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February 24, 2005

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RE: Finance Docket No. 34335, *Keokuk Junction Railway Company.—Feeder Line Application—Line of Toledo, Peoria and Western Railway Corporation between La Harpe and Hollis, IL*

Dear Secretary Williams:

This letter is to provide a status update on trackage rights negotiations.

On February 12, 2005, under protest, the Toledo, Peoria and Western Railway Corporation ("TP&W") executed and forwarded to Keokuk Junction Railway Corporation ("KJRY") a copy of the trackage rights agreement that KJRY had previously filed with the Surface Transportation Board (the "Board"). TP&W executed the trackage rights agreement, under protest, in order to ensure that it would be able to continue to directly serve the Mapleton Spur, a cornerstone of the Board's October 28, 2004 decision, while continuing to work toward finalizing the trackage rights arrangements. Fortunately, KJRY is not presently blocking TP&W's access to serving its Mapleton Spur customers.

On February 14, 2005, TP&W verbally accepted the Board's offer of mediation, but indicated to the Board that it would like to try to negotiate any changes to the trackage rights agreement with KJRY. At a minimum, TP&W expected KJRY to execute the trackage rights agreement and return a copy to TP&W that had been executed by both parties. KJRY has not returned an executed copy of the agreement, which causes TP&W concern.

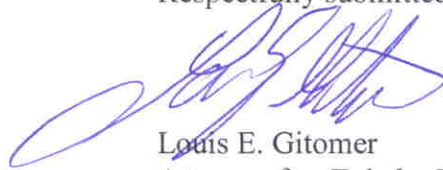
TP&W and KJRY continue to negotiate revisions to the trackage rights agreement, although progress is slow, which also causes TP&W concern. In addition, while KJRY claims to "own" the LaHarpe to Hollis segment, it has neither accepted nor returned the deed instruments delivered to KJRY on February 11th. TP&W has requested, and is awaiting, KJRY's clarification as to why it objects to the deeds.

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TP&W requests the Board continue to make itself "available to resolve any remaining issue on the terms of the trackage rights" as the Board stated it would do in the February 7, 2004 decision at page 14, in the event that negotiations between TP&W and KJRY are unsuccessful or do not reach a timely conclusion. In the meantime, TP&W will continue to seek to negotiate with KJRY until an appropriate resolution is achieved, or until further negotiations prove fruitless.

Thank you for your assistance. If you have any questions, please contact me.

Respectfully submitted,



Louis E. Gitomer
Attorney for: Toledo, Peoria and Western Railway
Corporation

cc: Parties of record