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December 2, 2009

VIA ELECTRONIC FILING

Ms. Victoria J. Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Room 1106
Washington, DC 20423-001

Re: **STB Finance Docket No. 35141**
U S Rail Corporation – Construction and Operation Exemption –
Brookhaven Rail Terminal

Environmental Correspondence

Dear Ms. Rutson:

I am writing on behalf of U S Rail Corporation (“U S Rail”) in connection with the above-captioned proceeding. The purpose of this letter is to provide the Board’s Section of Environmental Analysis with the October 17, 2008 letter of Sills Road Vice President and General Counsel Gerard T. Drumm to the New York State Department of Transportation memorializing a meeting taking place October 7, 2008 concerning the Brookhaven Rail Terminal project.

A copy of this letter, together with the October 17, 2008 letter referred to herein is being served upon all parties, the NYS DOT and the Board’s third party environmental consultants, Gannett Fleming, Inc.

We thank the SEA for its time and consideration.

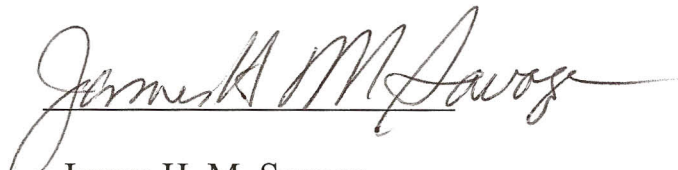
Respectfully submitted,
John D. Heffner, PLLC


By: James H. M. Savage
Of Counsel

cc: William Plumpton , Gannett Fleming
Craig Shirk, Gannett Fleming
Troy Brady, SEA
Mark Cuthbertson, Esq.
Robert A. Rybak, NYS DOT
Donald V. Hannon, NYS DOT

CERTIFICATION OF PROOF OF SERVICE

I certify that I served this day by electronic mail upon all parties a true copy of the within pleading.


James H. M. Savage

Dated: December 2, 2009

Sills Road Realty, LLC

October 17, 2008

Donald V. Hannon
Director - Office of Integrated Modal Services
New York State Department of Transportation
Albany, NY

Dear Mr. Hannon,

Please accept this letter memorializing our discussion at our Tuesday, October 7, 2008 meeting in Albany at which time Andy Kaufman and I, along with Tom Longe, one of the partners in Sills Road Realty LLC, and Bud Gigliotti met with you, Raymond F. Hessinger and Jeffrey D. English.

The meeting was convened in response to our request that DOT clarify its position on the Brookhaven Rail Terminal ("BRT") in light of DOT's September 18, 2008 reply ("Reply") to US Rail's application for construction and operating authority at the BRT. We offered our concern that the Reply, although facially positive in many respects, nevertheless implied DOT, in fact, opposed development of the BRT as a potentially competitive facility with the Pilgrim State freight rail project sponsored by DOT.

You assured us that DOT did not oppose the BRT, as a competing facility or otherwise; that the support for the BRT expressed in the Reply was genuine and meant to promote its development and that any qualifications expressed were the result of either incomplete information (particularly relating to prior environmental studies of the BRT site) or a concern that STB licensing procedures or an adequate environmental review would be circumvented by our request for expedited review.

Sills agreed to provide DOT with the prior environmental studies and assured DOT that our request for expedited STB review was based solely on the existence of extensive prior environmental studies. Our discussion concluded with the understanding that DOT fully supported development of the BRT so long as appropriate STB licensing procedures were followed and that the BRT would be subject to an adequate environmental review process.

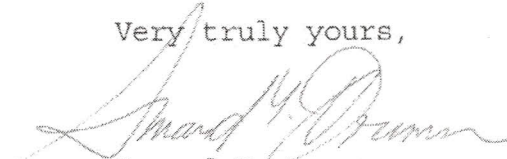
Unless the DOT advises otherwise I trust the foregoing fully and unambiguously reflects the understanding reached at our meeting. If we do not hear from DOT within two weeks of

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October 17, 2008

the date of this letter, we shall assume DOT has no objection to our furnishing STB with a copy of this letter.

Very truly yours,



Gerard T. Drumm

cc: Raymond F. Hessinger, P.E.
Jeffrey D. English, P.E.