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January 12, 2006

VIA ELECTRONIC FILING

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

Re: STB Docket No. AB-1066X
*Central Illinois Railroad Company – Discontinuance Of Service Exemption –
In Peoria County, IL*

Dear Secretary Williams:

In its January 11, 2006 letter responding to the January 4, 2006 letter from Carver Lumber and the January 9, 2006 Petition for Stay filed by Pioneer Industrial Railway Co. ("PIRY"), the City of Peoria, IL ("City") and the Central Illinois Railroad Company ("CIRY") made numerous false assertions which need to be corrected. PIRY writes to correct the record.

The City claims that PIRY has not established that it would suffer irreparable injury if CIRY were allowed to discontinue service and the line were salvaged and abandoned. The basis for this claim is that "PIRY's right to provide service over the Kellar Branch was lawfully terminated months ago." This statement is simply wrong. While the Board did grant the City's request for an adverse discontinuance of PIRY's common carrier obligation over the Kellar Branch, that action did not "lawfully terminat[e]" PIRY's right to provide service over the line, but merely removed the STB's shield of jurisdiction over PIRY's operations. PIRY still asserts a contract right to operate over the line. Whether PIRY still has a lawful contract right to provide service over the line is a matter currently before a state court in Illinois. If that court holds that PIRY still retains contractual operating rights over the line, then PIRY would be irreparably harmed if the line has been salvaged and abandoned. It is for this reason, as well as others, that the Board should grant a stay of its December 23rd decision; at least until such time as PIRY's contractual rights over the line are resolved.

The City and CIRY also claim that PIRY lacks standing to file its Petition for Stay. This argument is also without merit. PIRY was a party to the proceeding at the STB. At no time

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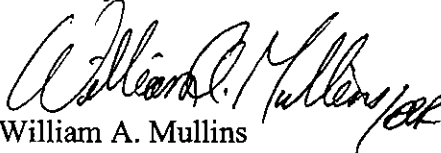
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during the proceeding did CIRY or the City question PIRY's standing to file comments and to fully participate. They cannot do so now. Furthermore, as a party at the STB, PIRY is fully entitled under the Hobbs Act, 28 U.S.C. §2341, et seq., to file an appeal of the Board's decision. As of today, PIRY has filed a Petition for Review in the United States Court of Appeals for the D.C. Circuit of the Board's decisions in this proceeding.

The City also accuses PIRY of having an "irrational vendetta" against the City. While this comment has no bearing on the merits of the issues involved, PIRY assures the Board that its only concern is to restore competitive rail service for the shippers. In fact, PIRY's operations over the Kellar Branch provided both local and overhead access to eight connecting carriers. Removal of the line will make all of those shippers captive to one carrier, UP. Interesting that Mr. McFarland's letter conveniently ignores this fact.

Finally, the City's claim that a stay is not warranted because the City will not remove the track until such time as the connection is built rings hollow. The City has previously made numerous promises to Carver Lumber and others, only to have those promises go unfulfilled. For example, despite CIRY's and the City's representations to the Board that CIRY was the "replacement" carrier on the Kellar Branch, CIRY totally failed to provide any service to Carver Lumber. Likewise, as Carver Lumber's letter makes clear, simply having the connection built may in fact not provide the service that the City has promised to provide. According to Carver Lumber, there are numerous operating issues associated with the proposed post-salvage operations that still need to be resolved. A stay would provide assurances that those issues, as well as PIRY's operating rights, can be resolved.

Sincerely,

A handwritten signature in black ink, appearing to read "William A. Mullins", with a stylized flourish at the end.

William A. Mullins

Enclosures

cc: Daniel A. LaKemper, Esq.
All Parties of Record