

FLETCHER & SIPPEL LLC

Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721

William C. Sippel
(312) 540-9451
wsippel@fletcher-sippel.com

ENTERED
Office of the Secretary

JAN 18 2002

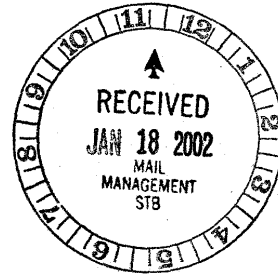
Part of
Public Record

Phone: (312) 540-0500
Fax: (312) 540-9098
www.fletcher-sippel.com

204457
January 17, 2002

VIA FACSIMILE AND FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006



Re: **Finance Docket No. 33877**
Illinois Central Railroad Company -- Construction and
Operation Exemption -- In East Baton Rouge Parish, LA

Dear Secretary Williams:

We represent Illinois Central Railroad Company ("IC"), the Petitioner in the above-captioned construction proceeding. We are pleased to advise the Board that IC today reached an agreement with the Louisiana Department of Transportation and Development ("DOTD") regarding operation of the proposed at-grade crossing where IC's rail line would cross U.S. Highway 61 in East Baton Rouge Parish. A copy of the agreement, which will be appended to the permit for the crossing to be issued by DOTD, is attached.

Although DOTD had advised IC that the design and specifications submitted by IC for the proposed crossing met DOTD's requirements, DOTD expressed concern that rail operations over the crossing could cause delays to traffic on Highway 61. IC has worked diligently with DOTD to address this issue. The agreement between the parties reached today fairly accommodates IC's common carrier obligations and operational needs and DOTD's interests in minimizing disruption to highway traffic, especially during peak periods. Such an agreement not only accommodates the interests of the parties, but also eliminates any potential federal preemption issue in the future. See Township of Woodbridge, NJ v. Consolidated Rail Corporation, Docket No. 42053 (STB served December 1, 2000).

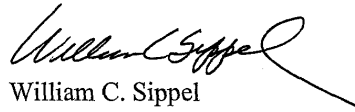
With the attached agreement now in place, it is expected that DOTD will formally issue a permit for the proposed crossing shortly.

FLETCHER & SIPPEL LLC

Mr. Vernon A. Williams
January 17, 2002
Page 2 of 2

Ten copies of this letter are enclosed for filing along with this original. I certify that a copy of this letter has been served on all parties to this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William C. Sippel", with a long, sweeping horizontal line extending to the right.

William C. Sippel
Attorney for Illinois Central
Railroad Company

WCS/pj

Attachment

SUPPLEMENT TO DRIVEWAY PERMIT
BY ICRR DATED OCTOBER 19, 2000 TO
CROSS US 61 IN EAST BATON ROUGE PARISH, LOUISIANA

1.

The crossing by Illinois Central Railroad ("ICRR") of US 61 allowed by the permit shall be an at grade crossing approximately 1,400 feet south of Thomas Road in East Baton Rouge Parish and as set forth in the plans dated June 15, 2001.

2.

ICRR and any other carrier properly authorized by ICRR will confine its operations over the crossing to the period between 10:00 p.m. and 5:00 a.m. daily and, except in emergencies, to avoid operations over the crossing during the peak highway traffic times being between 7:00 a.m. and 10:00 a.m., and between 3:30 p.m. and 7:30 p.m. Monday through Friday.

3.

The Department of Transportation and Development ("DOTD") acknowledges and understands that ICRR's compliance with its common carrier obligations may, from time to time, require operations over the crossing inconsistent with those times set forth hereinabove.

4.

ICRR agrees to meet its obligations without having to operate over the crossing during the peak traffic times set forth above. However, in the event it should become necessary for ICRR to cross at the permit location during the peak

traffic hours, or for any planned crossing other than during the time limitations set forth herein (other than an unforeseen, isolated occurrence not within the peak traffic hours), ICRR shall request, in writing, a waiver for a specific period of time, giving the reasons therefore, and will coordinate its operations with local law enforcement officials and DOTD, or DOTD's designee.

5.

ICRR agrees to maintain data concerning date, time, and duration of crossings by trains at the permit location and ICRR will use reasonable efforts to collect data concerning vehicular traffic volume on US 61 at the permit location. The data collected will be solely for the purposes of the Federal Railroad Safety Program and will be considered by ICRR and DOTD as protected by 23 USC §409 from disclosure to any third person. ICRR will submit the data collected annually to DOTD along with any increases in rail traffic it reasonably predicts to occur within the five years following the date of the report. DOTD will evaluate the report and discuss same with ICRR to determine if it is reasonably anticipated that future usage of the crossing may meet the guidelines of the United States Department of Transportation (as published by the Technical Working Group of the USDOT) so as to consider whether the guidelines may require a grade separated crossing at the permit location within the next ten years taking into account the limited hours of operation and vehicular traffic at the times of crossing.

6.

At such time as the crossing might meet within ten years the guidelines of the United States Department of Transportation (as published by the Technical Working Group of the USDOT) for determining when a highway rail grade crossing should be considered for grade separation, ICRR and DOTD shall meet to review the data and explore the feasibility of and funding options for constructing a grade separated crossing. Before determining that construction of a grade separated crossing is warranted, the parties shall explore whether changes in rail operations or other practicable changes could be made that would make construction of a grade separated crossing unnecessary.

THUS AGREED on the dates written hereinbelow.

DEPARTMENT OF TRANSPORTATION AND
DEVELOPMENT, OFFICE OF HIGHWAYS

By: William Temple
William Temple, Chief Engineer

Date: 1-17, 2002

ILLINOIS CENTRAL RAILROAD COMPANY

By: [Signature]

Date: 1-17, 2002