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2 August 2006  
by Express

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

Re: PYCO Industries, Inc. -- Feeder Line Application  
-- South Plains Switching, F.D. 34890; also  
tendered for Finance Dockets 34802, 34889, 34870, and 33753 (Sub-no. 1)

Shipper Comments: Due 2 August 06 in F.D. 34890

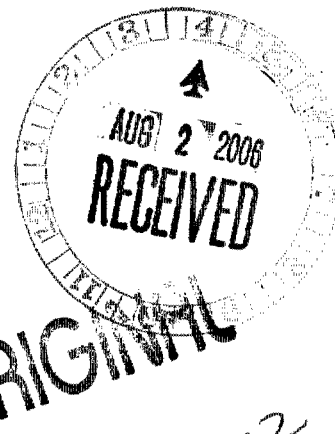
Dear Secretary Williams:

Enclosed please find a Compilation of Shipper Comments, submitted on behalf of listed shippers and PYCO Industries, Inc., for filing in F.D. 34890. Because many of the shipper comments reflect a pattern of retaliatory and abusive conduct on the part of incumbent rail provider South Plains Switching, Ltd. (SAW), PYCO also submits them as additional evidence in F.D. 34802, 34889, 34870, and 33742 (Sub-no. 1).

The following shipper comments are tendered herewith  
(Exhibit B to Compilation)

Floyd Trucking  
PYCO and Compress (joint letter)  
Attebury  
Goetz & Sons (South Plains Warehouses)  
International Fiber Packaging  
Hanson  
Stock Building Supply  
Wilkerson Storage  
Dodson Wholesale Lumber  
Pan Tex  
Weaver Grain

Please note that with these letters, a majority of shippers now indicate that they do not view SAW service as adequate. Floyd Trucking in its letter specifically requests that PYCO be permitted to acquire the entirety of SAW pursuant to its feeder line application. As indicated in the compilation, PYCO joins



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in that request. In its ruling of July 21, this Board allowed KJRY until August 4 to file an application for the entirety of SAW. SAW supported an extension for such a purpose. In light of the Board's ruling and SAW's support, there is no prejudice to SAW, nor need to delay the proceeding, if PYCO is permitted to pursue the entirety of SAW in this proceeding, as a majority of shippers now clearly desire and support.

PYCO continues to seek relief effective by October 23, the date PYCO's alternative service order expires.

By my signature below, I certify service upon the following counsel of record by express (next business day) delivery on the above date:

Thomas McFarland  
208 South LaSalle St., Suite 1890  
Chicago, IL 60604-1112 (SAW)

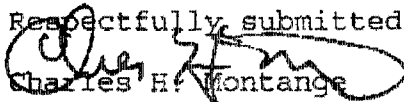
William A. Mullins  
Baker & Mullins  
2401 Pennsylvania Ave. NW #300  
Washington, D.C. 20037 (KJRY)

William Sippel  
Fletcher & Sippel  
29 North Wacker Drive, Suite 920  
Chicago, IL 60606-2875 (USRP)

John Heffner  
1920 N Street, NW #800  
Washington, DC 20036 (WTL)

Adrian Steel  
Mayer Brown Rowe & Maw  
1909 K Street, NW  
Washington, D.C. 20006-1101

Thank you for your assistance in this matter.

Respectfully submitted,  
  
Charles H. Montange  
for PYCO Industries, Inc.

Encls.

cc. Counsel (per above) (w/encl.)  
Mr. McLaren (w/encl.)

BEFORE THE  
SURFACE TRANSPORTATION BOARD

PYCO INDUSTRIES, INC. -- )  
FEEDER LINE DEVELOPMENT -- ) F.D. 34890  
SOUTH PLAINS SWITCHING LTD. ) (revision of F.D. 34844)

COMPILATION OF SHIPPER COMMENTS  
due: August 2, 2006

Under the procedural schedule issued by the Board for this proceeding in its decision served July 3, comments by shippers on PYCO Industries, Inc.'s (PYCO's) feeder line application and on competing applications (if any) are due on August 2, 2006. The due date for competing applications was July 18, 2006. No competing applications were filed on that date, although Keokuk Junction Railroad (KJRY), an affiliate of Pioneer Railcorp, on that day requested an extension until mid-August to file a competing feeder line application. PYCO opposed any extension. This Board (in a decision served July 21) nonetheless granted KJRY an extension until August 4 to file a competing feeder line application. As of August 1 (the date of this Compilation), no competing feeder line application has been filed.

As a courtesy to fellow shippers on incumbent railroad South Plains Switching, Ltd.'s (SAW's) system, PYCO forwards herewith comments by shippers on the SAW system.

I.

In its most recent pleading (filed July 31), SAW states that there are nineteen shippers on the SAW system. In the Director's Decision in F.D. 34844, dated June 2, 2006, at

footnote 9, the Director states there are "at least 19 identified shippers receiving rail service from SAW, including PYCO."<sup>1</sup> In SAW's "Motion for Rejection of Revised Feeder Line Application" in F.D. 34844, dated June 30, 2006, SAW presents a list of 23 alleged shippers (24 counting Weaver Grain). See SAW Motion, supra, Appendix 2. A copy of this SAW Appendix is attached to this Compilation as Exhibit A.

Of the 24 shippers or prospective shippers listed by SAW in Appendix 2, one (Farmrail) does not receive or ship goods by rail on the SAW system.<sup>2</sup> The SAW list thus contains at most 23 potentially bona fide shippers or prospective shippers. A total of 12 of the potentially 23 bona fide shippers/prospective shippers on the SAW list have already stated, and/or in the comments filed herewith in Exhibit B

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<sup>1</sup> The Director's decision bases the number 19 on F.D. 34802 (the alternative service proceeding). The Director states that "[a]s a party, PYCO clearly has access to the evidence in [the alternative service] proceeding." With respect, there was no discovery in the alternative service proceeding. SAW has thus far evaded any response to PYCO's discovery requests tendered in the feeder line proceeding (F.D. 34890 revised from F.D. 34844). All counts of shippers in F.D. 34802 derive directly or indirectly from unsworn assertions or representations by SAW.

<sup>2</sup> In its Appendix II, SAW lists Farmrail as a shipper on SAW. Farmrail is a shortline railroad. PYCO counsel accordingly contacted Mr. George Betke to determine why SAW might include him as a shipper. He responded (see email attached as Exhibit C) that his railroad "may" be a shipper in a technical sense because it stores out-of-service rail cars for third party shippers on the SAW lines. 49 U.S.C. § 10907 was designed to protect parties actually receiving or shipping goods on feeder lines, not other railroads storing out-of-service cars for third parties. Farmrail is thus not properly included as a shipper on the SAW list.

state, that they do not regard SAW service as adequate. The table below summarizes the situation:

Table One

| <u>Name of Shipper</u>                                  | <u>Number in SAW Appendix</u> | <u>Location of Comment</u> |
|---------------------------------------------------------|-------------------------------|----------------------------|
| PYCO Industries                                         | 2                             | F.D. 34802, passim         |
| Farmers Compress                                        | 15                            | F.D. 34890 FLA Ex.         |
| Attebury Grain                                          | 16                            | Same                       |
| Hi Plains Bag <sup>3</sup>                              | 23                            | F.D. 34844 FLA Ex.         |
| Hanson B. Materials                                     | 18                            | F.D. 34890 FLA Ex.         |
| Goetz (a/k/a<br>South Plains<br>Warehouse) <sup>4</sup> | 22                            | Ex. B                      |
| International<br>Fiber                                  | 14                            | Same                       |
| Stock Builders ( <u>see</u> note)                       | 11                            | Same                       |
| Wilkerson Storage                                       | 7                             | Same                       |
| Dodson Wholesale<br>Lumber ( <u>see</u> note)           | 4                             | Same                       |
| Pan Tex                                                 | 12                            | Same                       |
| Weaver Grain <sup>5</sup>                               | 24                            | Same                       |

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<sup>3</sup> See Director's decision in F.D. 34844, served June 2, 2006, at p 5 (PYCO has shown HPBB received inadequate service).

<sup>4</sup> SAW lists South Plains Warehouse as a shipper, but Goetz & Sons owns the South Plains Warehouse facilities. See Goetz email in Exhibit B.

<sup>5</sup> SAW lists Weaver Grain as a prospective shipper (SAW no. 25 in Exhibit A (Appendix II of SAW filing). Weaver Grain has supplied a comment indicating inadequate service by SAW and supporting PYCO, set forth in Exhibit B.

## Note to Table One

In its Motion to Reject, supra, SAW included letters on behalf of Stock Building Supply and Dodson Wholesale Lumber indicating satisfaction with SAW service. In his comment set forth in Exhibit B herein, Mr. Cox of Stock Building Supply states that:

"As with other shippers, I have personally experienced threats of retaliation in the form of removal of switches or rails if my company does not do what Larry Wisener, who runs SAW, wants. Under the circumstances, it is very difficult to take a public position adverse to SAW, for it may result in retaliation, which my company can ill afford to incur. But by the same token, the fact that we have been threatened with retaliation if we disagree renders SAW undependable and thus inadequate as a rail service provider."

Mr. Robert Dodson of Dodson Wholesale in his letter dated July 31 (contained in Exhibit B) states that Mrs. Wisener called his company, claiming that "PYCO was going to shutdown a portion of the track and keep Dodson from getting rail service" and that "Dodson's service would be lessened considerably." As a result of her repeated importuning, the traffic manager (Mr. Chavez) supplied SAW a letter. As president of Dodson, Mr. Dodson withdraws the earlier letter. He notes that

"Larry [Wisener], president of SAW, has personally threatened me in the past, saying he would take out my track and cut off any switching to our facility. In 35 years in business, it was the worst verbal assault I have ever taken. ... We [SAW shippers] have all lived under the fear that if we questioned or called, we would be retaliated against. These threats and the abusive manner in which he operates his business does not make me regard him as [an] adequate or reliable rail service provider for us. The main problem I had with writing this letter was that I was afraid I would be punished by SAW for speaking up about these problems."

SAW does not include Floyd Trucking on its list of shippers or prospective shippers. However, the Board has indicated that it sometimes considers prospective shippers for purposes of feeder line proceedings. Floyd Trucking Company is a such prospective shipper, and in his June 2 decision in F.D. 34844 at p 5, the Director has already found that PYCO has demonstrated that Floyd Trucking has received inadequate service from SAW.

Floyd Trucking supplies a comment (contained in Exhibit B) specifically requests that this Board allow PYCO Industries to acquire the entirety of SAW. Essentially all the shipper comments tendered herewith are consistent with the relief sought by Floyd Trucking.

In short, SAW's list in fact encompasses no more than 23 shippers (counting Weaver Grain, but excluding Farmrail). PYCO has submitted, or submits herewith, statements from 12 of the shippers on SAW's list that state service from SAW is inadequate. Every single shipper so stating supports PYCO's feeder line application. In addition, PYCO has submitted a Declaration, and submits herewith a statement, from Floyd Trucking to the same effect. With these comments, PYCO has thus conclusively demonstrated that a majority of shippers on SAW's lines (12 of 23 not counting Floyd Trucking; 13 of 24 counting Floyd Trucking) view SAW's service as inadequate.

If SAW has only 19 shippers as asserted in its most recent pleading, then 12 (or 13) of 19 is an even greater "majority of

shippers" representing herein and/or in prior statements that their service from SAW is no longer adequate or reliable.

PYCO reiterates that SAW management systematically intimidates its shippers by threatening economic or physical retaliation, and actually implementing retaliation. As a result, many shippers remain reluctant to "speak out" for fear of economically crippling loss of rail service from SAW while this feeder line application is pending. PYCO has repeatedly demonstrated SAW's abusive misconduct as to itself. Hi Plains Bag and Bagging supplied a Declaration (Exhibit L to FLA in F.D. 34844) so stating. Floyd Trucking so indicated (Exhibit H to FLA in F.D. 34844). The Dodson Wholesale and Stock Building Supply letters tendered herewith so indicate (Exhibit B to this Compilation). Indeed, Mr. Dodson stated that "[t]he main problem I had with writing [the letter contained in Exhibit B] was that I was afraid I would be punished by SAW for speaking out about these problems."

The Hanson Building Materials letter (set forth in Exhibit B to this Compilation, and submitted pursuant to 28 USC 1746) is another prime example of SAW's abusive use of market power in Lubbock. Mr. Hyer, Hanson's Vice President and General Counsel, notes that Hanson entered into a contract to supply aggregate in Lubbock, which contract required rail delivery.

"Hanson owns property [in Lubbock] adjacent to a rail siding which Hanson uses to receive aggregates by rail and stockpile the aggregates for delivery to its customers. ... The ownership of a site near a rail siding to receive and stockpile aggregates is, of course, an important commercial asset to Hanson, as it allows Hanson to ship aggregates by

rail to its customers in a convenient manner that some of Hanson's competitors are not able to offer.

"Without notice to or permission from Hanson, SAW unilaterally delivered aggregates from a competitor of Hanson to this site. When Hanson objected to this trespass, SAW threatened to cease service to Hanson. [Due to delay damages,] Hanson had little choice but to allow itself to be a victim of such SAW intimidation. ... SAW continued to deliver aggregates produced by Hanson competitors to this site, notwithstanding Hanson's objections."

But that is not all. Mr. Hyer states that "with rumors that Hanson might formally support PYCO's application," SAW made additional retaliatory threats:

"Hanson was recently threatened by SAW with spurious claims for back charges on shipments made over an unknown timeframe. We believe these threats were made to discourage Hanson from responding to the Board in this proceeding."

Mr. Hyer states that Hanson views SAW service as so inadequate that it prevents Hanson from "bidding jobs in [the Lubbock] market as long as SAW is the provider of the feeder rail service." This condition is hardly in the public interest; it serves to stifle legitimate competition.

The recent threats to Hanson are not unique. SAW has recently hit Farmers Compress with constructive placement/demurrage charges in apparent retaliation for its participation in support of PYCO's feeder line application. See Exhibit D. Given all the trackage available in the Compress for car storage and the sudden inception of the charge, such charges can only result from retaliatory manipulation by SAW (PYCO also experienced this abusive misconduct by SAW and it was one

of the reasons propelling PYCO into its alternative service petition in F.D. 34802). Of course, SAW also purported to transfer property in its rail yard to Larry Wisener d/b/a Choo Choo Properties, and Larry Wisener/Choo Choo for no rail reason whatsoever purported to terminate PYCO leases and licenses critical to PYCO's continued operation of rail-dependent Plant No. 1. This is an obvious and blatant retaliation by Wisener/SAW against PYCO.

Compounding the atmosphere of fear and intimidation which SAW has created among its shippers, SAW management appears to be misrepresenting PYCO's feeder line application. Mr. Dodson reports that Mrs. Wisener told his company that "PYCO was going to shutdown a portion of the track and keep Dodson from getting car service." See Dodson Wholesale letter dated July 31, 2006. Such statements by SAW are fundamentally untrue.

## II.

Although there are no competing applications on which to comment, and although KJRY has until August 4 to file a competing feeder line application, under the current schedule shippers have only until August 2 to file comments on competing feeder line applications. As this Board knows, PYCO seeks to complete this feeder line proceeding such that it may acquire the lines by October 23, 2006, because PYCO's alternative service order expires on that date. PYCO is already sustaining serious retaliatory blows from SAW (and from Larry Wisener/SAW's proxy Choo Choo), and certainly does not wish to be exposed to

the wrath of Wisener/SAW as its rail provider at the beginning of the cotton rush in late October. No shipper supplying a comment letter in support of PYCO's application wishes to be exposed to SAW's wrath at all, and as a result most would prefer a decision earlier than that date. In order to avoid any possible delay, PYCO (and other shippers) have attempted to adhere to the Board's schedule in comments on "competing applications."

As of this time, no competing application has been filed. However, KJRY may file such an application, although so far as we are aware, it has not been in touch with any of the shippers commenting herein. Based on research to date, all shippers speaking to the subject in their comments herein are opposed to any competing feeder line application filed by KJRY. Comments in opposition to KJRY are contained in the following letters:

Table Two  
Specific Opposition to KJRY

|                       |           |
|-----------------------|-----------|
| PYCO                  | Exhibit B |
| Compress              | Same      |
| Attebury              | Same      |
| Pan Tex               | Same      |
| Weaver Grain          | Same      |
| Dodson Wholesale      | Same      |
| Stock Building Supply | Same      |
| Wilkerson Storage     | Same      |
| Floyd Trucking        | Same      |

Based on the above and its discussions to date with shippers in Lubbock, the Board can be reasonably assured that KJRY will not find a majority of shippers to support any "competing" application which it purports to make for all of

SAW.

KJRY initially expressed interest in acquiring all of SAW, falsely accusing PYCO of "cherry picking" in respect to Alternative Two (the PYCO, Attebury, Compress portion of the SAW lines). When PYCO objected to KJRY's characterizations and the scope of its proposed possible competing application, KJRY stated it would consider an application for Alternative Two as well.

As PYCO has explained, Pioneer Railcorp's (KJRY) general counsel indicated to PYCO's Lubbock counsel that Pioneer's interest in this proceeding had been invited by SAW. Pioneer's (KJRY's) pleadings to date not only indicate a lack of knowledge about the needs of PYCO or any other shippers on the SAW's lines, but a cavalier disregard of shipper interests. It is hardly surprising that shippers have no interest in KJRY as their feeder carrier. PYCO continues to oppose any further KJRY involvement in this proceeding. Based on research to date, the shippers commenting have concluded that KJRY would not be an improvement over SAW. At this point, PYCO is certain that it is impossible for KJRY to assemble a majority of shippers in support of any meaningful feeder line application which it might file.

As to KJRY's tardy expression of designs on Alternative Two, all three shippers in Alternative Two oppose SAW. KJRY's involvement is simply a manipulation of the process contrary to the interests of shippers and the purposes and intent of 49

U.S.C. § 10907. It is contrary to the public convenience and necessity.

PYCO (and the shippers herein) reserve the right to comment further in opposition to KJRY should it in fact purport to file a feeder line application on August 4.

### III.

In this Board's July 21 decision in this docket, the Board indicated that KJRY would have until August 4 to file a competing application for the entirety of SAW lines so long as KJRY had the support of a majority of shippers. The Board issued its ruling allowing KJRY to attempt to assemble support through August 4 with the support of SAW. Surely then there is no prejudice to SAW, or anyone else allied with SAW, if PYCO (which now has the affirmative support of a majority of shippers) is permitted to acquire the entirety of the SAW lines.<sup>6</sup> Moreover, that would put to rest SAW's and KJRY's utterly spurious claims that PYCO is cherry-picking. PYCO thus supports and joins in the request by Floyd Trucking (see Floyd Trucking's letter in Exhibit B) that PYCO's feeder line

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<sup>6</sup> In addition, the letters contained in Exhibit B contain ample support for PYCO's earlier argument to this Board that in the atmosphere of intimidation and economic retaliation which SAW has created in Lubbock, PYCO should be permitted to show that service is inadequate as to a majority of shippers on SAW's lines by means other than actual statements of inadequacy by individual shippers. In a climate of fear and retaliation, shippers are economically prohibited from speaking out. Several additional shippers have informed PYCO that they would provide letters but for adverse impact of SAW retaliation against them before this Board acts, especially since no particular result is guaranteed in advance by this Board.

application be accepted as to the entirety of SAW, just as this Board indicated that it was prepared to accept a supported competing feeder line application for the entirety of SAW from KJRY.

Since the Board anticipated relief putting a new feeder line operation in place in Lubbock by October 23 if KJRY were to file an acceptable competing application for the whole of SAW by August 4, PYCO foresees no problem in affording relief if PYCO is allowed, as it originally sought, now to acquire the entirety of SAW. PYCO notes that its interest in expeditious procedures to complete this proceeding is shared by virtually all the shippers providing comments filed herewith. All shippers providing comments herein are either already subject to SAW retaliation, or fear soon to be, because of their position in support of PYCO. Prolonging the proceeding will simply prolong and expand the economic damage SAW is inflicting in Lubbock.

Respectfully submitted,  
  
Charles H. Montange  
for PYCO Industries, Inc.  
426 NW 162d St.  
Seattle, WA 98177  
(206) 546-1936  
fax: -3739

Of counsel:

Gary McLaren, Esq.  
Phillips & McLaren  
3305 66th St., Suite 1A  
Lubbock, TX 79413  
(806) 788-0609  
for PYCO Industries, Inc

Exhibit A -- SAW "Appendix II" list of shippers

Exhibit B -- Shipper letters

Exhibit C -- Farmrail e-mail

Exhibit D -- Compress statement

Exhibit A

Finance Docket No. 34844

## APPENDIX 2

**South Plains Switching, Ltd. Co.**  
**P. O. BOX 64299 LUBBOCK, TEXAS 79464**  
**PHO: (806)828-4841 FAX: (806)828-4863**

JUNE 15, 2006

## List of SAW Customers:

- |                                |                                                                     |
|--------------------------------|---------------------------------------------------------------------|
| 1) Farmrail                    | 13) Blue Linx                                                       |
| 2) PYCO                        | 14) International Fiber Products                                    |
| 3) Teinert Metals, Inc.        | 15) Farmers Compress                                                |
| 4) Dodson Lumber               | 16) Attebury Grain                                                  |
| 5) Russell E. Wornack          | 17) Southern Cotton Oil                                             |
| 6) 84 Lumber                   | 18) Hanson Aggregate                                                |
| 7) Wilkerson Storage           | 19) Brite Trucking                                                  |
| 8) Vulcan Materials            | 20) ABC Supply                                                      |
| 9) Acme Brick                  | 21) Dynamic Foods                                                   |
| 10) Robertson Bonded Warehouse | 22) South Plains Warehouse                                          |
| 11) Stock Builders             | 23) Hi Plains Bag and Bagging                                       |
| 12) Pantex                     | Soon to be 24) Weaver Grain Company<br>(sent track lease yesterday) |

Exhibit B

26 July 2006  
by Express

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

Re: PYCO Industries, Inc. -- Feeder Line Application  
-- South Plains Switching, F.D. 34890

Support for PYCO acquisition of "all-SAW"; due Aug.  
2, 2006

Dear Secretary Williams:

This letter is on behalf of Floyd Trucking Company, of which I am president. Floyd Trucking has previously supplied a statement in support of PYCO's feeder line application, indicating that we viewed service by South Plains Switching, Ltd. (SAW) as inadequate. We have simply been unable to obtain service from SAW despite exhaustive efforts.

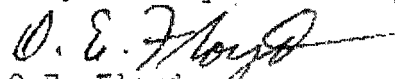
Floyd Trucking continues to support PYCO's feeder line application, and moves and requests this Board to allow PYCO to acquire the entirety of SAW's lines as PYCO originally requested in F.D. 34844. SAW's senior management has threatened retaliation against many shippers in Lubbock if they do not do as SAW tells them to do. Because they are afraid of what will happen to them if this Board does not allow PYCO to acquire the line, they have been reluctant to step forward with their own stories of service inadequacy. We believe that a majority of shippers on the line have suffered periods of service inadequacy, and certainly have experienced the kinds of threats and intimidation that cause SAW's service to be unreliable and inadequate.

Floyd Trucking does not support the efforts of Keokuk Junction Railway Company (KJRY) to file a "competing" feeder line application. KJRY and its parent have a reputation for litigiousness and that is one of the characteristics that make working with SAW so difficult. We are convinced that the best way

to remedy the adversities faced by shippers in Lubbock is to switch to a system owned by local shippers.

Floyd Trucking does not wish to see any delays in this proceeding. We believe that the Board should allow PYCO to acquire the entire SAW system, and to complete that acquisition before the date PYCO has requested: October 23, 2006. We do not wish to be left with SAW as our rail non-provider.

Respectfully submitted,



O.E. Floyd  
Floyd Trucking

cc. Thomas McFarland  
208 S. LaSalle St., Suite 1890  
Washington, D.C. 60604-1112 (for SAW)

William A. Mullins  
2401 Pennsylvania Ave., N.W., Suite 300  
Washington, D.C. 20037 (for KJRY)

Charles H. Montange  
426 NW 162d St.  
Seattle, WA 98177 (for PYCO)

31 July 2006  
by Express

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

Re: PYCO Industries, Inc. -- Feeder Line Application  
-- South Plains Switching, F.D. 34890

Joint Comment on KJRY Proposal  
for filing August 2, 2006

Dear Secretary Williams:

This comment is jointly made by Farmers Cooperative Compress and PYCO Industries, Inc. Both companies support the feeder line application filed by PYCO Industries, Inc., and oppose any feeder line application filed by or on behalf of Keokuk Junction Railway (KJRY) in this proceeding.

In the Board's decision of July 3, the Board authorized PYCO to proceed with a feeder line application for "Alternative Two" and turned down PYCO's appeal of the Director's decision in connection with the feeder line application for the entirety of SAW on the ground that a majority of shippers for the "all-SAW" alternative had not supplied letters indicating that service by incumbent switch railroad South Plains Switching, Ltd. (SAW) was inadequate for themselves.

Under Alternative Two, PYCO would acquire all lines serving Attebury, Compress and PYCO on the east side of the BNSF mainline, plus sufficient lines to serve PYCO plant no. 1 on the west side of the BNSF mainline. While PYCO and Compress are prepared to proceed with Alternative Two, we believe that the interests of shippers in Lubbock are best served if PYCO is allowed to acquire all the SAW lines. PYCO plans to rehabilitate the lines and, on the basis of initial studies, believes that several simple upgrades and connections can be made to improve service not only to PYCO and Compress but for all shippers. A number of shippers have been in touch to request that PYCO continue to express interest in acquiring the entire SAW property. In light of the Board's decision on July 21, which appears to allow KJRY the

opportunity to file a "competing" feeder line application for the entirety of SAW, PYCO understands that the Board regards the all-SAW alternative as still available. PYCO accordingly requests (and Compress support the request) that its feeder line application be treated as applicable for the entirety of SAW should a majority of shippers file statements indicating support for the application in a form acceptable to STB for that purpose. That is, if a majority of shippers for the all-SAW alternative indicate that SAW service is inadequate, then PYCO and Compress desire that the Board authorize acquisition of same by PYCO. There is no prejudice to SAW or any other party or potential party given that KJRY has already been authorized to pursue such a course with the written support of SAW, and with the view of completing the entire feeder line process by October 23.

Compress and PYCO are concerned that the feeder line process not be delayed. This Board by now has extensive indications that current SAW management threatens and takes retaliatory action against shippers taking positions that SAW does not like. None of our companies wishes to be exposed to retaliation for any longer than absolutely necessary to complete this proceeding. Moreover, PYCO's alternative service order expires on October 23, 2006. The actions of SAW management to date indicate a desire by SAW to retaliate against PYCO by any means available.

Compress and PYCO oppose KJRY's efforts to file a "competing" application for (1) all of SAW's lines, or (2) Alternative Two lines. According to statements made by Mr. LaKemper of KJRY to Mr. McLaren (PYCO's and Compress' Lubbock attorney), SAW invited KJRY to show interest in SAW's lines. To the best of our knowledge, no shipper invited or supported KJRY's interest. KJRY has so far provided no information to Compress, or PYCO to indicate it could do a better job than SAW, much less PYCO, as owner and provider of rail service over the lines. Based on our research to date, we see no reason to prefer KJRY over SAW, and certainly no reason to prefer KJRY over a shipper-owned switching railroad serving us.

In short, we support PYCO's feeder line application. If a majority of shippers files statements that meet this Board's standards to permit a feeder line application for all-SAW, then we support PYCO's acquisition of the entire SAW system. We believe that will improve rail service for all shippers, and facilitate rehabilitation and reconfiguration of the lines to better serve us

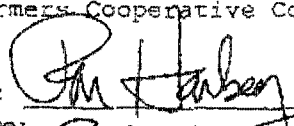
as well as other shippers. We oppose KJRY's requests for delay to file competing feeder line applications, and we oppose any competing feeder line application which KJRY does file. By this point, it is obvious that any application by KJRY has its genesis and intent in purposes other than improving service to shippers.

We specifically also oppose any KJRY competing feeder line application for "Alternative Two." KJRY lacks any shipper support for such an application, because we are the shippers under Alternative Two. We were not consulted concerning such an application, do not seek it, and do not support it. At this point, it is contrary to our legitimate efforts to ensure not just adequate service but also what we believe will be much improved service.

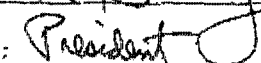
We support a prompt resolution of this feeder line proceeding allowing PYCO acquisition by October 23.

Respectfully submitted,

Farmers Cooperative Compress

by: 

Name:

Title: 

PYCO Industries, Inc.

by: 

Name:

Title: 

cc. Thomas McFarland  
208 S. LaSalle St., Suite 1890

Washington, D.C. 60604-1112 (for SAW)

William A. Mullins  
2401 Pennsylvania Ave., N.W., Suite 300  
Washington, D.C. 20037 (for KJRY)

Charles H. Montange  
426 NW 162d St.  
Seattle, WA 98177 (for PYCO)

# Attebury Grain, LLC

P.O. BOX 2707 - AMARILLO, TEXAS 79105  
Capacity Over 150,000,000 Bushels  
Telephone: (806) 335-1639  
Fax: (806) 335-1185

July 27, 2006

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

Re: PYCO Industries, Inc.  
Feeder Line Application - South Plains Switching, F.D. 34890

## COMMENT ON KJRY'S PROPOSAL FOR FILING AUGUST 2, 2006

Dear Secretary Williams:

This comment is made by Attebury Grain, LLC ("Attebury"). Attebury supports the feeder line application filed by PYCO Industries, Inc. ("PYCO"), and opposes any feeder line application filed by or on behalf of Keokuk Junction Railway ("KJRY") in this proceeding to the extent it would be inconsistent with PYCO's application.

It is our understanding that the Board decided on July 3, 2006, to authorize PYCO to proceed with a feeder line application for "Alternative Two" and turned down PYCO's appeal of the Director's decision in connection with the feeder line application for the entirety of SAW on the ground that a majority of shippers for the "all-SAW" alternative had not supplied letters indicating that service by incumbent switch railroad South Plains Switching, Ltd. ("SAW") was inadequate.

As we understand it, under Alternative Two, PYCO would acquire all lines serving Attebury, as well as Farmers Cooperative Compress and PYCO, on the east side of the BNSF mainline. While it is primarily important to us that PYCO's application for Alternative Two be granted, Attebury also supports PYCO's attempt to acquire all the SAW lines. We believe that PYCO would improve service to Attebury and other shippers if it acquires the SAW lines.

We oppose KJRY's efforts to file a "competing" application for (1) all of SAW's lines, or (2) the Alternative Two lines. To the best of our knowledge, no shipper invited or

**MEMBER:** National Grain and Feed Association, Texas Grain and Feed Association,  
Oklahoma Grain and Feed Association, Panhandle Grain and Feed Association,  
Kansas Grain and Feed Association.

supported KJRY's interest in SAW's lines. At this point, we see no reason to prefer KJRY over SAW, and we would prefer having PYCO own and provide rail service to us.

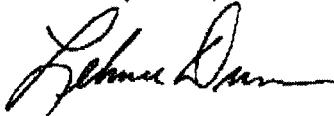
Attebury is concerned that the feeder line process may be delayed. Any further delay in the application process would continue the uncertainty of the current situation.

In short, we support PYCO's feeder line application. If a majority of shippers file statements that meet the Board's standards to permit a feeder line application for all of the SAW lines, then we support PYCO's acquisition of the entire SAW system. We believe that will improve rail service for all shippers, and facilitate rehabilitation and reconfiguration of the lines to better serve us as well as other shippers. We oppose any request by KJRY for delay to file competing feeder line applications, and we oppose any competing feeder line application filed by KJRY for Alternative Two or all the SAW lines.

We appreciate your consideration of this matter and request a prompt resolution.

Respectfully submitted,

Attebury Grain, LLC



Lehmer Dunn  
Vice President



POST OFFICE BOX 740685  
DALLAS, TEXAS 75374-0685

July 13, 2006

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

Re: PYCO Industries, Inc -feeder Line Application-  
South Plains Switching, F.D. 34890 and F.D. 34844

Dear Mr. Secretary:

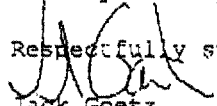
PYCO Industries, Inc., originally filed a feeder line application for all of the SAW system, if possible, and if not for what is called Alternative Two. In its decision in the above docket dated July 3, 2006, STB allowed the feeder line application to go forward for Alternative Two only, on the ground that a majority of shippers had not filed statements indicating that they believed SAW service was inadequate.

We the undersigned shipper concur that service by SAW is no longer adequate or reliable as to ourselves. As PYCO shows in its Feeder Line Application, there are instances in which SAW management has "blown up" at shippers who raise issues with their services, and has threatened retaliation. This has happened to both large shippers (PYCO itself) as well as small shippers (Hi Plains Bag and Bagging). In addition, prospective shippers have been stymied by SAW in obtaining service, as explained by Floyd Trucking in its statement filed in the proceeding. We are aware that SAW is actually now taking numerous actions to degrade PYCO's business in response to PYCO's efforts to secure adequate rail service. When a switching railroad takes these kinds of actions toward both the big and small, it can no longer be regarded as reliable nor may its service be regarded as adequate by any of its shippers, for all of us may at any point become the subject of similar retaliation and service degradation.

We accordingly support PYCO's feeder line application. We ask only that STB allow the entire SAW system to be transferred and not simply limit the transfer to Alternative Two. Nothing herein shall be viewed as opposing Alternative Two if that is all that the Board will permit. However, we believe that rail service may best be supplied if the feeder line process applies to the entire SAW system.

Thank you for your assistance in this matter.

Respectfully submitted,

  
Jack Goetz.  
President

**c.montange**

---

**From:** "c.montange" <c.montange@verizon.net>  
**To:** "c.montange" <c.montange@verizon.net>  
**Sent:** Monday, July 31, 2006 3:48 PM  
**Subject:** Fw: Railroad / South Plains Warehouses

**From:** Jack Goetz [mailto:jack@linters.com]  
**Sent:** Monday, July 31, 2006 4:50 PM  
**To:** Robert Lacy  
**Cc:** Dan Goetz  
**Subject:** Railroad / South Plains Warehouses

July 31, 2006 e-mail 06-JG228  
**To:** Pyco Industries  
**Attn:** Robert Lacy

Robert:

As advised, GTZ, Inc., the property holding company that Jack and Dan Goetz own, purchased the South Plains Warehouses at 706 E 42nd, 710 E 42nd and 718 E 42nd in April or May of 2003. Our survey is dated April 1, 2003.

We of course support the Pyco Application to take over the SAW. If you need a formal letter to this effect, kindly advise and we will send one to Mr. Montange in Seattle.

If you need anything further, please do not hesitate to ask.

Kind regards/Jack Goetz

Goetz and Sons, Inc  
Phone - 214 363 2700 ext 104  
Email - jacob@linters.com

8/1/2006

**International Fiber Packaging**

1275 Shiloh Rd. N.W., Suite 2020

Kennesaw, GA 30144

678-302-6795 • 800-851-4026

FAX 678-302-6798

July 17, 2006

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

Re: PYCO Industries, Inc -Feeder Line Application\_  
South Plains Switching, F.D. 34890 and F.D. 34844

Dear Mr. Secretary:

PYCO Industries, Inc., originally filed a feeder line application for all of the SAW system, if possible, and if not for what is called Alternative Two. In its decision in the above docket dated July 3, 2006, STB allowed the feeder line application to go forward for Alternative Two only, on the ground that a majority of shippers had not filed statements indicating that they believed SAW service was inadequate.

We the undersigned shipper concur that service by SAW is no longer adequate or reliable as to ourselves. As PYCO shows in its Feeder Line Application, there are instances in which SAW management has "blown up" at shippers who raise issues with their services, and has threatened retaliation. This has happened to both large shippers (PYCO itself) as well as small shippers (Hi Plains Bag and Bagging). In addition, prospective shippers have been stymied by SAW in obtaining service, as explained by Floyd Trucking in its numerous actions to degrade PYCO's business in response to PYCO's efforts to secure adequate rail service. When a switching railroad takes these kinds of actions toward both the big and small, it can no longer be regarded as reliable nor may its service be regarded as adequate by any of its shippers, for all of us may at any point become the subject of similar retaliation and service degradation.

We accordingly support PYCO's feeder line application. We ask only that STB allow the entire SAW system to be transferred and not simply limit the transfer to Alternative Two. Nothing herein shall be viewed as opposing Alternative Two if that is all that the Board will permit. However, we believe that rail service may best be supplied if the feeder line process applies to the entire SAW system.

Thank you for your assistance in this matter.

Respectfully submitted,

Bart Daniel  
President



August 1, 2006

Hanson Building  
Materials America, Inc.

Michael H. Hyer  
Vice President  
& General Counsel

8505 Freepoint Pkwy, Suite 138  
Irving  
TX 75063  
Tel 469 417 1300  
Fax 469 417 1487  
michael.hyer@hansonamerica.com

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

Re: PYCO Industries, Inc. - Feed Line Application  
South Plains Switching, F.D. 34890 and F.D. 34844

Dear Mr. Secretary:

Hanson Aggregates, Inc., a unit of Hanson PLC, a UK based construction materials company, is one of the largest producers of construction grade aggregates in the United States. Construction aggregates are most commonly used in the manufacture of concrete and asphalt and in the construction of roads and other improvements essential to our nation's infrastructure.

Hanson has shipped construction aggregates into the Lubbock, Texas market by rail using the services provided by South Plains Switching, Ltd. ("SAW"). We understand that PYCO Industries, Inc. has filed a feeder line application for all of the SAW system and, in the alternative, for less than the entire system (what has been labeled "Alternative Two"). We also understand that the Board determined to allow the application to go forward only on Alternative Two on the grounds that a majority of the shippers had not filed statements indicating that the existing SAW service was inadequate.

Hanson does not believe that the service by SAW is adequate or reliable. Hanson supports the PYCO application and requests that its application be granted for the entire system.

Hanson has had extensive experience with SAW and has not found the service to be adequate or in the public interest. For example, in 2005 Hanson entered into contractual commitments to supply construction aggregates from its Davis and Pedemal quarries to customers in Lubbock, Texas for use in certain highway construction projects. The terms of the contract provided for deliveries to be made by rail, the only practical means for shipment. Hanson owns property adjacent to a rail siding which Hanson uses to receive aggregates by rail and stockpile the aggregates for delivery to its customers. Deliveries under these contracts were made via that Hanson rail terminal in Lubbock. The ownership of a site near a rail siding to receive and stockpile aggregates is, of course, an important commercial asset to Hanson, as it allows Hanson to ship aggregates by rail to its customers in a convenient manner that some of Hanson's competitors are not able to offer.

Without notice to or permission from Hanson, SAW unilaterally delivered aggregates from a competitor of Hanson to this site. When Hanson objected to this trespass, SAW threatened to cease service to Hanson. As Hanson and its contractor customer could incur significant delay damages if the highway project were delayed due to an interruption in rail shipments and there was no alternative to SAW, Hanson had little choice but to allow itself to be a victim of such SAW intimidation. In fact SAW continued to deliver aggregates produced by Hanson competitors to this site, notwithstanding Hanson's objections.

Moreover, with rumors that Hanson may formally support PYCO's application, Hanson was recently threatened by SAW with spurious claims for back charges on shipments made over an unknown timeframe. We believe these threats were made to discourage Hanson from responding to the Board in this proceeding.

Hanson does not now have any contracts requiring shipments of aggregates into the Lubbock market and rail deliveries is the only practical means of shipment for Hanson into this market. Hanson would like to bid jobs in the market and believes it would be in the public interest for Hanson to be a supplier to this market. However, with its past experience, Hanson has no interest in bidding jobs in this market as long as SAW is the provider of the feeder rail service.

Accordingly, we support PYCO's feeder line application for the entire system and urge its approval by the Board.

Pursuant to 28 USC 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing to my knowledge and belief is true and correct.

Yours very truly,



Michael H. Hyer  
Vice President-General Counsel  
Hanson Aggregates, Inc.

**STOCK Building Supply**  
A KJRY COMPANY

Hon. Vernon Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001  
Re: PYCO Industries, Inc. -- Feeder Line Application  
-- South Plains Switching, F.D. 34890  
Shipper comment/request; due Aug. 2, 2006

Dear Secretary Williams:

In response to a request by South Plains Switching, Ltd. (SAW), which provides local railroad switching services to Stock Building Supply; I furnished a letter of support dated May 22, 2006. However, several recent developments require us to reconsider our position. In particular, it is my understanding that PYCO Industries is proceeding with a feeder line application for all or portions of the SAW system, and that SAW itself appears to be supporting a competing application which Keokuk Junction Railway company (KJRY) indicates it wishes to file.

As with other shippers, I have personally experienced threats of retaliation in the form of removal of switches or rails if my company does not do what Larry Wisener, who runs SAW, wants. Under these circumstances, it is very difficult to take a public position adverse to SAW, for it may result in retaliation, which my company can ill afford to incur. But by the same token, the fact that we have been threatened with retaliation if we disagree renders SAW undependable and thus inadequate as a rail service provider. We believe that a shipper owned railroad managed to serve the shipper community is in the best interest of all shippers, and thus support PYCO's application to acquire all of the lines of SAW, and we request that this Board allow PYCO to do so. On the other hand, we do not support KJRY's competing efforts. We do not believe that KJRY will result in materially better conditions than those we are experiencing with saw.

Enclosed find our copy of day's railcars were in Lubbock and not in our yard.

Respectfully submitted,  
Jackie Cox  
West Texas Market Manager



cc. Thomas McFarland  
208 S. LaSalle St., Suite 1890  
Washington, D.C. 60604-1112 (for SAW)  
William A. Mullins  
2401 Pennsylvania Ave., N.W., Suite 300  
Washington, D.C. 20037 (for KJRY)  
Charles H. Montange  
426 NW 162d St.  
Seattle, WA 98177 (for PYCO)

| RAIL CARS JULY 06 |         |         |          |
|-------------------|---------|---------|----------|
| CAR #             | IN LUBB | IN YARD | Days Out |
| ALM531754         | 10-Jul  | 13-Jul  | 3        |
| AOK29570          | 2-Jul   | 11-Jul  | 9        |
| CLC9751           | 2-Jul   | 7-Jul   | 5        |
| CLC10019          | 24-Jun  | 25-Jun  | 1        |
| NOKL733782        | 3-Jul   | 11-Jul  | 8        |
| TOE4043           | 3-Jul   | 17-Jul  | 14       |
| TTZX86461         | 3-Jul   | 18-Jul  | 15       |
| WC37783           | 7-Jun   | 19-Jul  | 12       |
| TTZX862354        | 17-Jul  | 19-Jul  | 2        |
| TTZX87343         |         |         |          |
| DWC626595         | 21-Jul  | 27-Jul  | 6        |
| TOE4200           | 22-Jul  | 28-Jul  | 6-Jan    |
|                   |         | AVG     | 7.3636   |



P.O. BOX 1525

LUBBOCK, TEXAS 79406-2525

PHONE (806) 745-3611

FAX (806) 745-7170

July 31, 2006

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

Re: PYCO Industries, Inc. Feeder Line Application – South Plains Switching,  
F. D. 34890

Position on feeder line applications: due August 2, 2006

Dear Secretary Williams:

According to the Surface Transportation Board procedural schedule, shipper comments are currently due on August 2 in the above proceeding. We understand that the Board is permitting Pioneer Railway Corporation d/b/a Keokuk Junction Railway (KJRY) to attempt to file a competing feeder line application.

Wilkerson Storage Co. supports the feeder line application filed by PYCO Industries, Inc., and we request that the Board authorize and permit PYCO to acquire all of the lines of South Plains Switching, Ltd. We do not support the competing effort, even if it results in an application by KJRY.

Shippers in Lubbock would be best served by a switching railroad owned by the people and companies it serves. We are troubled and concerned about instances in which management of SAW make threats to pull out switches and not to provide service if shippers do not do as SAW management says or wants. Such tactics render SAW an inadequate rail provider. In order to minimize the risk of retaliation, we request that the Board expedite the feeder line process.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Gordon Wilkerson'.

Gordon Wilkerson  
President



International  
Association  
of Refrigerated  
Warehouses



The American  
Warehouseman's  
Association  
Distribution Services



July 31, 2006

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

Re: PYCO Industries, Inc. - Feeder Line Application—South Plains Switching,  
F.D. 34890

Shipper comment/request: due Aug. 2, 2006

Dear Secretary Williams:

This letter is on behalf of Dodson Wholesale Lumber, Inc. of Roswell, New Mexico, of which I am the president. I am currently leasing a warehouse and shipping facility located at 4600 Magnolia Ave. in Lubbock, Texas. I have leased this same facility for the past 11 years. Our company receives approximately 60 carloads of lumber per year by rail into Lubbock with South Plains Switching LTD, (SAW) providing the local switching service.

In early June of this year my traffic manager, Derrick Chavez was contacted by a principal of SAW, Mrs. Weisner, saying that PYCO Industries was threatening to take away their railroad switching business. She said PYCO was going to shutdown a portion of the track and keep Dodson from getting car service. Using these strong arm tactics, PYCO was going to force SAW into a sell out and Dodson's service would be lessened considerably. Mrs. Weisner asked Mr. Chavez for a letter stating that we were satisfied with their service. When Mr. Chavez didn't immediately respond, she called back several times repeating the request for the letter. Without knowing all the history between SAW and Dodson Lumber, Mr. Chavez complied and sent a letter stating we were pleased with their service. After finding out that a letter had been written, I began to research the SAW - PYCO controversy to try to understand what was happening for myself. As a result, as president of Dodson Lumber, I wish to withdraw the letter written by Mr. Chavez for the following reasons:

- (1) Larry Weisner, president of SAW, has personally threatened me in the past, saying he would take out my track and cut off any switching to our facility. In 35 years of business, it was the worst verbal assault I have

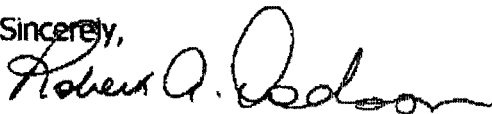
ever taken. Now, it seems, from what I understand, that PYCO and others indicated in STB communications, have also been threatened with economic retaliation and threats to take out track. We have all lived under the fear that if we questioned or called, we would be retaliated against. These threats and the abusive manner in which he operates his business does not make me regard him as a adequate or reliable rail service provider for us. The main problem I had with writing this letter was that I was afraid I would be punished by SAW for speaking up about these problems.

- 2) It has come to our attention that South Plains Switching is supporting efforts by Keokuk Junction Railway Company (KJRY) to file a "competing feeder line application" in the above proceeding, evidently in reference to all the lines of SAW. Please be advised that Dodson Lumber does not support the substitution of KJRY for SAW as local switch provider. We have no reason to believe that it would be markedly different from SAW. The only reason, I can think of for SAW to support an out-of-state competing application would be to give them an additional bidder to buy their business. Dodson would much rather have PYCO, a local company with local interest, running the switching operation.

In conclusion, Dodson Wholesale Lumber, Inc. supports PYCO's feeder line application, and in particular requests this Board to allow PYCO to acquire the entirety of SAW's lines. We believe this would be a better solution, certainly for us, than simply allowing PYCO to acquire the portion serving Attebury, Compress and itself. PYCO has represented to us that if it is allowed to acquire the entirety of SAW, it intends to operate (or cause West Texas & Lubbock as its operator to operate) the lines for the benefit of the entire shipper community in what is now SAW's service area. We believe that this is clearly in our best interest, and in the best interest of all the shippers. We are concerned that PYCO be permitted to acquire the lines promptly in order to minimize the risk of retaliation against us to which this letter gives rise.

I apologize for the original conflicting letter, but it was written without my knowledge or my consent, by an employee that thought he was doing SAW a favor and had no knowledge of Dodson's history with Larry Weisner, nor any understanding of the scope of the current controversy. I am available at 505-622-3278 to answer any questions or to clarify and give any additional detail to statements I have made in this letter. Thank you for your time.

Sincerely,



Robert A. Dodson  
President, Dodson Wholesale Lumber Co. Inc.

# Pan-Tex

PLYWOOD & LUMBER CO.

---

August 1, 2006

Honorable Vernon Williams  
Secretary, Surface Transportation Board  
1925 K Street NW  
Washington D.C. 20423-0001

Re: PYCO Industries, Inc.  
Feeder Line Application, South Plains Switching, F.D. 34890

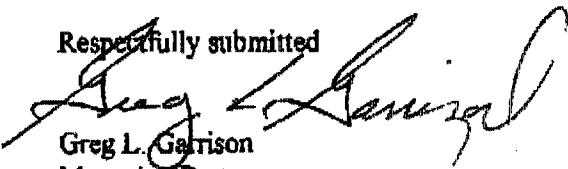
Position on feeder line application due August 2, 2006

Dear Secretary Williams:

According to the Surface Transportation Board procedural schedule, shipper comments are currently due on August 2, 2006 in the above proceeding. We understand that the Board is permitting Pioneer Railway Corporation d/b/a Keokuk Junction Railway (KJRY) to attempt to file a competing feeder line application.

Our company, Pan-Tex Plywood & Hardwood Lumber Co., supports the feeder line application filed by PYCO Industries, Inc., and request the Board to authorize and permit PYCO to acquire all lines of South Plains Switching, Ltd. (SAW). We do not support the competing effort for application by KJRY. We believe the shippers in Lubbock would best be served by a switching railroad owned by the people and companies it is serving. In Light of the evidence that SAW has engaged in retaliatory or abusive conduct against other shippers in Lubbock, we do not view its service as adequate or reliable.

Respectfully submitted



Greg L. Garrison  
Managing Partner

GLG:ta

SENT BY: CHARLES H MONTANGE;  
AUG-22-2006 12:43 FROM: PANTEX

206 546 3739;  
8067470314

AUG-2-06 5:13PM;  
TO: 206 546 3739

PAGE 40/45  
P.3/3

Cc: Thomas McFarland  
208 S LaSalle Street  
Suite 1890  
Washington, D.C. 60604-1112

Counsel for SAW

William A. Mullins  
2401 Pennsylvania Avenue NW  
Suite 300  
Washington, D.C. 20037

Counsel for KJRY

Charles H. Montange  
426 NW 162<sup>nd</sup> Street  
Seattle, WA 98177

Counsel for PYCO

31 July 2006  
by express service

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

Re: PYCO Industries, Inc. -- Feeder Line Application --  
South Plains Switching, F.D. 34890 and F.D. 34844

Dear Mr. Secretary:

This letter is on behalf of Weaver Grain. Our local rail service is currently provided by South Plains Switching, Ltd (SAW).

PYCO Industries, Inc., originally filed a feeder line application for all of the SAW system, and at least for the portion called Alternative Two (that serving PYCO, Attebury and Compress).

In this Board's decision in the above docket dated July 3, 2006, STB allowed the feeder line application to go forward for Alternative Two only, on the ground that a majority of shippers had not filed statements indicating that they believed SAW service was inadequate. In a decision issued July 21, 2006, the Board indicated that Keokuk Junction Railway Company (KJRY) could seek to file a competing application for the entire line.

We concur that service by SAW is no longer adequate or reliable as to ourselves. As PYCO shows in its Feeder Line Application, there are instances in which SAW management has "blown up" at shippers who raise issues with their service, and has threatened retaliation. This has happened to both large shippers (PYCO itself) as well as small shippers (Hi Plains Bag and Bagging). This risk of retaliation renders SAW undependable and inadequate. If anyone is permitted to acquire all SAW lines, it should be PYCO pursuant to its feeder line application. We support PYCO's application, and request that PYCO be permitted to acquire the entire SAW system. We do not believe that KJRY would be a material improvement over SAW and we do not support KJRY's efforts to file a competing application, or its application if filed.

In order to minimize the retaliation against us, we request that this Board act to authorize PYCO's feeder line acquisition as soon as possible, and certainly by October 23, 2006.

Thank you for your assistance in this matter.

Respectfully submitted,



title:

company:

address:

tel number:



Encls. (orig. and 10 to STB)

cc. Thomas McFarland, Esq.  
208 South LaSalle St., Suite 1690  
Chicago, IL 60604-1112  
counsel for SAW

William A. Mullins, Esq.  
Baker & Miller  
2401 Pennsylvania Ave., N.W.  
Washington, D.C. 20037  
counsel for KJRY

Charles H. Montange, Esq.  
426 NW 162d St.  
Seattle, WA 98177  
counsel for PYCO

Exhibit C

**c.montange**

---

**From:** "George Betke" <betke@midcoast.com>  
**To:** <c.montange@verizon.net>  
**Sent:** Friday, July 14, 2006 5:09 PM  
**Subject:** Fw: STB filing by SAW

Correction - six storage cars presently are at Lubbock, not four as indicated in my previous e-mail. George Betke

----- Original Message -----

**From:** George Betke  
**To:** c.montange@verizon.net  
**Sent:** Friday, July 14, 2006 8:07 PM  
**Subject:** STB filing by SAW

Upon investigation, I conclude that FMRC technically may be a "shipper" on SAW, though not in the normal sense. We engaged its affiliated company, SLAL, several years ago to store out-of-service freight cars for third-party lessors, some of which were forwarded to SAW in Lubbock as instructed by SLAL. Though FMRC's commercial relationship in administering storage logistics for car owners is with SLAL, it can be considered a shipper when empty cars are called out to designated destinations and returned to service. Our records show that four such storage cars presently are situated on SAW. George Betke

7/27/2006

Exhibit D

SENT BY: CHARLES H MONTANGE;

206 546 3739;

AUG-2-06 3:21PM;

PAGE 1/1

BEFORE THE  
SURFACE TRANSPORTATION BOARD

PYCO INDUSTRIES, INC. -- )  
FEEDER LINE DEVELOPMENT -- ) F.D. 34890  
SOUTH PLAINS SWITCHING LTD. ) (revision of F.D. 34844)

Declaration of Gary McLaren  
on behalf of  
Farmers Cooperative Compress

I, Gary McLaren, make this statement on behalf of Farmers Cooperative Compress ("Compress"), of which I am counsel.

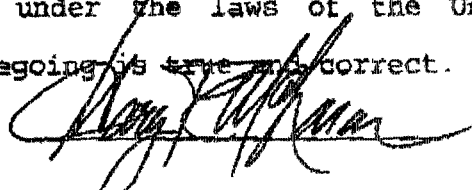
1. South Plains Switching, Ltd. ("SAW") provides local rail switching service for Compress. In the past several weeks, SAW has held empty cars destined for Compress, constructively placed those cars on SAW, and then threatened to send demurrage bills to Compress. Compress has not heretofore received such bills.

2. SAW appears to be manipulating car supply. Compress believes this is in retaliation for Compress's support for PYCO's feeder line application.

3. Compress has checked with its rail carrier BNSF Railway Company, and has been advised to contact the Surface Transportation Board's Office of Compliance and Enforcement.

Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on:

  
August 2, 2006