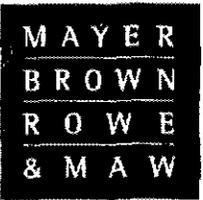
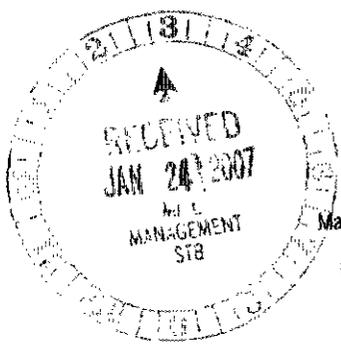


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January 24, 2007

BY HAND-DELIVERY

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

Re: Finance Docket No. 34974, Keokuk Junction Railway Co.  
d/b/a/ Peoria & Western Railway – Lease and Operation  
Exemption – BNSF Railway Company

Dear Secretary Williams:

BNSF Railway Company (“BNSF”) hereby responds to the January 12, 2007 letter filed by counsel for Keokuk Junction Railway Co. d/b/a/ Peoria & Western Railway (“KJRY”) in the above-referenced proceeding. In that letter, KJRY indicates it may be possible to settle the dispute through mediation and requested that Ameren Energy Fuels and Services Company (“Ameren”) and BNSF each indicate if they would be amenable to Board-sponsored mediation. In this regard, BNSF notes that Ameren has indicated by letter dated January 18, 2007, that it is amenable to mediation subject to certain conditions, including participation by BNSF in the mediation, and that KJRY responded to Ameren’s letter today.

BNSF does not object to the mediation proposed by KJRY. However, BNSF does not believe it is necessary or appropriate for it to participate in the mediation. The issues in dispute relate to the rate which KJRY would charge to Ameren for a Union Pacific/KJRY routing to the Duck Creek plant, and those issues are between KJRY and Ameren. If a potential resolution is reached that requires BNSF’s consent or involvement, as appropriate, BNSF will make itself available for discussions with the parties concerning such a resolution.

Honorable Vernon A. Williams

January 24, 2007

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I would appreciate it if you would date-stamp the enclosed extra copy and return it to the messenger for our files. Please let me know if you have any questions. Thank you for your assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Adrian L. Steel, Jr.", written in a cursive style.

Adrian L. Steel, Jr.

cc: William A. Mullins, Esq.  
Robert M. Wimbish, Esq.  
Sandra L. Brown, Esq.