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May 29, 2002

ENTERED
Office of the Secretary

JUN 11 2002

Part of
Public Record

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Railroad Ventures, Inc. Abandonment Exemption -- Between Youngstown, OH and Darlington, PA in Mahoning and Columbiana Counties, OH and Beaver County, PA; STB Docket No: AB-556 (Sub-No. 2X)

Dear Secretary Williams:

After further investigation regarding the license agreements acquired by the Columbiana County Port authority ("CCPA") and Railroad Ventures, Inc. ("RVI") under the Board's orders, it has become evident to RVI that Mr. Rossi's appraisal does not adequately identify by engineering station and location the lease and licensing agreements to be retained by RVI. As indicated in his appraisal, there are numerous license and lease agreements with the same parties and in order to confirm which of those agreements he identified and valued in the appraisal submitted to the Board, it will be necessary to review Mr. Rossi's work papers and records to identify the precise engineering station for each document he valued in his appraisal, thereby permitting RVI to segregate those agreements and their related revenues from the agreements which Mr. Rossi did not value and which the Board has determined were acquired by the Port Authority.

As noted in our prior correspondence, RVI has understood that in order to conduct his appraisal of RVI's real property assets, Mr. Rossi obtained and copied the complete set of all third party agreements made available to him by RVI. Given the insistence by CCPA that RVI again produce this information, it is becoming increasingly clear that this is not the case and that neither Mr. Rossi nor CCPA knows which license agreements were omitted by Mr. Rossi from his appraisal but acquired under the Board's November 9, 2001 Order.

Accordingly, it appears that it will be necessary to undertake an agreement by agreement review of documents referred to by Mr. Rossi in his appraisal to identify them so that the agreements not valued in his appraisal can be identified, and copies provided to CCPA. In the

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meantime, RVI has continued to receive payments under some of these third party agreements and has offered to place revenues from those agreements which can be identified into a separate account on behalf of CCPA pending a final reconciliation of the division of these lease and license agreements.

Thus, the solution to this matter does not require further intervention or micro management by the STB, as sought by CCPA. What is required is cooperation on the part of CCPA and its appraiser, Mr. Rossi, with RVI to identify precisely which agreements are subject to the November 9, 2001 Order and which agreements are retained by RVI. Once that division has been established, revenues attributable to the CCPA agreements which have been received by RVI can be turned over to CCPA. It will then be CCPA's responsibility to administer these agreements and provide new payment instructions to licensees and lessees.

Until CCPA is willing to participate in such a process, RVI will continue to accrue for the benefit of CCPA license or lease revenues received on CCPA's behalf. RVI stands willing to cooperate in this process with CCPA and it is hopeful that the Port Authority will see the benefit of proceeding in this fashion.

Very truly yours,

VUONO & GRAY, LLC



Richard R. Wilson

RRW/klh

Enclosure

xc: Railroad Ventures, Inc.
All Parties of Record