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April 27, 2007

VIA E-FILE

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

RE: STB Finance Docket Nos. 34890, 34922, 34985, and 34889
*PYCO Industries, Inc. — Feeder Line Application — Lines Of South Plains
Switching, Ltd. Co., Keokuk Junction Railway Co. — Feeder Line Application —
Lines of South Plains Switching, Ltd. Co.; Hanson Aggregates, Inc. and Hanson
Aggregates WRP, Inc. — Alternative Rail Service — South Plains Switching, Ltd.
Co.; PYCO Industries, Inc. — Alternative Service — South Plains Switching, Ltd.
Co.*

Dear Secretary Williams:

On April 18, 2006, in the above-referenced Finance Docket No. 34889 proceeding, South Plains Switching, Ltd. Co. ("SAW") filed what it has entitled a "Second Supplement to Petition to Terminate Alternative Rail Service" ("Second Supplement"). PYCO Industries, Inc. ("PYCO") filed a reply in opposition to the Second Supplement on either April 23 or 24, 2007.¹ These filings, like so many others recently filed in these proceedings, highlight the overall noxious tone of matters between SAW and PYCO and the continuing hostile relationship between those parties.

Keokuk Junction Railway Co. ("KJRY") is responding to these latest filings because KJRY believes that the filings have obscured the need for expeditious and comprehensive action to secure the future of rail service to all of the shippers on SAW's rail lines. KJRY does not have any specific position as to the merits of SAW's requested relief or PYCO's responses.

¹ The Board's website reflects that PYCO's reply was filed on April 23 and again on April 24. The April 23 filing appears to be a faxed version of PYCO's reply, so it is unclear whether PYCO's submission on that date was in sufficient conformance with the Board's regulations to be deemed duly filed that day.

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KJRY takes no such position at this time. Rather KJRY is concerned that the lingering disputes over the near-term future of service in Lubbock (typical of the recent filings) could distract the Board from the more important longer-term public interest considerations. The Board should not be so distracted and in the interest of all shippers, promptly address the pending feeder line applications.

KJRY has long been engaged as one of the two competing entities seeking to acquire all of SAW's rail property in Lubbock via the feeder line application ("FLA") process. As the Board knows, KJRY has considerable experience in acquiring lines through the FLA process, and in doing so, restoring service to shippers who had suffered from inadequate service by an incumbent operator. See Keokuk Junction Railway Company - Feeder Line Acquisition - Line of Toledo, Peoria and Western Railway Corporation Between La Harpe and Hollis, IL, STB Finance Docket No. 34335 (STB served October 28, 2004) ("TPW - Feeder Line"), aff'd sub nom. Toledo, Peoria & W. Ry. v. Surface Transp. Bd., 462 F.3d 734 (7th Cir. 2006). In filing a competing FLA in these proceedings, KJRY's objective from the outset has been to earn the opportunity to restore regular, neutral, and dependable service for the long term benefit of *all* shippers located on SAW-owned lines in Lubbock, not just PYCO.

Given the bickering between SAW and PYCO, it is easy to forget that PYCO only represents half of the volume on SAW's lines. There are approximately 23 shippers on SAW's line. While PYCO may be the largest single shipper, it is only one shipper, and even then, PYCO's volumes have significantly decreased from their previous levels; further diminishing the importance of PYCO vis-à-vis the other shippers. Unfortunately, the most recent filings in these proceedings do not address the needs of the other shippers. Instead, they merely serve to underscore the bad blood between SAW and PYCO and amount to little more than a finger-pointing exercise among combatants.

Certainly KJRY desires through the FLA process to be found financially responsible, and, through subsequent action, to be able to commence common carrier operations over SAW's lines. However, regardless of whether KJRY is ultimately selected to operate these lines, KJRY respectfully submits that the Board must not allow the bickering between PYCO and SAW to obscure the necessity of resolving this proceeding for all of the shippers and to do so in an expeditious manner.

If there are any questions about this matter, please contact me directly, either by telephone: (202) 663-7823 or by e-mail: wmullins@bakerandmiller.com.

Respectfully submitted,



William A. Mullins
Attorney for Keokuk Junction Railway Co.

cc: All Parties of Record