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December 4, 2008

VIA ELECTRONIC FILING

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

Re: **Finance Docket No. 35116** 224113
**R.J. Corman Railroad Company/Pennsylvania Lines Inc. --
Construction and Operation Exemption – Clearfield County, PA**

Finance Docket No. 35143 224114
**R.J. Corman Railroad Company/Pennsylvania Lines Inc. – Acquisition
and Operation Exemption – Line of Norfolk Southern Railway Co.**

Docket No. AB-167 (Sub-No. 1004N) 224115
**Conrail Abandonment of the Snow Shoe Industrial Track
in Centre and Clearfield Counties, Pennsylvania**

Dear Secretary Quinlan.

Attached for filing in the above-captioned proceedings is the Reply of R.J. Corman Railroad Company/Pennsylvania Lines Inc. to Statement of Headwaters Charitable Trust, dated December 4, 2008.

Should any questions arise regarding this filing, please feel free to contact me. Thank you for your assistance on this matter. Kind regards

Respectfully submitted,


Michael J. Barron, Jr.
Attorney for R.J. Corman Railroad Company/
Pennsylvania Lines Inc.

cc: Parties on Certificate of Service

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35116

224113

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- CONSTRUCTION AND OPERATION EXEMPTION --
CLEARFIELD COUNTY, PENNSYLVANIA

FINANCE DOCKET NO. 35143

224114

R. J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY

DOCKET NO AB-167 (SUB-NO. 1004N)

224115

CONRAIL ABANDONMENT OF THE
SNOW SHOE INDUSTRIAL TRACK
IN CENTRE AND CLEARFIELD COUNTIES, PA

**REPLY OF R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
TO STATEMENT OF HEADWATERS CHARITABLE TRUST**

Ronald A. Lane
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**ATTORNEYS FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES INC.**

Dated: December 4, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35116

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- CONSTRUCTION AND OPERATION EXEMPTION --
CLEARFIELD COUNTY, PENNSYLVANIA

FINANCE DOCKET NO. 35143

R. J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC.
-- ACQUISITION AND OPERATION EXEMPTION --
LINE OF NORFOLK SOUTHERN RAILWAY COMPANY

DOCKET NO. AB-167 (SUB-NO. 1004N)

CONRAIL ABANDONMENT OF THE
SNOW SHOE INDUSTRIAL TRACK
IN CENTRE AND CLEARFIELD COUNTIES, PA

**REPLY OF R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
TO STATEMENT OF HEADWATERS CHARITABLE TRUST**

R.J. Corman Railroad Company/Pennsylvania Lines Inc. ("RJCP") requests that the Surface Transportation Board (the "Board") reject the Statement of Headwaters Charitable Trust ("HCT") filed November 26, 2008. The statement brings up items not relevant to the decisions the STB has to make in these proceedings and tries to get the Board involved in an alleged contract dispute, which the Board has stated is best left for courts to consider

Initially, RCJP notes -- as HCT itself seems to acknowledge -- that HCT's filing is grossly out of time. RJCP's pleadings in these three dockets were filed on May 20, 2008, and each was *served* on HCT at that time. Responses were due twenty days later, on June 9, 2008. According to HCT's own "Motion for Leave to File Statement by Interested Party Out of Time," filed concurrently with its Statement, HCT waited three months before even retaining counsel,

then inexplicably waited another three months before filing its Statement. These proceedings are already long delay, and it is neither necessary nor appropriate to further delay them to accommodate HCT's desire – a *half year* later – to say something.

Perhaps more pertinently, the content of HCT's Statement simply has nothing to do with any issue before the Board. HCT claims to have had a private agreement with Resource Recovery LLC ("Resource Recovery") dealing with the potential reactivation of the lines at issue in these proceedings, and its Statement is dedicated almost entirely to a recitation of HCT's views and position regarding that alleged agreement. Resource Recovery, however, does not seek any authority in these proceedings. RJCP is entirely unrelated to Resource Recovery. RJCP operates the rail line west of Wallaceton, Pennsylvania that connects to the lines in question; it is the common carrier, and it is the party seeking authority from the Board. Resource Recovery is simply one of a number of potential shippers on the line. While Resource Recovery, like other shippers, has an interest in seeing the lines reconstructed and reactivated, it is not requesting any authority.

HCT's Statement provides no legal argument or other information relevant to the matters pending before the Board in these proceedings. Apparently, what HCT is seeking amounts to a condition with regard to compensation it is due as a trail sponsor when the line is returned to rail service. But on this issue, the Board has firmly established the principle that it does not determine issues related to compensation for a trail sponsor. Congress intended to leave compensation issues to the parties in the trail use agreement *Georgia Great Southern -- Abandon & Discontin. of Service -- GA*, 6 S.T.B. 902, 908 (2003), citing *Rail Abandonments -- Supplemental Trail Act Procedures*, 4 I.C.C.2d 152, 156 (1987). The Board should disregard

HCT's statement and deny HCT's attempts to bring this compensation issue into these proceedings.

Moreover, HCT's statement implies that it has a breach of contract claim against Resource Recovery. Any such dispute is immaterial to any of these three related proceedings and is outside the purview of this Board. There is no reason to inject ancillary issues between non-parties into these dockets. Such contractual issues are best left for courts to decide *Township of Woodbridge, NJ, et al. v. Consolidated Rail Corp*, 5 S.T.B. 336 (2000), clarified, 5 S.T.B. 488 (2001).

For the reasons set forth herein, the Board should disregard HCT's statement and deny HCT's attempts to bring a contractual dispute into these proceedings.

Respectfully submitted,

By: 

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**ATTORNEYS FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES INC.**

Dated: December 4, 2008

CERTIFICATE OF SERVICE

I, Michael J. Barron, Jr., an attorney, hereby certify that a true and correct copy of the within REPLY OF R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES INC. TO STATEMENT OF HEADWATERS CHARITABLE TRUST has been served by first-class, U.S. mail, on this 4th day of December, 2008, on the following counsel of record:

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