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February 10, 2011

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, D. C. 20423

ENTERED  
Office of Proceedings

FEB 10 2011

Dear Ms. Brown:

Part of  
Public Record

Attached for filing in Docket No. FD 35410, Adrian & Blissfield Rail Road Company—Continuance in Control Exemption—Jackson & Lansing Railroad Company, docket No. FD 35411, Jackson & Lansing Railroad Company—Lease and Operation Exemption—Norfolk Southern Railway Company, and Docket No. FD 35418, Jackson & Lansing Railroad Company—Trackage Rights Exemption—Norfolk Southern Railway Company, are the Comments of Yreka Western Railroad Company.

If you have any question concerning this filing or I otherwise can be of assistance, please let me know.

Sincerely yours,

  
Fritz R. Kahn

cc: Karl Morell, Esq.  
Senator Raymond E. Basham  
Harold A. Ross, Esq.  
Clinton J. Miller, III, Esq.

**SURFACE TRANSPORTATION BOARD  
WASHINGTON, DC**

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**Docket No. FD 35410**

**ADERIAN & BLISSFIELD RAIL ROAD COMPANY—CONTINUANCE  
IN CONTROL EXEMPTION—JACKSON & LANSING RAILROAD COMPANY**

**Docket No. FD 35411**

**JACKSON & LANSING RAILROAD COMPANY—LEASE AND OPERATION  
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY**

**Docket No. FD 35418**

**JACKSON & LANSING RAILROAD COMPANY—TRACKAGE RIGHTS  
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY**

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**COMMENTS  
OF  
YREKA WESTERN RAILROAD COMPANY**

**Fritz R. Kahn  
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**Attorney for**

**YREKA WESTERN RAILROAD COMPANY**

**Due and dated: February 10, 2011**

SURFACE TRANSPORTATION BOARD  
WASHINGTON, DC

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Docket No. FD 35410

ADERIAN & BLISSFIELD RAIL ROAD COMPANY—CONTINUANCE  
IN CONTROL EXEMPTION—JACKSON & LANSING RAILROAD COMPANY

Docket No. FD 35411

JACKSON & LANSING RAILROAD COMPANY—LEASE AND OPERATION  
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

Docket No. FD 35418

JACKSON & LANSING RAILROAD COMPANY—TRACKAGE RIGHTS  
EXEMPTION—NORFOLK SOUTHERN RAILWAY COMPANY

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COMMENTS  
OF  
YREKA WESTERN RAILROAD COMPANY

Pursuant to the Board's Decision, served December 28, 2010, Yreka Western Railroad Company of Yreka, California ("YW"), a customer of the Adrian & Blissfield Rail Road Company of Westland, Michigan ("ADBF")<sup>1</sup>, offers the following comments:

The FD No. 35410 exemption is void *ab initio*.

The Board's Notice, served October 6, 2010, declared, "If the verified notice [in FD No. 35410] contains false or misleading information, the exemption is void *ab initio*." That ADBF's Verified Notice of Exemption, filed September 20, 2010, contained false and misleading information is perfectly evident. ADBF's Verified Notice of Exemption

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<sup>1</sup> See ADBF's letter certification filed with the Board on January 4, 2011.

suggested, at footnote 3 on page 4 and at footnote 6 on page 6 that ADBF lawfully owns, operates and manages three railroads, the Detroit Connecting Railroad of Detroit, Michigan ("DCON"), the Lapeer Industrial Railroad Company of Lapeer, Michigan ("LIRR") and the Charlotte Southern Rail Road of Charlotte, Michigan ("CHS"). In fact, ADBF has owned, operated and managed the three railroads for more than ten years' time.<sup>2</sup> ADBF, however, to YW's knowledge, never has sought the Board's authorization, pursuant to 49 U.S.C. §11323(a) or an exemption therefrom pursuant to 49 U.S.C. §10502(a), lawfully to control the three railroads and now a fourth one, the Jackson & Lansing Railroad Company of Lansing, Michigan ("JAIL") upon its becoming a rail carrier.

When on October 9, 2009, ADBF sought the Board's authorization to acquire the 1.3 miles of the Tecumseh Branch Connecting Railroad Company of Westland, Michigan ("TCBY")<sup>3</sup>, ADBF acknowledged, at page 5 of its Notice of Acquisition and Operation of Rail Line, that it improperly had failed to secure the Board's authorization to control the DCON, LIRR and CHS. It said:

Eliminating TCBY as a rail carrier through this acquisition will enable ADBF's owners to restructure their railroad holdings by filing a class exemption for continuance in control of three other disconnected short line railroads they control [DCON, LIRR and CHS] without the need to file an individual petition

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<sup>2</sup> STB Finance Docket No. 33935, Detroit Connecting Railroad Company—Acquisition and Operation Exemption—Adrian and Blissfield Rail Road Company, served October 4, 2000; STB Finance docket No. 33936, Lapeer Railroad Company—Acquisition and Operation Exemption—Adrian & Blissfield Rail Road Company, served October 4, 2000; STB Finance Docket No. 33937, Charlotte Southern Railroad Company—Acquisition and Operation Exemption—Adrian & Blissfield Rail Road Company, served October 4, 2000.

<sup>3</sup> STB Finance Docket No. 35035, Adrian & Blissfield Rail Road Company—Acquisition and Operation Exemption—Tecumseh Branch Connecting Railroad Company, filed October 9 2009.

for exemption, a more costly and time consuming procedure. ADBF anticipates submitting that filing in 2010 as soon as certain corporate matters are resolved [footnote omitted].

In its Notice in STB Finance Docket No. 35035, Adrian & Blissfield Rail Road Company—Acquisition and Operation Exemption—Tecumseh Branch Connecting Railroad Company, served October 23, 2009, the Board, at footnote 1 on page 1, admonished the ADBF:

ADBF states that eliminating TCBY as a rail carrier through this acquisition will enable ADBF's owners to restructure their railroad holdings by filing a class exemption notice for continuance in control of three other disconnected short line railroads they control. It appears that ADBF's owners presently are not authorized to have common control of more than one rail carrier. If that is the case, the Board expects the owners to promptly submit an appropriate filing for authorization for that common control.

YW has made a diligent search of the Board's web page, both under Decisions & Notices and Filings, and it has found no evidence that ADBF ever complied with the Board's instruction and sought the Board's authorization of its lawful common control of the DCON, LIRR and CHS.

Therefore, the Verified Notice of Exemption which ADBF filed on September 20, 2010, in inferring that ADBF's lawfully owns, manages and operates the DCON, LIRR and CHS, as well as a fourth railroad, JAIL upon its becoming a rail carrier, contains false and misleading information and, therefore, is void ab initio.

The FD No. 35411 exemption should be revoked.

ADBF evidently bit off more than it can chew in leasing and attempting to operate through JAIL the 44.5 miles of the railroad lines of the Norfolk Southern Railway Company of Norfolk, Virginia ("NSR"). ADBF lacks the funds necessary to rehabilitate

the leased lines and has neither the equipment nor the personnel adequately to serve its customers. Among the services which ADBF, through JAIL, held itself out to perform is to store railroad cars. YW contacted ADBF to learn if it might store cars on its lines or those of its subsidiary railroads, and ADBF readily agreed to have YW do so. The arrangement proved to be less than satisfactory. Pursuant to an agreement with ADBF, YW on January 8, 2011, had to provide crews to assist in switching 20 cars which had been stored on the tracks of the CHS to be interchanged at Charlotte with the Canadian National Railway Company. ADBF at the time was more interested in running its *Old Road Dinner Trains* out of Charlotte.

Between January 13 and 23, 2011, YW, with assistance from Railmark Holdings, Inc., again pursuant to an agreement with ADBF, provided crews to remove snow, clean track, repair switches and do track maintenance work which ADBF either was unable or unwilling to do but which was essential for the switching of cars in and out of their storage sites.

YW currently wants to have cars switched at Lansing between JAIL and CSX Transportation, Inc. ("CSX"), but the interchange tracks are so congested that CSX won't work with ADBF until the interchange tracks are cleared. That means that YW is unable to get cars unto JAIL's tracks for storage. YW has two locomotives available to clear the interchange tracks but has been unable to get ADBF to allow YW to do the necessary work

YW agrees with Michigan State Senator Basham and with the Brotherhood of Locomotive Engineers and Trainmen and the United Transportation Union that ADBF is incapable of maintaining and operating JAIL safely. The FD No. 35411 exemption

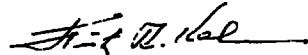
accordingly should be revoked. 49 U.S.C. §10502(d) empowers the Board to revoke an exemption when it finds that regulation of the transaction is necessary to carry out the Rail Transportation Policy of 49 U.S.C. §10101. Achieving safe railroad operations is among the foremost goals of the Rail Transportation Policy. Subparagraph (3) declares it the policy of the United States Government "to promote a safe and efficient rail transportation system", subparagraph (8), "to operate transportation facilities and equipment without detriment to the public health and safety", and subparagraph (11), "to encourage fair wages and safe and suitable working conditions in the railroad industry." The objectives can best be achieved by revoking the FD No. 35411 exemption.

WHEREFORE, Yreka Western Railroad Company requests the Board to declare the FD No. 35410 null and void ab initio and to revoke the FD No. 3411 exemption. Lest the stored cars be left stranded, Yreka Western Railroad Company is prepared to be the 49 U.S.C. §11123 directed rail carrier to operate for a period not to exceed 30 days the yards and interchange tracks of the Adrian & Blissfield Rail Road Company and its subsidiary rail carriers.

Respectfully submitted,

YREKA WESTERN RAILROAD COMPANY

By its attorney,

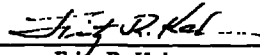
  
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Due and dated: February 10, 2011

## CERTIFICATE OF SERVICE

I certify that I this day have served the foregoing Comments of Yreka Western Railroad Company upon the Adrian & Blissfield Rail Road Company and the Jackson & Lansing Railroad Company by e-mailing a copy to their counsel, Karl Morell, Esq., at [kmorell@balljanik.com](mailto:kmorell@balljanik.com), upon Senator Raymond E. Basham by mailing him a copy at P. O. Box 30036, Lansing, MI 48909, upon the Brotherhood of Locomotive Engineers and Trainmen by mailing a copy to its counsel, Harold A. Ross, Esq., at 1370 Ontario St. Mezzanine, Cleveland, OH 44113, and upon the United Transportation Union by mailing a copy to its counsel, Clinton J. Miller, III, Esq., at 24950 Country Club Blvd. (Ste. 340), North Olmsted, OH 44070, the mail being first-class with prepaid postage.

Dated at Washington, DC, this 10<sup>th</sup> day of February 2011.

  
Fritz R. Kahn