

**PIONEER INDUSTRIAL RAILWAY CO.
1318 S. JOHANSON ROAD
PEORIA, ILLINOIS 61607
(309) 697-1400**

July 13, 2004

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

RE: Docket No. AB-878 (City of Peoria and Village of Peoria Heights, Illinois – Adverse Discontinuance –Pioneer Industrial Railway Co.

Dear Secretary Williams:

Pioneer Industrial Railway Co. respectfully requests that the Board deny the petitioner's belatedly-filed request for expedited disposition of the Petition for Partial Waiver of Abandonment Regulations, and in support points out:

1. Pioneer Industrial Railway Co. ("PIRY") intends to file, in a timely manner, a response to the Petition that will vigorously oppose the Petition. PIRY believes that waivers are entirely inappropriate in this proceeding, and that the Board should give this matter full and due consideration.
2. PIRY denies that its contractual right to operate the line expired on July 10, 2004. PIRY's contract contained no termination date. The Petitioner's statement in this regard is misleading at best.
3. This proceeding is not comparable to the City of Rochelle case (Docket No. AB-549). There are numerous differences. Besides the fact that PIRY's operating agreement has not expired by its terms, the line in question in this proceeding was an abandoned line when purchased by the City of Peoria. As such, PIRY is the primary carrier and has a right to operate "comparable to permanent easement interests" (See Maine, DOT – Acq. Exemption, Me. Central R. Co., 81 I.C.C.2d 835 (1991), and City of Venice – Abandonment Exemption – in Venice, IL and St. Louis, MO, STB Docket No. AB-863X (Decided June 22, 2004).

4. The Petitioner's true purpose in filing this proceeding is to fully abandon most of this line and enter into a trail use agreement. PIRY intends to make an offer of financial assistance to purchase the entire line if this proceeding goes forward, and further points out that under City of Venice – Abandonment Exemption – In Venice, IL and St. Louis, MO, "the City has no authority to consent to trail use on the line." The Board's jurisdiction over the line ended when it was abandoned by the Rock Island, and was only revived by the operating authority of the Peoria & Pekin Union Railway (of which PIRY is successor in interest). Any trail use agreement would have to be entered into by PIRY, not the City.
5. Finally, there is no reason for expedited disposition. The Petitioner has not even alleged any reason for urgency in this matter, nor has the Petitioner made even the barest allegation of any harm coming from PIRY continuing to provide service. PIRY is fully complying with its obligation to provide common carrier service. There is no fire. Simply because the Petitioner wants this matter considered with undue haste is not a valid legal reason. In fact, the Petitioner's request for expedited disposition is a waste of the Board's resources.

Again, PIRY requests that the Board deny the Petitioner's request for expedited disposition, and allow PIRY to respond to the Petition in the ordinary course of business, and that the Board give fair and reasonable consideration to the important legal issues involved in this proceeding.

Sincerely yours,



Daniel A. LaKemper,
General Counsel.

Cc: Thomas F. McFarland, Esq.
Chairman Roger Nober
Vice Chairman Francis P. Mulvey
Commissioner W. Douglas Buttrey