

TESTIMONY GIVEN TO JOINT HEARINGS  
BEFORE THE HOUSE TRANSPORTATION

AND

HOUSE ECONOMIC DEVELOPMENT COMMITTEES

BY

SAMUEL J. MILAZZO, PRESIDENT  
MILAZZO INDUSTRIES, INC. & RAIL SHIPPERS  
ASSOCIATION

**My name is Sam Milazzo. I am the owner and C.E.O. of Milazzo Industries, Inc. You have heard from Bob Connolly of the Luzerne County Redevelopment Authority, and Steve May of the Luzerne & Susquehanna Railroad, representing the ownership & management and rail operations, respectively.**

**My purpose here today is to provide you with information on rail user's needs and concerns. This will be addressed from the standpoint of my own operation first, and followed by some comments on the other rail users and their needs. We operate a manufacturing facility in Pittston, PA and produce a line of quality ice-melt products under the brand name Qik Joe along with more than 20 other products.**

**Our employee head count ranges from a base of 35 to approximately 50 when our products are in peak demand.**

**We have been in business since 1929, and our reliance on in-bound rail service began around 1970.**

**We receive more than 90% of our raw materials by rail and the number of cars has grown each year. In 1998 we received 188 cars and we estimate the car count for 1999 will be approximately 225 cars.**

Rail service is essential to our survival as a business. Without rail deliveries, any combination of alternate delivery methods would increase our expenses. We have examined receiving raw materials by truck or by rail to an off-site delivery point and trans-shipment to our plant by truck. Both of these methods would result in higher costs.

Increased costs impact our ability to remain competitive and jeopardizes our ability to stay in business. We must have rail service to survive.

We also must have reliable service for deliveries, switches, and pick-ups. The level or quality of service is directly tied to the condition of the line. We need prompt delivery of materials to feed our manufacturing process and timely switching and removal of empty cars.

In September 1993, only three days after the Pocono Northeast Railway ceased operations, some 18 shippers and rail users formed a Rail Users Association committed to the resumption of service in the short term and a long range goal of buying the railroad.

I have served as president of this group since it was formed and I can report that we were successful in getting directed service established. We now have the Luzerne County Redevelopment Authority as the owner of the railroad.

**I am here on behalf of my company and the other rail users to urge you to support the economic efforts we represent and to support the additional funding needed to both secure the property and provide for its rehabilitation.**

**Thank you for the opportunity to present this testimony. Your support to date is greatly appreciated. We need your help again to complete the job.**