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THOMAS F. MCFARLAND

February 21, 2007

By e-filing

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 34943, *Beaufort Railroad Company, Inc. - Modified Rail Certificate*

Dear Mr. Williams:

This refers to a letter dated February 9, 2007 from Colonel R.W. Lanham of the United States Marine Corps to Mr. Dan Green of the South Carolina Public Railways Commission. That letter was filed by Beaufort Railroad Company (BRC) in the above proceeding on February 16, 2007.

Colonel Lanham's letter confirms the primary allegation made by Petitioners in this matter; i.e., that BRC does not intend to provide rail service pursuant to the Modified Certificate of Public Convenience and Necessity that has been issued to BRC. Instead, BRC is attempting to use the Modified Certificate as a means to re-establish Board jurisdiction over the involved rail line, which was lost when the line was fully abandoned in 2003, so that the Board will have jurisdiction to authorize railbanking and interim recreational trail use of the line at a later time. That is evident from Colonel Lanham's suggestion that the rail line right-of-way be "preserved as a future option for a transportation right of way," and "be used for recreational or some type of public service in the near term."

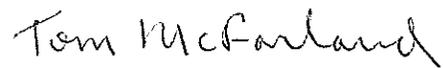
However, contrary to BRC's contention that the Board has authority to issue a Modified Certificate of Public Convenience and Necessity to operate over a fully abandoned rail line, the

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Board loses jurisdiction over a rail line when it is fully abandoned, and does not regain jurisdiction over the line by issuing a Modified Certificate of Public Convenience and Necessity.

Very truly yours,

A handwritten signature in cursive script that reads "Tom McFarland".

Thomas F. McFarland
Attorney for Delores Coberly, et al.

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cc: Derek F. Dean, Esq.
Colonel R.W. Lanham
Mr. Steve Allen
Mr. Dan Green