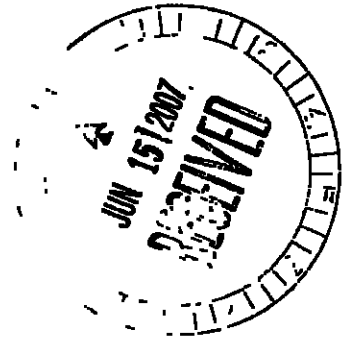




STATE OF NEW YORK  
DEPARTMENT OF TRANSPORTATION  
ALBANY, N.Y. 12232  
www.nysdot.gov



ASTRID C. GLYNN  
COMMISSIONER

ELIOT SPITZER  
GOVERNOR

219553

ENTERED  
Office of Proceedings

JUN 15 2007

Part of  
Public Record

June 5, 2007

The Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423

ENTERED  
Office of Proceedings

JUN 15 2007

Part of  
Public Record

Re: STB Finance Docket No. 35036  
Suffolk & Southern Rail Road LLC -  
Lease and Operation Exemption -  
Sills Road Realty, LLC

Dear Mr. Williams:

Enclosed please find the New York State Department of Transportation's comments regarding the above request for exemption by the Suffolk and Southern Rail Road LLC.

Very truly yours,

*Donna K. Hintz*

DONNA K. HINTZ  
Associate Attorney  
Division of Legal Affairs

DKH:cb  
DKH0471

cc: John D. Heffner, Esq.  
John D. Heffner, PLLC  
1920 N Street, N.W.  
Suite 800  
Washington, DC 20036

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

JUN 15/2007  
RECEIVED

**STB FINANCE DOCKET NO. 35036**

**SUFFOLK & SOUTHERN RAIL ROAD LLC  
LEASE AND OPERATION EXEMPTION  
SILLS ROAD REALTY, LLC**

**REPLY**

**Submitted by:**

**Donna K. Hintz, Associate Attorney  
New York State Department of Transportation  
Division of Legal Affairs, Sixth Floor  
50 Wolf Road  
Albany, New York 12232  
(518) 457-2411**

**Dated: June 4, 2007**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

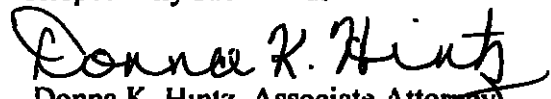
**STB FINANCE DOCKET NO. 35036**

**SUFFOLK & SOUTHERN RAIL ROAD LLC  
LEASE AND OPERATION EXEMPTION  
SILLS ROAD REALTY, LLC**

**REPLY**

The New York State Department of Transportation (NYSDOT) has reviewed Suffolk & Southern Rail Lines LLC's filing under STB Financial Docket No. 35036, as well as additional materials submitted to NYSDOT in support of an application for public funding under the New York State Transportation Bond Act of 2005. NYSDOT supports efforts to increase the rail market share and reduce truck traffic on the congested roadways in the New York City Metropolitan area. The applicants for this project anticipate handling up to five hundred thousand tons of construction aggregates per year which will divert five thousand trucks per year from the highway network. Rail capital improvements are eligible for funding from funding programs administered by NYSDOT. NYSDOT contracts directly with rail carriers for projects such as those proposed by Suffolk & Southern. However, non-carriers such as Suffolk & Southern may also access these funding programs with support of a public sponsor, such as a town, county or industrial development authority. It is NYSDOT's understanding that the facility Suffolk & Southern proposes to lease and operate does not exist yet and is to be constructed by Silks Road Realty. It is also NYSDOT's understanding that Suffolk & Southern will not operate the facility, but will sublease the operations.

Respectfully submitted,



Donna K. Hintz, Associate Attorney  
New York State Department of Transportation  
Division of Legal Affairs, Sixth Floor  
50 Wolf Road  
Albany, New York 12232  
(518) 457-2411

Dated: June 5, 2007

VERIFICATION

I, Donna K. Hintz, declare under penalty of perjury that the foregoing is true and correct,  
and further certify that I am qualified and authorized to file this reply executed on

June 5, 2007.

Donna K. Hintz  
Donna K. Hintz

Sworn to before me this  
~~5<sup>th</sup>~~ day of June, 2007.

Charlotte Belak  
Notary Public

CHARLOTTE BELAK  
Notary Public, State of New York  
No. 4812518  
Qualified in Rensselaer County  
Commission Expires 1-31-11

CERTIFICATE OF SERVICE

I certify that I have this day served copies of this document upon all parties of record in  
this proceeding by first-class mail.

Donna K. Hintz

Dated: June 5, 2007