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211379 *Linden Industrial Association*

June 17, 2004

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Office of Proceedings

JUN 21 2004

Hon. Vernon A. Williams
Office of the Secretary
U.S. Surface Transportation Board ^{Part of} Public Record
1925 K Street N.W.
Washington DC 2024203

JUN 21 2004
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- VIA OVERNIGHT MAIL -

RE: Finance Docket No. FD-34054
Morristown & Erie Railway, Inc.
Modified Certificate - Petition of Five New Jersey Municipalities

Dear Mr. Williams:

I am writing on behalf of the members of the Linden Industrial Association (LIA), representing a number of manufacturers and associated companies primarily located in the City of Linden, Union County, New Jersey. The members of the Association favor re-commissioning the short line railroads that were formerly owned and operated by the Staten Island Railway and Rahway Valley Railroad that are the subject of the above-referenced Modified Certificate Proceeding.

Some of our members, as well as other companies in the area, currently use rail to ship products and raw materials, while others who ship via truck today are interested in the revitalized service, as are those companies that once utilized these rail lines. We welcome restoration of this service because doing so will expand competition between major railroads and trucking firms in this region by presenting new shipping options, as well as possibly providing the opportunity to attract new customers for our members.

We were pleased that the State of New Jersey had the foresight to preserve the rights-of-way of these lines for future rail development after service was suspended in the early 1990s following the closing of the Procter & Gamble Ivory soap plant on Staten Island. Now we fully support the County of Union's efforts to restore service on the lines using the Morristown & Erie Railway (M&E) as its operator.

Additionally, from a public policy perspective there are many reasons why the signing of the contract between the County and the M&E should be honored and the railroad re-opened, starting with enhancing competition through to the fact that representatives of the affected municipalities ("the Towns" - the petitioners) and other interested parties had the opportunity to be heard at public hearings, which the record will show were well-attended.

Linden Industrial Association
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Following the hearings, the duly-elected Union County Board of Chosen Freeholders voted in June 2002 to enter into a contract with the M&E to rehabilitate and operate the lines. Then the Towns filed suit and the Superior Court of New Jersey denied the Towns' efforts to nullify the Freeholders' decision to re-open the line. With that in the past, the first section of the line is almost complete and the time to let the trains roll again.

In summary, the LIA firmly supports the County of Union's efforts to bring efficient, cost-effective short line rail transportation back to Union County. We sincerely request that the members of the Surface Transportation Board consider our reasoning as to the benefits of restoring this service, and deny the petition to reopen the Modified Certificate Proceeding of the M&E filed by the Five Municipalities.

Thank you very much for considering our position on this important matter.

Sincerely,



Michael C. Karlovich
President, Linden Industrial Association

cc: Mayor John T. Gregorio - City of Linden
State Senator Nick Scutari
State Assemblywoman Linda Stender
Rep. Robert Menendez
Scott N. Stone, Esq. - Patton Boggs LLP
Gordon Fuller - COO Morristown & Erie Railway
John D. Heffner, Esq.
Ronald Weening - Union County
Board Members - Linden Industrial Association