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October 17, 2006

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Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

RE: STB Docket No. FD-34917

Also re. STB Docket No. AB-1066X and STB Docket No. AB-878

Dear Mr. Williams:

Please file the letter that was sent electronically this morning to Mr. Nottingham, Mr. Mulvey and Mr. Buttrey in the above referenced matter.

Sincerely, *


Lee Miller
Vice-President/Operations



October 16, 2006

Charles D. Nottingham, Chairman
Francis P. Mulvey, Vice Chairman
W. Douglas Buttrey, Board Member
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

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EMERGENCY ACTION REQUESTED

RE: STB Docket No. FD-34917; — 217829

Also re. STB Docket No. AB-1066X and STB Docket No. AB-878-217834

217832

Dear Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey:

I writing to follow up on Carver Lumber Company's Letter dated September 25, 2006, the response of Central Illinois Railroad Company ("CIRY") dated October 3, 2006, and the response of Union Pacific Railroad Company ("UP"), also dated October 3, 2006.

Frankly, Carver Lumber is frustrated that we are being ignored, and outraged that CIRY is being allowed to continue to ignore its common carrier obligations and lie to the Board. At this point, it is quite clear that Carver is not being given adequate service, and that the abuse will continue unless the Board takes prompt action.

Subsequent to our Letter, I received a phone call from Union Pacific, that was followed up by a letter, dated October 3, 2006. In that letter (a copy of which is attached), Union Pacific confirmed that it is sending CIRY normal EDI interchanges of our cars, stating plainly that "Union Pacific Railroad does notify the CIRY via electronic data interchange when cars are delivered. This was verified with our own electronic records."

Apparently unaware that UP would respond, CIRY filed a letter that same day, stating that the service failure was due to "the failure of Union Pacific Railroad Company (UP) to notify CIRY, of placement of the railcars on the interchange track as required by the governing interchange agreement."

In light of the UP letter, this appears to be an outright lie.

CIRY then has the unmitigated gall to suggest that Carver has an obligation to survey the interchange site and inform them of when cars are delivered, claiming that Carver, having been forced by CIRY to do this, has assumed an obligation as an "established custom and practice". Carver takes issue with this assertion. Carver is a customer. We have no obligation to send employees out of our facility to observe what cars are interchanged to CIRY by another railroad, and then call CIRY.

The obvious conclusion is that CIRY believes it can receive interchange from UP and be free to ignore Carver's cars, until Carver has discovered them and demands delivery, and CIRY wants the Board to sanction that "practice".

The Board will also recall that, on August 31, 2006, CIRY filed a statement with this Board claiming that it delivered cars "within 2 hours" of delivery from Union Pacific. Now they tell the Board "established custom and practice" is to ignore UP's EDI's and wait for Carver to discover the cars and call them. I note that both the current statements, and the August 31 claim were unverified, presumably CIRY believes that it can lie with impunity to the Board as long as it doesn't verify its lies.

But CIRY has yet another whopper. In its October 3 Letter, CIRY states that "The CIRY train crew performed the foregoing transportation between 3 and 5 hours after receiving a request for service from Carver for a switch." As stated in our Letter, I personally called CIRY on Friday, September 22. Perhaps CIRY meant 3-5 days? Which still ignores the fact that CIRY allowed the cars to sit for days after receiving EDI from UP, before Carver realized they were there and demanded service.

It is quite apparent that CIRY has no credibility whatsoever, so I will not dignify the unfounded allegations about PIRY "orchestrating" CIRY's service failures with a response. Suffice it to say, if CIRY was providing adequate service, why would Carver need PIRY?

Finally, I attach a newspaper clipping which shows the neglect of the Kellar Branch by CIRY. They arrogantly refuse to maintain and operate this line, regardless of the fact that this Board stayed the discontinuance.

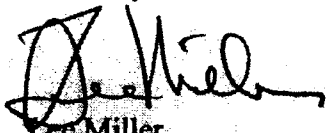
The situation is outrageous. Carver has had enough broken promises, distortions, and outright lies. In the fourteen months since PIRY's exemplary service was "replaced" by CIRY, the "service" has been abysmal. In fact, there was no service at all for half that time. Since March, CIRY has broken waybills and rerouted shipments off the Kellar Branch. This latest letter, in which they falsely blame the UP for their failure, and baldly assert that Carver, a customer, should act as their dispatcher, because we have been forced to do so by their patently inadequate "service," is a direct challenge to this Board. CIRY is making a complete mockery of the regulatory system.

Currently, I am advised that there is a loaded car destined for Carver at the TZPR/CIRY (Kellar Branch) interchange ("TTZX" #561751), and two other cars ("BNSF" #563169 and "BNSF" #561751) being held at the TZPR yard. My shipper routed these cars via

the Kellar Branch, because CIRY has seen fit to close the so-called "western connection" ("western fiasco", would be a better term), for a crossing project. The materials on these three cars are critical to our operations, and has been "in transit" for some three weeks. We need our cars delivered. The Kellar Branch is still a rail line in interstate commerce. We are, therefore, respectfully requesting that the Board enter an order, within the next 24 hours, either directing CIRY to comply with its common carrier obligations and deliver our cars via the Kellar Branch, or granting Pioneer Industrial Railway Co. ("PIRY") an Alternative Service Order so PIRY can deliver our cars. PIRY has assured me they can have the cars to us within thirty-six hours of receiving an A.S.O.

In the absence of an A.S.O. Carver Lumber Company will have no alternative but to have the materials transloaded on an emergency basis. We are almost out of material now, and our business is risking the loss of a significant amount of revenue. We desperately need your immediate assistance to utilize the Kellar Branch. CIRY is never going to provide adequate service, and we are tired of being a sacrificial lamb for the City of Peoria's bike trail fantasies.

Sincerely,

A handwritten signature in dark ink, appearing to read "Leo Miller", with a stylized flourish at the end.

Leo Miller,
Vice President - Operations

Enclosures.

All parties of Record.



Linda A. Brandl
Vice President NCSC

October 3, 2006

Mr. Mark Booth
Ms. Debra Wolfe
Mr. Lee Miller
Carver Lumber
8700 N. University Ave
Peoria, IL 61615

Dear Mr. Booth, Ms. Wolfe and Mr. Miller:

Please reference your letter of September 25, 2006 directed to Mr. Vernon A. Williams at the Surface Transportation Board. In the letter you communicated difficulties you are experiencing with deliveries by the Central Illinois Railroad company (CIRY) to your facility in Peoria, IL, and noted a phone call you received from a Union Pacific Railroad representative which you felt was offensive.

This matter received immediate attention from Union Pacific to address the various points of concern. Our investigation revealed the following:

- The CIRY changed ownership in August of 2006, which apparently created some confusion in normal processes.
- Union Pacific Railroad does notify the CIRY via electronic data interchange when cars are delivered. This was verified with our own electronic records, and with Mr. Jack Stolarczyk, General Manager for the CIRY.
- The current communication process between the CIRY and Carver Lumber regarding pick-up and delivery has been informal, face-to-face or via telephone. With a key member of the communication chain on vacation (your Carver Lumber employee), the process broke down and cars were not delivered.

It is my understanding that the cars in question have been delivered. Ms. Candace Orr, UPRR's Manager of Shortline Development has worked with the CIRY and Carver Lumber to immediately formalize the communication process in order to avoid this situation in the future. To summarize, CIRY will notify Carver Lumber via fax when cars are available to deliver. Carver Lumber will, in turn, fax the CIRY to advise actual placement for the incoming loads and to release any empty cars available for pick up. Mr. Miller and Mr. Stolarczyk have provided their respective fax numbers to each other for this communication process.



The phone call you received from Union Pacific on September 22 was from a local employee who saw your cars sitting at interchange longer than normal, and thought he could help by informing you that you may be assessed additional fees by the CIRY for not unloading cars in a timely manner. There is no obligation for our local personnel to advise the CIRY of available cars because that information is shared automatically via electronic interchange. This employee did not intend to be brusque, and I do hope you will accept Union Pacific's apology for any curt behavior, however unintended.

Candace Orr will continue to stay in contact with both Carver Lumber and the CIRY to provide any assistance necessary to ensure that the notifications and car deliveries are working smoothly. Candace can be reached at (402) 544-5832. I also would encourage you to communicate through our National Customer Center at (800) 272-8777 regarding any issues with shipments on the Union Pacific. Additionally, your Union Pacific Marketing and Sales Representative, Ashley Stewart, can assist with the coordination of any concerns. Ashley can be reached at (800) 544-4136.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Brandl".

Linda Brandl

VP - National Customer Service Center

cc: Mr. Vernon Williams - Secretary, STB
Mr. Melvin F. Clemens, STB
Ms. Candace Orr - Manager Short-line Development, UPRR
Ms. Ashley Stewart - Business Representative, UPRR

Oink, oink



Though Central Illinois Oinks is semi-sidelined for fall, the mess that is the Kellar branch merits bringing piggy off the bench. Just look at these weeds. Some are 6 feet tall.

It wouldn't be so deplorable if the brush was hidden, but Peorians can see this urban jungle throughout town — Northmoor Road next to Donovan Golf Course, on Glen Avenue and Prospect Road — along with artfully sprinkled beer cans, bottles and boxes.

The city of Peoria, which owns the line, has gotten complaints but is reluctant to weed-whack because of cost and liability. The line's rail operator has borne responsibility for maintaining the right-of-way 15 feet from the center of the tracks, but Peoria and Peoria Heights want to convert Kellar into hiking trail and are seeking a discontinuance. The city says it's unclear whether the federal government requires Central Illinois Railroad to maintain the line.

OK, so Peoria won't be pursuing a nuisance complaint against itself, though it's a little hypocritical. Could a private property owner get away with this?

Since the city plans to have community service workers pick up litter on the line, maybe it should give them some hedge trimmers, too, to send the right message to its own residents. Piggy demands it.

IN TOUCH

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