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WATSON, STEVENS, FIORILLA & RUTTER, LLP
Attorneys At Law
Representing clients with vigor and integrity.

OCT 07 2002
SURFACE
TRANSPORTATION BOARD

John K. Fiorilla
JFiorilla@WSFR.net
Michael K. Rutter
MRutter@WSFR.net
Mark Stevens
MStevens@WSFR.net
Carol A. Stevens
CStevens@WSFR.net
Member also NY Bar

October 4, 2002



David P. Brook
DBrook@WSFR.net
Member also PA Bar
Christine A. Roy
CRoy@WSFR.net
Tene M. Zanetos
TZanetos@WSFR.net
Member also NY Bar

Vernon A. Williams
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423
Via Federal Express

Of Counsel
Joseph Stevens
JStevens@WSFR.net
William B. Eisenstadt
beisenstadt@WSFR.net
Member also PA Bar

Russell E. Watson (1909-1970)
A. Dudley Watson (1917-1990)
Edward L. Webster, Jr. (1950-1987)

Re: In the Matter of Morristown & Erie Railway Company
Authority to Operate the Somerset Terminal Railroad Corporation
Finance Docket No. FD-34267

Dear Mr. Williams:

This firm represents the Morristown & Erie Railway Company of Morristown, New Jersey. Enclosed please find for filing an original and ten copies of the Application of Morristown & Erie Railway for authority to operate the Somerset Terminal Railroad Corporation.

Also enclosed is our filing fee in the amount of \$ 1300.00. Also enclosed is a disc with a copy of the Application in Word Perfect format.

Also enclosed are two additional copies to be stamped filed and returned to me in the self-addressed stamped envelope enclosed.

Your prompt attention to this matter is kindly appreciated.

Sincerely,

John K. Fiorilla

Cc: Gordon R. Fuller, COO M& E Railway
Eric Strohmeyer- Somerset Terminal Railroad
Joseph Horner
Jonathan M. Broder, Esq. - Conrail

FILED

OCT 07 2002

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Office of Proceedings

OCT 07 2002

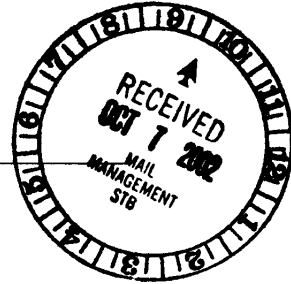
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390 George Street, P. O. Box 1185, New Brunswick, NJ 08903
732-545-2250 • FAX 732-214-0242 • FAX 732-545-3814

630 Third Avenue, New York, NY 10017
212-840-2700

206337

Before the
Surface Transportation Board



Finance Docket No:

FD-34267

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TRANSPORTATION BOARD

In the Matter
of
MORRISTOWN & ERIE RAILWAY, INC.
Authority to Operate the
SOMERSET TERMINAL RAILROAD CORPORATION
Between Milepost 57.25 and 58.50, Somerset County, New Jersey

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31

FILED

OCT 07 2002

SURFACE
TRANSPORTATION BOARD

John K. Fiorilla
Watson, Stevens, Fiorilla & Rutter, LLP
390 George Street
P O Box 1185
New Brunswick, N.J. 08903
732-545-2250
Jfiorilla@wsfr.net

ATTORNEYS FOR
MORRISTOWN & ERIE RAILWAY, INC.

Dated: October 4, 2002

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Office of Proceedings

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Before the
Surface Transportation Board

Finance Docket No:

FD-34267

In the Matter
of
MORRISTOWN & ERIE RAILWAY, INC.
Authority to Operate the
SOMERSET TERMINAL RAILROAD CORPORATION
Between Milepost 57.25 and 58.50, Somerset County, New Jersey

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31

The Morristown & Erie Railway, Inc., a class III carrier, (M&E) hereby files this Verified Notice of Exemption under 49 C.F.R. § 1150.31 for authority to operate the Somerset Terminal Railroad Corporation, ("STRC") a Class III carrier, between milepost 57.25 at the Manville Yard and milepost 58.50 at a junction with New Jersey Transit's commuter line, in the Township of Bridgewater and the Borough of Manville, Somerset County, NJ, as provided in an assignment of contracts agreement dated October 1, 2002 between the M & E and the STRC.

M & E will begin operation of the STRC once all of the contingencies contained in the assignment of contracts dated October 1, 2002, are met. These contingencies include the consent of the owner, Joseph C. Horner, as delineated in a Land Use Agreement dated May 1, 2000, between Joseph C. Horner and STRC.

Pursuant to 49 C.F.R. § 1150.34, M & E submits the following information:

NAME OF ENTITY ACQUIRING

The Morristown & Erie Railway, Inc., a class III carrier, located at 49 Abbett Avenue, P.O. Box 2206, Morristown, New Jersey 07962-2206, has filed a Notice of Exemption pursuant to 49 CFR § 1150.31(a)(3) to operate the Somerset Terminal Railroad Corporation.

TYPE OF TRANSACTION

The STRC has assigned to M & E rights under certain contracts which will permit the M & E to operate the STRC between milepost 57.25 at the Manville Yard and milepost 58.50 at a junction with New Jersey Transit's commuter line, in the Township of Bridgewater and the Borough of Manville, Somerset County, NJ.

THE TRANSFEROR ENTITY

The transferor entity and current operator of the property is the STRC, a class III railroad carrier, located at 568 Central Avenue, Bridgewater, New Jersey 08807, telephone number, (908) 240-2339.

DESCRIPTION OF LINE TO BE OPERATED

The proposed transaction involves the assignment of trackage rights from the Somerset Terminal Railroad Corporation to the Morristown & Erie Railway, Inc., for the approximately 1.25 miles of rail line located in the Township of Bridgewater and the Borough of Manville, Somerset County, NJ, and is part of a rail line known as the Reading Company New York branch (also known as the Raritan Valley Connecting Track) and identified as Line Code 0326, between milepost 57.25 at Manville Yard and

milepost 58.50 at a junction with New Jersey Transit's commuter line. STRC has also assigned the right to operate a railroad bridge it owns crossing the Raritan River which connects the properties on which it has its easement.

PETITIONER'S REPRESENTATIVE

Comments must be filed with the Board and served on John K. Fiorilla, Esq., Watson, Stevens, Fiorilla & Rutter, LLP, 390 George Street, P.O. Box 185, New Brunswick, New Jersey 08903, telephone number (732) 545-2250.

LINE CONNECTIONS

The Morristown & Erie Railway, Inc., proposes to operate the line to connect with CSX Transportation, Inc. ("CSXT") and Norfolk Southern Railway Company ("NS") at points of intersection on the rail line.

VERIFICATION

The Morristown & Erie Railway, Inc., hereby certifies as attached that its projected revenues do not exceed those that would qualify it as a Class III carrier.

MAP

A map of STRC, is attached hereto as Exhibit A.

The full name and address of the applicant is:

Gordon Fuller
Morristown & Erie Railway, Inc.
49 Abbett Avenue
P.O. Box 2206
Morristown, New Jersey 07962-2206

Any questions concerning this Notice should be sent to the Morristown & Erie Railway, Inc., representative at the following address:

John K. Fiorilla
Watson, Stevens, Fiorilla & Rutter, LLP
390 George Street
P O Box 1185
New Brunswick, N.J. 08903
732-545-2250
jfiorilla@wsfr.net

October 4, 2002

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John K. Fiorilla", written over a horizontal line.

John K. Fiorilla, Esq.
Watson Stevens Fiorilla & Rutter, LLP
390 George Street
P O Box 1185
New Brunswick, N.J. 08903
(732) 545-2250
Jfiorilla @ wsfr.net

Attorney for Morristown & Erie
Railway, Inc.

CERTIFICATION

I, Gordon R. Fuller hereby certifies that I have read the foregoing Notice of Exemption and I know the facts asserted therein, and that the same are true as stated to the best of my knowledge. I am aware that if any of the foregoing statements are willfully false, that I am subject to punishment.

October 4, 2002


Gordon R. Fuller

IN THE MATTER OF
MORRISTOWN & ERIE RAILWAY, INC.
FINANCE DOCKET NO.: FD-34267
BETWEEN MILEPOST 57.25 AND 58.50
AS SHOWN BELOW:

