

FILED
March 10, 2015
SURFACE
TRANSPORTATION BOARD

Before the Surface Transportation Board
Washington, D.C. 20423

237897

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March 10, 2015
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Public Record

Finance Docket No. 35914

Fort Transfer Company—Verified Petition for Expedited
Relief for Service Emergencies—Tazewell County, IL

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SURFACE
TRANSPORTATION BOARD

Fort Transfer Company (“Fort Transfer”), by and through its counsel,
pursuant to the provisions of 49 C.F.R. § 1146.1 and 49 U.S.C. 11123(a),
respectfully requests the Board to prescribe alternative rail service in an
expedited manner. Unless rail service is restored immediately, Fort Transfer
will suffer immediate, devastating financial losses.

Fort Transfer, which as herein pertinent is located in Morton, Illinois, is
engaged in the transportation and bulk liquid storage of chemicals and
agricultural products, including herbicides. In 2014, herbicide storage and
delivery of herbicides constituted 38% of its revenues earned at the Morton
facility. Fort Transfer’s busiest season stretches from mid-March to mid-July.
The season depends on when the weather warms up allowing farmers who are
located throughout the Corn Belt to get into the fields.

Fort Transfer has 2.6 million gallons of liquid storage capacity at its
Morton facility. Fifty percent of which is under contract with a customer that
depends on shipping a significant portion of its product via rail to Fort
Transfer. On March 10, 2015, the date of filing, Fort Transfer was advised by

its customer that because Fort Transfer was unable to guarantee rail delivery service to its storage facility, the customer had no choice but to take its business to one of Fort Transfer's competitors that has the current ability to accept rail cars. Because storage of herbicides compliments Fort Transfer's trucking activities, which is its other revenue stream, the inability to guarantee rail service has already had an immediate and significant adverse financial impact on its revenues. In the absence of rail service, that adverse financial impact will continue.

The need for expedited alternative rail service is based solely on the unlawful refusal of the incumbent rail carrier to provide rail service upon reasonable request. Toledo, Peoria & Western Railway Corporation ("TP&W"), which is the incumbent rail carrier, has recently notified Fort Transfer that it will no longer provide rail service to Fort Transfer's bulk storage facility located in Morton, Illinois. At the present date, there are three loaded tank cars that are being held at TP&W's facility in East Peoria, Illinois, which is roughly ten (10) miles from Morton. In addition, there are three more loaded tank cars that are already enroute to Fort Transfer, while three empty tank cars at the Morton facility are awaiting pickup from TP&W.

As of this date, Fort Transfer has only 17,000 gallons (of a possible 340,000 gallons) of herbicide remaining in its storage facility. The inbound cars, had they not been diverted earlier this morning, would have added to the above inventory. Based on past experience, the 17,000 gallons of inventory could be gone in *one* day once the anticipated seasonal orders are received. As

a result, the adverse financial impact flowing from the absence of needed rail service at the busiest time of the year cannot be overstated. Hence, immediate relief is required.

By way of further background information, Fort Transfer has depended on TP&W for rail service for the past fifteen years. However, on October 23, 2014, Ross Grantham, TP&W's General Manager, personally advised Fort Transfer that TP&W was not making any money operating the line of railroad in Morton on which Fort Transfer's bulk storage facility is located and therefore was considering filing an abandonment application with the Board.

During that visit, Mr. Grantham inquired whether Fort Transfer would consider transload operations. In response, Fort Transfer personnel advised him that transloading simply would not work and that direct rail service was a necessity. As of this date, Fort Transfer has not received any notification that an abandonment application has been filed. In fact, TP&W continued to provide rail service until mid-February.

However, on February 23, Mr. Grantham, during a follow-up phone call, announced that he had some bad news, namely that because the line was "unsafe", TP&W would not be able to provide further service. This was the first indication that the line was unsafe in any respect. Because no specific information has been provided regarding the alleged unsafe conditions, Fort Transfer has no information that it can share with the Board regarding the actual condition of the line or the extent of any unsafe conditions. Although

TP&W has refused since that date to pick up the empty cars or deliver the loaded ones that are at its facility, it has not provided Fort Transfer with any notice that an embargo has been filed.

Following the wholly unanticipated claims that the line was unsafe, Fort Transfer contacted Keokuk Junction Railway Company (“KJRY”) to inquire whether it would be able to provide alternative service that would meet Fort Transfer’s current transportation needs. KJRY has made a preliminary assessment of the line over which it would operate (which is essentially flat, and much of which is visible from open public crossings), and KJRY has agreed to assume the responsibility of providing rail common carrier service to Fort Transfer and Morton Buildings, Inc., the other remaining shipper on the line, which has also lost its rail service.

KJRY has advised Fort Transfer that it is capable of providing the required service without unreasonably interfering with its overall ability to provide rail service to its other customers that are located in the immediate vicinity. Of course, given TP&W’s unilateral decision to refuse service, authorizing KJR to provide rail service will not interfere with TP&W’s overall ability to provide service.

Because Fort Transfer must be able to provide assurances to its customer that it will be able to accept delivery of rail tank cars throughout the season within the next few days in order to avoid further diversion of product to a competitor, Fort Transfer respectfully requests the Board to give this

matter its immediate attention. In closing, I have been authorized to state that this Petition is supported by Morton Buildings, Inc., which is the other shipper that remains on the line. If further information is required, please contact the undersigned.

Respectfully submitted,

/s/ Richard H. Streeter

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Counsel for Fort Transfer, Inc.

Certificate of Service

I, Richard H. Streeter, do hereby certify that a true copy of the foregoing was served, by overnight delivery, on this the 10th day of March, 2015, on the following:

Toledo, Peoria & Western Railway Corporation
c/o Ross Grantham, General Manager
Toledo, Peoria & Western Railway Corporation
1990 East Washington Street
East Peoria, IL 61611-2961

Keokuk Junction Railway Company
c/o Dan LaKemper
1318 S. Johanson Road
Peoria, Illinois 61607

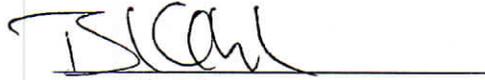
Mr. Daniel C. Orlaskey
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U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

/s/Richard H. Streeter

Richard H. Streeter

VERIFICATION

I, Brad Kahler, hereby declare under penalty of perjury that the foregoing is true and correct. Executed on March 10, 2015.

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

Brad Kahler
President, Fort Transfer Company