines over which it has operated for years is astonishing. The Board should sanction such a service disruption, or allow shippers that have come to depend on upon Grand Elk's service to be deprived of that service. Padnos urges the Board to recognize the service disruptions and inefficiencies that CSXT has abruptly put into place in the Grand Rapids market. CSXT has never adequately explained its reasons or justifications for harming shippers as it has done. But we understand that this agency has the authority to order the restoration of Grand Elk service, and that, as part of that authority, you can also direct the railroad disputants to negotiate new arrangements for Grand Elk's use of certain CSXT trackage. That is precisely what we are looking for the Board to do.

Padnos looks forward to the Board's prompt action on this issue. Kindly expedite consideration of Grand Elk's petitions in the above-referenced proceedings, and take all necessary action to restore the access we have had for many years as soon as reasonably possible.

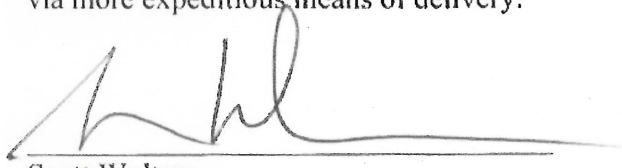
Very truly yours,

A handwritten signature in dark ink, appearing to read 'Scott Wolters', with a long horizontal flourish extending to the right.

Scott Wolters
Senior Logistics Manager
Padnos

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing reply to be served upon all parties of record listed on the Surface Transportation Board's service list in the foregoing dockets (as those parties are listed on the STB's website as of this date) via USPS first-class service, postage prepaid, or via more expeditious means of delivery:

A handwritten signature in black ink, appearing to read 'Scott Wolters', is written over a horizontal line.

Scott Wolters

June 27, 2017