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June 29, 2007

Via HAND DELIVERY

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

**Re: Docket No. AB-999X, Caldwell County Railroad Company – Discontinuance of Service
Exemption – In Caldwell County, NC**

Dear Secretary Williams

The Caldwell County Railroad Company (CCRC) is writing to respond to Mr. Dick Keyes' June 25, 2007 letter to the Board in this docket. Mr. Keyes' letter was filed on June 26 and was posted on the Board's website on June 27. In violation of Board rules, Mr. Keyes did not serve his letter on CCRC's counsel.

Mr. Keyes' letter, similar to the May 1, 2007 protest he previously filed with the Board, does not rebut CCRC's showing in its Petition for Exemption that the Board's authorization of a discontinuance is warranted in this case. CCRC has previously shown, and Keyes has not rebutted, that (1) regulation is not warranted to carry out federal rail transportation policy and (2) the transaction or service is of limited scope or regulation is not necessary to protect shippers from the abuse of market power. *See* 49 U.S.C. § 10502. Under the ICCTA, this is the beginning and end of the Board's inquiry. Mr. Keyes' letter provides no information relevant to this inquiry.

Further, Mr. Keyes' letter contains numerous factual errors. Since most of these are unrelated to issues in this proceeding, we will not burden the Board with a response to each of his unsupported contentions. Two matters, however, merit reply. First, in his letter, Keyes suggests that property owners along the line proposed for discontinuance will lose rail service. *See* Keyes Letter, at 1-2. Such a contention has no basis. As noted in a Verified Statement filed by the Caldwell County Economic

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Development Commission in support of CCRC's Petition for Exemption, Scaled Air is the only shipper impacted by the proposed discontinuance. See Stone V S, at 3. And Scaled Air (which is not going to receive free transportation) filed a Verified Statement in support of the discontinuance. The "manufacturing plants" to which Mr. Keyes alludes are either furniture plants that do not use rail service or are simply not operating at all. Further, no owner of property on the line to be discontinued has requested rail service, and any new shipper locating in the area could use the transload facility which CCRC has previously described.

Second, Mr. Keyes indicates at various points in his letter that service will stop at mileposts other than 107.5, as indicated in CCRC's Petition. CCRC wishes to reiterate to the Board that service will be discontinued at milepost 107.5.

We urge the Board to grant the petition for discontinuance.

Respectfully,



Betty Jo Christian

David H. Coburn

Attorneys for Caldwell County Railroad Company

cc. All parties of record