

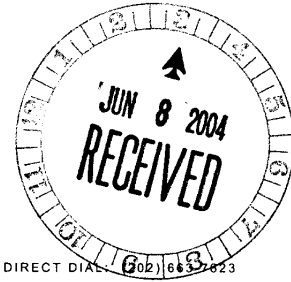
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William A. Mullins
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June 8, 2004

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

RE: Finance Docket No. 34335
Keokuk Junction Railway Co.--Feeder Railroad Development Application
--Line Of Toledo, Peoria & Western Railway Corporation Between
LaHarpe And Hollis, IL
Petition to Supplement the Record

Dear Secretary Williams:

Enclosed herewith are an original and eleven copies of the Petition of Keokuk Junction Railway Co. To Supplement The Record in the above-captioned proceeding. A complete copy of this filing has been served on all required parties of record.

Please acknowledge receipt of the enclosed pleading by date stamping the extra copy of the filing and returning it to the individual making this filing for return to me. If there are any questions about this matter, please contact me directly, either by telephone: (202) 663-7823 or by e-mail: wmullins@bakerandmiller.com.

ENTERED
Office of Proceedings

JUN 08 2004

Part of
Public Record

Sincerely,

William A. Mullins

Enclosure

cc: All Parties of Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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**

**PETITION OF KEOKUK JUNCTION RAILWAY CO.
TO SUPPLEMENT THE RECORD**

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Attorneys for Keokuk Junction Railway Co.

DATED: June 8, 2004

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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**

**PETITION OF KEOKUK JUNCTION RAILWAY CO.
TO SUPPLEMENT THE RECORD**

If the Board accepts the supplemental valuation evidence filed by Toledo, Peoria and Western Railway Corporation (TP&W) on March 17, 2004, which the Board should not do, then Keokuk Junction Railway Co. ("KJRY" or "Applicant") respectfully petitions the Surface Transportation Board ("STB" or "Board") to accept this petition and the supplemental evidence contained herein regarding the value of track and materials involved in the instant proceeding. Preferably, however, the Board should reject the prior efforts by TP&W to supplement the record regarding the value of the track and materials involved in this proceeding and should likewise do so here. Rejecting both TP&W's and KJRY's efforts to supplement the record is entirely consistent with standard eminent domain practice and fully complies with the statutory requirement to provide constitutional minimum value.

As the Board is aware, on March 17, 2004 TP&W filed a petition to supplement the record in this matter to submit new evidence of an alleged change in scrap steel prices which, in TP&W's view, substantially changed the net liquidation value ("NLV") of its line. On March 29, KJRY replied to the TP&W petition and requested the Board to reject TP&W's supplement

on the basis that (1) it was an attempt to delay the processing of this proceeding; (2) the period for discovery and submission of evidence into the record had been closed for months; (3) that valuing the line based upon the evidence at the close of the record was constitutionally permissible; (4) allowing the supplement would represent bad policy as every time prices changed, parties would constantly be filing supplements and changes in the record; and (5) even if the Board accepted TP&W's late filed evidence for consideration, that evidence was unreliable and unsubstantiated.

KJRY stands by its March 29 pleading and believes it is both an accurate picture of the law and represents good policy that the Board should adopt. However, if the Board does accept TP&W's March 17 filing and supplemental evidence, it should likewise accept this supplement and KJRY hereby petitions the Board to do so in the event it accepts any supplemental evidence.¹

KJRY's March 29 filing argued, among other issues, that accepting supplemental evidence of steel prices after the close of the record would only encourage endless further filings based on alleged changes in the value of materials or real estate. As KJRY pointed out, while steel prices may have spiked upwards at the time of TP&W's supplement, it was just as plausible that by the time the Board would actually rule and the actual closing on the feeder line sale would occur, steel prices would have dropped again. Thus, it would represent both bad policy and an administrative quagmire to consistently allow the parties to continue to file supplemental evidence every time prices in the market place changed.

¹ As TP&W points out, the Board will, under appropriate circumstances and upon petition, accept new evidence at a later stage in a proceeding. *Duke Energy Corporation v. Norfolk Southern Railway Company*, STB Docket No. 42069 (STB served Mar. 25, 2003). If the Board accepts TP&W's evidence as meeting that standard, the supplemental (and better-substantiated) evidence submitted herein, which goes to precisely the same issue, likewise meets that standard.

Of course, just as KJRY predicted, steel prices have dropped dramatically since TP&W's March 17 filing, and if the Board is going to allow TP&W to supplement the record with new evidence when prices went up, it should allow KJRY to supplement the record now that prices have gone down. As evidence of the new lower prices, KJRY attaches as Exhibit A hereto an article by Michael Marley, *What goes up . . . comes down with a vengeance*, American Metal Market, May 28, 2004. The entire gist of the article is how the high prices in March caused new sources of scrap steel to be brought into the market, returning prices to lower levels. This factor, combined with the Chinese purchasers leaving the market (the Chinese were the largest buyers of scrap steel), has caused prices to drop significantly since their highs in March.

To further demonstrate the point, attached as Exhibit B is the scrap iron and steel price list published today by American Metal Market ("AMM"),² and attached as Exhibit C is the comparable price list published by AMM on March 9, 2004, the date on which TP&W's witness Garvin signed his verified statement that was the basis of TP&W's petition to supplement.³ Comparing the prices on these two exhibits for scrap iron and steel in the Chicago market -- the closest market to the Peoria-LaHarpe line listing scrap rail materials -- shows a dramatic decrease:

² Publication date is in the lower right corner of the page. Prices are listed as being from the previous day.

³ A direct comparison with the prices submitted by TP&W is not possible. The evidence submitted by TP&W was remarkably undefined and unsubstantiated by independent sources. TP&W's witness used a range of \$230 to \$250 per gross ton without any reference to independent sources or relevant markets. As KJRY noted in its reply, this fact alone justifies not accepting TP&W's supplement. Regardless of the lack of ability to perform a direct comparison, the point that prices have substantially come down is dramatically made in Exhibits A, B and C.

AMM Scrap Iron and Steel Prices
March 9, 2004 edition vs. June 8, 2004 edition

Material	March 9 published price per gross ton, delivered to the mill	June 8 published price per gross ton, delivered to the mill	Difference
No. 1 HEAVY MELT	\$ 254-255	\$ 180	-\$ 74 to -\$ 75
No. 1 RR HEAVY MELT	\$ 280	\$ 200 (appraisal price)	-\$ 80
Rail crops, 2" max.	\$ 300	\$ 265	-\$ 35
Random rails	\$ 155	\$ 130	-\$ 25

Unlike TP&W's evidence, this evidence comes from an independent and credible source -- AMM. In fact, the Board itself adopted AMM as the appropriate standard in its recent decision in *CSX Transportation, Inc. – Abandonment Exemption – In LaPorte, Porter, and Starke Counties, IN*, Docket No. AB-55 (Sub-No. 643X) (STB served Apr. 30, 2004). As the Board itself stated: AMM is "independent, reliable, and verifiable." *Id.*, slip op. at 8. Accordingly, if the Board is going to base its NLV calculations on evidence other than that which existed at the close of the record, the Board must now accept the most recent up to date evidence regarding valuation and adjust any NLV calculations accordingly. This drop in prices significantly lowers the NLV calculations set forth in TP&W's March 17 supplement.

Of course KJRY continues to believe that neither the KJRY nor the TP&W supplemental evidence should be accepted. The NLV calculation of this case should be based upon the prices that were submitted and argued by the parties during the course of the proceeding, not supplemental prices submitted almost a year after the record had closed. As the Board has frequently said, "[t]he record must close at some point."⁴

⁴ *Duke Energy Corporation v. Norfolk Southern Railway Company*, STB Docket No. 42069, served Mar. 25, 2003, slip op. at 2. *New York City Economic Development Corporation--Adverse Abandonment--New York Cross Harbor Railroad in Brooklyn, NY*, STB Docket No. AB-596, 2003 STB LEXIS 511 at *3 (served Aug. 28, 2003); *The Baltimore and Ohio Railroad Company, et al.--Abandonment and Discontinuance of Service--In Montgomery County, MD*,

Basing its valuation on evidence filed by the date fixed for the close of the record, to discourage continual supplementation of the record with every price shift, is entirely permissible constitutionally and is standard procedure in eminent domain cases. As KJRY's March 29 filing pointed out, the Illinois eminent domain statute, which would apply to this line absent the STB, values property taken by eminent domain as of the date the eminent domain petition is filed. *See* 735 ILCS 5/7-121, and KJRY March 29 filing at 10-13. Of most importance is that such an approach has been found to meet constitutional requirements for just compensation. *See City of Springfield, Illinois v. West Koke Mill Development Corporation*, 728 N.E.2d 781, 784 (Ill. App. Ct. 2000), and *Department of Natural Resources of the State of Illinois v. Brauer*, 791 N.E.2d 120, 124 (cited in dissent) (Ill. App. Ct. 2003). The Board's adoption of a similar approach likewise is constitutionally acceptable.

KJRY files this petition reluctantly, feeling compelled to do so to avoid the skewed record on valuation that TP&W's March 17 filing would create. As KJRY said in its March 29 submission,

[W]hile TP&W would have the Board accept the alleged new steel prices, it is just as likely that steel prices will actually drop over the next few months, especially given that the short-term price spike will draw more materials into the market, pressing prices back down. . . . [A]ll that appears here is that TP&W is attempting to get the Board to enforce an abnormally high price that TP&W would never be able to obtain otherwise. Setting the value at the time the record closes avoids these issues, and prevents parties from attempting to "game the system" . . . when market conditions are in flux.

Thus, notwithstanding this supplemental evidence, KJRY continues to believe that the proper and constitutionally acceptable practice is for the Board to reject the new valuation evidence

and the District of Columbia, Docket No. AB-19 (Sub-No. 112), 1988 ICC LEXIS 274 at *3 (Aug. 12, 1988); and *Fort Howard Paper Company v. West Coast Truck Lines, Inc.*, No. MC-C-30075, 1988 ICC LEXIS 399 at *4 (Aug. 15, 1988).

filed by both KJRY and TP&W and to base its valuation on the evidence presented as of the close of the record on November 7, 2003.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William A. Mullins', is written over the printed name.

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Attorneys for Keokuk Junction Railway Co.

June 8, 2004

CERTIFICATE OF SERVICE

I hereby certify that on June 8, 2004, I have caused the foregoing Petition of Keokuk Junction Railway Co. to Supplement the Record to be served by courier on:

Louis E. Gitomer
BALL JANIK LLP
1455 F Street, NW
Suite 225
Washington, DC 20005

and by first class mail or more expeditious service on other parties of record.

A handwritten signature in black ink, appearing to read "David C. Reeves", is written over a horizontal line.

David C. Reeves
Attorney for Keokuk Junction Railway Co.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34335

**KEOKUK JUNCTION RAILWAY CO.
--FEEDER RAILROAD DEVELOPMENT APPLICATION--
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**PETITION OF KEOKUK JUNCTION RAILWAY CO.
TO SUPPLEMENT THE RECORD**

EXHIBIT A

June 8, 2004

AMM.com - Cover Story - May 28, 2004

► What goes up...comes down with a vengeance

By Michael Marley

PHILADELPHIA, May 28 -- After plunging from peaks that few ever imagined they would see, ferrous scrap prices remain well above historic levels--but the market outlook for the next 60 to 90 days and thereafter is anything but rosy.

Several industry members said they see a two-tiered market developing in the United States, with price spreads between prime-quality grades, such as No. 1 dealer bundles and No. 1 busheling, and so-called secondary grades, like shredded and No. 1 heavy melt, widening from what is already a \$60 disparity in some regions. That's a far cry from the \$10 to \$20 spreads seen a few months ago.

"We are getting mixed signals from the market," a buyer at a Midwest mini-mill said.

Some prime scrap was purchased in mid-May for June delivery--at largely unchanged prices--by a few mills determined to get a jump on the June market and ensure that they will have low-residual scrap on the ground next month.

The metal manufacturing industry's operating rates haven't changed that much, but the steel mill rates have, the Midwest buyer said, adding that the increased melt rate had put more pressure on the industrial steel segment of the scrap supply chain.

Others said they see regional pricing disparities brought on by the absence of sufficient rail transport or surplus ferrous scrap overhanging the export yards and thus looking for a home in the domestic market. Add seasonal mill production outages for blast furnace relines or melt shop maintenance, and demand for scrap is down in some regions at a time of higher obsolete scrap flows into dealers yards throughout the country.

Not seen at this point are the Chinese buyers--out of the market since January and showing no indication that they are likely to return soon (AMM, May 17). Exporters, who a few weeks ago talked about them returning later in May or early June, now talk about the possibility of perhaps a new sale being made by July or August. They are hoping South Korean steelmakers will pick up the slack, but by mid-May they had seen only one sale by a Finnish exporter at \$219 a tonne delivered for the No. 1 heavy melt portion of the cargo, well below the \$335 a tonne quoted earlier this year for No. 1 heavy melt and the \$350 a tonne paid for shredded.

Despite the \$60-a-ton price decline seen in the past three months, domestic demand for iron and steel scrap hasn't waned. Normally, ferrous price declines signal a weakening in steel demand, but that is anything but the case at this point. Steel mill operating rates exceed 90 percent and show no signs of sagging, and the weak U.S. dollar is keeping the U.S. steel industry's overseas competitors at bay. Meanwhile, steel benders and cutters in the U.S. manufacturing arena making spot purchases are paying the full price--plus scrap surcharges--for finished steel products.

So why aren't scrap prices back riding the up escalator again? Sometimes, as the old adage goes, be careful what you wish for. Higher prices paid for scrap have attracted material from a slew of demolition projects. Companies that might have been straddling a decision about tearing down an older building and replacing it with a new facility have been encouraged to move ahead in some case by the high prices for old beams and piping, among other factors. As a result, more than a few scrapyards are looking at rising mountains of plate, structural scrap and other obsolete grades.

"The high scrap prices have brought out supplies of demo scrap and No. 1 heavy melt and cars for the shredder," one Pittsburgh-based trader said. But he also said he didn't look for a \$30- to \$40-a-ton decline in prices in the next month or two. If prices fell that much, he said, dealers were likely to withhold some scrap from the market. "If we see anything over \$20," he predicted in late May, "I think we will see dealers selectively hold back grades."

Like others, he said the outlook for prompt industrial scrap was a different story for the next three months. One reason is simply the time of year: automakers and many of their suppliers shut down for a week or two for summer vacation in July and August, reducing their output of prompt industrial scrap. Anticipating that can often lead to a bidding contest for the automakers' factory bundles and other more-desirable grades of industrial steel scrap in May and June.

One Midwest broker, interviewed in mid-May, said he believed the factory bundles price might ease a bit more in June but predicted that this would be the bottom of the market. "I don't think you are going to see the bundles go down a heck of a lot," he said. "It may go down some, but everybody feels it may be the bottom."

Price declines in his region of as much as \$40 to \$50 a ton in each of the past two months had slowed the volume of obsolete scrap coming into dealers' yards, he said, and some scrap processors held back material from the market this month and might continue to hold. They'll sell some for cash-flow purposes, he said, but they were willing to wait for prices to rise and China to become more active.

"With the plant shutdowns in July and August, I think there are a lot of people who are saying, 'We'll wait until September'," the broker added.

But another Midwest scrap trader, interviewed at the same time, disagreed. He said he was looking for auto bundles to be off sharply again when they were offered for sale in the last week of May, if for no other reason than the huge price disparity between bundles and such grades as shredded and heavy melt. "I just can't see a mill paying \$270 a ton for bundles when shredded is available at \$180," he said.

Prime industrial scrap like bundles and busheling isn't in short supply, sources said, but it is tight. In fact, several industry members said that scrap supplies had tightened not only because of stronger steel operating rates, and thus greater demand for steel scrap, but also because of the absence of any excess supply of pig iron and hot-briquetted iron (HBI).

Sources said Brazilian pig iron suppliers were reluctant to give much ground on the price or tonnage. According to industry sources, one leading mini-mill sheet producer, seeking to buy seven Panamax-sized cargoes of pig iron (roughly 500,000 tonnes) from Brazilian iron producers for delivery in the fourth quarter, offered \$275 a tonne delivered to the port of New Orleans, down about \$25 or \$30 a tonne from the current price. It managed to obtain only two cargoes (about 140,000 tonnes), potentially leaving a large hole in its raw materials picture for the last three months of this year. That will have to be filled with bundles and busheling if no alternate melt material is found.

One alternate that might not be readily available is HBI. Although the political unrest that once halted shipments from merchant HBI plants in Venezuela has abated, there is still more demand than supply, the Midwest scrap buyer said. U.S. integrated steel mills face an ongoing coke shortage and seemingly have elected to substitute HBI and such prime scrap as No. 1 bundles for the iron units they can't produce in their own blast furnaces.

One broker disagreed, saying that HBI was available for third-quarter delivery but relatively expensive compared with scrap: currently about \$260 a tonne delivered to New Orleans.

Elsewhere offshore is the wild card of Chinese demand for ferrous scrap. Overall, ferrous scrap exports in 2003 totaled about 10.7 million tonnes, up almost 20 percent from the previous year and 30 percent higher than the tonnage exported in 2001. China accounted for the lion's share of the tonnage, taking in close to 3.2 million tonnes from U.S. suppliers in 2003, almost 1 million tonnes more than South Korea, its nearest rival and the former leading market for U.S. ferrous scrap exporters.

Through the first three months of this year, shipments to foreign steel mills and foundries have fallen less than 3 percent from the first quarter of 2003, but the shipments represent orders placed in December and January. U.S. export yards are still filling these orders, but they haven't seen much new business since January.

Without any new offshore business, the U.S. East Coast export yards could once again become onshore shippers, competing against other scrap suppliers for business at Midwest steel mills and helping to drive down further the prices paid along the East Coast and as far inland as they can reach by rail and truck.

One Midwest broker said that could create a scrap price disparity between, say, a mill on the East Coast and a competitor in the Midwest making the same finished steel product.

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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**

**PETITION OF KEOKUK JUNCTION RAILWAY CO.
TO SUPPLEMENT THE RECORD**

EXHIBIT B

June 8, 2004

AMM Scrap Iron & Steel Prices

Monday, June 7, 2004

CONSUMER BUYING PRICES

Estimated domestic consumer buying prices in US\$/gross ton; delivered mill price.

	Birmingham	Carolinas	Chicago	Cleveland	Detroit	Houston area	N.Y.	Philly	P-burgh	Seattle/Portland	St. Louis	Youngstown	Hamilton, Ontario	Montreal†
NO. 1 HEAVY MELT	142	107-109	180	150	155	101-103	146-148	150-152	163-165	80-82	120	160-162	110	145
No. 2 heavy melt	133	96-100	172	140	228	81-83	136-138	140-142	155-157	77-78	110	150-152	180-182	118
No. 1 bundles	223-225	250(a)	245	228	204	NA	NA	230	245	NA	190	NA	NA	NA
No. 2 bundles	115	80(a)	160	NA	115	NA	NA	110	120(a)	63-65	NA	150(a)	184-186	172
No. 1 busheling	202	170-171	250(a)	240	223	209	220	225	240	190	240	190	140	184
No. 1 factory bundles	190	165	190	195	180	167	177-179	183-185	195	97-99	135	195	140	184
Shredded auto scrap	100	69	147	82(a)	46(a)	130	128	110(a)	55-56	72-74	70	107	80	107
MACHINE SHOP TURNINGS	NA	NA	141	90(a)	56(a)	NA	138	120(a)	NA	71-72	NA	NA	NA	NA
Shoveling turnings	NA	NA	134	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Cast iron borings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mixed borings, turnings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CUT STRUCTURAL/PLATE, 2" MAX.	NA	144	250	176-178	NA	250	NA	200(a)	200	NA	140	175	133	153
Cut structural/plate, 3" max.	190	134	NA	166-168	NA	200(a)	200	160-162	183-185	95-97	130	165	155	172
Cut structural/plate, 5" max.	152	122	200(a)	160	165	157-159	156-158	200	178-180	180	NA	175	133	153
Foundry steel, 2" max.	175	180	175(a)	150	145	200	178-180	180	260	205	110-112	145	175	190
CUPOLA CAST	170	146	240	180	190	153	200	178-180	180	NA	175	133	153	172
Clean auto cast	200	193	250	200	180	153	200	178-180	180	NA	175	133	153	172
Unstripped motor blocks	185	160	185	140	160	120	NA	130	155	110	120	124-125	155	190
Heavy breakable cast	150	165	165	100	140	170	245	200	124-125	180	185	111-112	145	175
Drop broken machinery cast	190	240	205	170	245	200	124-125	180	185	111-112	145	175	155	190
NO. 1 RR HEAVY MELT	165	128	200(a)	160	161-163	161-163	161-163	161-163	161-163	161-163	161-163	161-163	161-163	161-163
Rail crops, 2" max.	108(a)	200(a)	265	250	250	250	250	250	250	250	250	250	250	250
Random rails	165	208	240	130	130	130	130	130	130	130	130	130	130	130
Steel car wheels	205	208	240	130	130	130	130	130	130	130	130	130	130	130
Other track material (OTM)	210	205	195	230	230	230	230	230	230	230	230	230	230	230
CLEAN USED DENSIFIED CANS	185	175	175	175	175	175	175	175	175	175	175	175	175	175

(a) Appraisal price
NA—Not available
† Canadian currency; in net tons

STAINLESS STEEL SCRAP

	Boston	Buffalo	Chicago	Cleveland	Detroit	Houston	L.A.	N.Y.	P-burgh	S.F.	Montreal†
DEALERS' BUYING PRICES (#/lb.)											
18-8 bundles, solids, clips	32-33	32-33	33-34	33-34	33-34	33-34	33-34	33-34	33-34	32-33	39-41
18-8 turnings	28-29	28-29	29-30	29-30	29-30	29-30	29-30	29-30	29-30	28-29	35-37
18-8 new clips	33-34	33-34	34-35	34-35	34-35	34-35	34-35	34-35	34-35	38-39	41-43
430 new clips	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0	5.5-6.0
BROKER/PROCESSOR BUYING PRICES (\$/gross ton)											
18-8 bundles, solids, clips	950-975	950-975	950-975	950-975	950-975	950-975	950-975	950-975	950-975	950-975	950-975
18-8 turnings	850-875	850-875	850-875	850-875	850-875	850-875	850-875	850-875	850-875	850-875	850-875
430 bundles, solids	260-270	260-270	260-270	260-270	260-270	260-270	260-270	260-270	260-270	260-270	260-270
430 turnings	210-220	210-220	210-220	210-220	210-220	210-220	210-220	210-220	210-220	210-220	210-220
409 bundles, solids	240-250	240-250	240-250	240-250	240-250	240-250	240-250	240-250	240-250	240-250	240-250
409 turnings	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200

† Canadian currency

EXPORT YARD BUYING PRICES

Estimated prices an export dealer, broker or processor will pay for items delivered to his yard, in US\$/gross ton.

	Boston	L.A.	N.Y.	Philly	S.F.
No. 1 heavy melt	125-127	60-62	130-132	130-132	60-62
No. 2 heavy melt	115-117	50-52	120-122	120-122	50-52
No. 1 bundles	90(a)	NA	100	100	50-52
No. 1 busheling	180	200	200	200	200
Shredded auto scrap	160	68-70	135	140	45-47
Machine shop turnings	NA	55	103-105	110	103-105
Mixed cast	130	85	93-95	84-86	93-95
Unstripped motor blocks	110	103-105	110	103-105	93-95
Auto bodies	85	93-95	84-86	90	93-95
Cut structural/plate 5" max.	135-137	140-142	140-142	140-142	140-142

STAINLESS STEEL SCRAP PRICES (\$/ton)

18-8 bundles, solids, clips	950-975	950-975	950-975	950-975	950-975
18-8 turnings	850-875	850-875	850-875	850-875	850-875
430 bundles, solids	150	145	145	145	145

(a) Appraisal price

BROKER BUYING PRICES

Estimated prices in US\$/gross ton, f.o.b. car*

	Atlanta	Boston	Buffalo	Cincinnati	Detroit
NO. 1 HEAVY MELT	115	125	120	125	140
No. 2 heavy melt	107	115	110	117	117
No. 1 bundles	190	190	185	188	195
No. 2 bundles	80	90	90	85	120
No. 1 busheling	185	185	185	188	210
Shredded auto scrap	150	160	170	160	170
MACHINE SHOP TURNINGS	NA	NA	85	80	100
Shoveling turnings	NA	NA	95	95	100
Cast iron borings	NA	NA	85	80	110
Mixed borings, turnings	NA	NA	85	80	100
CUPOLA CAST	125	130	140	140	150
Cut structural/plate, 5" max.	125	130	140	140	150
Cut structural/plate, 2" max.	125	130	140	140	150
Clean auto cast	125	130	140	140	150
Unstripped motor blocks	135	135	135	135	125
Heavy breakable cast	NA	110	105	105	105
Drop broken machinery cast	NA	180	175	175	175
Rail crops, 2" max.	180	180	180	180	180
Random rails	150	150	150	150	150

* F.o.b. (free on board at the shipping point) from dealer to broker where freight rate is absorbed by broker; freight rate based on single-car shipments.

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AMERICAN METAL MARKET

STAINLESS CONSUMER BUYING PRICES

	(\$/gross ton)
Pittsburgh	
18-8 bundles, solids, clips	1,200-1,215
18-8 turnings	1,100-1,115
430 bundles, solids	370-380
430 turnings	320-330
409 bundles, solids	320-330
409 turnings	240-250

ADDITIONAL GRADES

	Birmingham
Electric furnace, 3" max.	165
Cut structural/plate, 4" max.	190
Stove plate	180
	Chicago
No. 1 industrial heavy melt	200(a)
Rail crops, 18" max.	255
Rerolling rails	230
Steel axles	220
Heavy forge bar crops	213
Stove plate	247
Punching & plate, 12" max.	225

Scrap Price Changes Today

Ferrous scrap price changes were made for these cities:
Boston, Houston, New York, Philadelphia

Disclaimer

Prices and other information contained in this publication have been obtained by American Metal Market ("AMM") from sources believed to be reliable. Pricing information is collated through regular contact with producers, traders and purchasers, and represents an approximate evaluation of current levels based upon dealings (if any) that may have been disclosed to AMM prior to publication. Actual transaction prices will reflect quantities, grades and qualities, credit terms and many other parameters. The prices are in no sense comparable to the quoted prices of commodities in which a formal futures market exists. Efforts are made to ensure that pricing information is representative, but because of the possibility of human or mechanical error by our sources, AMM or others, AMM does not guarantee the accuracy or completeness of any published information. AMM is not responsible for errors or omissions, or for the results obtained by the use of such information, and disclaims any liability to any person for any loss or damage caused by such errors or omissions, including those arising from the negligence of AMM, its employees or representatives.

JUNE 8, 2004 8

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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**

**PETITION OF KEOKUK JUNCTION RAILWAY CO.
TO SUPPLEMENT THE RECORD**

EXHIBIT C

June 8, 2004

AMM Scrap Iron & Steel Prices Monday, March 8, 2004

CONSUMER BUYING PRICES

Estimated domestic consumer buying prices in US\$/gross ton; delivered mill price.

	Birmingham	Carolinas	Chicago	Cleveland	Detroit	Houston area	N.Y.	Philly	P-burgh	Seattle/Portland	St. Louis	Youngstown	Hamilton, Ontario†	Montreal†
NO. 1 HEAVY MELT	210-212	187-189	254-255	247	231	181-183	230	238-240	263-265	100-102	207-208	245-247	224	245
No. 2 heavy melt	203-205	178-180	246-247	213	288	161-163	220	213-215	255-257	97-98	197-198	235-237	290-292	218
No. 1 bundles	275	295	295	300	288	259	NA	290	297	NA	250	NA	290-292	218
No. 2 bundles	188	158(a)	220	300	293	155	NA	195	190(a)	83-85	NA	195	294-296	218
No. 1 busheling	258	229-231	295	310	268	264	265	290	300	NA	251	315	294-296	218
No. 1 factory bundles	275	240	282-283	265	252	275	275	285	270	117-119	216	270	237	284
Shredded auto scrap	165	149	192	132(a)	128(a)	150	180	170(a)	75-76	147-149	185(a)	197	195(a)	197
MACHINE SHOP TURNINGS	NA	NA	197	140(a)	139(a)	NA	NA	190	180(a)	NA	146-147	NA	NA	NA
Shoveling turnings	NA	NA	191	125(a)	NA	NA	NA	NA	NA	60-61	NA	NA	NA	NA
Cast iron borings	NA	NA	184	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mixed borings, turnings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CUT STRUCTURAL/PLATE, 2" MAX.	NA	224	305	NA	251-253	NA	295	NA	NA	NA	NA	NA	NA	272
Cut structural/plate, 3" max.	270(a)	214	NA	NA	241-243	NA	280	285	NA	224-226	NA	NA	NA	272
Cut structural/plate, 5" max.	220-222	202	280	265	239	232-234	240	250	277	115-117	214-216	280	243	253
Foundry steel, 2" max.	210	247	215	205	205	214	230	215(a)	NA	NA	215	215	215	253
CUPOLA CAST	200	206	258	210	240	213	220	240	180	NA	NA	NA	NA	252
Clean auto cast	230	223	273	230	230	230	230	290	205	NA	NA	NA	NA	252
Unstripped motor blocks	215(a)	190	205	170	190	180	NA	175	155	NA	NA	NA	NA	252
Heavy breakable cast	150	220	258	125(a)	170	180	NA	125	120	NA	NA	NA	NA	252
Drop broken machinery cast	222	208	280	265	200	236-238	280	200	124-125	NA	226-228	280	260	272
NO. 1 RR HEAVY MELT	108(a)	240(a)	300	310(a)	NA	NA	280	277	141-142	NA	NA	NA	NA	272
Rail crops, 2" max.	195	238	190	155	NA	NA	280	280	175	175	125-127	NA	NA	272
Random rails	235	238	290	310	NA	NA	305	310	175	175	125-127	NA	NA	272
Steel car wheels	240	235	225	280	200(a)	NA	225	225	160-162	NA	NA	NA	NA	272
Other track material (OTM)	240	235	225	280	200(a)	NA	225	225	160-162	NA	NA	NA	NA	272
CLEAN USED DENSIFIED CANS	NA	NA	250	225	200(a)	NA	NA	NA	225	NA	NA	NA	NA	272

(a) Appraisal price

NA—Not available

† Canadian currency; in net tons

STAINLESS STEEL SCRAP

	Boston	Buffalo	Chicago	Cleveland	Detroit	Houston	LA	N.Y.	P-burgh	S.F.	Montreal†
DEALERS' BUYING PRICES (\$/lb.)											
18-8 bundles, solids, clips	42-43	42-43	43-44	43-44	43-44	43-44	43-44	43-44	43-44	42-43	49-51
18-8 turnings	38-39	38-39	39-40	39-40	39-40	39-40	39-40	39-40	39-40	38-39	44-46
18-8 new clips	43-44	43-44	44-45	44-45	44-45	44-45	44-45	44-45	44-45	43-44	50-52
430 new clips	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5
BROKER/PROCESSOR BUYING PRICES (\$/gross ton)											
18-8 bundles, solids, clips	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325	1,300-1,325
18-8 turnings	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225	1,200-1,225
430 bundles, solids	280-290	280-290	280-290	280-290	280-290	280-290	280-290	280-290	280-290	280-290	280-290
430 turnings	230-240	230-240	230-240	230-240	230-240	230-240	230-240	230-240	230-240	230-240	230-240
409 bundles, solids	265-270	265-270	265-270	265-270	265-270	265-270	265-270	265-270	265-270	265-270	265-270
409 turnings	185-195	185-195	185-195	185-195	185-195	185-195	185-195	185-195	185-195	185-195	185-195

† Canadian currency

EXPORT YARD BUYING PRICES

Estimated prices an export dealer, broker or processor will pay for items delivered to his yard, in US\$/gross ton.

	Boston	LA	N.Y.	Philly	S.F.
No. 1 heavy melt	183-185	90-92	193-195	198-200	95-97
No. 2 heavy melt	168-170	80-82	181-182	185-187	90-92
No. 2 bundles	140(a)	NA	155	155	90-92
No. 1 busheling	200	220	220	220	90-92
Shredded auto scrap	205	65	68-70	75-77	75-77
Machine shop turnings	NA	65	68-70	75-77	75-77
Mixed cast	180	190	190	190	190
Unstripped motor blocks	160	133-135	170	170	133-135
Auto bodies	120	113-115	130	130	118-120
Cut structural/plate 5' max.	195	210	210	210	210

STAINLESS STEEL SCRAP PRICES (\$/ton)

	Boston	LA	N.Y.	Philly	S.F.
18-8 bundles, solids, clips	1,375-1,400	1,375-1,400	1,375-1,400	1,375-1,400	1,375-1,400
18-8 turnings	1,275-1,300	1,275-1,300	1,275-1,300	1,275-1,300	1,275-1,300
430 bundles, solids	150	145	145	145	145

(a) Appraisal price

BROKER BUYING PRICES

Estimated prices in US\$/gross ton, f.o.b. car*

	Atlanta	Boston	Buffalo	Cincinnati	Detroit
NO. 1 HEAVY MELT	195-197	205	220	216	220
No. 2 heavy melt	187-189	195	210	208	210
No. 1 bundles	245	245	250	243	255
No. 2 bundles	145	170	170	180	200
No. 1 busheling	240	235	250	241	268
Shredded auto scrap	200	240	245	239	250
MACHINE SHOP TURNINGS	NA	NA	137	153	170
Shoveling turnings	NA	NA	149	155	170
Cast iron borings	NA	NA	139	160	180
Mixed borings, turnings	NA	NA	139	160	180
CUPOLA CAST	205-207	235	245	245	245
Cut structural/plate, 5' max.	205-207	235	245	245	245
Cut structural/plate, 2' max.	205-207	235	245	245	245
Clean auto cast	195	195	250	250	235
Unstripped motor blocks	NA	NA	170	170	175
Heavy breakable cast	NA	NA	170	170	155
Drop broken machinery cast	NA	NA	240	240	225
Rail crops, 2' max.	240	240	250	250	250
Random rails	200	200	210	210	210

* F.o.b. (free on board at the shipping point) from dealer to broker where freight rate is absorbed by broker; freight rate based on single-car shipments.

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AMERICAN METAL MARKET

MARCH 9, 2004 8

STAINLESS CONSUMER BUYING PRICES

(\$/gross ton)

	Pittsburgh
18-8 bundles, solids, clips	1,550-1,575
18-8 turnings	1,450-1,475
430 bundles, solids	350-360
430 turnings	300-310
409 bundles, solids	310-320
409 turnings	230-240

ADDITIONAL GRADES

	Birmingham	Chicago
Electric furnace, 3' max.	222	280
Cut structural/plate, 4' max.	250	300
Stove plate	210	260
No. 1 industrial heavy melt	270	270
Rail crops, 18" max.	268	268
Rolling rails	267	267
Steel axles	267	267
Heavy forge bar crops	267	267
Stove plate	267	267
Punching & plate, 12" max.	270	270

Clarification

The prices of machine shop turnings, shoveling turnings, cast iron borings and mixed borings and turnings in Chicago were increased by \$45 a long ton, effective March 4, to bring the prices closer in line with mill-delivered prices there. The actual market prices in that region increased about \$15 a long ton in March.

Scrap Price Changes Today

Ferrous scrap price changes were made for these cities:
None

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