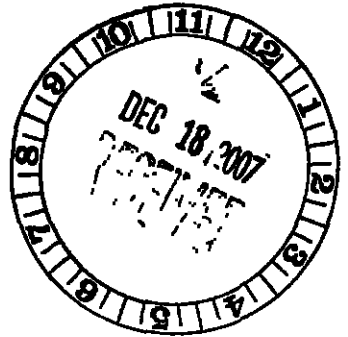


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17 December 2007

Hon. Vernon Williams
Secretary
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20024

Re: Chillicothe-Brunswick Rail Maintenance
Authority - Discontinuance Exemption -
in Livingston, et al Counties, MO,
AB 1001X

Status Report

Dear Mr. Williams:

At the suggestion of this Board's Office of Congressional and Public Affairs, Chillicothe-Brunswick Rail Maintenance Authority (CBRMA) and City of Chillicothe (City) make this status report.

This Board served a Notice of Exemption in the above-captioned proceeding on February 23, 2007 authorizing discontinuance. In a footnote, the Board's February 23 Notice indicated that since the proceeding involved a discontinuance, "trail use/railbanking conditions are not appropriate." CBRMA and City timely and jointly sought reconsideration of that position in the facts of the case by motion filed on March 12, 2007 (see STB e-library, filings, for that date). CBRMA and City noted that in a line of cases including State of Vermont and Vermont Railway, AB 265 (Sub-no. 1X), 3 ICC2d 903, served July 7, 1987, aff'd, Preseault v. ICC, 853 F.2d 903 (2d Cir. 1988), aff'd, 494 U.S. 1 (1990), trail use and railbanking conditions had been applied in certain discontinuance proceedings, of which AB 1001X (the proceeding at bar) was analogous. Moreover, this Board's predecessor specifically cited State of Vermont to Congress as part of its policy for implementation of the Trails

Act. See Ex Parte 274 (Sub-no. 13B), served Jan. 29, 1990 (footnote 20). Congress adopted no legislation abrogating the policy. The precedent thus remains controlling.

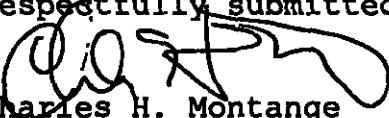
There has been no ruling by the agency in connection with CBRMA's and City's March 12 motion. CBRMA and City note that another entity (Vandalia Railroad) belatedly filed a notice of intent to file an OFA, which it subsequently (June 6) withdrew. In light of the withdrawal, no action is (or was) accordingly required on Vandalia's "notice of intent" (i.e., withdrawal mooted that notice and various motions relating thereto). However, CBRMA's and City's March 12 joint motion in connection with trails use and railbanking remained extant and since June 6 has been ripe for decision.

City of Chillicothe continues to wish to preserve the railroad corridor at issue here under the railbanking statute (16 U.S.C. 1247(d)). On the other hand, if the property is not authorized for railbanking, or if a decision in that regard is much longer delayed relating to railbanking, the parties must address liability concerns for certain bridges soon, by directing their removal. City is concerned that this will make preservation efforts all the more difficult.

By my signature below, I certify service by deposit in the US Mail, postage pre-paid, first class addressed to Fritz Kahn, Esq., 1920 N Street, NW (8th Fl.), Washington, D.C. 20036 (counsel for Rupp et al) on the date above.

Thank you for your assistance in this matter, and we wish you and STB staff a happy holiday season.

Respectfully submitted,



Charles H. Montange
for CBRMA and City of Chillicothe

cc. Robert Cowherd, Esq. (CBRMA)
Rose Frampton (City Clerk)