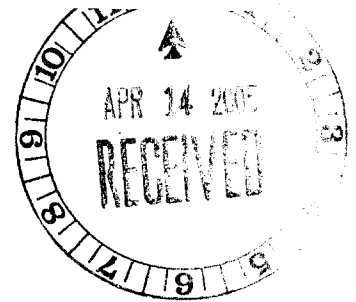


**BEFORE THE
SURFACE TRANSPORTATION BOARD**



FINANCE DOCKET NO. 34666

213756

COLUMBUS AND GREENVILLE RAILWAY CO.
—VERIFIED NOTICE OF EXEMPTION—
ACQUISITION AND OPERATION OF 2.99 MILES OF NEWLY
CONSTRUCTED TRACK IN GREENWOOD, LEFLORE COUNTY, MS

REPLY OF MORRIS RECYCLING INC.

ENTERED
Office of Proceedings

APR 14 2005
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Public Record

Jeffrey O. Moreno
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Thompson Hine LLP
1920 N Street, N.W.
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*Attorneys for
Morris Recycling, Inc.*

Dated: April 14, 2005

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34666

COLUMBUS AND GREENVILLE RAILWAY CO.
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REPLY OF MORRIS RECYCLING INC.

Morris Recycling, Inc. ("Morris"), by and through its undersigned counsel, hereby submits this brief Reply to the Reply of Columbus and Greenville Railway Company to Emergency Petition to Stay and Petition to Revoke Exemption—Morris Recycling Inc.¹ As explained herein, Morris clearly has standing to challenge the Columbus and Greenville Railway Company's ("C&G") improper invocation of the Board's exemption procedures in this proceeding because Morris is an active rail shipper on C&G's main line railroad through the City of Greenwood (the "City") and will lose rail service as a result of the transactions contemplated by C&G and the City. Moreover, it remains clear from C&G's Reply that the City failed both to seek and to obtain mandatory prior approval from the Board to construct the 2.99 mile by-pass track that C&G seeks to acquire and to operate via the instant exemption. Accordingly, the Board should stay this transaction, or in the alternative revoke the exemption, so that the City,

¹ For clarity, Morris will refer to C&G's Verified Notice of Exemption as "C&G's Notice"; to its own Emergency Petition to Stay and Petition to Revoke Exemption as its "Emergency Petition"; to C&G's Reply of Columbus and Greenville Railway Company to Emergency Petition to Stay and Petition to Revoke Exemption—Morris Recycling Inc. as "C&G's Reply"; and to this "Reply to the Reply of Columbus and Greenville Railway Company to Emergency Petition to Stay and Petition to Revoke Exemption—Morris Recycling Inc." as its "Reply."

rather than C&G, can obtain proper retroactive authority from the Board for its unauthorized construction of a new line of railroad, pursuant to a certificate issued under 49 U.S.C § 10901 or an exemption issued under 49 U.S.C. § 10502(a). Additionally, a stay or a revocation will permit the Board to apply appropriate scrutiny to this transaction.

I. ARGUMENT

A. MORRIS IS AN ACTIVE SHIPPER ON C&G'S MAIN LINE AND WILL BE HARMED AS A RESULT OF THIS TRANSACTION.

Contrary to the misrepresentations made by C&G, Morris is an active shipper on C&G's main line track through the City and, thus, has standing to challenge C&G's invocation of the Board's exemption procedures at 49 C.F.R. § 1150.41 et seq., to accomplish a transaction that will deprive Morris's Greenwood recycling facility of rail service. C&G's repeated assertions that Morris has not shipped over the C&G system for "in excess of two years" are inaccurate, at best, and, deliberately misleading, at worst—as are similar statements made in the Verified Statement of H. Lynn Gibson ("Gibson V.S."). C&G Reply at 3-4; Gibson V.S. ¶2. Indeed, as recently as mid-February, of this year, Morris attempted to receive two empty railcars at the Greenwood facility for purposes of shipping stainless steel to a customer located in Chicago, IL. See Verified Statement of James M. Minga ("Minga V.S."), attached hereto as Exhibit A, at ¶5. While the railcars were en route to the facility, Mr. Roger D. Bell, the president of C&G, informed Morris, on or about February 11, 2005, that C&G had plans to submit a filing to the Board for purposes of abandoning its main line track in Greenwood. Minga V.S. at ¶6. Thus, C&G refused to place the railcars at the Greenwood facility, unless Morris first executed a sworn affidavit in support of its abandonment application. Minga V.S. at ¶¶6-7. On or about February 25, 2005, Mr. Bell emailed a draft of the verified statement to Mr. Minga of Morris for his review and signature, as a quid pro quo for C&G's placement of the empty railcars at the

Greenwood facility. Minga V.S. at ¶7; Tab 1, thereto. Believing that executing the verified statement would deprive the Greenwood facility of any hope of future rail service, Morris refused to sign. Minga V.S. at ¶7. C&G, in turn, informed Morris that it would not transport the railcars for placement at the Greenwood facility. Minga V.S. at ¶8. Morris diverted the railcars to another location, Sherman, MS, and transported the stainless steel there by truck, a distance of approximately 100 miles, for loading onto the railcars. Minga V.S. at ¶8. Putting aside C&G's probable violation of its common carrier obligation, Morris's attempt to receive railcars at Greenwood demonstrates that it is an active shipper over C&G's main line track. Accordingly, Morris has standing before the Board to challenge C&G's invocation of the Board's exemption procedures, which is part of a series of transactions that will result in a deprivation of its rail service.

Moreover, Morris has standing in this proceeding not simply because it is an active rail shipper on C&G's main line track, but also because it anticipates increased use of rail transportation at the Greenwood facility into the foreseeable future. Minga V.S. at ¶9. Morris expects to ship materials from the Greenwood facility because rising fuel prices have made shipping by rail more competitive than shipping by truck. Minga V.S. at ¶9. Over the past twelve months, Morris's aggregate freight bill for motor carrier operations at the Greenwood facility has risen by approximately twenty-five percent. Minga V.S. at ¶9. Given this increase, Morris believes that rail service is now an economically viable alternative. Minga V.S. at ¶9. Morris anticipates that it would ship five to six cars per week from the facility. Minga V.S. at ¶9. Indeed, the presence of rail service at the facility not only allows Morris to be an effective competitor, but it also expands its potential markets. Minga V.S. at ¶9. Morris's anticipated need for increased rail service reinforces its proper standing in this proceeding.

Considered separately or together, Morris's recent use of rail transportation and its realistic expectation of a growing need for such transportation at the Greenwood facility squarely refute C&G's misguided and factually unsupported attack on its standing. As stated in its Emergency Petition, Morris faces a very serious injury—the deprivation of rail service to the Greenwood facility—as a result of the related transactions, contemplated by C&G and the City. See Emergency Petition at 3. Accordingly, it was, and is entirely appropriate for Morris to file its Emergency Petition, so that appropriate STB oversight may take place for purposes including retroactive authorization for the City's construction and operation of the by-pass track as a condition precedent to C&G's purported acquisition and operation of that common carrier line.

Indeed, C&G's attack on Morris's (proper) standing is ironic, given that it assumes standing on behalf of the City to present new and erroneous arguments purporting to ameliorate the City's unjustified failure to comply with either 49 U.S.C. § 10901 or 49 U.S.C. § 10502. The City, as the current owner of the by-pass line, is the proper party to make any such arguments.

B. THE CITY OF GREENWOOD FAILED TO OBTAIN MANDATORY PRIOR STB APPROVAL FOR CONSTRUCTION OF THE BY-PASS TRACK

Nothing in C&G's Reply justifies the City's failure to obtain mandatory prior approval from the Board, pursuant to 49 U.S.C. § 10901 or 49 U.S.C. § 10502, before constructing the by-pass track. The mandatory nature of such prior approval is clear under federal law at 49 U.S.C. § 10901. Indeed, the Board has previously stated,

The construction, acquisition, and operation of railroad lines require prior Board approval. The Board's authorization may take the form of a 'certificate of public convenience and necessity' issued under 49 U.S.C. 10901, or, as [the applicant] has requested here, an exemption under 49 U.S.C. 10502 from the formal application procedures of section 10901.

See STB Finance Docket No. 34391, New England Transrail, LLC, d/b/a Wilmington and Woburn Terminal Railroad Co.—Construction, Acquisition, and Operation Exemption—In Wilmington and Woburn, MA, 2004 STB Lexis 138, *4 (Served March 2, 2004) [emphasis added]. Given the Board’s clear statement of the law, C&G is simply wrong to assert that the City’s construction was legal because prior STB approval “appears to be permissive not mandatory.” C&G’s Reply at 7.

C&G is similarly mistaken in arguing that the City’s efforts to acquire authorization from other federal, state, and local governmental bodies constitute substantial and acceptable compliance with the mandatory, prior approval requirements of 49 U.S.C. § 10901 or 49 U.S.C. § 10502. Pursuant to federal law, the STB, alone, is vested with exclusive jurisdiction over the construction and operation of new railroad lines. Section 10501(b) of Title 49 provides in part,

The jurisdiction of the Board over . . . (2) the construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one State, is exclusive. Except as otherwise provided in this part, the remedies provided under this part with respect to regulation of rail transportation are exclusive and preempt the remedies provided under Federal or State law.

Thus, no governmental body other than the STB can authorize such construction and operation. Given the Board’s exclusive jurisdiction and the clear prior approval requirements of 49 U.S.C. § 10901 and 49 U.S.C. § 10502, the City’s actions before various other federal, state, and local governmental bodies simply do not cure its uncontested failure to obtain construction and operation authority from the Board. Indeed, the City’s exhaustive efforts beg the question why it

did not initiate a proceeding before the Board, which might even have preempted some of other the steps that it apparently took.²

Finally, C&G misapplies precedent in asserting that STB approval may have been unnecessary, in the first place, because the by-pass track is a relocation of existing track. According to the decision cited by C&G, STB Finance Docket No. 33796, Sacramento Transit District—Petition for Declaratory Order Regarding Carrier Status, (Served June 29, 2000) (“Sacramento Transit District”), the replacement of an existing track with a substitute track located nearby is not subject to the prior approval requirements of 49 U.S.C. § 10901, “if there is no effect on: (1) service to shippers; (2) the carrier’s territory or traffic; (3) competition; or (4) the carrier’s revenue or operating expenses.” Because the purported relocation that C&G and the City seek to accomplish will deprive Morris’s Greenwood facility of rail service and thereby foreclose a transportation option, the project plainly fails the first and the third prongs of the standard. Rather than preserve service for all shippers on the relocated line, as was the case in Sacramento Transit District, the relocation contemplated by C&G and the City will plainly deprive Morris, an active shipper, of rail service. By stripping Morris of a transportation alternative, the purported relocation profoundly effects competition: it renders Morris less competitive against recycling companies that have access to two modes of transportation, and diminishes Morris’s bargaining power in the transportation market. See Minga V.S. at ¶9. Additionally, based on the maps that C&G submitted as exhibits to its Verified Notice and its Reply, it appears that the relocation will, in fact, allow C&G to reach at least one new market

² No STB authorization is required for a narrow class of transactions falling under 49 U.S.C. § 10906. See STB Finance Docket No. 34040, Riverview Trenton Railroad Company—Petition for an Exemption from 49 U.S.C. 10901 to Acquire and Operate a Rail Line in Wayne County, MI, 2003 STB Lexis 251 at *16 (Served May 15, 2003) (“The general licensing requirements of section 10901 do not apply to track that is excepted under section 10906, although [the Board] retain[s] exclusive jurisdiction over such track pursuant to 49 U.S.C. 10501(b)(2).”) Section 10906 does not apply to lines constructed for common carrier operations such as the City’s by-pass line.

and to serve additional traffic, namely, an industrial park, which will be located adjacent to the relocated line. See Exhibit A to C&G's Notice (insert showing proximity of new line to the Greenwood-Leflore Industrial Park). Thus, for the foregoing reasons, the transaction contemplated by C&G and the City plainly fails to satisfy the legal requirements for an exempt relocation under Sacramento Transit District. See STB Finance Docket No. 34191, Charles M. Sotelo—Petition for Declaratory Order—Line Relocation in Cochise County, AZ, 2002 STB Lexis 640, *6 (Served Oct. 25, 2002) (Noting that previous relocation cases “involved lines owned by the rail carrier entities seeking to construct a line in a new location.”) [emphasis added.]

C. C&G HAS NOT DEMONSTRATED THAT THE CITY'S CONSTRUCTION OF THE BY-PASS TRACK MEETS THE EXEMPTION STANDARD AT 49 U.S.C. § 10502(A).

C&G's conclusory assertions about the merits of the City's construction project under 49 U.S.C. § 10502(a) entirely fail to establish that the project deserves an exemption from the prior approval requirements of 49 U.S.C. § 10901. Indeed, C&G's troubling response to Morris's recent request for rail service compels the opposite conclusion: regulation is necessary to carry out the rail transportation policy; the transaction is not limited in scope; and, application of the statute is necessary to protect a shipper from abuse of market power. Indeed, C&G's entire effort to satisfy the standards of 49 U.S.C. § 10502(a) hinges upon its objectively false assertions that “all shippers now using C&G transportation services will [] continue to receive service” and that “Morris has not shipped over the line for almost three years.” See C&G's Reply at 9. Unquestionably, Morris stands to lose rail transportation service as a result of the transactions contemplated by C&G and the City. And, less than three months ago, Morris sought to ship over C&G's main line (but was prevented by C&G's suspect actions). The voluminous exhibits that

C&G has submitted to the Board neither controvert these critical facts, nor substantiate the merits of the City's construction project under 49 U.S.C. § 10502(a).

The Board may exempt a transaction only after it determines that the application in whole or in part of a provision of the Interstate Commerce Commission Termination Act³ ("ICCTA"):

(1) is not necessary to carry out the transportation policy of section 10101 of this title; and (2) either—(A) the transaction or service is of limited scope; or (B) the application in whole or in part of the provision is not needed to protect shippers from the abuse of market power.

49 U.S.C. § 10501(a). The whole transaction planned by C&G and the City—involving construction of a new common carrier line, the conveyance of that line, and the abandonment of an active rail line—is not limited in scope. And, regulation is necessary to protect at least one shipper, Morris, from further abuse of market power. C&G should not gain an advantage from the City's circumvention of the mandatory prior approval requirements that applied to the construction of the by-pass line. Considering the larger transaction and its implications, regulation is clearly necessary to carry out the rail transportation policy. Therefore, the exemption and the underlying conveyance must be stayed, or revoked, to permit the Board to review the transaction under the applicable provisions of ICCTA.

D. THE CITY OF GREENWOOD WILL NOT SUFFER IRREPARABLE HARM IF RAILROAD OPERATIONS ARE DELAYED IN ORDER TO ALLOW THE BOARD TO CONDUCT A FULL REVIEW OF THE TRANSACTION.

Without providing copies of the relevant contracts or sworn testimony from persons with knowledge, C&G alleges that the City might suffer some amorphous harm if this administrative proceeding delays testing of the by-pass track beyond a sixty (60) day "shakedown" period. C&G implies that the clock is ticking, but neither states when that period began or when it will in end. In any case, this argument is an utter red-herring that should have no bearing whatsoever on

³ Pub. L. No. 104-88, 109 Stat. 803.

the Board's decision-making, other than to cast further doubt on C&G's credibility. Indeed, no part of this proceeding is preventing the City or C&G from running private train(s) on the by-pass track for purposes of testing its structural integrity. The City and C&G have been, and continue to be free to run test trains on the by-pass track in order to protect the City from the speculative and nebulous harm that C&G alleges. Accordingly, the Board should not allow this specious argument to influence its method and timing for considering of the validity of the City's construction of the by-pass line and C&G's purported acquisition and operation thereof.

E. THE EXEMPTION IS VOID AB INITIO BECAUSE IT CONTAINS FALSE AND MISLEADING INFORMATION.

Pursuant to 49 C.F.R. § 1150.41(c), a transaction is void ab initio if it contains false or misleading information. C&G's Notice is misleading because it suggests that construction of subject line was legally authorized. C&G's protestations of its "clean hands" do not change the fact that construction was not authorized.

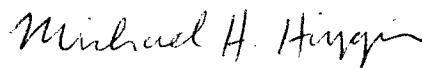
Additionally, C&G's Notice is misleading because it misrepresents recent activity on the main line track subject to its "like kind exchange" with the City. At ¶(e), the Notice implies that the anticipated abandonment of the main line track will be subject to an exemption under 49 C.F.R. § 1152.50; this means that no local traffic has moved over the line for at least two years. Given Morris's February 2005 shipments and C&G's troubling response, this paragraph of C&G's Notice is plainly misleading. It suggests no recent activity on the track, when in fact there was such activity. Because this misrepresentation is essential to the quid pro quo arrangement between C&G and this City, the Notice is misleading and thus void ab initio.

II. CONCLUSION

Morris Recycling, Inc., respectfully requests that the Board stay the effectiveness of the Notice of Exemption subject to this proceeding, or in the alternative, revoke the exemption

sought by Columbus and Greenville Railway Company, so that the Board may consider the transaction in light of the applicable standard and so the City of Greenwood make seek and obtain mandatory approval of its construction project.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael H. Higgins".

Jeffrey O. Moreno
Michael H. Higgins
Thompson Hine LLP
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036-1600

*Attorneys for
Morris Recycling, Inc.*

April 14, 2005

CERTIFICATE OF SERVICE

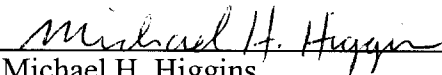
I hereby certify that I have this day served copies of this "Reply to the Reply of Columbus and Greenville Railway Company to Emergency Petition to Stay and Petition to Revoke Exemption—Morris Recycling Inc." upon all parties of record in this proceeding, as indicated below:

Facsimile and Overnight Mail

Wandaleen Poynter Cole
STB Counsel
Columbus and Greenville Railroad Company
201 19th Street North
Columbus, Mississippi 39703

Regular Mail

Billy B. Bowman
Brewer, Deaton & Bowman
P.O. Drawer B
Greenwood, Mississippi 38935-0706



Michael H. Higgins

April 14, 2005

EXHIBIT A

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34666

COLUMBUS AND GREENVILLE RAILWAY CO.
—VERIFIED NOTICE OF EXEMPTION—
ACQUISITION AND OPERATION OF 2.99 MILES OF NEWLY
CONSTRUCTED TRACK IN GREENWOOD, LEFLORE COUNTY, MS

**VERIFIED STATEMENT OF JAMES M. MINGA
IN SUPPORT OF MORRIS RECYCLING INC.'S REPLY**

Comes now, James M. Minga, and submits this Verified Statement in Support of Morris Recycling Inc.'s Reply to the Reply of Columbus and Greenville Railway Company to Emergency Petition to Stay and Petition to Revoke Exemption—Morris Recycling Inc., and states as follows:

1. My name is James M. Minga. I am presently employed as the Off-Site Project Manager for Morris Recycling Inc. ("Morris"), a recycling company headquartered in New Albany, MS. I am over eighteen years of age and competent to submit this Verified Statement.

2. In my capacity as Off-Site Manager for Morris, I am responsible for certain transportation and logistics for the company. I have regular interaction with transportation service providers, and I am familiar with Morris's transportation needs. I have been primarily responsible for interacting with representatives of the Columbus and Greenville Railroad Company ("C&G").

3. Morris conducts recycling operations through seven affiliated processing facilities that serve a 150 mile radius, which includes all of north Mississippi, and parts of Alabama, Arkansas, and Tennessee. The affiliated recycling facilities recycle primarily ferrous and non-ferrous metals, but also process paper and other recyclable materials. The facilities ship ferrous materials to mills in Mississippi, Alabama, Arkansas, Louisiana, and Tennessee.

4. Morris operates an affiliated facility located in the City of Greenwood, MS (the "Greenwood Facility"). The Greenwood Facility is located on C&G's main line track, which runs through the City. Up until approximately three years ago, Morris received regular rail service from C&G at the Greenwood Facility, which shipped between six and ten outbound railcars per week of various scrap commodities for recycling. Inbound shipments to the facility were limited. Morris currently leases a spur track and certain other real property from C&G for purposes of its operations at Greenwood, including delivery and tender of railcars. However, because of a dispute with C&G, arising from C&G's closure of a rail line serving a different Morris facility, located in Greenville, MS, Morris ceased doing business with C&G in mid-2002.

5. In February 2005, Morris received a request from a customer to purchase and ship two railcars of stainless steel from the Greenwood Facility to Chicago, IL. Morris promptly notified C&G for purposes of arranging transportation into its facility of the two empty railcars supplied by its customer. In response to the request, C&G's foreman for Greenwood inspected the switch and the spur from the main line to the Greenwood Facility and advised Morris that it was in proper condition to receive rail service. Subsequently, however, C&G advised Morris that the spur was not in proper

condition and that C&G would not provide service into the Greenwood Facility. In response, Morris asked C&G to spot the two inbound empty railcars at the gate to the Greenwood Facility, and informed C&G that it would handle further movement of the railcars onto the site.

6. On or about February 11, 2005, C&G informed Morris that it intended to abandon its main line track through the City, and that Morris could no longer ship railcars to or from the Greenwood Facility. This was the first time that C&G notified Morris of its intention to abandon the line.

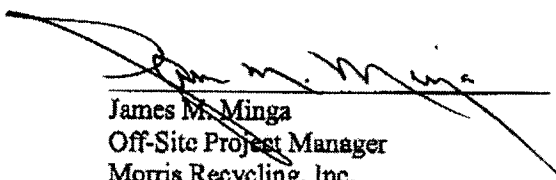
7. On or about February 25, 2005, Mr. Roger Bell, the president of C&G, emailed a draft verified statement to me, purporting to characterize Morris's past and future need for rail service at the Greenwood Facility. Mr. Bell's cover email indicated that C&G's transportation of the empty railcars to the Greenwood Facility was contingent upon my execution of the verified statement and its return to C&G for submission to the Surface Transportation Board. (The email and enclosed verified statement are attached hereto, as Tab 1.) Because I disagreed with portions of the verified statement—specifically certain assertions about the Greenwood Facility's need for rail service—and because I believed that execution of the verified statement would foreclose future rail service to the Greenwood Facility, I refused to execute and return the verified statement.

8. Because I refused to execute and return the verified statement that C&G had prepared, C&G declined to transport the railcars to the Greenwood Facility. Instead, I arranged for them to be transported to another facility located in Sherman, MS. Morris shipped the stainless steel by truck to load the railcars in Sherman, MS, a movement of approximately 100 miles.

9. As noted in Paragraph Seven, above, I refused to sign the verified statement, in part, because C&G inaccurately represented Morris's need for rail transportation service at the Greenwood Facility. In fact, Morris anticipates a need for rail transportation service in the immediate future. Morris expects to ship materials from the Greenwood facility because rising fuel prices have made shipping by rail more competitive than shipping by truck. Over the past 12 months, Morris's aggregate freight bill for motor carrier operations serving the Greenwood Facility has risen by approximately twenty-five percent. Given this increase, Morris believes that rail service is now an economically viable transportation alternative. Morris anticipates that it would ship five to six cars per week from the facility. Moreover, the existence of a rail alternative at the Greenwood Facility gives the facility a competitive advantage in the transportation market, and vis-à-vis other recycling operations that have only have access to transportation by motor carrier.

Verification

I, James M. Minga, verify under penalty of perjury, under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption. Executed on this 13th day of April, 2005.



James M. Minga
Off-Site Project Manager
Morris Recycling, Inc.
304 W. Bankhead St.
New Albany, MS 38652

1

Higgins, Michael

From: Jim Minga [JimMinga@MorrisRecycling.com]
Sent: Thursday, March 31, 2005 11:16 AM
To: Moreno, Jeffrey
Subject: FW: STB letter

REDACTED

Thanks

Jim Minga
Morris Recycling, Inc
JimMinga@morrisrecycling.com
662/ 316-4364 Cell

From: Jim Minga
Sent: Tuesday, March 29, 2005 6:14 PM
To: 'Nick.DiMichael@ThompsonHine.com'
Subject: FW: STB letter

REDACTED

Jim Minga
Morris Recycling, Inc
JimMinga@morrisrecycling.com
662/ 316-4364 Cell

From: Roger Bell [mailto:rdbell_cg@cagy.com]
Sent: Friday, February 25, 2005 11:04 AM
To: Jim Minga
Subject: STB letter

Jim:

Attached, please find the letter you and I have been working on. As you and I discussed earlier, I will need this letter executed and notarized so it can be supplemented to the STB filings. If you have any questions regarding the wording, please call me as soon as possible so we can get resolved in time to get the cars moving toward you in Greenwood today.

Roger D. Bell
662-329-7710

4/14/2005

**Before the
Surface Transportation Board
Notice of
Columbus and Greenville Railway Company
For Exemption of Abandonment from Regulation Pursuant to
49 C.F.R. §1152.50**

Docket No. AB 297 Sub. 102X

Verified Statement of James M. Minga

My name is James Minga. I am Operations Manager for Morris Recycling, Inc. ("Morris"). In that capacity I have the authority to act for Morris and to make the statement contained in this Verified Statement.

One of Morris's facilities is located within the corporate limits of the City of Greenwood, Mississippi adjacent to the main line of the Columbus and Greenville Railway Company ("C&G"). Morris has neither shipped nor received freight on the C&G at that location since April 2002, a period of two years and ten months, and therefore I do not anticipate a future need for rail service at this location. We have been informed that C&G is in the process of seeking an Exemption from the Surface Transportation Board to allow abandonment of its track through Greenwood.

We have been asked by a customer to load two of its cars with stainless steel for shipment. While Morris's industrial track at this location is not maintained to a level to allow C&G's locomotive to place the cars in for loading it has agreed to release the cars to Morris at the turnout for loading. This is a unique circumstance that I do not anticipate recurring.

**James M. Minga
Operations Manager
Morris Recycling, Inc.
304 West Bankhead Street
New Albany, Mississippi 38652**

NOTORIAL JURAT

STATE OF MISSISSIPPI)
_____ County)

Verification

I hereby verify, under penalty of perjury, that the foregoing is true and correct to the best of my information, knowledge and belief. Further, I certify that I am qualified and authorized to make this statement.

Executed this 25th day of February 2005.

James M. Minga

Sworn to and subscribed before me, on this 25th day of February, 2005.

Notary Public

SEAL

My Commission Expires:_____