

STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

David H. Coburn
202.429.8063
dcoburn@steptoe.com

ENTERED
Office of Proceedings

MAR - 2003

Part of
Public Record

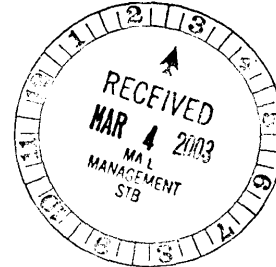
1330 Connecticut Avenue, NW
Washington, DC 20036-1795

Telephone 202.429.3000
Facsimile 202.429.3902
www.steptoel.com

207333

March 4, 2003

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



**Re: Finance Docket No. 34040, Riverview Trenton Railroad Company –
Petition for an Exemption from 49 U.S.C. 10901 to Acquire and
Operate a Rail Line in Wayne County, MI**

Dear Secretary Williams:

This will reply on behalf of Riverview Trenton Railroad Company ("RTRR") to the February 21, 2003 letter submitted by counsel for the City of Riverview. In that letter, Riverview claims that at the end of the 90 day period following the Board's June 21, 2002 order directing the parties to commence settlement negotiations, RTRR "abruptly broke off talks." The letter seeks clarification of the June 21 order on the question of "whether the parties should be using the present time to negotiate." Riverview also repeats the often-repeated, but entirely incorrect, claim that RTRR's plans "are much broader than presented to the STB" and asserts that a supplemental environmental assessment is warranted.

It is not RTRR's intent to burden this record with replies to claims that have already been addressed. A few points merit note, however. First, RTRR was not unilaterally responsible for the failure of settlement talks. The local government opponents focused their settlement efforts exclusively on the notion of RTRR relocating to nearby property owned by Detroit Edison, a proposal that they knew at the time Detroit Edison had flatly rejected. As RTRR has previously reported to the Board, the settlement discussions ended when it became clear that there was no reasonable prospect of resolution. At the same time, the discussions clarified that the local government interests, including those of the City of Riverview, could be met with sound environmental conditions of the sort that have already been proposed by SEA and RTRR. See September 19, 2002 Report of RTRR Concerning Efforts to Settle Proceeding.

Second, in the several months since the parties reported on the failed settlement efforts, the City of Riverview has not come forward with any new settlement proposals. Nor has it meaningfully responded to RTRR's contention that the City's interests on issues such as traffic and noise can be fully satisfied by the imposition of reasonable environmental conditions to which RTRR has assented. If Riverview believes that "much remains to be explored," then

WASHINGTON

PHOENIX

LOS ANGELES

LONDON

BRUSSELS

Honorable Vernon A. Williams
March 4, 2003
Page 2

independently or in coordination with its fellow opponents it could propound a good faith settlement proposal. However, Riverview and its fellow opponents have been silent for the past several months, belying the City's belated interest in settlement. In this setting, the City's vague contention that settlement remains a possibility is not a valid or sufficient basis on which to delay a decision in this already long-delayed proceeding.

Finally, Riverview's contention that RTRR presented plans during settlement discussions that are "broader" than those presented to the Board is flatly wrong. Chairman Nober's assessment, in his January 23, 2003 letter to Congressman Dingell, that "the record does not demonstrate that RTR has substantially altered its proposal that is pending before the Board" is correct. As it has before, RTRR once again stands by its May 1, 2001 Petition for Exemption.

Sincerely,



David H. Coburn
Attorney for Riverview Trenton
Railroad Company

cc: All parties of record