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December 9, 2005

VIA HAND DELIVERY

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

Re: STB Finance Docket No. 34795

*Roquette America, Inc. - Petition for Exemption from 49 U.S.C. §10901 to
Construct a New Line of Rail in Keokuk, IA*

Dear Secretary Williams:

Yesterday afternoon, Keokuk Junction Railway Co. ("KJRY") received a reply letter from counsel for Roquette America, Inc. ("Roquette") that addressed KJRY's concerns that were set forth in KJRY's December 6, 2005 letter to the Board. In yesterday's letter, Roquette claims that it was not required to file an environmental report because it had complied with 49 C.F.R. §1105.10(d). That regulation provides that an environmental report need not be filed concurrently with the filing of a Petition for Exemption if the petitioner, Roquette, (1) had hired a consultant to prepare the environmental information; and (2) the consultant and the scope of the consultant's work had been approved by the Section of Environmental Analysis ("SEA"). Roquette claims that KJRY has chosen to ignore this regulation or was unfamiliar with it. Neither is true.

Roquette's statement assumes that KJRY had knowledge at the time it prepared its December 6 letter that Roquette had indeed hired such a third party contractor and that Section 1105.10(d) had been complied with fully. KJRY had no such knowledge. At the time KJRY prepared its letter on December 6, the environmental correspondence on which Roquette now relies upon as establishing compliance with Section 1105.10(d) was not available on the Board's website. Indeed, it appears that such environmental correspondence was not even posted until December 7, after KJRY filed its letter.

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Perhaps recognizing the lack of transparency at the time KJRY filed its December 6 letter, Roquette's letter of yesterday also claimed that KJRY should have been on notice of Roquette's compliance with 49 C.F.R. § 1105.10(d) because it was "clearly stated on page 11 of its Petition for Exemption." This statement is incorrect for two reasons. First, the Board's website posting of Roquette's November 29 Petition for Exemption, which appears not to have been posted for several days after its filing and was not served upon KJRY, did not include page 11, an omission that continues to this day. KJRY relied upon the Board's website posting of the November 29 pleading and its missing page 11 when it drafted its December 6 letter. Second, even when you read page 11, it is not "clearly" stated that Roquette had complied with 49 C.F.R. § 1105.10(d) when it filed its Petition for Exemption.

The full text of the relevant page 11 paragraph reads:

Roquette recognizes the requirement for the Board to undertake an independent environmental evaluation in connection with the proposed exemption, as set forth at 49 C.F.R. § 1105. Accordingly, on June 20, 2005, Roquette representatives consulted with the Board's Section of Environmental Analysis ("SEA") with respect to preparation of an environmental analysis by a third-part consultant. Roquette will continue to pursue its environmental obligations in conjunction with this petition for exemption, including preparation of necessary reports, and will cooperate with the Board to resolve any issues in an expeditious manner.

There is nothing in that paragraph that "clearly" showed that Roquette had indeed hired such a third party contractor and that SEA had approved that contractor and its scope of work. Indeed, the paragraph stated that Roquette would continue to prepare any "necessary reports."

Thus, as of December 6, KJRY had full reason to believe that Roquette had failed to comply with the Board's regulations requiring it to file and serve an environmental report prior to filing its Petition for Exemption. Now that the appropriate environmental documentation has been made available to the public and KJRY, it appears that 49 C.F.R. § 1105.10(d) may have been complied with.

Nevertheless, KJRY still has serious environmental, safety, and operational concerns regarding the proposed project. It also has concerns with the fact that the environmental process, whose purpose is to elicit public participation, has been carried on in secret for five months. Now that the correspondence has been made publicly available, KJRY now learns that this process had lead to the employment of a third-party contractor to work for the Board that also happens to be the same firm that is under contract by Roquette to perform engineering and other work for Roquette at the very same facility subject to the Petition. Expediency is not a substitute

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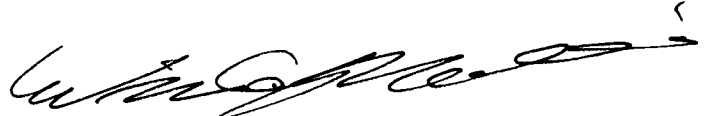
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for fairness. KJRY believes further investigation is warranted in order to determine whether or not the conflict of interest rules may have been violated.

Sincerely,



William A. Mullins

cc: Daniel A. LaKemper
Victoria J. Rutson
Counsel for Petitioner
CEQ Chairman Jim Connaughton