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October 17, 2008

VIA ELECTRONIC DELIVERY

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 "E" Street S W.
Washington, DC 20423-0001

Re: **Docket No. AB-491 (Sub-No. 2X)**
R.J. Corman Railroad Company/Pennsylvania Lines, Inc.—Abandonment
Exemption—In Clearfield, Jefferson and Indiana Counties, Pennsylvania

Dear Secretary Quinlan.

Enclosed for filing in the above-captioned proceeding is the Reply of R.J. Corman Railroad Company/Pennsylvania Lines Inc , dated October 17, 2008, to the Petition to Stay and Notice of Expression of Intent to Make Offer to Purchase or Financial Assistance by P&N Coal Company, Inc

Feel free to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,



Ronald A. Lane
Attorney for
R.J. Corman Railroad Company/
Pennsylvania Lines, Inc.

RAL:dg
Enclosure

cc. Mr. Jeffrey Lundy

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-491 (SUB-NO. 2X)

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
-- ABANDONMENT EXEMPTION --
IN CLEARFIELD, JEFFERSON AND INDIANA COUNTIES, PENNSYLVANIA

**REPLY OF R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
TO PETITION TO STAY AND
NOTICE OF EXPRESSION OF INTENT TO MAKE OFFER TO PURCHASE OF
FINANCIAL ASSISTANCE BY P&N COAL COMPANY, INC.**

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

Dated. October 17, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO AB-491 (SUB-NO 2X)

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
-- ABANDONMENT EXEMPTION --
IN CLEARFIELD, JEFFERSON AND INDIANA COUNTIES, PENNSYLVANIA

**REPLY OF R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.
TO PETITION TO STAY AND
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FINANCIAL ASSISTANCE BY P&N COAL COMPANY, INC.**

INTRODUCTION

R J Corman Railroad Company/Pennsylvania Lines, Inc. ("RJCP") hereby replies to P&N Coal Company, Inc.'s ("P&N") Petition to Stay and Notice of Expression of Intent to Make Offer to Purchase or Financial Assistance. The pleading filed by P&N has three components (1) a Petition for Stay, (2) a Notice of Expression of Intent to Make an Offer to Purchase or Financial Assistance, and (3) a Request that RJCP's Notice of Exemption in this matter be rejected as void ab initio, or that it be rejected in that the present or future public convenience necessity require that the Hillman Line not be abandoned or discontinued.

RJCP will respond to each component in turn, but as an initial matter unequivocally states that the Petition for Stay and the Petition to Revoke should be denied as completely unwarranted. RJCP will respond to the Notice of Expression of Intent to Make an Offer to Purchase or Financial Assistance in accordance with 49 C.F.R. § 1152.27

THE PETITION TO STAY HAS NO BASIS AND SHOULD BE REJECTED

The Surface Transportation Board ("STB") should reject the Petition to Stay. P&N raises a number of allegations in support of its petition, none of which justify the granting of the

Petition to Stay. P&N claims that it was never notified directly by RJCP of its intention to abandon the line and only became aware of the abandonment by the Notice of Publication in a local newspaper. However, all the notice that is required in support of this abandonment procedure has been given. The only notice required is the Federal Register Notice, which appeared on October 7, 2008. Such notice is adequate notice to interested parties. Furthermore, any and all pleadings are also widely available on the Internet. See, STB Ex Parte 659, Public Participation in Class Exemption Proceedings, Slip Opinion at pp. 2 and 3, STB served October 19, 2006. Therefore, RJCP has complied with all applicable requirements regarding notice of its intent to abandon the line. Furthermore, as a matter of courtesy, counsel for RJCP did serve its Notice of Exemption on counsel for P&N at the time it filed the Notice of Exemption.

P&N asserts that, “[I]t is expected that 2 million [sic] of coal may be available for transportation over the line over the next ten years.” This speculative projection of future traffic, however, is insufficient to justify continued operation of a line with no business and its resulting burden on the rail carrier in an abandonment application proceeding, let alone a two-year no business exemption. See, CSX Transportation, Inc v Surface Transportation Board, et al, 96 F 3d 1528 (D.C Cir. 1996); see also, STB Docket No. AB-441 (Sub-No. 2X), SWKR Operating Co —Abandonment Exemption—In Cochise County, Arizona, STB served February 14, 1997, 1997 WL 61220. Indeed, the OFA process is a procedure by which parties who believe there may be future development of a rail line can preserve potential rail service. See, STB Docket No. AB-441 (Sub-No. 2X), SWKR Operating Co.—Abandonment Exemption—In Cochise County, Arizona, STB served February 14, 1997, 1997 WL 61220 at 5. Moreover, P&N fails to

even address the underlying premise for this proceeding and, in fact, concedes that no traffic has moved on the Hillman Line for two years (P&N Petition at ¶ 9 e.).

Simply put, P&N has not provided any reason to stay the proceedings herein and that request should be denied.

**RESPONSE TO NOTICE OF EXPRESSION OF INTENT
TO MAKE OFFER TO PURCHASE OR FINANCIAL ASSISTANCE**

RJCP will respond in accordance with the requirements of 49 C.F.R. § 1152.27. No further STB action is necessary at this time as the timelines already established by the OFA procedures are in effect and provide a reasonable time for the parties to engage in the OFA process.

RESPONSE TO PROTEST TO NOTICE OF EXEMPTION

RJCP asserts that P&N's request to revoke the Notice of Exemption should be denied is unwarranted. As a preliminary matter, P&N does not raise any issue with the Notice of Exemption filed herein. Nor does it raise any issue with regard to the basis for that Notice of Exemption: that no traffic has moved on the Hillman Line for over two years.

The issues that P&N raises address the Environmental Report and P&N should address those through the Environmental Assessment comment process, not through a Petition to Void the Notice. With regard to the individual assertions that P&N makes, RJCP responds in the following fashion.

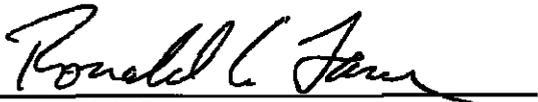
P&N argues that the statement, "The proposed abandonment will not have any effect on transportation of energy resources" is incorrect. Right now no traffic moves on the Hillman Line. Therefore, removal of the Hillman Line from the national transportation system will not have any effect on the current transportation of energy resources.

Finally, P&N's statements regarding the current and future market for coal may or may not be accurate but not address the lack of current traffic on the line. To the contrary, P&N candidly admits that no traffic was moved for over two years. If P&N wants to tie up its capital waiting for changes that may or may not occur in the coal markets, its remedy is through the OFA process that it has already invoked.

CONCLUSION

RJCP respectfully requests that the Board deny P&N's request for a stay of this proceeding and P&N's request to revoke the Notice of Exemption. RJCP will address P&N's Expression of Intent to File an OFA in accordance with the requirements of 49 C.F.R. § 1552.27.

Respectfully submitted,

By: 

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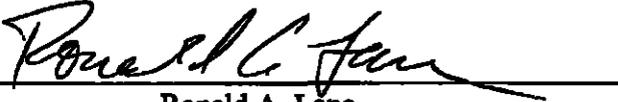
**ATTORNEY FOR R.J. CORMAN RAILROAD
COMPANY/PENNSYLVANIA LINES, INC.**

Dated: October 17, 2008

CERTIFICATE OF SERVICE

I, Ronald A. Lane, an attorney, certify that a true copy of the foregoing instrument was served upon the address listed below by email and by mailing a true and correct copy via first-class mail, postage pre-paid and depositing the same in the United States Mail, Chicago, Illinois the 17th day of October, 2008.

Mr. Jeffrey Lundy
Lukehart & Lundy
219 East Union Street
P O Box 74
Punxsutawney, Pennsylvania 15767-0074


Ronald A. Lane