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August 12, 2002

VIA HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Unit - Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001

206021

RE: Finance Docket No. 33995
*SF&L Railway, Inc.--Acquisition And Operation Exemption—
Toledo, Peoria & Western Railway Corporation—Between La Harpe and Peoria, IL
and
Finance Docket No. 33996
Kern W. Schumacher and Morris H. Kulmer—
Continuance In Control Exemption--SF&L Railway, Inc.*

206022

Dear Secretary Williams:

Enclosed herewith are an original and eleven copies of the Keokuk Junction Railway Co.'s Second Supplement to the Record in the above captioned proceedings. Please date stamp the eleventh copy and return it to the messenger for return to me.

If you have any questions about this matter, please contact me at your convenience.

Sincerely,

William A. Mullins

Enclosures

cc: All known parties of record

ENTERED
Office of Proceedings

AUG 12 2002

Part of
Public Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



Finance Docket No. 33995

206021

**SF&L RAILWAY, INC.--ACQUISITION AND OPERATION EXEMPTION
--TOLEDO, PEORIA AND WESTERN RAILWAY CORPORATION--
BETWEEN LA HARPE AND PEORIA, IL**

Finance Docket No. 33996

206022

**KERN W. SCHUMACHER AND MORRIS H. KULMER
--CONTINUANCE IN CONTROL EXEMPTION--
SF&L RAILWAY, INC.**

SECOND SUPPLEMENT TO THE RECORD

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August 12, 2002

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 33995

**SF&L RAILWAY, INC.--ACQUISITION AND OPERATION EXEMPTION
--TOLEDO, PEORIA AND WESTERN RAILWAY CORPORATION--
BETWEEN LA HARPE AND PEORIA, IL**

Finance Docket No. 33996

**KERN W. SCHUMACHER AND MORRIS H. KULMER
--CONTINUANCE IN CONTROL EXEMPTION--
SF&L RAILWAY, INC.**

SECOND SUPPLEMENT TO THE RECORD

Keokuk Junction Railway Co. ("KJRY"), by its counsel, submits for inclusion in the record a notice published by SF&L Railway, Inc. ("SF&L") stating its intent to abandon the Peoria to La Harpe line. This new evidence confirms KJRY's position that when SF&L purchased the line from Toledo, Peoria, & Western Railway ("TP&W"), SF&L did not intend to operate as a railroad.

FACTUAL BACKGROUND

On March 6, 2001, KJRY petitioned to revoke the notices of exemption filed by SF&L, Kern W. Schumacher and Morris H. Kulmer (collectively "Respondents") in the captioned dockets. KJRY believed at that time that Respondents had no intention of operating the Peoria to La Harpe line as a shortline railroad, but rather intended to discourage shipments of freight on the line and to pursue abandonment and scrapping of the line, possibly by SF&L's rail-scrapping affiliate, A&K Railroad Materials, Inc. Following the conclusion of discovery, KJRY and

Respondents each submitted various filings concerning the matters at issue, the lattermost of which was submitted on February 8, 2002.

Although the Surface Transportation Board ("Board") was scheduled to decide by March 5, 2002, the various revocation petitions pending in this matter, the Board has not yet done so. Therefore, on July 29, 2002, KJRY filed new supplemental evidence of SF&L's failure to adequately serve shippers on the Peoria-La Harpe line. Respondents replied to that evidence on August 1, 2002, stating that SF&L intended shortly to abandon the Peoria to La Harpe line.

THE SUPPLEMENTAL EVIDENCE

KJRY hereby submits for the record telling new evidence going to the heart of this case - SF&L's notice of intent to abandon the line at issue.¹ Exhibit A hereto contains a copy of the Notice of Intent to Abandon a Line, published by SF&L in the Hancock County Journal-Pilot on July 31, 2002.

KJRY respectfully requests that the Board include this material in the record in this proceeding as further proof of SF&L's intention not to operate as a rail carrier on the Peoria-La Harpe line.

Respectfully submitted,



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August 12, 2002

¹ Should leave be required, under 49 C.F.R. Part 1117 or otherwise, for submission of this material at this juncture, KJRY hereby requests that the Board grant it such leave.

Exhibit A

July 24, 31, Aug. 7

PUBLIC NOTICE

**STB Docket No. AB-448 (Sub-No. 2X)
NOTICE OF INTENT TO ABANDON A LINE**

SF&L Railway, Inc., gives notice that on or before September 3, 2002, it intends to file with the Surface Transportation Board, Washington, DC 20423, a Verified Petition for Exemption, pursuant to 49 U.S.C. 10502 and 49 C.F.R. 1121.1 *et seq.*, for an exemption from 49 U.S.C. 10903 and 1152.1 *et seq.*, to abandon a 71.5 mile line railroad between Milepost 194.5 at LaHarpe 61450 and Milepost 123.0 at Peoria 61607, serving the intermediate points of Blandinsville 61420, Sciota 61475, Good Hope 61438, Bushnell 61422, New Philadelphia 61459, Smithfield 61477, Cuba 61427, Canton 61520, Glasford 61533 and Mapleton 61547, in Hancock, McDonough, Fulton and Peoria Counties, IL. The proceeding will be docket as STB Docket No. AB-448 (Sub-No. 2X).

The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the Petition for Exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis, Surface Transportation Board, 1925 K St., NW, Washington, DC 20423 or by calling that Section at (202) 565-1538.

Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 1925 K Street, NW, Washington, DC 20423 [See 49 C.F.R. 1104.1 (a) and 1104.3 (a)], and one copy must be served on the railroad's representative [See 49 C.F.R. 1104.12 (a)]. Question regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Public Services at (202) 565-1592. Copies of any comments or requests for conditions should be served on the applicant's representative, Fritz R. Kahn, Esq., Fritz R. Kahn, P.C., 1920 N Street, NW (8th fl.), Washington, DC 20036-1601 Tel.: (202) 263-4152.

July 31

CERTIFICATE OF SERVICE

This is to certify that on August 12, 2002, I caused the foregoing "Second Supplement To The Record" in Finance Docket No. 33995 and Finance Docket No. 33996 to be served upon counsel for all known parties of record by first class mail, postage prepaid, or by more expeditious means.


David C. Reeves