

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036-3003

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III
PETER A. PFOHL
DANIEL M. JAFFE
KAREN HASSELL HERREN
KENDRA A. ERICSON

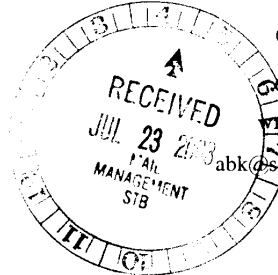
TELEPHONE:
(202) 347-7170

FAX:
(202) 347-3619

WRITER'S E-MAIL:
abk@sloverandloftus.com

208493

July 23, 2003



VIA HAND DELIVERY

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

RECEIVED
U.S. DEPT. OF TRANSPORTATION
OFFICE OF PROCEEDINGS

Part of
Public Record

Re: Docket No. AB-534 (Sub-No. 2X), Lake State Railway
Company – Abandonment Exemption – Rail Line in
Alpena and Presque Isle Counties, Michigan

Dear Mr. Secretary:

On May 7, 2003, Lake State Railway Company ("Lake State") requested that the Board extend the period for interim trail use negotiations between Lake State and the Michigan Department of Natural Resources ("MDNR") solely as to a portion of the line that had been subject to Lake State's abandonment petition in the above-referenced proceeding. Specifically, Lake State advised the Board that it no longer wished to negotiate with MDNR with respect to interim trail use over the portion of the line from milepost 6.7 to milepost 11.5 at the end of the Rogers City Branch. In its decision served May 23, 2003, the Board granted Lake State's request.

In light of recent changes in the circumstances relating to Lake State's intended disposition of the portion of the line carved out by the May 23 decision, however, Lake State now wishes to continue its negotiations with MDNR with respect to the entirety of the line. As a result, Lake State requests that the Board vacate and/or modify its May 23, 2003 decision in this case solely to the extent that it excluded the portion of the line from milepost 6.7 to milepost 11.5 at the end of the Rogers City Branch from the ongoing trail use negotiations between the parties. Notably, Lake State has not yet consummated the abandonment of this – or any other – portion of the line.

The Hon. Vernon A. Williams
July 23, 2003
Page 2

Lake State anticipates that it will be able to conclude negotiations with MDNR with respect to interim trail use over the entirety of the line by the current expiration date set for negotiations under the May 23, 2003 decision (i.e., November 3, 2003).

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, reading "Andrew B. Kolesar III". The signature is written in a cursive style with a prominent "A" and "K".

Andrew B. Kolesar III
An Attorney for Lake State
Railway Company

cc: Mr. James Radabaugh
Michigan Department of
Natural Resources