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January 30, 2007

VIA E-FILING

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W. Room 711
Washington, D.C. 20423-0001

RE: STB Finance Docket No. 34974, *Keokuk Junction Railway Co. d/b/a Peoria & Western Railway – Lease and Operation Exemption – BNSF Railway Company between Vermont and Farmington, Illinois*

Dear Secretary Williams:

By this letter, Ameren Energy Fuels and Services Company (“Ameren”) responds to the letter submitted to the Surface Transportation Board (“STB” or “Board”) by Keokuk Junction Railway Co. d/b/a Peoria & Western Railway (“KJRY”), on January 24, 2007, and a letter of the same date submitted to the Board by the BNSF Railway Company (“BNSF”), both discussing Board-sponsored mediation in the above-captioned docket.

At the outset, Ameren wishes to state that it carefully considered KJRY’s request for mediation, and in fact responded within the timeframe unilaterally imposed by KJRY. The three conditions set forth in Ameren’s January 18th concurrence to mediate were offered in good faith and were reasonable in light of the circumstances. However, KJRY has once again turned the facts upside down. Simply put, KJRY’s and BNSF’s assertion that BNSF is not a vital party to mediation provides a very narrow view as to what settlement could be reached to solve Ameren’s concerns. It is simply illogical to argue that two parties, instead of three, should try to arrive at a solution to a problem that manifestly concerns three parties.¹ Furthermore, neither KJRY nor

¹ Ameren never stated that BNSF would be a part of any rate discussions between Ameren and KJRY to the extent that such discussions arose in the course of any mediation regarding the concerns that Ameren has with the Lease Transaction. But to state that BNSF is “unnecessary to the resolution of Ameren’s concerns” is a predetermination that none of the proposals to modify the lease as reiterated in Ameren’s January 8th Reply will be considered by either KJRY or BNSF as part of any meaningful mediation.

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BNSF should dictate the range of potential solutions by predetermining which party is vital to the mediation. This is hardly the open-ended mediation that KJRY purports to have proposed. Thus, Ameren is forced to face the fact that KJRY and BNSF never intended to put all possible solutions on the table for mediation. Under these conditions, Ameren must decline the biased mediation proposed by KJRY and condoned by BNSF. Thus, pursuant to 49 CFR 1109.1 mediation cannot go forward and since the record is closed in this proceeding, Ameren respectfully requests the Board to conclude its deliberations and decide on the merits of this matter.

If you have any questions, then please do not hesitate to contact me.

Very truly yours,



Sandra L. Brown

cc: All parties of record