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January 21, 2004

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423

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Office of Proceedings

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Part of
Public Record

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RE: Finance Docket No. 34438, *Huron & Eastern Railway Company, Inc.—Acquisition and Operation Exemption—Central Michigan Railway Company*

Dear Secretary Williams:

On January 15, 2004, after discussions with staff of the Surface Transportation Board, the Huron & Eastern Railway Company, Inc. ("HESR") filed a clarification. Unfortunately, the clarification mistakenly stated that the rail line between the South End of North Bay City Yard, milepost 55.77, and the North End of North Bay City Yard at the Centerline of Bangor Road, milepost 2.62 (the "Bay City Yard Line") was owned by Lake State Railway Company ("Lake State"). The Bay City Yard Line is owned by the Detroit and Mackinac Railway Company ("D&M"), an affiliate of the Central Michigan Railway Company ("CMRY"). Lake State currently has an easement to operate over the Bay City Yard Line and CMRY also has operating rights over and through the Bay City Yard Line. HESR will acquire CMRY's right to operate over the Bay City Yard Line but the D&M will remain the owner of the real property. Lake State will retain its easement.

By letter dated January 6, 2004, HESR clarified the length of the HECLA Belt line to be 0.9 miles. HESR has been asked to clarify whether it is going to acquire and operate or merely operate the HECLA Belt Line. HESR is going to acquire and operate the HECLA Belt Line.

An original and ten copies of this letter and attachment are enclosed. Please time and date stamp the extra copy of this letter and return it with our messenger. If you have any questions, please call or email me.

Sincerely yours,

Louis E. Gitomer

Attorney for Huron & Eastern Railway Company, Inc.