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SEC

SERVICE DATE – LATE RELEASE AUGUST 18, 2006

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 34890

PYCO INDUSTRIES, INC. — FEEDER LINE APPLICATION —
LINES OF SOUTH PLAINS SWITCHING, LTD. CO.

STB Finance Docket No. 34922

KEOKUK JUNCTION RAILWAY CO. — FEEDER LINE APPLICATION —
LINES OF SOUTH PLAINS SWITCHING, LTD. CO.

STB Finance Docket No. 34802

PYCO INDUSTRIES, INC.— ALTERNATIVE RAIL SERVICE —
SOUTH PLAINS SWITCHING, LTD. CO.

Decided: August 18, 2006

These proceedings involve, in STB Finance Docket No. 34890, the feeder line application of PYCO Industries, Inc. (PYCO), under 49 U.S.C. 10907, to purchase all or a portion of the rail lines of South Plains Switching, Ltd. Co. (SAW), in Lubbock, TX, and in STB Finance Docket No. 34922, the competing application of Keokuk Junction Railway Co. (KJRY) to acquire a portion of SAW's rail lines. In a decision issued in both dockets on August 16, 2006 (August 16 decision), a procedural schedule was set for the further processing of these applications.

On August 17, 2006, SAW filed a request for an extension of 30 days in all of the dates established in the August 16, 2006 decision for filing further pleadings in the two feeder line proceedings. Under that decision, SAW was scheduled to file its valuation evidence for the entirety of its rail lines today, August 18, 2006. In a letter filed today, PYCO objected to an extension of any more than 3 days in the due date for SAW's valuation of its lines, so as not to delay the proceeding.

In PYCO Industries, Inc.— Alternative Rail Service— South Plains Switching, Ltd. Co., STB Finance Docket No. 34802 (STB served June 21, 2006) (Alternative Service), the Board authorized West Texas & Lubbock Railway Company (WTL), to provide alternative rail service to PYCO over SAW's rail lines, under 49 U.S.C. 11123(a) and 49 CFR part 1146, until the expiration of the statutory time limit of 270 days, on October 23, 2006. In light of that expiration, the procedural schedule in the two feeder line proceedings has been accelerated.

In its request for an extension of the filing dates in the feeder line proceedings, SAW agrees to a corresponding 30-day extension of alternative rail service by WTL, either under 49 CFR part 1147, or by an agreed exemption from the statutory time limit for the existing alternative rail service, at 49 U.S.C. 11123(a). PYCO, however, contends that the Board lacks authority to extend the statutory limit for alternative rail service.

The deadline for the alternative service authorization under in 49 U.S.C. 11123(a) will be tolled, in light of SAW's agreement for WTL to continue to provide service over the line, as WTL's use of SAW's line during that period will not be involuntary. The period of alternative service will be tolled for 30 days, or until SAW files its valuation evidence for the entirety of its rail lines, if later. During the tolling period, WTL may continue to provide rail service to PYCO over SAW's rail lines. All filing deadlines will be tolled as well, and will restart once SAW's valuation evidence is filed.

It is ordered:

1. The deadline for the period of alternative service is tolled for 30 days or until SAW files its valuation evidence for the entirety of its lines, if later. WTL may continue to operate as agreed to by SAW under the protocols as modified in Alternative Service.
2. All procedural deadlines established previously in these proceedings are tolled for 30 days or until SAW files its valuation evidence for the entirety of its lines, if later.
3. This decision is effective on its date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams
Secretary