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April 20, 2007

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D. C. 20423

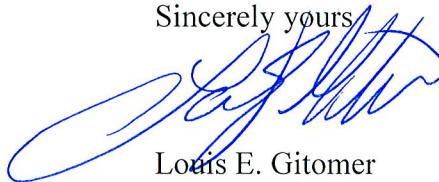
RE: Ex Parte No. 661, *Rail Fuel Surcharge*

Dear Secretary Williams:

Enclosed for e-filing is a request by RailAmerica, Inc. for an extension of 60 days for three of its subsidiary railroads, the Chicago, Fort Wayne & Eastern Railroad Division of the Central Railroad Company of Indianapolis, New England Central Railroad, Inc., and Toledo, Peoria & Western Railway Corporation to change their fuel surcharge system.

Thank you for your assistance. If you have any questions please contact me.

Sincerely yours



Louis E. Gitomer
Attorney for: RailAmerica, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

EX PARTE NO. 661

RAIL FUEL SURCHARGES

REQUEST FOR AN EXTENSION OF TIME TO CHANGE FUEL SURCHARGE SYSTEM

EXPEDITED HANDLING REQUESTED

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Attorneys for: RAILAMERICA, INC.

Dated: April 20, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

EX PARTE NO. 661

RAIL FUEL SURCHARGES

REQUEST FOR AN EXTENSION OF TIME TO CHANGE FUEL SURCHARGE SYSTEM

RailAmerica, Inc. (RailAmerica”) respectfully requests from the Surface Transportation board (the “Board”) an extension of 60 days for three of its subsidiary railroads, the Chicago, Fort Wayne & Eastern Railroad Division (“CFER”) of the Central Railroad Company of Indianapolis (CERA), New England Central Railroad, Inc. (“NECR”), and Toledo, Peoria & Western Railway Corporation (“TPW”), all Class III railroads, to change their fuel surcharge system.

In *Rail Fuel Surcharges*, STB Ex Parte No. 661 (STB served January 26, 2007), the Board ordered all railroads to cease from computing fuel surcharges as a percentage of the base rates and to adjust their fuel surcharge systems to apply factors that are correlated to the amount of fuel consumed.

RailAmerica is a short line railroad holding company that controls 29 railroads, each subject to varying fuel surcharge programs and terms. RailAmerica and its subsidiary railroads have worked diligently to implement the Board’s *Rail Fuel Surcharge* decision. Twenty-six of the RailAmerica subsidiaries have completed the necessary work to comply with the Board’s decision. However, two railroads, NECR and TPW, and a division of CERA, the CFER (jointly

referred to as the “Three Railroads”) have not completed the implementation of a new fuel surcharge system. The remainder of CERA has implemented a new fuel surcharge system.

In *Rail Fuel Surcharge*, at 10, the Board provided that: “Should an individual railroad need additional time to change its fuel surcharge system, it should request an extension from the Board and be prepared to demonstrate why it is necessary.”

The Three Railroads were unable to meet the Board’s deadline because the RailAmerica personnel implementing the new fuel surcharge system ran out of time after successfully implementing it at the other 26 RailAmerica subsidiary railroads within the period allowed by the Board. CFER operates over 273 miles, NECR operates over 343 miles, and TPW operates over 249 miles. Annual projected traffic that will be subject to the new fuel surcharge system on each railroad consists of 4,500 cars for CFER, 1,800 cars for NECR, and 8,000 for TPW. There is substantial complexity involved in changing the fuel surcharge system at the Three Railroads because of the amount of data that must be compiled. The complexity arises from the number of Class I and other railroads that each of the Three Railroads interchanges with and the number of railroad connections for each of the Three Railroads. In addition, the Three Railroads handle a variety of commodities.

RailAmerica contends that the efforts that it has made at 26 of its subsidiary railroads to institute a new fuel surcharge system in compliance with the Board’s *Rail Fuel Surcharge* decision and the complexity involved in implementing the new fuel surcharge system at the Three Railroads justify a 60-day extension.

CONCLUSION

RailAmerica is confident that it will be able to implement its new fuel surcharge system in compliance with the Board's *Rail Fuel Surcharge* decision within 60 days at the Three Railroads. RailAmerica respectfully requests the Board to grant a 60-day extension for the Three Railroads to implement a new fuel surcharge system.

Respectfully Submitted,

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