

211067

BAKER & MILLER PLLC

ATTORNEYS and COUNSELLORS

2401 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20037

TELEPHONE: (202) 663-7820
FACSIMILE: (202) 663-7849

William A. Mullins
wmullins@bakerandmiller.com



Direct Dial: (202) 663-7823

May 25, 2004

BY HAND DELIVERY

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

ENTERED
Office of Proceedings

MAY 25 2004

Part of
Public Record

RE: Finance Docket No. 34335
*Keokuk Junction Railway Co.-Feeder Railroad Development Application-
Line Of Toledo, Peoria & Western Railway Corporation Between
La Harpe And Hollis, IL*

Dear Secretary Williams:

Keokuk Junction Railway Co. ("KJRY"), applicant in the captioned proceeding, wishes to advise the Board that the line that KJRY that is at issue in the captioned proceeding has been severed at Bushnell through the removal of a crossing diamond, breaking the historic through route between Peoria and Keokuk that has existed for over 130 years. The breaking of this historic through route is especially egregious in that it makes it even more difficult for KJRY and the Board to restore service to shippers both on and over the line, which has been the sole goal of KJRY since the beginning of this proceeding.

Within the past week, KJRY personnel discovered that the crossing diamond at Bushnell that permitted the Burlington Northern and Santa Fe Railway Company ("BNSF") to cross the Toledo, Peoria and Western Railway Corporation ("TP&W") line that is the subject of this proceeding had been removed. In place of the crossing diamond at that location, BNSF's tracks now pass through a gap in TP&W's track. Accordingly, the historic TP&W line between Peoria and La Harpe is now segmented and severed.

KJRY does not know whether BNSF, TP&W, or both were responsible for this action. Nonetheless, the result is the same: shippers have lost their options and their service capability.

BAKER & MILLER PLLC

The Honorable Vernon A. Williams

May 25, 2004

Page 2

Now, for example, shippers west of Bushnell, including Blandinsville Elevator, West Central FS, and Farmers Elevator Company, no longer have a direct connection to any of the eastern carriers, including the TP&W, and now must route their eastern traffic west to La Harpe, interchange with KJRY, which then takes the traffic to Keokuk, and then interchange it with BNSF for movements back east to Peoria, an extremely circuitous and inefficient route. Of course this presumes that such shippers could even get service in the first instance, an unlikely event in that the La Harpe to Bushnell TP&W line is now an "island" line with no connection to TP&W and no TP&W locomotives or crews "ready, willing, and able" to serve those shippers. These shippers have effectively been abandoned and cut off. Likewise, shippers who either originated westbound traffic in Peoria or interchanged their traffic at Peoria for westbound overhead movements no longer have the option to use the TP&W route. In the end, the result of the severing of the line for both local and overhead shippers is more circuitry, less efficiency, and fewer options, precisely the opposite of what KJRY is trying to achieve through the feeder line application process.

This should come as no surprise to the Board. Beginning with the sale of only a portion of the line to a scrap dealer (an action which fortunately was undone by this Board), continuing with 300% rate increases, complete lack of maintenance, failure to respond to requests for service, and now culminating with the physical severing of the line, TP&W has, for years, sought to destroy the economic viability of its Peoria to La Harpe line. The removal of the Bushnell crossing diamond furthers this long-standing agenda and severely damages the value of the line that KJRY seeks to purchase in this proceeding.

KJRY respectfully requests that the Board take note of this development and move expeditiously to grant KJRY's feeder line application. The Board should also order that the party responsible for removal of the crossing diamond at Bushnell restore that facility to its prior condition. It is only through such actions that the Board can prevent further deterioration and degradation of the line and restore service to shippers that had existed for over 130 years.

Sincerely,



William A. Mullins

cc: Parties of Record