

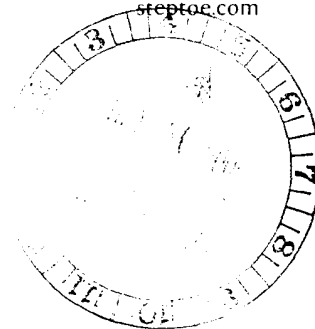
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May 16, 2005

VIA HAND DELIVERY

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

**Re: Finance Docket No. 34040, Riverview Trenton Railroad Company –
Petition for Exemption**

Dear Secretary Williams:

Enclosed please find the original and ten copies of the Fourth Status Report of Riverview Trenton Railroad Company filed pursuant to Condition No. 7 of the Board's May 15, 2003 decision in the above-referenced proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "David H. Coburn". The signature is fluid and cursive, with a long horizontal stroke at the end.

David H. Coburn
Attorney for Riverview Trenton
Railroad Company

cc: All parties of record

213991

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 34040

**RIVERVIEW TRENTON RAILROAD COMPANY – PETITION FOR AN EXEMPTION
FROM 49 U.S.C. 10901 TO ACQUIRE AND OPERATE A RAIL LINE IN WAYNE
COUNTY, MI**

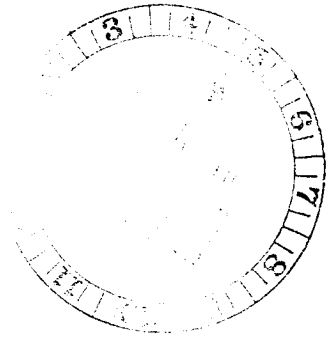
**FOURTH STATUS REPORT OF
RIVERVIEW TRENTON RAILROAD COMPANY**

J. William Koegel, Jr.
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(202) 429-3000

Attorneys for Riverview Trenton
Railroad Company, Inc.

May 16, 2005

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



Finance Docket No. 34040

**RIVERVIEW TRENTON RAILROAD COMPANY – PETITION FOR AN EXEMPTION
FROM 49 U.S.C. 10901 TO ACQUIRE AND OPERATE A RAIL LINE IN WAYNE
COUNTY, MI**

**FOURTH STATUS REPORT OF
RIVERVIEW TRENTON RAILROAD COMPANY**

Pursuant to Condition No. 7 of the Board's May 15, 2003 decision granting an exemption in this proceeding for Riverview Trenton Railroad Company ("RTRR") to acquire and operate a rail line in Wayne County, MI, RTRR submits this fourth six-month report on the status of its activities. That Condition requires RTRR to report to the Board "on its progress, satisfaction of environmental conditions, and, when operations commence, traffic levels." In this Report, RTRR will describe the steps it has taken, and will be taking, toward the inauguration of rail service and the satisfaction of the relevant environmental conditions.

A. Progress Toward Inaugurating Rail Service

Petitions for judicial review of the Board's May 15, 2003 decision filed by the Local Government opponents of the rail line (County of Wayne and Cities of Trenton and Riverview) were denied by the United States Court of Appeals for the Sixth Circuit by decision issued

February 10, 2005.¹ In that decision, the Sixth Circuit affirmed the Board's issuance of a petition for exemption allowing RTRR to acquire and operate the rail line at issue. The time for filing a petition for rehearing or a petition for certiorari has now passed and thus RTRR does not anticipate any further judicial proceedings challenging the Board's decision. In light of that development, RTRR has now embarked upon more aggressive efforts to launch its rail operation.

Pursuant to a contract that RTRR has entered with a contractor for clearing debris off of the RTRR rail track, that contractor is scheduled to commence work with heavy machinery within the next several weeks. The contractor will remove the existing overlay of slag, coal, ballast and other material to expose the ties. This will allow inspection of the ties, rail, and fastenings and determination of specific replacement needs. The next step in the process will be to acquire and install the replacement materials and any additional materials needed, such as turnouts to facilitate switching within the property. Working with its track rehabilitation contractor, RTRR will also acquire and spread appropriate ballast material, level and tamp the track, and profile the ballast for best drainage. This work will also take into account the required surface on either side of the tracks for personnel and truck access, etc. RTRR intends to work diligently with its contractor to finalize this work so that operations may commence.

As reported previously, RTRR has also engaged in continued discussions with a shortline railroad operating in the Detroit area concerning a plan under which that shortline railroad might provide operational support and motive equipment to RTRR for the conduct of RTRR's rail operations. RTRR anticipates entering into an arrangement of this nature.

¹ No. 03-4174, *City of Riverview v. Surface Transportation Board, et al.*; No. 03-4198, *City of Trenton v. Surface Transportation Board, et al.*; No. 03-4206, *County of Wayne v. Surface Transportation Board, et al.*

On or about April 15, 2005, RTRR engaged a rail management expert who will work on its behalf in progressing interchange and commercial relationships with the Class I railroads in the area. This rail expert has begun working with RTRR to refine the railroad's business plan and identify business opportunities that will be mutually beneficial to it and the other railroads with which it connects. In furtherance of that objective, RTRR has had further direct communications with Class I operators over the last several months about its plans and intends to schedule additional meetings in the near term with each of the Class I railroads in the area to progress arrangements. RTRR and its affiliates have also continued to have discussions with prospective users of the line.

B. Progress in Implementing Environmental Conditions

As RTRR has previously reported, most of the environmental conditions imposed by the Board's May 15 Decision are operative only either during the stage that construction is underway or after rail operations have commenced. See environmental Condition No. 1 (notification of emergency responders in advance of using the north end grade crossing); No. 3 (consultation with various agencies and implementation of best practices prior to initiation of construction); No. 4 (compliance with certain local laws concerning environmental matters to the extent that they do not interfere with RTRR's ability to go forward); No. 5 (use of berms and landscaping to minimize noise from rail/intermodal operations) and No. 6 (restrictions on hours of operation). Since RTRR has not yet begun the rehabilitation of its line or construction of its yard area, these conditions are not yet triggered.

RTRR continues to comply with the Due Care Plan that is referenced in Condition No. 2 of the Board's decision by managing the property consistent with the requirements of that Plan.

That Plan, found at Appendix C of the Environmental Assessment, is designed to protect public health and natural resources.²

C. City of Riverview Filings

On April 25, 2005, the City of Riverview filed document styled as a “Supplemental Reply to Second Status Report of Riverview Trenton Railroad Company. RTRR had filed that Second Status Report one year ago, on May 17, 2004. Riverview argues that now that the Sixth Circuit has affirmed the Board’s decision, RTRR can no longer argue that the pending appeals are a cause for delay in initiating rail operations. RTRR is in fact moving forward with its plans, as described above, now that the cloud of doubt resulting from the judicial review efforts of Riverview and other local governments have come to an end.

Riverview also complains about the height to which shipping containers are being stored on the RTRR property, claiming that these exceed a safe level and a level which RTRR committed to stacking containers. RTRR is currently reviewing its container stacking practices to ensure that safety concerns are being met. In that regard, RTRR notes that on January 23, 2005, a new zoning ordinance became effective in the City of Riverview with respect to shipping containers and that the ordinance allows such containers to be stacked up to 38 feet high. RTRR intends to schedule a meeting with appropriate officials of the City of Riverview in the near

² Detroit Steel Company (“DSC”), which owns the adjacent property, has various responsibilities under the Due Care Plan. RTRR is engaged in a dialogue with DSC and its consultants concerning the sufficiency of DSC’s proposed implementation of certain elements of that Plan. Further, RTRR has concerns about DSC’s financial capabilities to complete the environmental work and meet certain other obligations. This has led RTRR to pursue, together with other creditors, an involuntary bankruptcy proceeding against DSC. *In re DSC, Ltd.*, Case No. 05-42508 (E.D. MI. Bkprty. Ct.). By order dated April 26, 2005, that proceeding was dismissed by the Bankruptcy Court. The matter is now before the Court on a Petition for Reconsideration of that dismissal.

future to discuss the new ordinance. RTRR has previously replied to Riverview's other arguments concerning compliance with environmental conditions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David H. Coburn", with a long horizontal flourish extending to the right.

J. William Koegel, Jr.

David H. Coburn

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1330 Connecticut Avenue, N.W.

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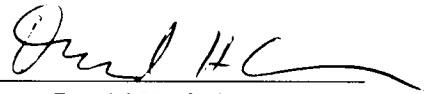
(202) 429-3000

Attorneys for Riverview Trenton
Railroad Company, Inc.

May 16, 2005

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of May, 2005, a copy of this Fourth Status Report of Riverview Trenton Railroad Company was served upon all parties of record by first class mail, postage prepaid.

A handwritten signature in black ink, appearing to read "David H. Coburn", written over a horizontal line.

David H. Coburn