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MATTHEW B. EUGSTER

DIRECT DIAL 616/336-6821  
E-MAIL mbeugster@varnumlaw.com

July 3, 2008

Ms. Anne Quinlan, Secretary  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20423



Re. Docket No. AB-364 (sub-No. 14X)

Dear Ms. Quinlan:

Please find enclosed one original and ten copies of our Petition to Revoke or Reopen and extend the deadline for Offers of Financial Assistance, including all exhibits along with a Certificate of Service for same, with regard to the proceedings referenced above. If you have any questions, please feel free to contact me at your earliest convenience.

Sincerely,

VARNUM, RIDDERING, SCHMIDT & HOWLETT LLP

Matthew B. Eugster

MBE/kls  
Enclosure

cc: Louis Gitomer  
Carolyn Kane

2031087\_1.DOC

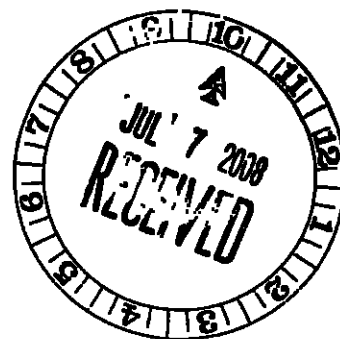
**FILED**  
JUL 7 - 2008  
SURFACE  
TRANSPORTATION BOARD

**FEE RECEIVED**  
JUL 7 - 2008  
SURFACE  
TRANSPORTATION BOARD

**ENTERED**  
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JUL 7 - 2008  
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Public Record

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**Docket No. AB-364 (Sub-No. 14X)**



**MID-MICHIGAN RAILROAD, INC. ABANDONMENT EXEMPTION  
IN KENT, IONIA AND MONTCALM COUNTIES, MI**

**Matthew B. Eugster  
Matthew D. Zimmerman  
Varnum Riddering Schmidt & HowlettLP  
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Boca Raton, FL 33487  
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**FEE RECEIVED**  
JUL 7 - 2008  
**SURFACE  
TRANSPORTATION BOARD**

**PETITION TO REVOKE OR REOPEN JUNE 5, 2008 EXEMPTION DECISION  
&  
PETITION TO EXTEND DEADLINE FOR OFFERS OF FINANCIAL ASSISTANCE**

**FILED**  
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JUL 7 - 2008  
**Part of  
Public Record**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**Docket No. AB-364 (Sub-No. 14X)**

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**MID-MICHIGAN RAILROAD, INC. ABANDONMENT EXEMPTION  
IN KENT, IONIA AND MONTCALM COUNTIES, MI**

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**PETITION TO REVOKE OR REOPEN JUNE 5, 2008 EXEMPTION DECISION  
&  
PETITION TO EXTEND DEADLINE FOR OFFERS OF FINANCIAL ASSISTANCE**

The City of Greenville, MI (the “City”) petitions the Surface Transportation Board (the “Board”) to either: (1) revoke its June 5, 2008 Decision granting a Petition for Exemption filed by Mid-Michigan Railroad, Inc. (“MMRR”) pursuant to 49 U.S.C. § 10502(d); or (2), in the event that Board denies the City’s Petition to revoke its June 5, 2008 Decision, the City hereby petitions the Board to reopen the exemption proceedings pursuant to 49 CFR § 1152.25(e)(4). Additionally, the City respectfully requests that the Board extend the deadline for submission of an Offer of Financial Assistance pursuant to 49 U.S.C. § 10904.

**I. INTRODUCTION**

On February 20, 2008, MMRR filed a Petition for Exemption (the “MMRR Petition”) with the Board seeking to exempt under 49 U.S.C. § 10502 and 49 CFR § 1152.60 the abandonment of a 24.70-mile rail line between Lowell, Michigan and Greenville, Michigan (the “Line”) without prior approval pursuant to 49 U.S.C. § 10903 and/or § 10904. Because the MMRR Petition was advanced pursuant to 49 U.S.C. § 10502, the Board did not require MMRR to follow the formal procedures governing abandonment as set forth in 49 CFR § 1152.20 *et seq.*

which include stringent notice requirements and allow for interested parties to file protests to an abandonment. As a result, neither the City nor local industry was provided with significant notice or apprized of the import of the exemption proceedings initiated by MMRR. Nevertheless, the City submitted comments along with other interested parties. See correspondence attached as Exhibit A.

Despite the objections of the interested parties, the Board issued its decision on June 5, 2008<sup>1</sup> (the “June 5, 2008 Decision”) granting MMRR an exemption. The June 5, 2008 Decision is not consistent with the transportation policy set forth at 49 U.S.C. § 10101, and therefore, warrants revocation pursuant to 49 U.S.C. § 10502(d) primarily due to the impact of the abandonment on local economic development. Additionally, the City has identified significant increases in anticipated rail use that justify reopening the June 5, 2008 Decision pursuant to 49 CFR § 1152.25(e). Finally, even to the extent that the Board denies the City’s petition to revoke and/or reopen the case, the Board’s policy of preferring continued rail service on existing lines warrants an extension of the deadline for submission of an Offer of Financial Assurance.

## **II. ARGUMENT**

### **A. THE BOARD SHOULD REVOKE THE JUNE 5, 2008 DECISION GRANTING AN EXEMPTION TO MMRR PURSUANT TO 49 USC 10502(d).**

49 U.S.C. § 10502(d) allows Board to revoke an exemption “when it finds that application in whole or in part of a provision of this part to the person, class, or transportation is necessary to carry out the transportation policy of section 10101 [49 U.S.C. § 10101] of this title.” In this case, the exemption granted to MMRR is inconsistent with the transportation policy set forth in 49 U.S.C. § 10101, which include the following specified goals: (1) to ensure

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<sup>1</sup> The Decision was served on June 9, 2008.

the continuation of a sound rail transportation system to meet the needs of the public (See 49 U.S.C. § 10101(4)); and (2) to foster sound economic conditions in transportation (See 49 U.S.C. § 10101(5)).

**1. The June 5, 2008 Decision Does Not Ensure Continuation of a Sound Rail Transportation System To Meet the Needs of the Public As Required by 49 U.S.C. § 10101(4).**

Granting the abandonment of the railroad line in this case does not advance the transportation policy of continuing rail service to meet the needs of the public. On the contrary, by granting an exemption to MMRR the Board has completely eliminated an entire mode of transportation. As set forth in the MMRR Petition, the Line is a spur rail line that terminates just North of the City of Greenville and is the only rail line servicing the area. Therefore, by approving the abandonment of the Line, the Board has essentially deprived the City of Greenville from access to rail transportation.

The City of Greenville, located approximately 35 mile northeast of Grand Rapids and having a population of approximately 7,935, developed as a industrial center with major manufacturing facilities producing automotive parts and supplies, appliances, and furniture. As a result, the availability of rail transportation played a significant role in the development of the City. It goes without saying that many industrial and agricultural facilities are highly dependent upon the availability of rail transportation to move large volumes of products and/or raw materials. The City has suffered through recent economic difficulties with several of its largest employers either closing or relocating their operations that were previously located in the City. In fact, within the last four to five years, the following manufacturing facilities have closed their operations in the City:

- a) Electrolux, which closed its 2,700 employee plant and relocated to a \$150 Million plant in Mexico;
- b) Tower Automotive, which closed a 300-plus employee metal stamping facility; and
- c) Greenville Wire Products, which closed a 160-plus employee shelving production plant.

As a result of these closures, the City has a surplus of industrial manufacturing sites that it is currently seeking to redevelop, however, most of these sites are only suited for continued industrial use. Thus, the availability of access to a rail line is of paramount importance to economic development. The City is approximately 20 miles from an interstate highway, and, thus, absent a connection to rail transportation, many heavy manufacturing, industrial and/or agricultural operations are not willing to relocate.

The City has made significant efforts to attract new industrial development and reasonably anticipates that rail traffic will increase dramatically as it attracts new manufacturers to relocate to the City. At least one manufacturing facility, Mid-Michigan Bio-Oil, Inc. ("MMBD") is in the process of locating in the City of Greenville. MMBD's planned oil production and bio-diesel production facility would be heavily dependent on rail transportation (with an estimated demand of greater than 400 rail cars per week) and would not be viable without access to the Line. A letter from MMBD documenting its demand for rail service is attached hereto as Exhibit B. It should be noted that MMBD has clearly indicated to the City (as indicated in its letter) that it will not proceed with its proposed project absent access to rail service. As a result, the City stands to lose its largest proposed redevelopment project. Continued rail service is essential to the redevelopment of the City of Greenville and without

such service, the City will likely lose not only the anticipated MMBD project, but also other manufacturing or industrial projects that may rely on rail access. Thus, the abandonment of the Line is not consistent with the transportation policy of ensuring the continuation of sound rail transportation to meet the needs of the public as set forth at 49 U.S.C. § 10101(4).

The policy set forth in 49 U.S.C. § 10101(4) is analogous to 49 U.S.C. § 10903(d), which requires the Board to determine that “the present or future public convenience and necessity require or permit” an abandonment. 49 U.S.C. § 10903(d) further states that in making such a finding, “the Board shall consider whether the abandonment . . . will have a serious adverse impact on rural and community development.” According to guidance published by the Board entitled “Overview: Abandonments & Alternatives to Abandonments” dated April 1997, interested parties can demonstrate an adverse impact on community development by computing (1) markets that would be lost without rail service, (2) computing the number of business failures or relocations and lost jobs that would result from abandonment, and (3) the number of current or future ventures (such as industrial parks) that depend upon continued rail service. In the present case, an entire industrial sector could be lost without rail service as any facility requiring rail service could not locate in the City of Greenville. Furthermore, at least one significant development (the MMBD project) would be lost as a result of the proposed abandonment, and the City reasonably anticipates that other redevelopment efforts would be hindered. Finally, there are a number of existing industrial sites that the City is attempting to redevelop, which are connected to rail service via the Line. Any one of these factors, in and of themselves, provide ample basis for revocation of the exemption granted to MMRR.

Ultimately, the loss of railroad service on the Line would preclude a historically industrial town from attracting new industrial development and will clearly have a serious adverse impact on community development in the City of Greenville.

**2. The June 5, 2008 Decision Does Not Foster Sound Economic Conditions in Transportation as Required by 49 U.S.C. § 10101(5).**

Granting the abandonment of the Line in this case is contrary to the transportation policy of fostering sound economic conditions in transportation as set forth at 49 U.S.C. § 10101(5). Greenville is a rural community located twenty (20) miles from the nearest interstate highway (I-96), which can only be accessed by rural two-lane truck routes. Furthermore, diesel prices are now approaching \$5.00 per gallon, causing many trucking companies to close, raise their shipping charges or cut less profitable routes.<sup>2</sup> As a result, trucking is not an efficient or cost effective method for transportation of large volumes of heavy industrial or agricultural products. Thus, the abandonment of the Line would eliminate the sole viable mode of transportation for such products with the local community. This clearly does not foster the policy of fostering sound economic conditions in transportation, and provides yet another basis for the revocation of the Board's June 5, 2008 Decision.

**B. THE BOARD SHOULD REOPEN THE JUNE 5, 2008 DECISION PURSUANT TO 49 CFR § 1152.25(e).**

In the event that Board denies the City's request to revoke its June 5, 2008 Decision, the City requests that the Board reopen that Decision pursuant to 49 CFR § 1152.25(e). A petition to reopen is appropriate in the present case Pursuant to 49 CFR § 1152 60(b), the "[g]eneral rules

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<sup>2</sup> Attached hereto as Exhibit C is an article from the July 2, 2008 edition of the Grand Rapids Press documenting the impact of diesel prices on the local trucking industry. As trucking costs continue to rise along with diesel prices, rail service will become even more attractive for new manufacturers as well as existing manufacturers who may currently use trucking as their primary means of transportation. This further supports the need for continued rail service on the Line.

applicable to any proceeding filed under the 49 U.S.C. § 10502 exemption procedure may be found at 49 CFR § part 1121, but the rules in part 1152 control in case of any conflict with the general exemption rules.” Furthermore, 49 CFR § 1121.4(e) provides that “[u]nless otherwise provided in the decision. . . . petitions for reconsideration or petitions to reopen under 49 CFR § part 1115 or 49 CFR § 1152.25(e) must be filed within 20 days of the service date.” (emphasis supplied).<sup>3</sup> Finally 49 CFR § 1152.25(e) provides that, “a person may file a petition to reopen any administratively final action of the Board.” Thus, the City requests that the Board reopen the exemption proceedings instituted under 49 CFR § 1152.60 and asserts that that such request is appropriate because: (1) the June 5, 2008 Decision was an administrative final action of the Board, and (2) the June 5, 2008 Decision provides that any petition to reopen may be filed through July 7, 2008.

A petition to reopen filed pursuant to 49 CFR § 1152.25(e) must state the respects in which the proceeding involves material error, new evidence, or substantially changed circumstances. 49 CFR § 1152.25(e). In the present case, there are changed circumstances that warrant reopening of the case as the City has identified new demand for rail service. As set forth above, the City reasonably anticipates that the new MMBD development will require rail service of greater than 400 rail cars per week, with the potential for additional future demand. The rail traffic generated by the new traffic would, by itself, justify continued service on the Line. As a result, the City requests that the Board reopen the administrative proceeding and reconsider its June 5, 2008 Decision granting an exemption to MMRR.

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<sup>3</sup> The June 5, 2008 Decision provides that a petition to reopen must be filed by July 7, 2008.

**C. THE CITY REQUESTS AN EXTENSION OF THE DEADLINE FOR SUBMITTING AN OFFER OF FINANCIAL ASSISTANCE.**

In the event the Board denies the City's request to revoke and/or reopen its June 5, 2008 Decision, the City respectfully requests that the Board grant an extension of the Offer of Financial Assistance ("OFA") deadline to allow interested parties an opportunity to submit an OFA consistent with 49 U.S.C. § 10904. The City recognizes that the June 24, 2008 deadline set by the June 5, 2008 Decision for the submission of an Offer of Financial Assistance ("OFA") has expired<sup>4</sup>; however, an extension is warranted given the potential impact of abandonment on the local community and the relatively minimal impact that such an extension would have on MMRR.

Furthermore, an extension of the OFA deadline is consistent with the Board's preference for continued rail service on existing lines. As set forth in the Board's June 5, 2008 Decision, "[i]t is well established that OFAs to acquire rail lines for continued rail service to subsidize rail operations take priority over interim trail use/trail banking." *See* June 5, 2008 Decision, p. 3; *See also, Norfolk Southern Railway Company-Abandonment Exemption-In Norfolk and Virginia Beach, VA*, STB Docket No. AB-290 (Sub No. 293X)(stating that "The OFA provisions are intended to permit a party genuinely interested in providing continued rail service on a line that would otherwise be abandoned to acquire that line for continued rail service."). Furthermore, as set forth in the following excerpt from *Borough of Columbia v Surface Transp Bd.*, 342 F.3d 222, 225 (3<sup>rd</sup> Cir. 2003), a number of federal courts have recognized the intent of Congress to preserve rail lines for future needs:

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<sup>4</sup> Neither the City, the Greenville Chamber of Commerce, nor MMBD had sufficient time to determine whether to make an OFA, or to locate sources of funding for same, prior to the OFA deadline.

While Congress, in establishing procedures for the abandonment of lines, has sought to assist carriers wishing to be free of lines operating at a loss, it has also recognized the competing interest of maintaining established lines (or at least the right-of-way) to meet shippers' present and future needs for railroad freight service. See Hayfield N. R.R. Co. v. Chicago & N.W. Transp. Co., 467 U.S. 622, 630, 81 L. Ed. 2d 527, 104 S. Ct. 2610 (1984) (referring to "Congress' efforts to accommodate the conflicting interests of railroads that desire to unburden themselves quickly of unprofitable lines and shippers that are dependent upon continued rail service"); Preseault v ICC, 494 U.S. 1, 5, 108 L. Ed. 2d 1, 110 S. Ct. 914 (1990) (describing "congressional efforts to preserve shrinking rail trackage").

*Id* (emphasis added).

Based on the foregoing, the City respectfully requests that Board grant a one to two month extension of the OFA deadline to allow interested parties an opportunity to submit OFAs. Such an extension is warranted in the circumstances of this case and is consistent with the policy of Board and the intent of 49 U.S.C. § 10904.

### **III CONCLUSION**

For the reasons set forth above, revocation of the Board's June 5, 2008 Decision is warranted pursuant to 49 U.S.C. § 10502(d). Furthermore, to the extent that the Board does not grant the City's petition for revocation of its June 5, 2008 Decision, that decision should be reopened pursuant to 49 CFR § 1152.25(e) based on changed circumstances surrounding future demand for rail service. Finally, in the event that the Board denies the City's request to revoke and/or reopen its June 5, 2008 Decision, the City respectfully requests that the Board grant an extension of the deadline to submit an OFA under 49 U.S.C. § 10904.

Respectfully submitted by:

Dated July 3, 2008

A handwritten signature in black ink, appearing to read 'Matthew B. Eugster', is written over a horizontal line.

**Matthew B. Eugster  
Matthew D. Zimmerman  
Varnum Riddering Schmidt & HowlettLLP  
Attorneys for Petitioner City of Greenville  
Bridgewater Place  
P.O. Box 352  
Grand Rapids, MI 49501-0352  
(616) 336-6000**

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# **Exhibit A**

May 23, 2008

Ms. Anne Quinlan, Secretary  
Section of Environmental Analysis (SEA)  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20423

**Joel Langlois**  
Delta Properties, GRL  
401 Hall St SW  
Grand Rapids, MI 49503  
616 243 9000

RE: Docket No AB-364 (Sub-No 14X)

Dear Ms Quinlan:

I am writing to object to the abandonment of the rail line from Lowell, MI to Greenville, MI.

My company, Delta Properties, recently purchased the former Electrolux warehouse located in Greenville, MI. This 440,000 square foot warehouse was most recently used to warehouse and distribute refrigerators from what was once the single largest refrigerator plant in the world. The building houses an indoor rail line for loading and unloading, and a fairly new rail yard outside of the plant for rail car storage and switching. The City of Greenville improved the roads and infrastructure as part of the new truck route for the benefit of Electrolux in the early 1990's. As you may or may not know, Greenville made national news when Electrolux closed their manufacturing facility in 2006 and moved to a plant in Juarez, Mexico, causing the loss of 2700+ jobs for this community of 8,000.

One of the reasons the property is and was attractive to our company is the rail line and access. The loss of rail greatly diminishes our potential for reuse of the property. We have had several businesses look at the property for relocation and reuse, some based on the rail. Greenville is a community located 20 miles from an interstate highway. It is connected to a state truck route, M-57, which is two lanes, for truck traffic. Rail is one of the equalizing factors for Greenville when competing with larger cities for business and jobs. I am sure you are very cognizant to the value of rail to a community like Greenville.

We ask you to fairly consider the effect of the loss of rail to the community of Greenville and its ability to compete in this difficult economy. As you know, once the rail is removed, it is very difficult to undo it. The local economic development efforts would be greatly handicapped, as they work to move into the new economy.

Since we have only recently purchased the building, we ask that you give us a fair amount of time to bring manufacturers and/or warehouseers into the building who would like to use rail.

Thank you for your consideration of this request. If you have any questions for me, please feel free to contact me.

Sincerely,



Joel Langlois,  
President  
[joel@delta-space.com](mailto:joel@delta-space.com)

**EUREKA CHARTER TOWNSHIP  
9322 S. GREENVILLE ROAD  
GREENVILLE, MI 48838  
PHONE (616) 754-5053  
FAX (616) 754-4760  
eurekatp@sbcglobal.net**

**June 10, 2008**

**Anne Quinlan, Secretary  
Section of Environmental Analysis  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20423**

**Re Docket No AB-364 (Sub-No 14X)**

**Dear Ms Quinlan:**

**It has come to our attention that a decision was made on June 9, 2008 regarding the abandonment of approximately 25 miles of rail line that was owned by Mid-Michigan Railroad, Inc between milepost 103 20 at Lowell, Michigan and milepost 78 50 at Greenville, Michigan**

**Eureka Charter Township was not given the opportunity to comment regarding the closure before the decision was made**

**This letter is from our Township Board as it relates to your decision to abandon the rail line**

**We strongly protest the abandonment of this rail line as the line goes through our township and have one business in our township that utilized this line We are in disagreement with this closure as it may prevent any future economic growth from coming to this area that may be using the rail lines in other areas**

**We do support the City of Greenville and Otisco Township in their protest of the abandonment of this line Eureka Charter Township is between the City and Otisco Township**

**We support the Rails to Trails but believe 'Rails' first, then 'Trails.' This closure will have adverse consequences for immediate and future economic viability for the Greenville area**

**Thank you for your consideration**

**Sincerely,**

**Les Lillie, Supervisor  
Eureka Charter Township**

**Copy to George Bosanic, Greenville City Manager  
Patrick Q Carr, Chairman Montcalm County Board of Commissioners  
Paul Reeves, Supervisor Otisco Township  
Carolyn Kane, WMTGC**

LOUIS E GITOMER  
LOU\_GITOMER@VERIZON.NET

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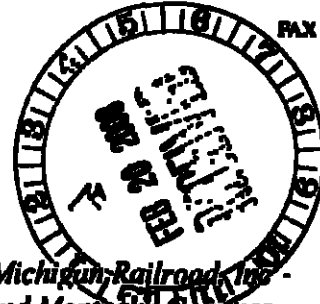
LAW OFFICES OF  
**LOUIS E. GITOMER**

February 20, 2008

221650

THE ADAMS BUILDING, SUITE 301  
600 BALTIMORE AVENUE  
TOWSON, MARYLAND 21204-4022  
(202) 466-6532  
FAX (410) 332-0885

Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D. C. 20423



RE: Docket No. AB-364 (Sub-No. 14X). *Mid-Michigan Railroad, Inc.*  
*Abandonment Exemption—in Kent, Ionia, and Montcalm Counties,*  
*MI*

Dear Acting Secretary Quinlan:

Enclosed are the original and 10 copies of a Petition for Exemption for the Mid-Michigan Railroad, Inc. ("MMRR") to abandon a 26.40-mile rail line between Lowell, milepost 103.20, and Greenville, milepost 78.50, at the end of the line in Kent, Ionia, and Montcalm Counties, MI. Also enclosed are a check from MMRR for the filing fee of \$5,400, and a computer diskette containing the Petition in Word and pdf format. All of the color Exhibits are attached to the end of the Petition in Exhibit J.

Please time and date stamp the additional copy of this letter and the Petition and return them with our messenger. Thank you for your assistance.

If you have any questions please call or email me.

Sincerely,

Louis E. Gitomer  
Attorney for Mid-Michigan Railroad, Inc.

**FILED**

FEB 20 2008

**SURFACE  
TRANSPORTATION BOARD**

Enclosures

**FEE RECEIVED**  
FEB 20 2008  
**SURFACE  
TRANSPORTATION BOARD**

# CITY OF GREENVILLE

"Danish Festival City"

411 SOUTH LAFAYETTE STREET  
GREENVILLE, MICHIGAN 48838  
(616) 754-5645 FAX (616) 754-6320



May 22, 2008

Anne Quinlan  
Secretary  
Section of Environmental Analysis  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20423

RE: Docket No. AB-364 (Sub-No 14X)

Dear Ms. Quinlan:

The City of Greenville respectfully submits this letter in protest to the abandonment of the 24 7-mile rail line owned by Mid-Michigan Railroad Inc. between milepost 103.20, at Lowell, Michigan and milepost 78.50, at Greenville, Michigan. Our city has a population of 8,000 residents and recently experienced a loss of manufacturing jobs exceeding 3,000. As we diligently strive to recover from this devastation, we are looking for all means possible to assist us in this endeavor. Greenville does not have the advantage of an interstate nearby and being located virtually in the middle of the Lower Peninsula of Michigan, Transportation options are limited.

The rail line extending north into Greenville is a vital economic lifeline for our community. Recently, a developer has purchased what remains of the former Electrolux facility which was the largest refrigerator factory in the world. His intention is to seek viable manufacturing tenants to occupy that space. Adjacent to the facility is a relatively new rail storage yard with connection to the rail line.

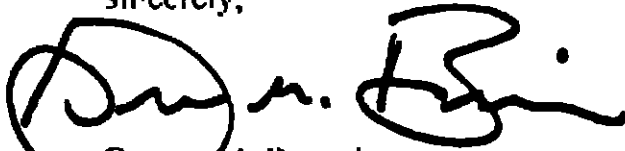
*The mission of the City of Greenville, as a part of the Coalition of Greater Greenville, is to serve through leadership and action, to assure all citizens a collaborative, planned and visionary community.*

Ms. Anne Quinlan  
Page Two

The developer feels it is a crucial component of the property to be successful in his efforts to serve new manufacturing companies. Related to this property, the City has had discussions with a possible client interested in the property that is proposing to transport up to 700 cars per week into the City on the rail line. Other businesses from the Community have also called me and are concerned about the abandonment request as they too are considering its use.

Please consider our request with great care and if you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "G. M. Bosanic". The signature is fluid and cursive, with the first name "George" and last name "Bosanic" clearly distinguishable.

George M. Bosanic  
City Manager

Cc: Mayor Snow and the Greenville City Council

## **Exhibit B**

## **Mid Michigan Bio-Oil**

**A Green Energy Company**

**PO Box 412,  
Rockford, Michigan 49341  
321 442-1693  
[Mid.Michigan.BioOil@email.com](mailto:Mid.Michigan.BioOil@email.com)**

**July 1, 2008**

**Ms. Anne Quinlan, Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423**

**Re: Docket No. AB-364 (Sub-No. 14X)**

**Dear Ms. Quinlan:**

**It is my understanding that the City of Greenville, Michigan intends to file a petition seeking to revoke or reopen the Board's decision to approve the abandonment of the Mid-Michigan Railroad, Inc. ("MMRR") rail line from Lowell, Michigan to Greenville, Michigan. I am writing to express my support for the City's petition. My Company, Mid-Michigan BioOil, Inc. is currently negotiating the purchase or lease of a portion or all of an existing warehouse facility at 634 W. Charles Street in the City of Greenville for the production of Bio Oils and Bio-Diesel fuel.**

**One of the primary factors in selecting the location of a facility in Greenville was the availability of rail services. We anticipate heavy rail use associated with our operations and estimate using greater than 400 rail cars per week when first phase is complete for shipping raw materials and product to and from the facility. The loss of service on the MMRR rail line service terminates our interest in the property. In fact, Greenville could not support our proposed project absent access to railroad transportation.**

**Greenville is a rural community located twenty (20) miles from the nearest interstate highway, and as a result, transportation options are limited. Even if Greenville were located along an Interstate Highway we could not supply the project properly without rail service. It is connected to a state truck route, M-57, which is two lanes for truck traffic. Furthermore, Trucking may not be a cost effective option in light of the volume shipping that we currently anticipate. As a result, we strongly protest the abandonment of the rail line and request that the**

Surface Transportation Board reconsider its decision to grant an exemption to MMRR for the line.

Thank you for your consideration of this request. If you have any questions, please feel free to contact me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Rhines".

Charles Rhines  
President  
Mid-Michigan BioOil, Inc.

2021561\_1

# Exhibit C



## THE GRAND RAPIDS PRESS

### Freight haulers keep on truckin' in troubled times

Wednesday, July 02, 2008

By Julia Bauer

The Grand Rapids Press

**WYOMING --** When the Michigan economy turned sour last year, Harvey Gainey had to cut his trucking fleet by 20 percent

Falling demand and rocketing fuel prices are teaming up, pushing Gainey Transportation Services and other area trucking firms to tackle the double trouble from all sides

At Modular Transportation, President Evan Stouten is considering technology to heat and cool long-haul truckers' cabs without idling the diesel engine while they slept. Another option: drive slower.

"A good anti-idling device for A/C and heat costs several thousand dollars," said Stouten, and the payback could take a couple of years.

The company already has shaved a couple of pennies per gallon by negotiating fuel costs, and it has offered ideas for saving gas to its 150 drivers. Besides a fleet of owner-operators who supply their own fuel, Modular's trucks are burning \$300,000 a month in diesel, he said.

"There isn't an easy answer to the issue," Stouten said.

At Gainey, 2,100 drivers require 1 million gallons of diesel every week to stay in business.

Whatever the volume, trucking firms are finding no painless alternatives to diesel fuel prices now topping \$4.70 a gallon. In the wake of deep production cuts by automakers and steep rise in fuel costs, the beleaguered trucking industry is starting to thin out.

This week, Kalamazoo-based Alvan Motor Freight Inc. shut its doors after heavy losses during the three-month strike at American Axle & Manufacturing Holdings Inc. Alvan employed 525 in Michigan, Ohio, Indiana and Illinois, including 30 at its West Michigan headquarters.

To stay alive, trucking firms are sharing the pain with their customers, passing along fuel surcharges by the week or month.

"It's just devastating to the truckers," said Walter Heintz, executive director of the Michigan Trucking Association in Lansing. "The margins in the business are so thin anyway."

"Compounding that is the soft freight market, overcapacity makes it difficult to raise prices. It's a double-whammy."

After months of downsizing, Gainey is starting to see a turnaround, partially driven by the shrinking pool of competitors.

"That's not the way we'd like to increase our business," Gainey said

But he noticed the uptick beginning in May

"This past week, the last week of both the month and the quarter, it's starting to show up," Gainey said

"We've had to add drivers "

And last week on June 28 and 29, his company set a record, dispatching 1,800 truckloads

"We had the biggest weekend in our history," Gainey said

At Sprinter Services in Grandville, 150 drivers make regional deliveries for the grocery and retail industry in Michigan and northern Indiana and Ohio, Chief Operating Officer Bob Christian said

He knows fuel surcharges are painful for customers already burdened in the sluggish state economy, but he's upbeat about the future

About 50 percent of Sprinter's business is in warehousing

"Now that the cost of transporting goods is higher, the fuel price can impact whether it makes sense to manufacture and distribute here in Michigan," Christian said "We lost a lot of that (distribution) business to places like Indianapolis' and Chicago's centralized facilities

"Long-term, it's a pretty good opportunity to bring back both manufacturing and distribution to the state "

Send e-mail to the author: [jbauer@grpress.com](mailto:jbauer@grpress.com)

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## **CERTIFICATE OF SERVICE**

Pursuant to 49 C.F.R. §1104.12(a), the undersigned hereby certifies that the Petition to Revoke or Reopen and Extend the Deadline for Offers of Financial Assurance regarding Docket No. AB-364 (Sub-No. 14X), *Mid-Michigan Railroad Inc Abandonment Exemption-in Kent, Ionia, and Montcalm Counties, MI* was sent via Federal Express, postage prepaid, on July 3, 2008, to the following parties:

Gitomer, Louis E.  
Attorney for Mid-Michigan Railroad, Inc.  
The Adams Building, Suite 301 600 Baltimore Avenue  
Towson, MD 21204

West Michigan Trails & Greenways Coalition  
c/o Carolyn Kane  
6235 E. Howard City Edmore Road  
Vestaburg, MI 48891-9422

A duplicate copy was sent via first class mail, postage prepaid, on July 3, 2008, to West Michigan Trails & Greenways Coalition at its listed address:

Carolyn Kane  
West Michigan Trails & Greenways Coalition  
P.O. Box 325  
Comstock Park, MI 49321

Additionally, the undersigned hereby certifies that the Petition to Revoke or Reopen regarding Docket No. AB-364 (Sub-No 14X), *Mid-Michigan Railroad Inc Abandonment Exemption-in Kent, Ionia, and Montcalm Counties, MI* was delivered via first class mail, postage prepaid, to the following non-parties:

Jeffrey D. Parker  
Bay Mills Indian Community  
12140 W. Lakeshore Drive

**Brimley, MI 49715**

**Wesley Andrews  
Little Traverse Bay Bands of Odawa  
6229 East Sugar Grove Road  
Fountain, MI 49410**

**Kathryn Beaulieu  
Red Lake National Library And Archives Tribal Information Center  
P.O. Box 297  
Red Lake, MN 56671**

**Cecil E. Pavlat Sr.  
Sault Ste. Marie Tribe of Chippewa Indians  
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Sault Ste. Marie, MI 49783**

**Michigan State Historic Preservation Office, Brian Grennell  
Michigan Historical Center  
PO Box 30740  
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**Michigan Department Of Environmental Quality  
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**Jack Chamber, Jr.  
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**Thomas Bailey  
The Council of Fresno County Governments Rail Committee  
2035 Tulare Street Suite 201**

Fresno, CA 93721

Patrick Q. Carr  
Montcalm County Board of Commissioners  
P O. Box 368  
Stanton, MI 48888

A handwritten signature in black ink, appearing to read "Matthew B. Eugster", is written over a horizontal line.

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