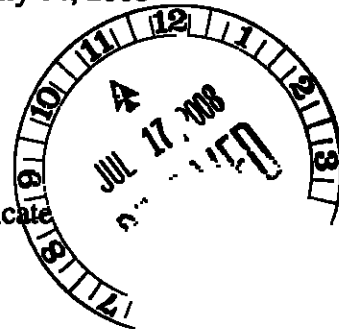


WILLIAM THOMAS LOGAN

The Honorable Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E. Street, SW
Washington, DC 20024

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ENTERED
Office of Proceedings
JUL 17 2008
Part of
Public Record

July 14, 2008



Re: Finance Docket No: 34943, Beaufort Railroad Co, Inc.-Modified Rail Certificate

Dear Ms. Quinlan:

As one of the three hundred (300) or so adjoining property owners (1/4 of Beaufort Depot) to the ROW (right-of-way) in the above mentioned matter, I have several concerns as well as other issues that might be of interest to the Members of the Surface Transportation Board.

I respectfully request for leave to late file this pleading.

It has come to our attention through the local newspaper and other sources that the Beaufort-Jasper Water & Sewer Authority (BJWSA) has entered into a contract to purchase the ROW from the Beaufort Railroad Company (BRC) and the South Carolina Ports Authority (SCPA) from Highway 802 (Ribaut Road) in Port Royal to Yemassee for three million dollars (\$3,000,000) and has paid one hundred thousand dollars (\$100,000) down as earnest money. The SCPA has to guarantee to the BJWSA that the ROW can be Rail-Banked as a part of the sale. The BJWSA is interested only in the ground below the surface for utility purposes. The BJWSA has asked the Beaufort County Planning Commission to solicit Requests For Proposals (RFPs) in order to explore options for the ROW, as it relates to keeping the rail, making it a trail or both, etc. We believe that BJWSA, as well as the Beaufort County Planning Commission lean heavily toward Rails-to-Trails with no options for a Tour/Dinner train as explained below.

To my knowledge the BJWSA is the only entity that has expressed any interest in the RR as of late. Consequently they are in a unique position to negotiate the purchase. At this point in time it has become a liability to the SCPA, and they need to extinguish ownership. The value today is probably no more than the salvage worth, approximately \$1,000,000, considering the question of ownership of the real estate. To justify the inflated purchase price from the SCPA, BJWSA or both for \$3,000,000, the BJWSA insists that they must, in a reasonable period of time, sell for scrap value the rails, etc. to recoup one third to one half of their investment as justification to their Board of Directors for its purchase. This course of action would rule out any possibility of a freight or tour/dinner train and leaves the impression that the BJWSA is pro Rails-to-Trails only.

If another rail operator wanted to offer financial assistance for the railroad to the SCPA at this point to keep it open for future rail service for the value of the assets of the ROW, would this be possible?

The SCPA acquired the 26 mile corridor (right-of-way) in 1985 from the Seaboard Coastline Railroad for \$550,000.00. As one can see from the attached copy of the document, the transfer was by Quit-Claim Deed rather than by General Warranty Deed. This would lead one to believe that Seaboard could not sell the real estate for which they did not have a genuine title. Seaboard

was simply selling whatever interest they had in the ballast, ties, rails, etc. This action further reinforces the fact that when the Port Royal-Augusta Railroad was chartered by the State Legislature in 1858 it was for the good of the public as it made passenger transportation possible as well as much needed freight services, a dire need at that time. As for the property owners affected by the ROW for the original 110 mile distance, it was their public duty to help facilitate the need as well, consequently no real estate was purchased, and the ROW was used for the public good. How can the BJWSA remove the rail or even consider Rail-Banking it when the Surface Transportation Board specifically spelled out in its Decision, dated March 18, 2008. The Board decision states under DISCUSSION AND CONCLUSIONS, "The modified certificate process was developed "to promote continuation of rail service by removing certain regulatory constraints from the states and thus encouraging rail programs." It advances the congressional policy "of placing the states at the forefront of the federal effort to preserve local rail service." And the Board also states "The Board, and the ICC before it, have encouraged states to purchase rail lines at risk to preserve them for present or future rail service". After reading the DISCUSSION AND CONCLUSIONS section of the recent decision of the STB, it appears that the Board tries to make every effort to encourage and promote keeping railroads intact and viable. Isn't the duty of the State Agencies (SCPA & BJWSA) to keep the rail intact under the circumstances for which it took control and to make a concerted effort to establish new rail business?

The SCPA also has for sale approximately 51 acres at the Port property where the railroad originates at Battery Creek, a tributary of Port Royal Sound. Included in the sale is the first mile or so of the ROW from dockside at the Port to Highway 802 (Ribaut Road). It is my understanding that this portion of the ROW is not included in the matter before the STB. How can this be? One would think that regulation by the STB as it relates to Rail-Banking for future use should include every square foot of the ROW, not the ability of the SCPA to pick and choose. For the property in question, please refer to www.NAIAvantPortRoyal.com. Because the SCPA intends to sell this property separately from the rest of the Railroad and because they intend to take the rail out in this 51 acre tract (per the selling documents) and develop it, that access to the Port by rail will be forever lost. The BJWSA has already initiated a complete survey of the ROW. This survey originated at the intersection of the ROW and Highway 802 (Ribaut Road), not at the end (or beginning) of the ROW at the Port proper one (1) mile to the South. Who has jurisdiction over this one (1) mile section and how can they sell it apart from the rest of the Railroad in question, thus breaking the connection to the Port?

For a number of years, approximately 20 years ago the Marine Corps Air Station here in Beaufort, South Carolina had regular deliveries of jet fuel, military supplies, and equipment to the base. All of the track traversing the entire Air Station is still in place and should be considered for future use as it relates to national need or disaster. This would include, of course, moving people and equipment from inland to the coast or vice-versa in case of a national catastrophe. With diesel fuel prices rising every day, rail freight traffic for sand, gravel, plastics, fuel, wood, and cement, etc. are going to be more attractive in the future and this rail line has a great potential for this type of traffic. Also, Beaufort County has an industrial park situated on U.S. Hwy. 21 near the Air Base and can provide a connection to the railroad ROW. This Business Commerce Park is the County's premier location for industry with 175 acres available for development. A Freight operator, given the chance, could make this a profitable railroad

operation if marketed properly. The cost of acquiring the ROW, engineering, and construction of a railroad today would cost over \$1,000,000 per mile excluding bridges and trestles. This value and investment must be protected.

A letter from Colonel Robert W. Lanham, the Commanding Officer of MCAS Beaufort was submitted to the STB from counsel for BRC dated February 16, 2007. This is under POSITIONS OF THE PARTIES from the STB decision dated March 18, 2008. In his letter Colonel Lanham states that it would be in the public interest to maintain the PPR ROW as a government asset by using it for public purposes. On July 9, 2008 Colonel Lanham relinquished his command to the new Commanding Officer, Colonel John R. Snider. Because the RR Network is still in place on the MCAS Beaufort as well as being attached to the Port Royal Line, we intend to ask Colonel Snider if he believes the RR should remain intact.

The BJWSA created the argument that the ROW is necessary for the expansion of their sewer and water lines, ie: a utility easement. On first consideration, this sounds practical. The BJWSA insists that acquiring the R/R-ROW is more economically feasible than purchasing ROW elsewhere. When one realizes that development takes place only where new property owners have access, ie: highways and county roads to these new communities, not a remote railroad ROW, the argument has no standing. From the Capital Improvement Funding standpoint, utility lines should follow existing or proposed highways and roads so that they may serve those adjoining those routes efficiently as the services are extended or development occurs. According to the South Carolina Department of Highways and Public Transportation, public utilities can be placed in all of their RW's at no charge. An encroachment permit is all that is required.

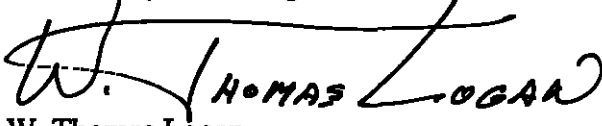
The BJWSA also has failed to mention that there are 6 or 7 trestles (bridges) that must be traversed as well, including a long concrete bridge with turn table and causeway across the Whale Branch River. This is a major expanse of water bisecting the northern part of the county. The Environmental Protection Agency no longer allows an attachment of a gravity sewer line or force main to a fixed bridge due to the possibility of a rupture or spillage of raw sewage. Consequently, all of these lines are now required to be directionally bored under any major river or small tributary. *This of course entails great expense, more so than simply burying the pipes conventionally.* This being the case, the bridge and trestles could no longer function as a carrier of utility lines. Therefore these structures would be demolished in order to eliminate a maintenance and liability issue. Utilities need to be kept within the ROW of highways and roads in order to serve and be extended. The point of argument is that the BJWSA could pay considerably more using the railroad ROW versus existing ROW's over existing highways and roadways. Even if the intent of the BJWSA was to preserve the ROW for water and sewer pipes, *the investment possibly does not support this.*

With the history of Port Royal dating back to 1562 and Beaufort being touted as the second oldest city in the state of South Carolina, the railroad has considerable history as well. The vast majority of people from the Town of Port Royal, City of Beaufort and Town of Yemassee would like to see it preserved and left intact. From its origin in 1858 it probably ranks with some of the oldest railroads in the nation. It was the catalyst that started the establishment of every town along the 110 mile distance from Port Royal, South Carolina to Augusta, Georgia. Moving passengers, when by other means of travel was lengthy and dangerous, freight and crops to

market, it helped establish and stabilize the economy for a vast area and its people. From 1915 until 1955, the Port Royal Railroad carried over 500,000 recruits from the train station in Yemassee on their way to boot camp at Parris Island Marine Corp Recruit Depot. In 2005 there was a proposal presented to the South Carolina Department of Archives and History to make the corridor a National Historic Linear District and have it placed on the National Register of Historic Places with the National Park Service in order to preserve it for future rail service.

In order to stay within the law and satisfy these legal mysteries, could it be that the STB require the new owner (BJWSA) to maintain in place the rails and ties in order to keep the 26 mile ROW intact. This additional expense could be offset through a lease of the ROW & the Port Facilities to a qualified operator for future revenue Freight & Tour/Dinner Train Operations. The lease revenue would be applied to scheduled maintenance of the track and ROW, as well as reimbursing BJWSA for the cost of keeping the rail. I believe this would satisfy all parties as well as calming the concerns of the adjoining land owners.

With kind personal regards, I remain

A handwritten signature in black ink, appearing to read "W. Thomas Logan". The signature is stylized with a large, sweeping "W" and a long, horizontal line extending to the right.

W. Thomas Logan

Enclosures: This original with ten (10) copies for submission to the Board

Cc: Derek F. Dean, Esq.
Warren L. Dean, Jr., Esq
Thomas F. McFarland, Esq.
John L. Richardson, Esq.

433-722

49327-3-RZ
3KC0329151 20

THIS DEED, made this 15th day of August, 1985, between SEABOARD SYSTEM RAILROAD, INC., a Virginia corporation, hereinafter called "Grantor"; SOUTH CAROLINA STATE PORTS AUTHORITY, whose mailing address is P. O. Box 817, Charleston, South Carolina, 29402, hereinafter called "Grantee"; and UNITED STATES TRUST COMPANY OF NEW YORK, Corporate Trustee under the First (formerly General) Mortgage dated March 1, 1950, made by the former Atlantic Coast Line Railroad Company, to which Seaboard System Railroad, Inc. is successor by merger, and CHEMICAL BANK, Corporate Trustee under the Consolidated Mortgage dated as of March 15, 1971, made by the former Seaboard Coast Line Railroad Company, to which Seaboard System Railroad, Inc., is successor by merger, hereinafter called "Trustees."

(Wherever used herein, the terms "Grantor" and "Grantee" shall be construed in the singular or plural as the context may require or admit and shall include the heirs, legal representatives and assigns of individuals and the successors and assigns of corporations.)

WITNESSETH:

THAT the Grantor, for and in consideration of the sum of FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$550,000.00), cash in hand paid, the receipt of which is hereby acknowledged, does hereby release, remise and forever quitclaim to the Grantee, all its right, title and interest in and to that certain tract or parcel of land situate, lying and being at that certain tract or parcel of land, right of way and Railroad facilities, lying and being between Yemassee and Port Royal, County of Beaufort, State of South Carolina, and being more particularly described as follows:

That portion of Grantor's vacated Charleston and Western Carolina Railroad right of way, varying in width, from Milepost AMB-443.37 at Yemassee to Milepost AMJ-468.31 at Port Royal, Beaufort County, South Carolina, more particularly described as follows:

24.94 AC

Begin at a point in the center line of the Charleston and Western Carolina Railroad main track, said point located 1,952 feet, more or less, southeast of Milepost AMB-443 as measured along the center line of said main track, said point also located 512 feet, more or less, southeast of the center line of South Carolina Highway #28; thence S 51°34' E a distance of 3,450 feet to the beginning of a curve to the right; thence along said curve having a central angle of 30°40', a chord distance of 3,049.30 feet, a chord bearing of S 36°14' E, through an arc distance of 3,086 feet to the point of tangency; thence S 20°54' E a distance of 84,737 feet to the beginning of a curve to the left; thence along said curve having a central angle of 15°05', a chord distance of 1,455.29 feet, a chord bearing of S 28°26'30" E, through an arc distance of 1,459.50 feet to the point of tangency; thence S 35°59' E a distance of 931.20 feet to the beginning of a curve to the left; thence along said curve having a central angle of 36°24', a chord distance of 1,789.55 feet, and a chord bearing of S 54°11' E, through an arc distance of 1,820 feet to the point of tangency; thence S 72°23' E a distance of 9,077.30 feet to the beginning of a curve to the right; thence along said curve having a central angle of 71°05', a chord distance of 2,250.89 feet, and a chord bearing of S 36°50'30" E, through an arc distance of 2,402 feet to the point of tangency; thence

STATE OF SOUTH CAROLINA
DOCUMENTARY TAX COMMISSION
COURTNEY L. GORDON, CLERK
100 Water Street, J2000000
JAN 15 1986

See sheet 71 an
enlargement of boxed
area on sheet 22
clearly show P.O.B.

STATE OF SOUTH CAROLINA
DOCUMENTARY TAX COMMISSION
JAN 15 1986
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S 01°18' E a distance of 4,449 feet to the beginning of a curve to the right; thence along said curve having a central angle of 33°40', a chord distance of 1,744.65 feet, and a chord bearing of S 15°32' W through an arc distance of 1,770 feet to the point of tangency; thence S 32°28' W a distance of 4,026 feet to the beginning of a curve to the left; thence along said curve having a central angle of 34°03', a chord distance of 1,156.75 feet, and a chord bearing of S 15°19' W, through an arc distance of 1,174 feet to the point of tangency; thence S 01°44' E a distance of 5,576 feet to the beginning of a curve to the left; thence along said curve having a central angle of 38°04', a chord distance of 1,303.71 feet, and a chord bearing of S 20°46' E, through an arc distance of 1,328 feet to the point of tangency; thence continuing in a southeasterly direction a distance of 4,886 feet to the end of this center line description; to include that right of way for Track No. 8 together containing 547.62 acres, more or less, being all or part of Grantor's right of way acquired by the following deeds:

Date of Deed	Book	Page	Date Recorded
July 28, 1870	6	200	April 15, 1872
January 26, 1955	77	349	February 26, 1955
, 1870	6	295	June 21, 1872
May 27, 1870	4	546	July 2, 1870
June 6, 1870	4	511	June 8, 1870
December 8, 1959	100	14	December 31, 1959
July 25, 1870	6	375	Sept. 4, 1872
July 23, 1870	5	9	July 23, 1870
July 23, 1870	5	10	July 25, 1870
July 23, 1870	5	12413	July 25, 1870
February 18, 1873	7	573	December 18, 1873
July 25, 1870	5	16	July 25, 1870
July 23, 1870	5	14415	July 25, 1870
Sept. 3, 1929	48	6	Sept. 9, 1929
August 15, 1929	47	381	August 26, 1929
July 12, 1881	12	453	Sept. 28, 1881
December 7, 1876	12	566	March 22, 1877
April 28, 1873	8	317	April 14, 1874
February 15, 1937	54	60	August 4, 1937
October 26, 1954	77	334	November 3, 1954
May 1, 1873	7	451	Sept. 17, 1873

(together with trackage thereon as well as 972 feet of Grantor's right of way at point of switch at Walston Station 222334 into the intersection of the eastern right of way line of Grantor's north-south main track at Walston Station 2224243; the latter mentioned right of way being 200 feet in width, i.e., 100 feet wide on each side of the center line of said main track)

RMC of Beaufort County, South Carolina.

The Grantor took possession of deeds listed above and have had continuous use and possession of the lands conveyed since the dates of those deeds.

The entire tract or parcel of land, right of way and improvements being outlined in yellow on copies of station maps and right of way and track maps of Charleston and Western Carolina Railway Company as follows:

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<u>Map No.</u>	<u>Date of Map</u>	<u>Date Re-drawn</u>
39-A-26	June 30, 1915	January 15, 1962
39-A-27	June 30, 1915	February 23, 1962
39-A-28	June 30, 1915	January 19, 1962
39-A-29	June 30, 1915	January 23, 1962
39-A-30	June 30, 1915	January 24, 1962
39-A-31	June 30, 1915	January 26, 1962
39-A-32	June 30, 1915	November 1, 1961
39-A-33	June 30, 1915	November 3, 1961
39-A-34	June 30, 1915	January 29, 1962
39-A-35	June 30, 1915	Not shown

Said copies of above maps being on file at the Office of the Public Railways Commission for the State of South Carolina, 540 East Bay Street, Charleston, South Carolina.

TO HAVE AND TO HOLD all the estate, right, title, lien, interest and claim whatsoever of Grantor, either in law or equity, together with all land, improvements, track and appurtenant materials thereto belonging or in anywise appertaining, to the proper use, benefit and behoof of Grantee forever.

This is a quitclaim deed, conveying to the Grantee sufficient property to enable the Grantee or its assigns to operate and maintain the Railroad spur line between the rail yard at Yemassee and the Marine Terminal at Port Royal, South Carolina.

The recitals of fact made hereinabove are to be taken only as recitals made by Grantor and Grantee and not by Trustees.

The property hereinabove conveyed is subject to the lien of the First (formerly General) Mortgage made by the former Atlantic Coast Line Railroad Company, dated as of March 1, 1950, as supplemented and modified, under which mortgage United States Trust Company of New York is Corporate Trustee, and Trustee joins herein for the purpose of releasing and does hereby release the property hereinabove conveyed from the lien of said mortgage pursuant to the provisions of Section 6.01 of Article Six thereof.

The property hereinabove conveyed is subject also to the lien of the Consolidated Mortgage made by the former Seaboard Coast Line Railroad Company dated as of March 15, 1971, as supplemented, under which mortgage Chemical Bank, a New York corporation, is Corporate Trustee and L. F. Sadler of Jacksonville, Florida, is Individual Trustee, and Corporate Trustee joins herein for the purpose of releasing and does hereby release the property hereinabove conveyed from the lien of said mortgage pursuant to the provisions of Section 5.17 of Article Five thereof; Individual Trustee being relieved of any obligation to join in such release by Section 10.06 of Article Ten of said mortgage.

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CERTIFICATE OF SERVICE

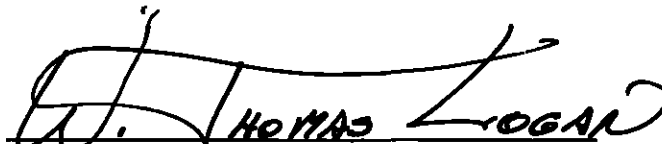
I hereby certify that, on July 14, 2008, I caused a copy of the foregoing document to be served upon the following persons by electronic mail.

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