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August 4, 2003



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

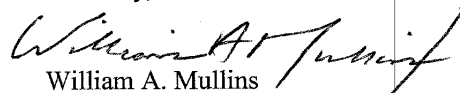
**Re: *Paducah & Louisville Railway, Inc. – Abandonment Exemption –
In McCracken County, KY – Docket No. AB-468 (Sub-No. 5X)***

Dear Secretary Williams:

Enclosed please find an original and eleven copies of Paducah & Louisville Railway, Inc.'s Reply to Boral Brick Inc.'s Petition to Reopen ("Reply"), filed in connection with the above-referenced proceeding. For the Board's convenience, an electronic version is submitted on the enclosed diskette.

Please acknowledge our filing of the enclosed Reply by date stamping the eleventh copy, which is enclosed for that purpose and returning it to the individual making this filing to return to me. If there are any questions about this matter, please contact me directly either by telephone: 202-637-9499 (ext. 13) or e-mail: wmullins@bakerandmiller.com.

Sincerely,


William A. Mullins

Enclosures

Cc: All parties of record (w/ enclosures)

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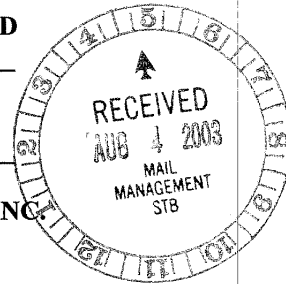
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. AB-468 (SUB-NO. 5X)

**PADUCAH & LOUISVILLE RAILWAY, INC.
--ABANDONMENT EXEMPTION--
IN McCRACKEN COUNTY, KY**

**REPLY OF PADUCAH & LOUISVILLE RAILWAY, INC.
TO BORAL BRICK, INC.'S PETITION TO REOPEN**



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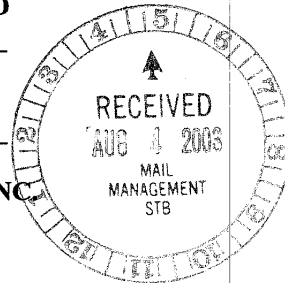
Attorneys for Paducah & Louisville Railway, Inc.

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Paducah & Louisville Railway Inc. ("P&L"), pursuant to Sections 1115.4 and 1152.25(e)(2)(ii) and the rules of the Surface and Transportation Board ("STB" and/or "Board"), 49 C.F.R. §§ 1115.4, 1152.25(e)(2)(ii), hereby replies to Boral Brick Inc.'s Petition to Reopen ("Petition") the Board's Decision of June 20, 2003 ("Decision"),¹ which granted P&L's Petition for Exemption ("Exemption") from the provisions of 49 U.S.C. § 10903 to abandon approximately 5,780 feet of rail line located in the City of Paducah, McCracken County, Kentucky, running from station number 17+55 (near Caldwell Street in Paducah) to station number 64+00 (near 6th Street in Paducah), extending on each side of railroad milepost 1 (the "Line"), filed on March 4, 2003. As discussed in more detail below, the Petition has not demonstrated (and P&L submits could not demonstrate) a showing of material error in the Board's Decision, and therefore, the Petition should be denied.

SUMMARY OF THE ARGUMENT

This Petition is an attempt by Boral Bricks Inc. ("Boral" and/or "Petitioner") to recycle its prior arguments that have already been reviewed and rejected by the Board. Specifically, the

¹ See *Decision and Notice of Interim Trail Use or Abandonment, Paducah & Louisville Railway, Inc.*, SBT Docket No. AB-468 (Sub-No. 5X) (Served June 20, 2003) ("Decision").

Petition argues that material error exists because the Decision did not adequately address the following three points raised by Boral: (1) that Boral was subject to an abuse of market power because one out of its many competitors would continue to have rail service; (2) that an increase in transportation costs for approximately ¼ of its shipments creates an economic harm resulting in “no viable transportation alternatives”; and (3) that the Decision violated a non-specific federal energy conservation policy. Petition at 3-9. Neither the facts, nor the law support these statements.

First, there can be no abuse of market power where reasonable alternatives exist for the shipper. *See Monan Rail Preservation Corporation – Abandonment Exemption – In Monroe County*, SBT Docket No. AB-589X, 2001 STB LEXIS 907 at 4-5 (STB served December 7, 2001) (rejecting shipper’s argument of abuse of market power when transportation alternatives exist). Second, non-specific economic harm claimed by a shipper is not the determining factor in an abandonment exemption decision. Rather, the determining factors in allowing a carrier to abandon its operations are whether or not it is in the public interest and whether harm to the shipper and/or community outweighs the harm to the carrier. When making this determination within the context of a petition for Exemption, the Board’s analysis must consider the rail transportation policy, which encourages “allowing rail carriers to earn adequate revenues.” 49 U.S.C. § 10101 (3). Last, The Board’s Decision did not contravene its longstanding, environmentally friendly policy. *See, e.g., Union Pacific Railroad Company--Abandonment Exemption--In Adams and Hall Counties, NE (Hansen Industrial Lead Between Hastings and Hansen, NE)*, STB Docket No. AB-33 (Sub-No. 166X), 2001 STB LEXIS 494, (STB served May 21, 2001); *The Cincinnati, New Orleans and Texas Pacific Railway Company--Abandonment Exemption--In Cumberland and Roane Counties, TN*, STB Docket No. AB-290 (Sub-No. 208X), 2000 STB LEXIS 670, (STB served Nov. 15, 2000). As discussed in more

detail below, the Petition fails to show any material error in the Board's Decision, therefore, the Petition must be denied.

BACKGROUND

On March 4, 2003, P&L filed a petition for exemption with the Board to abandon approximately 5,780 feet of rail line ("the Line") in the City of Paducah in McCracken County, Kentucky.² Notice was served and published in the Federal Register on March 24, 2003. 68 FR 14273. Boral filed its Protest to the exemption on April 14, 2003,³ and P&L filed its Rebuttal on May 2, 2003.⁴ On June 20, 2003, the Board served its Decision in this proceeding, which granted P&L's Petition for Exemption. *Paducah & Louisville – Abandonment Exemption – In McCracken County, Kentucky*, STB Docket No. AB-468 (Sub-No. 5X) (Served June 20, 2003) ("Decision").

The Decision found that P&L had provided "unrefuted evidence" that revenues are inadequate to cover the cost of current operations and projected rehabilitation on the Line. Decision at 2-3. The Board reviewed and accepted P&L's evidence that the use of and revenues from the Line had been decreasing. (In 2001, only 66 carloads traveled on the Line and in 2002, only 58; and the total revenue generated during those years was less than \$80,000.) The Board also accepted that the condition of the tracks was poor, which would require P&L to spend in excess of \$616,066 to repair the Line. Decision at 2 (noting that rehabilitation was needed and that seven grade crossings required repair). The Decision also found that Boral's assertions of hardship and necessity were "speculative and unsupported by any evidence." Decision at 3.

² See *Petition for Exemption, Paducah & Louisville Railway, Inc.*, STB Docket No. AB-468 (Sub-No. 5X) (filed March 4, 2003).

³ *Reply in Protest to Paducah & Louisville Railway, Inc. – Abandonment Exemption in McCracken County, Kentucky*, STB Docket No. AB-468 (Sub-No. 5X) (filed April 14, 2003).

⁴ *Rebuttal to Boral Brick Inc.'s Reply in Protest to Petition for Exemption*, STB Docket No. AB-468 (Sub-No. 5X) (filed May 1, 2003).

Upon weighing all the arguments, the Board granted P&L's Petition for Exemption pursuant to 49 U.S.C. 10502, and the additional requirements as set forth in the Decision. *Id.* at 6-7.

On July 7, 2003, Boral filed a Petition for Stay of the Decision Pending its Petition to Reopen. On July 18, 2003, the Board denied Boral's Petition for Stay of the Decision and stated that:

Boral argues that the June 2003 decision did not pay enough attention to the adverse effects that abandonment would have in its interests. In fact, the decision recognized that abandonment would adversely affect Boral, but found **the disadvantage to Boral to be outweighed by the hardship to P&L** of providing service over the line at what its witness testified was a loss.

Paducah & Louisville Railway, Inc. – Abandonment Exemption – In McCracken County, KY
STB Docket No. AB-468 (Sub-No. 5X) (Served July 18, 2003) ("Denial of Stay") at 1 (emphasis added). Despite this latest filing (and its numerous other filings in this case), Boral has failed to provide sufficient evidence of "material error" and as such the Petition to reopen the Decision should be denied.

ARGUMENT

Boral's Petition has failed to establish a legal or factual basis for reopening the Decision. As discussed in Section I, the Petition's legal analysis is faulted because it incorrectly applies the legal standard required for reopening the Decision. As discussed in Section II, the Petition incorrectly portrayed the evidence relating to the Decision's findings, specifically: (i) Boral failed to consider that, on balance, rail transportation policy clearly supports relief for the greater harm that would result by forcing P&L to continue operation of the Line; (ii) Boral ignored the evidence of alternative transportation, which defeats Boral's allegation of an abuse of market power; and (iii) the facts support a finding of limited environmental concerns. Because the Petition fails to demonstrate either a legal or factual basis for finding that the Decision contained material error, there is no basis for reopening the Decision and the Petition must be denied.

I. STANDARD OF DECISION

The Petition correctly states that the Board will reopen a decision only where a petitioner can demonstrate that the prior action would be materially affected because of new evidence, substantially changed circumstances, or that it involves material error. The moving party has the burden to state in detail the respects in which the proceeding involves material error, new evidence, or substantially changed circumstances. 49 C.F.R. 1115.4 and 49 C.F.R. 1152.25(e)(4) (emphasis added).

The high burden placed on a petitioner seeking to reverse an agency's decision, based on a failure to adequately consider the facts, has been echoed by the courts, and in this case, by the law cited in Boral's Petition. Specifically, the Petition relies on *Olenhouse v. Commodity Credit Corporation*, 42 F.3d 1560 (C.A.8 1994), and *First Girl, Inc. v. Regional Manpower Administrator of the United States Dept. of Labor*, 499 F.2d 122 (C.A.7 1974), for the proposition that an agency's failure to consider relevant evidence constitutes material error. Petition at 3, *passim*. In contrast, a careful reading of these cases reveals that courts are reluctant to invade the factual basis for a contested agency decision and will only do so where a petitioner has demonstrated that there is no evidence that could form the factual basis of the decision. *Olenhouse*, 42 F.3d at 1564 (court found that the petitioner met its burden by demonstrating that "the decision is silent as to the rules applied, the factors considered, or the methods used"); *First Girl, Inc.*, 499 F.2d at 124 (upholding the lower court's requirement that the petitioner show "the record reveals no evidence supporting [the agency's] decision"). Here, there was more than enough evidence to support the Board's Decision. The Decision discussed the evidence and that evidence gave a reasonable basis for reaching the conclusion that abandonment was justified.

Boral also relies on the *Busboom* case to support its Petition. *Busboom Grain Co. v. Interstate Commerce Commission*, 856 F.2d 790 (C.A.8 1988). It is curious that Boral uses this

case because the *Busboom* court emphasized the high burden a shipper bears in petitioning to reopen by repeating the idea that “a shipper may not insist upon the maintenance of a burdensome line solely for its own benefit.” *Busboom*, 856 F.2d at 795. Yet in its Petition, that is exactly what Boral is requesting from the Board: require P&L to continue operations on a rail line at an economic loss when the only beneficiary would be Boral Brick – the only shipper on the Line. Consistent with the standard set forth in the *Busboom* case, the Board should find that Boral has not met its burden to show material error in the Decision.

The law clearly places a high burden on Boral, which must demonstrate that the Board could not have based its Decision on the facts in this case. Because the Petition fails to meet this burden, it must be denied.

III. THE FACTS SUPPORT THE BOARD’S DECISION

A. The Hardship to P&L Outweighs the Disadvantage to Boral

The Decision correctly found that the hardship to P&L outweighs the disadvantage to Boral that may result from granting the abandonment. This position was affirmed by the Board when it denied Boral’s Petition for a Stay Pending this Petition. *Paducah & Louisville Railway, Inc. – Abandonment Exemption – In McCracken County, KY* STB Docket No. AB-468 (Sub-No. 5X) (Served July 18, 2003) at 1. There is ample evidence to support the Decision’s finding.

As demonstrated by P&L’s Petition for Exemption, the traffic on the Line does not cover the cost of operation, maintenance or rehabilitation. Franklin Brick shipped only 66 carloads in 2001 and 58 carloads in 2002, generating respective revenue amounts of approximately \$40,100 and \$39,600, bringing the total for two years to approximately only \$80,000. The costs to provide this service and to maintain and rehabilitate the Line far exceeds this minimal amount of revenue. See Verified Statement of Gaylon I. James, Attachment B of P&L’s Petition for Exemption at 14. Thus, as operated today, the Line generates a net operating loss for P&L.

Not only is current operation of the line unprofitable, but continued operation of the Line would require that it undergo extensive repairs, which would result in further economic harm to P&L. Boral's statements disputing the Decision's finding in favor of P&L's description of the Line's condition are patently false. First of all, Boral untruthfully claims that prior to filing its Petition, P&L gave no indication to Boral that anything was wrong with the Line. Petition at 10. At least as early as July 1, 1991, P&L informed Franklin Brick that the Line needed major rehabilitation. *See* July 1, 1991 Letter, attached hereto as Attachment A-1 to Verified Statement of James Holloway (Exhibit A and/or "Holloway V.S."). Thereafter, P&L repeatedly informed Franklin Brick that the Line was in major disrepair through the time when it filed the Petition for Exemption.

In reality, the cost of rehabilitation far exceeds the gross revenues that P&L could anticipate to receive over many years of service. By conservative estimates, which merely factor in replacing rail ties rather than replacing track, which may actually be necessary in some instances, rehabilitation of the line would cost P&L \$210,667.65. The cost of repairing the seven grade crossings would pose an additional \$405,398.40. *See* Detailed Cost Data, attached hereto as Exhibit B. Thus, from a conservative standpoint, the total rehabilitation cost for the track and crossings would be \$616,066.05.

Because P&L had been suffering an operating loss, P&L imposed a \$100/ car surcharge to help offset its losses. The \$100/ car surcharge, or approximately \$6000/ year, plus the carload revenue paid for P&L transportation charges, would not begin to cover P&L's expense to operate and rehabilitate this Line, even if Boral has previously offered vague statements that it "expects that its Paducah operations will grow during the next few years, and that it will consequently increase its use of the Line" comes to pass. *See* Protest at 11.

Thus, operation of the Line poses a significant present and future burden on P&L. It is therefore entirely consistent with the rail transportation policy of “allowing rail carriers to earn adequate revenues,” provide for “sound economic conditions in transportation” and ensure “honest and efficient management of railroads,” 49 U.S.C. § 10101 (3), (5), (9), that the Board granted the Exemption. As such, the Decision correctly found that rail transportation policy supported relieving P&L of the operation of the Line and properly granted the abandonment exemption.

B. Boral’s Existing Transportation Alternatives Defeat Complaints of Abuse of Market Power

The Decision’s finding that Boral has viable transportation alternatives is grounded in the evidence produced by the parties, which defeats the argument that abandonment would result in an abuse of market power. The petitioner bears the burden of showing that it would be subject to an abuse of market power; however, Boral cannot meet this burden because there can be no abuse of market power where reasonable alternatives exist for the shipper. *See* 49 U.S.C. § 10502; *see also Monan Rail Preservation Corporation – Abandonment Exemption – In Monroe County*, SBT Docket No. AB-589X, 2001 STB LEXIS 907 at 4-5 (STB served December 7, 2001).

In this case, the Decision specifically noted that Boral, the only active shipper on the Line, already uses alternative transportation for at least half of its inbound shipments, which refutes allegations of an abuse of market power. *See* Decision at 4 (noting that Boral currently uses trucks to transport 50% of its inbound shipments). As noted above, this unrefuted fact demonstrates that Boral currently uses alternative methods of transportation. A review of the evidence supplied by Boral also supports the Decision’s finding on this issue. *See* Protest at 4; Verified Statement of Ernest C. McLean, III, Vice President of Boral, at 2. In this case, Boral has a myriad of transportation alternatives available to it and P&L should not have to continue

serving Boral at rates that are substantially below the cost to P&L to continue to operate; therefore, the Decision correctly granted the Exemption.

Although Boral claims that it has no viable transportation alternatives to the line that P&L seeks to abandon, Boral actually has several feasible options, even if it is not interested in relocating its facility. *See generally*, Holloway V.S. It can ship all of its bricks by truck, as it currently does for at least 50% of its bricks. Boral can also use one or more of three facilities, each located approximately one mile away, for transloading and storing its bricks.

1. Trucks Provide A Viable Alternative

Boral's claim that trucks are not a viable transportation alternative to the Line is completely contradicted by the fact that Boral currently ships at least 50% of its product by truck.⁵ Not only is Boral's assertion that trucks are not a viable transportation alternative at odds with its own practice, but shipping by truck is standard brick industry practice. As the Brick Industry Association, of which Boral is a member, notes in its overview of the modern American Brick Industry, "While railroads used to be the dominant mode of transporting brick, today more flexible truck transportation is the rule." *See* <http://www.bia.org/html/biaoverview.html>.

Boral attempts to support its claim that trucks are not a viable transportation alternative by proffering that "a large increase of inbound-shipment trucks caused by abandoning the Line would cause severe congestion" at Boral's Paducah Distribution Center. Boral's Protest at 6. Boral estimates, however, that if the Line were discontinued, at the current rate of inbound shipments to its Paducah Distribution Center, Boral would be forced to use approximately 275 more trucks per year, an average of 5 trucks per week and less than one truck per day. *Id.* Thus,

⁵ Boral claims that it currently "uses motor carriers for approximately *only* 50% of its inbound shipments." Protest at 4 (emphasis added). P&L, on the other hand, has evidence that Boral uses trucks for more than 90% of its inbound shipment. *See* Verified Statement of Gaylon I. James, Attachment B of P&L's Petition for Exemption at 14. Even if Boral ships only 50% of its product by trucks, however, the fact remains that Boral ships the majority of its product by truck and use of truck does provide a viable alternative.

Boral's own statistics prove the sheer absurdity of its assertion that an average of less than one more truck per day would result in severe traffic congestion.

Moreover, Boral misleadingly asserts that trucks are not a viable transportation alternative because they are too expensive according to its unverified gross estimates of trucking costs. Petition at 6. Even if truck service cost more than Boral is currently paying P&L for service along the Line, however, Boral fails to show how abandonment of the Line will increase its transportation costs, let alone leave it with no viable transportation alternatives. *Id.* If P&L were to continue to operate the Line, the Line would require expensive rehabilitation, as P&L has repeatedly informed Boral. *See* Attachment B to P&L's Rebuttal. P&L estimates that merely replacing ties on the Line, as opposed to replacing track which actually may be needed in some instances, would cost at least \$210,667.65. The cost of repairing the seven grade crossings would be \$405,398.40. *See* Detailed Cost Data in Exhibit C. By the most conservative of estimates, therefore, the total rehabilitation cost for the track and crossings would be \$616,066.05.

As it stands now, Boral currently pays a \$100 car surcharge to help pay for line maintenance. If rail service were to continue, P&L would have to increase that car surcharge substantially in order to defray both the operating costs and the rehabilitation costs. Even if truck prices were double or triple P&L's current rail rate, such truck costs would still be significantly less than what P&L would have to raise its rates to in order to offset the substantial costs that it would incur if rail service were to continue.

Accordingly, if P&L continues to operate the Line for the sole benefit of Boral, Boral's shipping costs will significantly increase. Thus, even though severe economic hardships due to a complete lack of viable transportation alternatives have served as grounds for denying petitions for exemption in the cases cited by Boral, such is not the case here and the Board should grant

the Petition for Exemption. *See Tulare Valley Railroad Company--Abandonment and Discontinuance Exemption--In Tulare and Kern Counties, CA*, STB Docket No. AB-397 (Sub-No.5x), 1997 STB LEXIS 37 (STB served Feb. 21, 1997); *Boston and Maine Corporation--Abandonment Exemption--In Hartford and New Haven Counties, CT*, STB Docket No. AB-32 (Sub-No.75X), 1996 STB LEXIS 361 (STB served Dec. 31, 1996).

2. Transloading Provides Boral With A Viable Alternative

In addition to using trucks as an alternative to shipping by rail, Boral can store and transload its bricks at one or more of three sites, all located about one mile from Boral's plant. In fact, Boral is well aware of this option, as its predecessor, Franklin Brick, had discussed using or altogether relocating to these and other nearby sites several times over the last ten years, as recently as February 12, 2003.⁶ *See generally*, Holloway V.S. Yet, Boral neglects to discuss evidence regarding other commercially appropriate locations where it could be served by rail and accommodate the needs of its business and its customers. *Compare* Petition *passim* with Protest at 5.

Specifically, as Boral well knows, it can use a site provided by the Paducah-McCracken County Riverport Authority (Riverport), located about one and a half miles from Boral's plant. Moreover, as Boral is also aware, P&L has two sites where Boral could store and transload its bricks -- the Littleville Yard and Kentucky Avenue locations -- each of which is located about one mile from Boral's plant. P&L has made clear that Boral could easily and inexpensively avail

⁶ On February 12, 2003, James T. Holloway, P&L Director of Marketing and Equipment, met with Scott Childress and Bill McAdoo of Franklin Brick and Ken Canter, Director of the Riverport. They discussed both Franklin Brick relocating to and transloading bricks at the Riverport. Childress was particularly interested in relocation as he thought the Riverport was a more visible location and would help sales. Canter later told Holloway that Childress subsequently talked to him about using the Riverport, and had indicated that he was planning to talk to the corporate office of Franklin Brick about this possibility. *See* Holloway V.S. Prior to these discussions, Franklin Brick and P&L had also discussed Franklin Brick's relocation to the Riverport and various other sites. *See* Letters in Attachment A-1.

itself of one or more of these facilities. Thus, the Decision was correct to find that Boral has several viable transportation alternatives to the Line and the Petition should be denied.

C. The Abandonment Will Not Violate the STB's Environmental Policies

The Petition fails to offer any credible evidence for its claim that abandonment of the line will cause a "severe detrimental impact" on air quality and run counter to the rail transportation policy "to encourage and promote energy conservation" as provided in 49 U.S.C. § 10101(14). Even assuming abandonment of the Line does result in an extra 275 truck shipments per year, an average of less than one shipment per day, the minimal environmental impact of such traffic does not justify reopening the Decision under the Board's rules. As the Environmental Report attached to P&L's Petition for Exemption made clear, P&L would not be exceeding the Board's stated thresholds requiring P&L to submit more detailed environmental data.⁷ Thus, Boral's accusation that the Decision's finding on the environmental issues was "material error" because P&L did not state how it arrived at its environmental conclusions is completely unwarranted. Petition at 8-9. Indeed, P&L has clearly established that abandonment would not have any significant environmental impact pursuant to the Board's guidelines and the Decision properly relied on this evidence when granting the exemption.

Moreover, Boral cites no cases supporting its contention that abandonment will adversely affect the environment, but merely proffers irrelevant and vague data regarding truck emissions. In fact, the Board has often granted petitions for exemption when abandonment would likely result in increased truck traffic. *See, e.g., Union Pacific Railroad Company--Abandonment Exemption--In Adams and Hall Counties, NE (Hansen Industrial Lead Between Hastings and*

⁷ For instance, P&L was not required to quantify the anticipated effect on air emissions since the proposed action would not result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase in at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment.

Hansen, NE), STB Docket No. AB-33 (Sub-No. 166X), 2001 STB LEXIS 494, (STB served May 21, 2001); *The Cincinnati, New Orleans and Texas Pacific Railway Company--Abandonment Exemption--In Cumberland and Roane Counties, TN*, STB Docket No. AB-290 (Sub-No. 208X), 2000 STB LEXIS 670, (STB served Nov. 15, 2000).

Likewise, while accusing the Decision of relying on P&L's incomplete data, Boral fails to back up its claim that abandonment would contravene the Board's energy conservation policy. Petition at 8. Not only does Boral fail to show that abandonment would result in increased energy consumption, even if it meant that Boral would have to exclusively use trucks to ship its bricks, Boral does not present any statute or cases to support its claim that a slight increase in energy consumption would have necessitated the denial of P&L's Petition for Exemption. Rather, Boral cites a case having absolutely nothing to do with contravention of energy policy and, as noted above, does not support reopening the Decision. *See* Petition at 9, *citing Olenhouse*, 42 F.2d at 1574. In reality, the Board has often granted petitions for exemption when abandonment would likely result in increased truck traffic, which, in turn, could lead to a slight increase in energy consumption. *See, e.g., Union Pacific Railroad Company*, 2001 STB LEXIS 494, *supra*; *The Cincinnati, New Orleans and Texas Pacific Railway Company*, 2000 STB LEXIS 670, *supra*. Even if there were a slight increase, it would not meet the level required by the Board's threshold test. *See* Decision at 3, fn. 4. As such, P&L is not required to file additional environmental information and there has been no violation of the Board's rules.

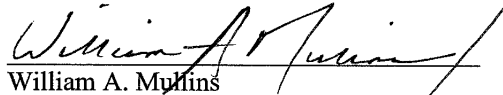
Even if Boral's concern about the environmental and energy impacts resulting from approximately 275 extra truck shipments per year was justified, however, Boral could easily and inexpensively use one or more of three sites to transload and store its bricks. Using these facilities would negate any adverse environmental and energy-related problems associated with a

few more trucks on the roads each week, thus alleviating Boral's concern over abandonment of the Line.

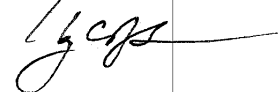
CONCLUSION

Boral's Petition accuses the Board of relying on incomplete or misleading information in the Decision, but fails to provide any contrary evidence or provides data that is wholly irrelevant, misleading and/or inaccurate. Boral has failed to show that the findings in the Decision had no basis in fact and thus, Boral has failed to demonstrate that the Decision's findings constituted "material error." The evidence already in the record and the information submitted in this Reply, however, have clearly established that granting P&L's Exemption was warranted. The Board should, therefore, deny Boral's Petition to Reopen.

Respectfully submitted, this 4th day of August, 2003.



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**Attorneys for
Paducah & Louisville Railway, Inc.**

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "Reply to Boral Brick, Inc.'s Petition to Reopen" in STB Docket No. AB-468 (Sub-No. 5X) by Paducah & Louisville Railway, Inc. was served on the parties listed below on the date indicated below by mailing a copy, first class mail postage prepaid.



Christine J. Sommer

August 4, 2003

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Transportation Engineering Agency
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EXHIBIT A

William A. Mullins
Christine J. Sommer
BAKER & MILLER PLLC
915 Fifteenth Street, NW
Suite 1000
Washington, D.C. 20005
Tel: (202) 637-9499
Fax: (202) 637-9394

August 4, 2003

Attorneys for
Paducah & Louisville Railway, Inc.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. AB-468 (SUB-NO. 5X)

**PADUCAH & LOUISVILLE RAILWAY INC.--
--ABANDONMENT EXEMPTION--
IN McCRACKEN COUNTY, KY**

**REPLY OF PADUCAH & LOUISVILLE RAILWAY, INC.
TO BORAL BRICK INC.'S PETITION TO REOPEN**

VERIFIED STATEMENT OF JAMES T. HOLLOWAY

1. My name is James T. Holloway. I am Director of Marketing & Equipment for the Paducah & Louisville Railway, Inc. ("P&L"). My business address is 1500 Kentucky Avenue, Paducah, KY, 42003. I am submitting this statement as part of P&L's Reply to Boral Brick, Inc.'s Petition to Reopen ("Reply").
2. On February 19, 2003, I met with Scott Childress of Franklin Brick (Boral Brick, Inc.'s predecessor) and Ken Canter, Director of the Paducah-McCracken County Riverport Authority ("Riverport"). We discussed the feasibility of Franklin Brick transloading brick at Riverport, as well as the possibility that Franklin Brick relocate its business to Riverport. Mr. Childress seemed particularly interested in relocation, as Mr. Childress thought Riverport was a more visible location and would help Franklin Brick's sales. Mr. Canter later told me that he spoke to Mr. Childress again about using Riverport and that Mr. Childress continued to express interest in using Riverport. In fact, according to Mr. Canter, Mr. Childress said that he was going to talk to the Franklin Brick corporate office about using Riverport. Documents supporting my understanding of these discussions are attached hereto as Attachment A-1.

VERIFICATION

I, James T. Holloway, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

8/4/03
Date

James T. Holloway, Jr.
James T. Holloway
Director of Marketing & Equipment
Paducah & Louisville Railway, Inc.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. AB-468 (SUB-NO. 5X)

**PADUCAH & LOUISVILLE RAILWAY, INC.
-- ABANDONMENT EXEMPTION --
IN McCRAKEN COUNTY, KY**

**REPLY OF PADUCAH & LOUISVILLE RAILWAY, INC.
TO BORAL BRICK INC.'S PETITION TO REOPEN**

ATTACHMENT A-1

William A. Mullins
Christine J. Sommer
BAKER & MILLER PLLP
915 Fifteenth Street Street, NW
Suite 1000
Washington, DC 20005
Tel. (202) 637-9499
Fax (202) 637-9495

August 4, 2003

Attorneys for
Paducah & Louisville Railway, Inc.



Paducah & Louisville Railway, Inc.

1500 Kentucky Avenue • Paducah, KY 42003 • (270) 444-4300

March 29, 2002

Mr. James West
Vice President
Franklin Brick
3657 Trousdale Drive
Nashville, TN 37204

Dear Mr. West:

It is with excitement that we at the Paducah & Louisville Railway learn of your renewed interest in relocating your Paducah, KY, brick distribution center to another, better, rail-served site in the area. We want to work with you in every way possible to make this happen---in the near future!

Helping you relocate to a better site would benefit both our businesses. Relocating you from the "old L&N Line" (which now serves only your facility) would eliminate your cost for surcharges on rail shipments, and, at the same time, allow the PAL to abandon that trackage, which is in much need of unjustifiable upgrading. Certainly Franklin Brick's sales should also improve at a more visible location.

I have ascertained that the following properties---all with adjacent rail---could be considered for your relocation (listed in order of cost, least expensive to the most):

Site #1 - "Littleville Yard":

Approximately 2 acres available for lease in "Littleville Yard" - unimproved property owned by the PAL - located between PAL main line and City Lead near "Littleville Crossing"; track and switches are in place; little, if any, additional would have to be expended for rail siding.

Owned by:	Paducah & Louisville Railway - Contact Marketing Department
Cost:	Nominal - insurance and lease required
Positives:	Good visibility to public from Beltline Highway 4-lane/US60&62; good highway access; little or no additional track expense
Negative:	Small in size; growth would be restricted by track along perimeters; not real favorable surrounding neighborhood.

Site #2 - "Old Boat Yard":

Some 4+ acres available for lease, or possibly sale - unimproved property owned by PAL - known as the "Old Boat Yard" just off Park Avenue near 9th Street; track is in place; road crossing is still there; switch is gone.

Owned by:	Paducah & Louisville Railway - Contact Marketing Department
Cost:	It would take approximately \$150,000 to track upgrade & switch; land cost (for sale or lease) is negotiable
Positives:	Good access to Business 1-24 (Park Avenue is westbound 2-lane); visible to public from Business 1-24; relatively inexpensive; track is already in place
Negative:	Restrictive in size; older neighborhood

Franklin Brick
Scott Childress (Pal)
James West
recy = 615-256-9291

5/16 - Mr. West
very concern
about cost -

Wants site
improved & take
all practice
for nothing

Will be in
town in
couple of m.

Sold him to
call for "old"
young" and.

Mr. James West
Franklin Brick
March 29, 2002
Page 2

Site #3 - Noonan Industrial Properties:

Approximately 9.730 acres unimproved land available for sale in Noonan Industrial Properties in Littleville area along Chester Hack Drive. PAL main line runs along northwest boundary of property.

Owned by: Noonan Properties - Contact Mike Noonan @ cell#407-579-2788
Cost: Approximately \$200,000 (Note: Installation of switch/spur additional)
Positives: Good access to Beltline Highway 4-lane/US60&62, utilizing Chester Hack Drive; good visibility to public from Beltline Highway overpass; in newer industrial area; size would allow for expansion of business
Negative: Cost; switch & spur would have to be installed

Site #4 - Paducah-McCracken County Riverport:

Approximately 5.6 acres of unimproved land in Paducah-McCracken County Riverport Industrial Park; on Wayne Sullivan Drive (Business I-24) at railroad crossing; spur serving Riverport along NE property line

Owned by: Harper Industries - Contact Tracey Shelby @ 270-442-2753
Cost: Approximately \$250,000 (probably somewhat negotiable)
(Note: Installation of switch/spur would be additional)
Positives: Very good visibility to public from Business I-24; a lot of traffic; in a newer industrial area; size would allow for expansion of business
Negative: Cost; switch & spur would have to be installed

Site #5 - Yingling Steel Building:

Approximately 1.75 acres plus 11,500 sq ft building with 1,000 ft office space (last occupied by Yingling Steel) on Old Cairo Road (Ky Highway 305); rail line ends adjacent and could be utilized for unloading with minimal expense, if any.

Owned by: Individual investors - Contact Anne Gwinn @ 270-442-5999
Cost: Approximately \$250,000 (Track work, if any, would be additional)
Positives: Large building in place; track in place; on 2-lane highway only a few miles from I-24 interchange; near Business I-24
Negative: Cost; less visibility

I will make myself available to accompany you on a site visit---if you so desire. Each site has been marked on the enclosed Paducah map. Also, further detail is enclosed for all sites except Site #5. Feel free to contact the individual property owners as indicated above regarding their sites. I will be glad to obtain any additional information you may need on the property owned by the Paducah & Louisville Railway or handle to consummate a lease or sale of those sites to Franklin Brick. P&L President & CEO Tony Reck will gladly entertain negotiations for the property owned by our company should either of those sites interest you.

Over ten years have passed since we first addressed the abandonment of the "old L&N line." The track serving your Paducah facility continues to deteriorate. We, therefore, encourage you more than ever to put this matter at the top of your company's agenda and open the doors of a new Franklin Brick facility in Paducah as soon as possible!

Mr. James West
Franklin Brick
March 29, 2002
Page 3

All of us here at the Paducah & Louisville Railway look forward to hearing from you further soon. We value your company's patronage. Relocation of your Paducah facility is, therefore, of utmost importance to us.

Sincerely,

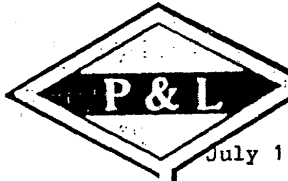
PADUCAH & LOUISVILLE RAILWAY, INC.



LaVira J. Boyarski
Mgr. Community Dev. & Marketing Services
Phone 502-444-4338; FAX #502-444-4388
E-mail at ljboyars@palrr.com

Ltr6903/Enclosures

cc Mr. A. V. Reck, President & CEO
Mr. D. B. Goewert, AVP Marketing & Sales
Mr. J. T. Holloway, Director Pricing
Mr. G. W. Phelps, Director Sales



PADUCAH & LOUISVILLE RAILWAY, INC.

1500 Kentucky Avenue, Paducah, KY 42001 (502) 444-4300

July 1, 1991

Mr. James West
Vice President
Franklin Brick Co.
3657 Trousdale
Nashville, TN 37204

Dear Mr. West:

As you probably know, the Paducah & Louisville Railway serves your company's facility on South Sixth Street here in Paducah. The spur leading to Franklin Brick links your facility to our "Norton Street Lead" which emanates from our main line, in the Littleville area, and extends to downtown Paducah, terminating at McCartney Produce near Second Street and Kentucky Avenue.

The Paducah & Louisville Railway faces a major upgrading of the "Norton Street Lead" costing an estimated \$150,000. Franklin Brick is the only current user of the line and we see no hope of securing other rail users.

We do appreciate the business we now handle into your facility. Unfortunately, however, the revenue earned by the PAL on these carloads of brick cannot come close to offsetting the cost of upgrading the line. The future of the line appears to be a net loss for the PAL.

We would like to help your company relocate your Paducah operation or possibly find another site for unloading your brick. We need to move quickly, for the line needs immediate repairs to allow us to continue handling cars into the South Sixth Street location. Since we feel the repair expense is not justified, we must examine our options and take prompt action---which will probably be abandonment proceedings.

If you plan to be in Paducah soon, I would like to meet with you; or, if need be, I can make a trip to Nashville. Please call me as soon as possible at (502)444-4441 to let me know how you would like to proceed on this issue. I look forward to hearing from you further.

Yours truly,

PADUCAH & LOUISVILLE RAILWAY, INC.

R. L. (Dick) Rushing
Vice President Marketing & Sales

RLR:ljb:Ltr40351

cc Mr. A. V. Reck Mr. D. E. Sill Mr. Gaylon James
Mr. Tom Garrett Ms. K. M. Donohue Mr. Dub Sandefur
Mr. Richard Rudd, Franklin Brick, P. O. Box 1143, Paducah, KY 42002

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. AB-468 (SUB-NO. 5X)

**PADUCAH & LOUISVILLE RAILWAY, INC.
-- ABANDONMENT EXEMPTION --
IN McCRAKEN COUNTY, KY**

**REPLY OF PADUCAH & LOUISVILLE RAILWAY, INC.
TO BORAL BRICK INC.'S PETITION TO REOPEN**

EXHIBIT B

William A. Mullins
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Tel. (202) 637-9499
Fax (202) 637-9495

August 4, 2003

Attorneys for
Paducah & Louisville Railway, In.

PADUCAH & LOUISVILLE RAILWAY
ESTIMATE ON REHABILITATION OF 5,780 FT OF THE L&N

LABOR:

Foreman -	340	hours	\$	17.67	hour	\$	6,007.80
Machine Operator -	480	hours	\$	16.46	hour	\$	7,900.80
Trackman -	2000	hours	\$	15.47	hour	\$	30,940.00
Welder -	0	hours	\$	17.67	hour	\$	-
Welder's Helper -	0	hours	\$	15.57	hour	\$	-
Signal Maintainer -	48	hours	\$	18.61	hour	\$	893.28
Signalman -	0	hours	\$	18.61	hour	\$	-
Lead Signalman -	0	hours	\$	18.71	hour	\$	-
	0	hours	\$	20.07	hour	\$	-

TOTAL LABOR \$ 45,741.88

PER DIEM (ENGINEERING) 40 days \$ 30.00 day \$ 3,360.00

PER DIEM (SIGNAL) 0 days \$ 4.00 day \$ -

OVERHEAD (171.94% on "LABOR" and "PER DIEM") \$ 84,425.77

MATERIALS:

Ties, 7x9 -	0	each	\$	-	each	\$	-
CROSSINGS	0	ft	\$	160.00	ft	\$	-
TIES 6X8	2000	each	\$	22.00	each	\$	44,000.00
Rail, #	0	foot	\$	2.50	foot	\$	-
Spikes -	45	keg	\$	32.00	keg	\$	1,440.00
Anchors -	0	each	\$	0.9146	each	\$	-
Welds -	0	each	\$	250.00	each	\$	-
Turnout, #10	0	each	\$	7,000.00	each	\$	-
Switchties -	4	set	\$	4,600.00	set	\$	18,400.00
BALLAST	1400	TONS	\$	9.50	TONS	\$	13,300.00
BLACKTOP	0	TONS	\$	120.00	tons	\$	-

TOTAL MATERIAL \$ 77,140.00

TOTAL INVOICE \$ 210,667.65

PADUCAH & LOUISVILLE RAILWAY
ESTIMATE ON CROSSING AT 8TH STREET ON L&N

LABOR:

Foreman -	72 hours	\$	17.67 hour	\$	1,272.24
Machine Operator -	48 hours	\$	16.46 hour	\$	790.08
Trackman -	96 hours	\$	15.47 hour	\$	1,485.12
Welder -	24 hours	\$	17.67 hour	\$	424.08
Welder's Helper -	24 hours	\$	15.57 hour	\$	373.68
Signal Maintainer -	0 hours	\$	18.61 hour	\$	-
Signalman -	0 hours	\$	18.61 hour	\$	-
Lead Signalman -	0 hours	\$	18.71 hour	\$	-
	0 hours	\$	20.07 hour	\$	-

TOTAL LABOR \$ 4,345.20

PER DIEM (ENGINEERING) 40 days \$ 30.00 day \$ 3,360.00

PER DIEM (SIGNAL) 0 days \$ 4.00 day \$ -

OVERHEAD (171.94% on "LABOR" and "PER DIEM") \$ 13,248.32

MATERIALS:

Ties, 7x9 -	0 each	\$	160.00 each	\$	-
CROSSINGS	36 ft	\$	160.00 ft	\$	5,760.00
PANNELS	1 each	\$	7,500.00 each	\$	7,500.00
Rail, #	0 foot	\$	2.50 foot	\$	-
Spikes -	0 keg	\$	28.00 keg	\$	-
Anchors -	0 each	\$	0.9146 each	\$	-
Welds -	0 each	\$	250.00 each	\$	-
Turnout, #10	0 each	\$	7,000.00 each	\$	-
Switchties -	0 set	\$	3,800.00 set	\$	-
BALLAST	150 tons	\$	9.50 tons	\$	1,425.00
BLACKTOP	30 tons	\$	120.00 tons	\$	3,600.00

TOTAL MATERIAL \$ 18,285.00

TOTAL INVOICE \$ 39,238.52

PADUCAH & LOUISVILLE RAILWAY

ESTIMATE ON CROSSING AT 9TH STREET ON L&N

LABOR:

Foreman -	72 hours	\$	17.67 hour	\$	1,272.24
Machine Operator -	48 hours	\$	16.46 hour	\$	790.08
Trackman -	96 hours	\$	15.47 hour	\$	1,485.12
Welder -	24 hours	\$	17.67 hour	\$	424.08
Welder's Helper -	24 hours	\$	15.57 hour	\$	373.68
Signal Maintainer -	0 hours	\$	18.61 hour	\$	-
Signalman -	0 hours	\$	18.61 hour	\$	-
Lead Signalman -	0 hours	\$	18.71 hour	\$	-
	0 hours	\$	20.07 hour	\$	-

TOTAL LABOR \$ 4,345.20

PER DIEM (ENGINEERING) 40 days \$ 30.00 day \$ 3,360.00

PER DIEM (SIGNAL) 0 days \$ 4.00 day \$ -

OVERHEAD (171.94% on "LABOR" and "PER DIEM") \$ 13,248.32

MATERIALS:

Ties, 7x9 -	0 each	\$	160.00 each	\$	-
CROSSINGS	36 ft	\$	160.00 ft	\$	5,760.00
PANNELS	1 each	\$	7,500.00 each	\$	7,500.00
Rail, #	0 foot	\$	2.50 foot	\$	-
Spikes -	0 keg	\$	28.00 keg	\$	-
Anchors -	0 each	\$	0.9146 each	\$	-
Welds -	0 each	\$	250.00 each	\$	-
Turnout, #10	0 each	\$	7,000.00 each	\$	-
Switchties -	0 set	\$	3,800.00 set	\$	-
BALLAST	150 tons	\$	9.50 tons	\$	1,425.00
BLACKTOP	30 tons	\$	120.00 tons	\$	3,600.00

TOTAL MATERIAL \$ 18,285.00

TOTAL INVOICE \$ 39,238.52

PADUCAH & LOUISVILLE RAILWAY

ESTIMATE ON 10TH STREET ON L&N

LABOR:

Foreman -	104 hours	\$	17.67 hour	\$	1,837.68
Machine Operator -	56 hours	\$	16.46 hour	\$	921.76
Trackman -	142 hours	\$	15.47 hour	\$	2,196.74
Welder -	40 hours	\$	17.67 hour	\$	706.80
Welder's Helper -	40 hours	\$	15.57 hour	\$	622.80
Signal Maintainer -	0 hours	\$	18.61 hour	\$	-
Signalman -	0 hours	\$	18.61 hour	\$	-
Lead Signalman -	0 hours	\$	18.71 hour	\$	-
	0 hours	\$	20.07 hour	\$	-

TOTAL LABOR				<u>\$</u>	6,285.78
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PER DIEM (ENGINEERING)	40 days	\$	30.00 day	\$	3,360.00
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PER DIEM (SIGNAL)	0 days	\$	4.00 day	\$	-
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OVERHEAD (171.94% on "LABOR" and "PER DIEM")				\$	16,584.95
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MATERIALS:

Ties, 7x9 -	0 each	\$	160.00 each	\$	-
CROSSINGS	80 ft	\$	160.00 ft	\$	12,800.00
PANNELS	1 each	\$	9,500.00 each	\$	9,500.00
Rail, #	0 foot	\$	2.50 foot	\$	-
Spikes -	0 keg	\$	28.00 keg	\$	-
Anchors -	0 each	\$	0.9146 each	\$	-
Welds -	0 each	\$	250.00 each	\$	-
Turnout, #10	0 each	\$	7,000.00 each	\$	-
Switchties -	0 set	\$	3,800.00 set	\$	-
BALLAST	200 tons	\$	9.50 tons	\$	1,900.00
BLACKTOP	110 tons	\$	120.00 tons	\$	13,200.00

TOTAL MATERIAL				<u>\$</u>	37,400.00
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TOTAL INVOICE				<u><u>\$</u></u>	63,630.73
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PADUCAH & LOUISVILLE RAILWAY

ESTIMATE ON 11TH STREET ON L&N

LABOR:

Foreman -	88 hours	\$	17.67 hour	\$	1,554.96
Machine Operator -	48 hours	\$	16.46 hour	\$	790.08
Trackman -	120 hours	\$	15.47 hour	\$	1,856.40
Welder -	32 hours	\$	17.67 hour	\$	565.44
Welder's Helper -	32 hours	\$	15.57 hour	\$	498.24
Signal Maintainer -	0 hours	\$	18.61 hour	\$	-
Signalman -	0 hours	\$	18.61 hour	\$	-
Lead Signalman -	0 hours	\$	18.71 hour	\$	-
	0 hours	\$	20.07 hour	\$	-

TOTAL LABOR

\$ 5,265.12

PER DIEM (ENGINEERING)

40 days \$ 30.00 day

\$ 3,360.00

PER DIEM (SIGNAL)

0 days \$ 4.00 day

\$ -

OVERHEAD (171.94% on "LABOR" and "PER DIEM")

\$ 14,830.03

MATERIALS:

Ties, 7x9 -	0 each	\$	160.00 each	\$	-
CROSSINGS	60 ft	\$	160.00 ft	\$	9,600.00
PANNELS	1 each	\$	8,500.00 each	\$	8,500.00
Rail, #	0 foot	\$	2.50 foot	\$	-
Spikes -	0 keg	\$	28.00 keg	\$	-
Anchors -	0 each	\$	0.9146 each	\$	-
Welds -	0 each	\$	250.00 each	\$	-
Turnout, #10	0 each	\$	7,000.00 each	\$	-
Switchties -	0 set	\$	3,800.00 set	\$	-
BALLAST	150 tons	\$	9.50 tons	\$	1,425.00
BLACKTOP	40 tons	\$	120.00 tons	\$	4,800.00

TOTAL MATERIAL

\$ 24,325.00

TOTAL INVOICE

\$ 47,780.15

PADUCAH & LOUISVILLE RAILWAY

ESTIMATE ON 12TH STREET ON L&N

LABOR:

Foreman -	72 hours	\$	17.67 hour	\$	1,272.24
Machine Operator -	48 hours	\$	16.46 hour	\$	790.08
Trackman -	96 hours	\$	15.47 hour	\$	1,485.12
Welder -	24 hours	\$	17.67 hour	\$	424.08
Welder's Helper -	24 hours	\$	15.57 hour	\$	373.68
Signal Maintainer -	0 hours	\$	18.61 hour	\$	-
Signalman -	0 hours	\$	18.61 hour	\$	-
Lead Signalman -	0 hours	\$	18.71 hour	\$	-
	0 hours	\$	20.07 hour	\$	-

TOTAL LABOR					<u>\$</u>	4,345.20
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PER DIEM (ENGINEERING)	40 days	\$	30.00 day		\$	3,360.00
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PER DIEM (SIGNAL)	0 days	\$	4.00 day		\$	-
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OVERHEAD (171.94% on "LABOR" and "PER DIEM")					\$	13,248.32
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MATERIALS:

Ties, 7x9 -	0 each	\$	160.00 each	\$	-
CROSSINGS	36 ft	\$	160.00 ft	\$	5,760.00
PANNELS	1 each	\$	7,500.00 each	\$	7,500.00
Rail, #	0 foot	\$	2.50 foot	\$	-
Spikes -	0 keg	\$	28.00 keg	\$	-
Anchors -	0 each	\$	0.9146 each	\$	-
Welds -	0 each	\$	250.00 each	\$	-
Turnout, #10	0 each	\$	7,000.00 each	\$	-
Switchties -	0 set	\$	3,800.00 set	\$	-
BALLAST	150 tons	\$	9.50 tons	\$	1,425.00
BLACKTOP	30 tons	\$	120.00 tons	\$	3,600.00

TOTAL MATERIAL					<u>\$</u>	18,285.00
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TOTAL INVOICE					<u><u>\$</u></u>	39,238.52
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PADUCAH & LOUISVILLE RAILWAY
ESTIMATE ON CROSSING AT PROCRIFT ON L&N

LABOR:

Foreman -	72 hours	\$	17.67 hour	\$	1,272.24
Machine Operator -	48 hours	\$	16.46 hour	\$	790.08
Trackman -	96 hours	\$	15.47 hour	\$	1,485.12
Welder -	24 hours	\$	17.67 hour	\$	424.08
Welder's Helper -	24 hours	\$	15.57 hour	\$	373.68
Signal Maintainer -	0 hours	\$	18.61 hour	\$	-
Signalman -	0 hours	\$	18.61 hour	\$	-
Lead Signalman -	0 hours	\$	18.71 hour	\$	-
	0 hours	\$	20.07 hour	\$	-

TOTAL LABOR:

\$ 4,345.20

PER DIEM (ENGINEERING)

40 days \$ 30.00 day

\$ 3,360.00

PER DIEM (SIGNAL)

0 days \$ 4.00 day

\$ -

OVERHEAD (171.84% on "LABOR" and "PER DIEM")

\$ 13,248.32

MATERIALS:

Ties, 7x9 -	0 each	\$	160.00 each	\$	-
CROSSINGS	36 FT	\$	160.00 FT	\$	5,760.00
PANNELS	1 each	\$	7,500.00 each	\$	7,500.00
Rail, #	0 foot	\$	2.50 foot	\$	-
Spikes -	0 keg	\$	28.00 keg	\$	-
Anchors -	0 each	\$	0.9146 each	\$	-
Welds -	0 each	\$	250.00 each	\$	-
Turnout, #10	0 each	\$	7,000.00 each	\$	-
Switchties -	0 set	\$	3,800.00 set	\$	-
BALLAST	150 tons	\$	9.50 tons	\$	1,425.00
BLACKTOP	30 tons	\$	120.00 tons	\$	3,600.00

TOTAL MATERIAL

\$ 18,285.00

TOTAL INVOICE

\$ 39,238.52

PADUCAH & LOUISVILLE RAILWAY
ESTIMATE ON CROSSINGS AT LITTLEVILLE ON L&N

LABOR:

Foreman -	216	hours	\$	17.67	hour	\$	3,816.72
Machine Operator -	80	hours	\$	16.46	hour	\$	1,316.80
Trackman -	672	hours	\$	15.47	hour	\$	10,395.84
Welder -	40	hours	\$	17.67	hour	\$	706.80
Welder's Helper -	40	hours	\$	15.57	hour	\$	622.80
Signal Maintainer -	0	hours	\$	18.61	hour	\$	-
Signalman -	0	hours	\$	18.61	hour	\$	-
Lead Signalman -	0	hours	\$	18.71	hour	\$	-
	0	hours	\$	20.07	hour	\$	-

TOTAL LABOR

\$ 16,858.96

PER DIEM (ENGINEERING)

40 days \$ 30.00 day

\$ 3,360.00

PER DIEM (SIGNAL)

0 days \$ 4.00 day

\$ -

OVERHEAD (171.94% on "LABOR" and "PER DIEM")

\$ 34,764.48

MATERIALS:

Crossing -	240	FT	\$	160.00	FT	\$	38,400.00
Ties, 7x9 -	0	each	\$	18.00	each	\$	-
PANNELS	4	each	\$	7,500.00	each	\$	30,000.00
Rail, #	0	foot	\$	2.50	foot	\$	-
Spikes -	0	keg	\$	28.00	keg	\$	-
Anchors -	0	each	\$	0.9146	each	\$	-
Welds -	0	each	\$	250.00	each	\$	-
Turnout, #10	0	each	\$	7,000.00	each	\$	-
Switchties -	0	set	\$	3,800.00	set	\$	-
BALLAST	300	each	\$	9.50	tons	\$	2,850.00
BLACKTOP	90	tons	\$	120.00	tons	\$	10,800.00

TOTAL MATERIAL

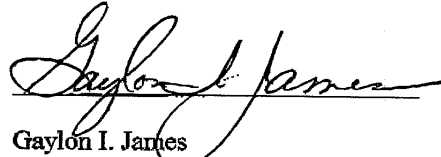
\$ 82,050.00

TOTAL INVOICE

\$ 137,033.44

VERIFICATION

I, Gaylon I. James, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

A handwritten signature in cursive script, reading "Gaylon I. James", is written over a horizontal line.

Gaylon I. James
A.V.P. -- Transportation & Labor
Paducah & Louisville Railway, Inc.