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February 26, 2003

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

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RE: Finance Docket No. 33995 - 207306
*SF&L Railway, Inc. -- Acquisition And Operation Exemption --
Toledo, Peoria & Western Railway Corporation--Between La Harpe and Peoria, IL;*
and
Finance Docket No. 33996 - ~~33996~~ 207307
*Kern W. Schumacher and Morris H. Kulmer --
Continuance In Control Exemption--SF&L Railway, Inc.;*
and
STB Docket No. AB-448 (Sub-No. 2X) - 207308
*SF&L Railway, Inc. -- Abandonment Exemption --
In Hancock, McDonough, Fulton and Peoria Counties, IL*
and
Finance Docket No. 34282 - 207309
*Western Illinois Railway Company--Acquisition Exemption--Toledo, Peoria
and Western Railway Corporation*

Dear Secretary Williams:

On February 21, 2003, Toledo, Peoria and Western Railway Corporation ("TP&W") responded to the February 11, 2003 request by SF&L Railway, Inc., Kern W. Schumacher and Morris H. Kulmer (collectively, the "A&K Parties") to vacate the conditions imposed by the Surface Transportation Board ("Board") in its February 6, 2003 decision. TP&W supports A&K's request. Keokuk Junction Railway Co. ("KJRY") hereby replies in opposition to TP&W's request to remove the so-called "Alienation Condition."

TP&W claims that retention of the Alienation Condition "could be the basis for mischief in the future." TP&W does not explain what it means by "mischief" or how retaining Board jurisdiction over a possible future conveyance of the line at issue in this proceeding (which is the purpose of the Alienation Condition) somehow creates "mischief." In fact, the opposite is true. The Alienation Condition is intended to ensure that any future use, sale, or conveyance of the La

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Harpe Line is consistent with the Board's rules and regulations and will not lead to the same kind of "mischief" that SF&L and TP&W created when the La Harpe Line was sold to SF&L in the first instance.

Given the history of the A&K parties and the relationship between TP&W and SF&L, it is entirely appropriate - indeed necessary - for the Board to retain the Alienation Condition. In fact, we now know that TP&W and SF&L have "entered a settlement." Has that settlement been reviewed by this Board? No. Has the public been allowed to know the terms of that settlement? Of course not. Is the settlement consistent with the Board's rules and regulations? We don't know. But now this Board is being requested, based on that settlement, to remove the Alienation Condition because of some unstated possibility for future, undefined "mischief." The Board should reject this request until the Board and the public have been assured that the settlement does not create its own form of mischief and that TP&W's future plans for the La Harpe Line are consistent with this Board's jurisdiction.

Finally, KJRY has serious doubts that TP&W truly desires to operate the La Harpe Line consistent with this Board's jurisdiction and its orders in these proceedings. KJRY has received over 8 requests for rail service from shippers desiring to use a KJRY/TP&W routing. KJRY immediately requested TP&W to establish interchange operations and to give KJRY its revenue requirements. After a 10-day delay, KJRY finally received TP&W's revenue requirements. TP&W's rates are three to four times higher than the same rate and routing request quoted when TP&W owned the line prior to selling it to SF&L. For example, TP&W now wants \$705 per car for shipments of grain from Sciota or Blandinsville to La Harpe. When TP&W previously owned the line that same rate was \$147 to \$188 per car. The shippers and this Board deserve better than this type of treatment. KJRY continues to be willing to provide service at reasonable rates and/or to buy the La Harpe Line.

Please feel free to contact me if you have any questions.

Sincerely yours,



William A. Mullins

cc: All parties of record