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BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

Finance Docket No. 34963

JAMES RIFFIN, DBA THE RARITAN VALLEY CONNECTING RAILROAD—
ACQUISITION AND OPERATION EXEMPTION – ON RARITAN VALLEY CONNECTING
TRACK (Line Code 0326, Sub. No. 1038), BETWEEN THE NORTHERLY SIDELINE OF
THE LEHIGH VALLEY LINE (AT FORMER DELAWARE & BOUND BROOK MP 57.25),
MANVILLE BOROUGH, AND THE INTERSECTION OF THE LINE WITH THE
SOUTHERLY SIDELINE OF THE FORMER RARITAN VALLEY LINE, NOW NEW
JERSEY TRANSIT’S RARITAN VALLEY COMMUTER LINE, IN BRIDGEWATER
TOWNSHIP (AT FORMER DELAWARE & BOUND BROOK MP 58.50), ALL IN
SOMERSET COUNTY, NEW JERSEY, A DISTANCE OF APPROXIMATELY 1.25 MILES

VERIFIED NOTICE OF EXEMPTION

MOTION FOR LEAVE TO AMEND VERIFIED NOTICE OF EXEMPTION

RIFFIN’S RESPONSE TO NORFOLK SOUTHERN’S
PETITION TO STAY EFFECTIVE DATE OF RIFFIN’S NOTICE OF EXEMPTION

I. MOTION FOR LEAVE TO AMEND VERIFIED NOTICE OF EXEMPTION

Now comes James Riffin dba the Raritan Valley Connecting Railroad (“Riffin”), who files
this Motion for Leave to Amend Verified Notice of Exemption (“NOE”), and who files Riffin’s
Response to Norfolk Southern’s Petition to Stay Effective Date of Riffin’s Notice of Exemption,
and says:

1. On November 21, 2006, Riffin filed a Verified NOE to acquire and operate 1.25 miles of
railroad line, which line of railroad formerly was a part of the Delaware and Bound Brook

("D&BB") line of railroad, which is aka the Raritan Valley Connecting Track, and which line of railroad lies between D&BB MP 57.25 and MP 58.5, all situated in Somerset County, New Jersey ("D&BB Line").

2. The acquisition of additional rail lines by a Class III carrier is governed by 49 U.S.C. §10902, and by 49 CFR 1150.41. The acquisition of a rail line by a non-carrier is governed by 49 U.S.C. §10901, and by 49 CFR 1150.31.

3. Riffin is a Class III carrier. See AB 55-659X, served August 18, 2006.

4. In his Verified NOE, Riffin inadvertently stated the NOE was being filed pursuant to 49 U.S.C. §10901 and 49 CFR 1150.31. Riffin should have stated his NOE was being filed pursuant to 49 U.S.C. §10902 and 49 CFR 1150.41.

5. In his NOE, Riffin stated Conrail had, on August 24, 1995, sold the D&BB Line of railroad to a Joseph Horner, and stated that Mr. Horner had leased the D&BB Line to Bridgewater Resources, Inc. ("BRI"). Riffin further stated that if Conrail had not received Commission approval to abandon, or to sell, the D&BB Line of railroad, then Conrail may still have title to the D&BB Line of railroad. Riffin proposed to acquire the D&BB Line of railroad from whomever had title to the D&BB Line of railroad.

6. On November 27, 2006, Norfolk Southern Railway Company ("NS") filed a Petition to Stay the Effective Date of Riffin's NOE ("Petition"). Attached to that Petition was the November 27, 2006 Verified Statement of Robert D'Zuro ("Verified Statement"), a paralegal employed in the law department of Conrail. In that Verified Statement, Mr. D'Zuro stated Conrail had never filed an application with the Commission, seeking approval to abandon, or to discontinue service, on the D&BB Line of railroad.

7. If the Board orders the unauthorized sale of the D&BB Line of railroad be set aside, then title to the D&BB Line of railroad would revert back to Conrail. NS, in its Petition, alleged NS may be Conrail's successor in title with regard to the D&BB Line of railroad.

8. As stated in Riffin's NOE, Riffin proposes to acquire the D&BB Line of railroad from whomever has title to the D&BB Line of railroad. Unless and until the Board sets aside the

unauthorized sale of the D&BB Line of railroad to Mr. Joseph Horner, BRI's predecessor in title, BRI has title to the D&BB Line of railroad. Consequently, Riffin proposes to acquire the D&BB Line of railroad from BRI. If, at a later date, the Board sets aside the unauthorized sale of the D&BB Line of railroad to Mr. Horner, then Riffin's title to the D&BB Line of railroad would also be set aside, in which case Riffin would institute negotiations with whomever ultimately is deemed to have title to the D&BB Line of railroad.

9. A corrected Verified NOE is appended hereto. The foregoing additional information regarding the unauthorized abandonment, discontinuance of service, and sale of the D&BB Line of railroad, is presented for the purpose of developing as complete a record as possible regarding this transaction.

WHEREFORE, Riffin would respectfully request the Board grant Riffin permission to correct his NOE, and to include the additional information presented above.

II. RIFFIN'S RESPONSE TO NORFOLK SOUTHERN'S PETITION TO STAY EFFECTIVE DATE OF RIFFIN'S NOTICE OF EXEMPTION

10. As stated above, on November 27, 2006, NS filed a Petition to Stay the Effective Date of Riffin's NOE ("Petition"), and requested the Board Commence a Proceeding and establish a procedural schedule for the submission of evidence and comments by all interested parties.

11. Attached to NS's Petition, was a November 27, 2006 Verified Statement of Robert D'Zuro, a paralegal employed in the law department of Conrail. In his Verified Statement, Mr. D'Zuro stated he was responsible for maintaining and updating Conrail's legal files for all of the abandonments that have been filed (or considered for filing) by Conrail since its creation in 1976. Mr. D'Zuro further stated that Conrail had never filed a notice of abandonment or discontinuance of service for the D&BB Line of railroad.

12. NS, on page two of its Petition, stated:

"It is NS' belief that, in the absence of abandonment or discontinuance authority, Conrail retained common carrier operating authority over the line and that such authority was transferred to NS pursuant to the Transaction Agreement approved by the Board in *CSX Corp., et al. – Control – Conrail Inc., et al.*, 3 S.T.B. 196 (1998)"

13. NS has requested the Board Commence a Proceeding and establish a procedural schedule for the submission of evidence and comments by all interested parties.

14. **Stay of effective date of NOE:** Before a Class III carrier can acquire an additional line of railroad, it first must seek authority to acquire that additional line of railroad, and must first seek authority to operate the additional line of railroad, once it has been acquired. 49 U.S.C. §10902. One way to seek that authority, is via a NOE. Seven days after a NOE has been filed, the applicant may consummate the acquisition of the additional line of railroad, and once the additional line of railroad has been acquired, the applicant may then commence operation of that additional line of railroad. Filing a NOE does not guarantee the applicant will in fact acquire the additional line of railroad. The acquisition would be consummated only if the applicant and the transferor reached an agreement. Filing the NOE merely gives the applicant the right to enter into negotiations with the transferor, and if an agreement is reached, to consummate the transfer of the additional line of railroad.

15. In the instant case, Riffin's NOE has merely given him the right to begin the process of attempting to acquire the D&BB Line of railroad. Delaying the negotiation process would not benefit the applicant, transferor or the public. Delaying the negotiation process could be detrimental to shippers along the line, for each day the negotiation process is delayed, delays the earliest date the applicant could offer common carrier rail service to shippers along the line.

16. In the instant case, Bridgewater Resources, Inc. has record title to the D&BB Line. Unless and until the Board sets aside the sale of the D&BB Line from Conrail to Mr. Horner, BRI's title to the D&BB Line is superior to all other claims to title, including NS' speculative claim to title of the D&BB Line. Delaying the effective date of Riffin's NOE would seriously impair BRI's property rights in the D&BB Line.

17. In the event the Board sets aside the unauthorized sale of the D&BB Line, Mr. Horner's title in the D&BB Line would be voided, which in turn would void BRI's leasehold estate in the D&BB Line, and would void Riffin's putative leasehold estate in the D&BB Line. Permitting the NOE to remain effective, would be in the public interest, for shippers along the D&BB Line (BRI) would be able to utilize the services of an operator. If BRI's title in the D&BB Line is subsequently set aside, having utilized the D&BB Line during the interim, would not cause any

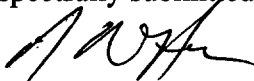
harm, let alone substantial, irreparable harm, to NS or to Conrail. [To date, Conrail has adamantly refused to provide any type of service on the D&BB Line.] Staying the effective date of the NOE would cause serious, substantial, irreparable harm to both Riffin and BRI.

18. For the reasons stated above, Riffin would respectfully request the Board **DENY** NS' request to stay the effective date of Riffin's NOE.

19. **Commencement of a proceeding.** NS has also requested the Board Commence a Proceeding. Unfortunately, NS did not indicate what the nature of the Proceeding would be. Riffin does not oppose NS' request that the Board Commence a Proceeding, providing the purpose of the Proceeding would be to determine what remedies would be appropriate, given that Conrail failed to seek or obtain prior Commission authority to abandon the D&BB Line, to discontinue service on the D&BB Line, to remove the track structure associated with the D&BB Line, and to sell the D&BB Line to Mr. Horner, a non-carrier.

20. In the event the Board does Commence a Proceeding regarding the unauthorized abandonment, discontinuance of service, and sale of the D&BB Line, Riffin would respectfully ask that this Proceeding be consolidated with another proceeding currently before the Board, namely: *CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company – Control and Operating Leases / Agreements – Conrail, Inc. and Consolidated Rail Corporation; Petition for Supplemental Order; FD No. 33388 (Sub-No. 100).*

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Riffin', is written over the typed name.

James Riffin dba The Raritan Valley Connecting Railroad

CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that on this 1st day of December, 2006, a copy of the foregoing Motion for Leave to Amend Verified Notice of Exemption, and Riffin's Response to Norfolk Southern's Petition to Stay Effective Date of Riffin's Notice of Exemption,, was mailed, postage prepaid, to each of the parties listed below.



James Riffin

Richard A. Allen, Esq.
Zuckert, Scoutt & Rasenberger
Suite 600
888 Seventeenth Street, N.W.
Washington, D.C. 20006-3939

Michael E. Allen
W.R. Allen Associates
P.O. Box 662
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BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

Finance Docket No. 34963

JAMES RIFFIN, DBA THE RARITAN VALLEY CONNECTING RAILROAD—
ACQUISITION AND OPERATION EXEMPTION – ON RARITAN VALLEY CONNECTING
TRACK (Line Code 0326, Sub. No. 1038), BETWEEN THE NORTHERLY SIDELINE OF
THE LEHIGH VALLEY LINE (AT FORMER DELAWARE & BOUND BROOK MP 57.25),
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SOMERSET COUNTY, NEW JERSEY, A DISTANCE OF APPROXIMATELY 1.25 MILES

CORRECTED VERIFIED NOTICE OF EXEMPTION

James Riffin, dba The Raritan Valley Connecting Railroad, (Applicant), a Class III
Carrier, provides the following as his verified exemption notice to acquire and operate exemption
of approximately 1.25 miles of line within Somerset County, NJ, pursuant to 49 U.S.C. §10902.
This action comes within the class of transactions which are exempt from regulations under 49
U.S.C. §10902.

1. The following 49 CFR §1150.43 details are provided:

(a) and (b): APPLICANT and representative to whom correspondences should be sent:

James Riffin, dba The Raritan Valley Connecting Railroad
1941 Greenspring Drive
Timonium, MD 21093
(443) 414-6210

(c): No agreement has been reached. Agreements are being negotiated. Agreements are
expected to be executed within 90 days after the date this Notice of Exemption has been
filed.

(d): James Riffin, dba The Raritan Valley Connecting Railroad, or his designee, will be the operator of the property.

(e): The following is a brief summary of the proposed activity:

The Applicant proposes to acquire and operate approximately 1.25 miles of line, known as the Raritan Valley Connecting Track (Line Code 0326, Sub. No. 1038), between the northerly sideline of the Lehigh Valley Line [at former Delaware & Bound Brook ("D&BB") (now Trenton Line) MP 57.25], Manville Borough, and the intersection of the line with the southerly sideline of the former Central Railroad Company of New Jersey Raritan Valley Line, now New Jersey Transit's Raritan Valley Commuter Line, [at former D&BB (now Trenton Line) MP 58.50], all in Somerset County, New Jersey. Applicant proposes to interchange with CSX Transportation and / or with Norfolk Southern Railway Corporation, and / or with Conrail. Applicant proposes to commence these activities within 90 days from the date this Verified Notice of Exemption is filed. The transferor of the Raritan Valley Connecting Track line, will be either Bridgewater Resources, Inc., a non-carrier, whose address is 15 Polhemus Lane, Bridgewater, NJ 08807, or Conrail. [In a deed dated August 24, 1995, recorded in the Land Records of Somerset County, New Jersey, at Liber BK 2031 folio 320 *et. al.*, Conrail transferred all of its title and interest in this portion of the former D&BB line, to Joseph C. Horner, an individual. Mr. Horner in turn has leased this line to Bridgewater Resources, Inc. ("BRI"). If Conrail received authority from the Interstate Commerce Commission to sell this line segment, then BRI has title to the line. If the Commission did not approve the sell of this line segment, and if the Board sets aside the unauthorized sale of the line, then Conrail, or its successor in title, would still have title to this line segment.]

(f): A map is attached hereto.

(g): The Petitioner certifies that the projected annual revenues of the carrier to be created by this transaction, will not exceed the Class III carrier threshold, nor are they expected to exceed \$5,000,000.00.

2. Caption Summary required by 49 CFR §1150.44 is attached.

3. Environmental and Historical Impact:

Per 49 CFR §1105.6 (c) (2) no environmental documentation need be prepared. The proposed activities will not affect any historic structures.

Respectfully submitted,



Date: November 21, 2006

James Riffin, dba The Raritan Valley Connecting Railroad

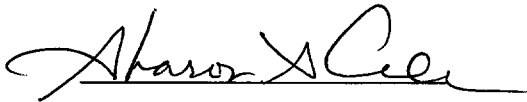
VERIFICATION

I, James Riffin, dba The Raritan Valley Connecting Railroad, having been duly sworn, state that I am the majority owner of James Riffin, dba The Raritan Valley Connecting Railroad, that I have read the foregoing Notice of Exemption, and that its contents are true and correct to the best of my knowledge and belief.



James Riffin, dba The Raritan Valley Connecting Railroad

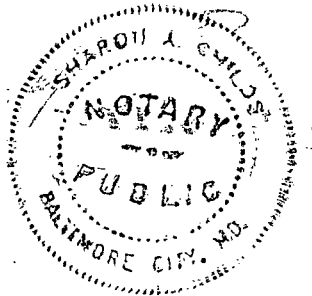
Subscribed and sworn to before me this 30th day of November, 2006.



Notary Public

(SEAL)

my commission expires:
03/12/2007



CORRECTED NOTICE OF EXEMPTION

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CAPTION SUMMARY

JAMES RIFFIN, DBA THE RARITAN VALLEY CONNECTING RAILROAD—ACQUISITION AND OPERATION EXEMPTION – ON RARITAN VALLEY CONNECTING TRACK (Line Code 0326, Sub. No. 1038), BETWEEN THE NORTHERLY SIDELINE OF THE LEHIGH VALLEY LINE (AT FORMER DELAWARE & BOUND BROOK MP 57.25), MANVILLE BOROUGH, AND THE INTERSECTION OF THE LINE WITH THE SOUTHERLY SIDELINE OF THE FORMER RARITAN VALLEY LINE, NOW NEW JERSEY TRANSIT'S RARITAN VALLEY COMMUTER LINE, IN BRIDGEWATER TOWNSHIP (AT FORMER DELAWARE & BOUND BROOK MP 58.50), ALL IN SOMERSET COUNTY, NEW JERSEY, A DISTANCE OF APPROXIMATELY 1.25 MILES

James Riffin, dba The Raritan Valley Connecting Railroad, a Carrier, has filed a Notice of Exemption under 49 U.S.C. §10902 to acquire from the owner of the line [the lessee of record of the line is Bridgewater Resources, Inc. If the unauthorized sale of the line by Conrail to Mr. Joseph Horner in 1995 is set aside, then the owner would be Conrail, or its successor in title.], and operate, 1.25 miles of line in Somerset County. This action comes within the class of transactions which are exempt from regulations under 49 U.S.C. §10902.

Comments must be filed with the Surface Transportation Board and served on James Riffin, dba The Raritan Valley Connecting Railroad, 1941 Greenspring Drive, Timonium, MD 21093.

This Notice is filed under 49 CFR §1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemptions under 49 U.S.C. §10505 (d) may be filed at any time. Filing petitions to revoke will not automatically stay the transaction.

Dated:

By the Board: Vernon A. Williams
Secretary