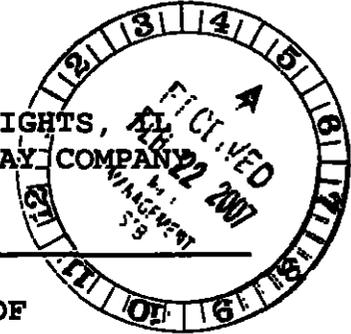


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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-878
CITY OF PEORIA AND THE VILLAGE OF PEORIA HEIGHTS,
ADVERSE DISCONTINUANCE—PIONEER INDUSTRIAL RAILWAY COMPANY



SUPPLEMENTAL EVIDENCE AND COMMENTS OF
CENTRAL ILLINOIS RAILROAD COMPANY

ENTERED
Office of Proceedings
FEB 22 2007
Part of
Public Record

Respectfully Submitted

John D. Helfner
John D. Helfner, PLLC
1920 N Street, N.W.
Suite 800,
Washington, D.C. 20036
(202) 263-4180

Dated: February 22, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB DOCKET NO. AB-878
CITY OF PEORIA AND THE VILLAGE OF PEORIA HEIGHTS, IL
ADVERSE DISCONTINUANCE—PIONEER INDUSTRIAL RAILWAY COMPANY

SUPPLEMENTAL EVIDENCE AND COMMENTS OF
CENTRAL ILLINOIS RAILROAD COMPANY

INTRODUCTION

By decision served January 12, 2007,¹ the Board granted a request by Pioneer Industrial Railway Company ("PIRY") to reopen its decision served in August 2005² granting an adverse discontinuance application filed by the City of Peoria and the Village of Peoria Heights, IL. Among other things, the Board ordered that the parties submit additional evidence regarding the "balancing of the relative benefits and burdens under the PC&N standard." Id. at 9. It set February 22, 2007, as the due date for Central Illinois Railway Company ("CIRY") and the City of Peoria and the Village of Peoria Heights (collectively

¹ Hereafter cited as the January 2007 Decision.

² Hereafter cited as the August 2005 Decision.

referred to by the Board as "the Cities") to submit any additional evidence. Pursuant to that decision, CTRY files these comments and the accompanying verified statement of its President John Darling.

STATEMENT OF FACTS

This proceeding has had a long and drawn out history as a review of the record documents. Briefly this proceeding entails the status of rail service over a rail line located in and owned by the Cities. Known as the Kellar Branch, the Line begins at milepost 1.71 on the south end in downtown Peoria where it connects with a line owned and operated by the Tazewell & Peoria Railroad ("T&P"), a class III short line railroad. From there it extends in a northwesterly direction to milepost 10.0, where it connects with the so-called Western Connection to the Union Pacific Railroad ("UP") at a point called Pioneer Jct. The subject line was originally owned and operated by the Chicago, Rock Island & Pacific Railway until its bankruptcy and subsequent liquidation. The branch was legally abandoned in 1980. Chicago RI & P R. Co., Abandonment, 363 I.C.C. 150 (1980). Anxious to preserve rail service, the Cities purchased the Line as a piece of real estate, restored it to rail operation, and leased it to the former Peoria and Pekin Union Railroad Company

("P&PU")³, a class III short line railroad, under an agreement that was to last in the words of the agreement "for a minimum period of 20 years unless and until terminated for cause as set forth above or by mutual agreement."⁴ During the ensuing years, PIRY or its corporate affiliate acquired P&PU's leasehold interest and continued to provide service over the line. The PIRY contract expired by its own terms in July 2004. The Cities sought and received authority from the Board to construct a new connection known as the "Western Connection" between the Line and a UP mainline along the west side of Peoria and entered into a new lease with CIRY to replace PIRY as the operator of the subject line. After PIRY refused to vacate the premise, the Cities filed this adverse discontinuance application.

Currently, the Kellar Branch serves but two customers, Carver Lumber Company ("Carver") located on the north end near the UP interchange and O'Brien Steel located on the south end near the T&P interchange. The amount of local traffic generated by the line has been low (about 20 cars per year) See, Reply in Opposition to Petition to Provide Alternative Rail Service filed by the Cities and CIRY on

³ A predecessor of the T&P

⁴ Section 9 pertaining to the lease term is attached hereto.

August 3, 2006 at 5. There has been no overhead traffic over the Line for years. The center portion of the line is in very poor physical condition and is out of service.

CIRY is a class II short line railroad originally established in 1997. As noted above, it has been operating the Kellar Branch since August 2005. Current management acquired the company through a stock purchase on August 18, 2006.

CIRY's COMMENTS

PIRY asked the Board to reopen these proceedings on the grounds that the fundamental premises of the August 2005 Decision were no longer true and that the circumstances have changed dramatically from what the Board had believed them to be at the time of that decision. In granting PIRY's petition to reopen the adverse discontinuance case, the Board stated that it has evidence that Carver objects to the Citics' plans to convert the railroad right of way into a trail, that Carver was dissatisfied with the service it was receiving from CIRY, and that its service is slower and more expensive and subject to more delays and interruptions than had been the

case in the past.⁵ Believing that this new evidence and changed circumstances could materially affect its analysis of the August 2005 Decision, the Board granted PIRY's petition. So that the Board could properly implement the PC&N standard in the adverse discontinuance case, it instructed the parties to supplement the existing record by submitting additional evidence regarding the "relative benefits and burdens that continuation of PIRY's service on the Kellar Branch, on the one hand, and the cessation of PIRY's service on the other, would have on the involved carrier, on the owner-lessor of the line [the Cities], and on the public." January Decision at 9.

Although the January Decision calls for CIRY to submit evidence, it notes that it is neither a party to this proceeding nor is it either the directly affected rail carrier or an agent of the Cities. At best it is a member of the public. Nevertheless, CIRY files these comments in support of the Cities' position and because it wishes to remain the exclusive operator of the Kellar Branch.

Supporting these comments, CIRY submits a verified statement prepared by its President John Darling. CIRY will limit its comments to the service it has provided

⁵ Significantly, these comments were filed on January 24, 2006, well before current management acquired CIRY.

under current management. It has no contact with the former managers and owners of the railroad. Moreover, it is not in a position to address the quantity or quality of service previously provided by PIRY or the circumstances behind the decision of the Cities to seek adverse discontinuance authority. The sole issue it will address is the adequacy of its service since August 18, 2006. After some initial service problems that occurred right after its acquisition, there is no question but that the service it has provided to both Carver and O'Brien Steel equals or exceeds that provided by similarly situated railroads under similar operating conditions.

Going back to July 21, 2006, before CIRY's acquisition by current management, Carver identified 4 deficiencies in CIRY's service. They were:

Delivery time has increased 400% (from 1-2 to 4-8 days)

Rates have increased 121% (from \$872 per car to \$1,931 per car)

Carver Lumber was forced to transload material for a period of nearly 5 months at a cost of \$41,605.10 after an attempt to deliver a car over the Kellar Branch resulted in runaway cars, a collision, and a derailment

Access to Carver over the "Western Connection" instead of via the entire Kellar Branch gives Carver access to only one line-haul carrier [Union Pacific] instead of the 8 carriers available through the Kellar Branch.

CIRY's John Darling addresses each of these points on which the Board seeks evidence to determine whether or not there has been any degradation of service. Darling V.S. at 2-3. He also tells in his statement of CIRY's continuing efforts to satisfy Carver's service needs as a customer that ships a modest amount of traffic (about 50 cars per year historically). Id. at 3-5. Finally, he describes CIRY's efforts to work with the Union Pacific to provide quality service at reasonable rates. Id. at 3,5.

CONCLUSION

CIRY supports the Cities in connection with their request for adverse discontinuance authority. The Cities have spent substantial sums of money over the years acquiring and rehabilitating the subject line. After substantial deliberation over the choice of operators, they have awarded CIRY the opportunity to lease this Line. CIRY intends to honor its obligation with the Cities to provide common carrier rail service over the active portions of the Line. CIRY believes that the Board should defer to the Cities the decision as to which carrier provides service

over the Line. In that respect, this case is very similar to other Board decisions granting adverse discontinuance authority to the owner of a line to replace one operator with another that is more satisfactory to the owner's needs or wishes. Carver will not lose service. CIRY intends to work with them to provide a level of service that is acceptable to them and feasible for CIRY. The Cities' application should be granted.

Respectfully submitted,



John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800,
Washington, D.C. 20036
(202) 263-4180

Dated: February 22, 2007

CERTIFICATE OF SERVICE

I, John D. Heffner, certify that the foregoing document, Supplemental Evidence and Comments of Central Illinois Railroad Company, was served on February 22, 2007, by first-class mail, postage prepaid to the following:

William A. Mullins, Esq.
Baker & Miller, PLLC
2401 Pennsylvania Avenue, NW - Suite 300
Washington, DC 20037

Daniel A. LaKemper, Esq.
Pioneer Industrial Railway Company
1318 S. Johanson Road
Peoria, IL 61607

Thomas F. McFarland
Thomas F. McFarland, PC
208 South LaSalle Street - Suite 1890
Chicago, IL 60604-1112

Carver Lumber Company
8700 North University
Peoria, IL 61615

Wayne Kessler
Peoria Plastics
9000 North University
Peoria, IL 61615

Mack H. Shumate, Jr., Esq.
Union Pacific Railroad Company
101 N. Wacker Drive - Suite 1920
Chicago, IL 60606-1113

J.P. O'Brien
O'Brien Steel Co.
1100 Northeast Adams
Peoria, IL 61603



John D. Heffner

**VERIFIED STATEMENT
OF JOHN A. DARLING**

John A. Darling, being duly sworn, deposes and states as follows:

My name is John A. Darling. My business address is 1500 West Lincoln Avenue, Rochelle, IL 61068. Since August 18, 2006, I have been employed as President of the Central Illinois Railway Company ("CIRY"), a class III short line railroad which operates the Kellar Branch in Peoria, IL, under a lease, in part, with its owners, the City of Peoria and the Village of Peoria Heights, IL. My duties with the railroad include administering the operating, financial, sales and marketing, and general affairs of the corporation.

I have read the Surface Transportation Board's decision in these proceedings dated January 12, 2007, as well as the written comments in response to that decision prepared by our counsel. That decision instructed the parties to submit additional evidence regarding the "relative benefits and burdens that continuation of PIRY's [Pioneer Industrial Railway, Inc., hereafter abbreviated as "PIRY"] service on the Kellar Branch, on the one hand, and the cessation of PIRY's service on the other, would have on the involved carrier, on the owner-lessor and on the "public" and instructed the parties to supplement the existing record. Although CIRY is not formally a party to this case, I read the Board's decision as soliciting

our comments and evidence regarding the service CIRY provides on the Kellar Branch to one customer, Carver Lumber Company ("Carver").

In particular, I would like to address four points raised by the former operator of the line, PIRY, apparently acting on behalf of Carver. They are:

* **Assertion:** Delivery time has increased 400% (from 1-2 to 4-8 days)

Response: Without more specific information about the origin and destination points, it is difficult for me to respond to this allegation.

* **Assertion:** Rates have increased 121% (from \$872 per car to \$1,931 per car)

Response: It is hard for me to respond because I have no information regarding when these rates were in effect and what the comparable origins and destinations, commodity and car type may have been. As the Board may know, lumber is priced FOB destination with the result that Carver's broker pays the freight, not Carver itself. I was told of one recent rate quote that indicated a difference of only \$3 per thousand board feet (\$44 versus \$47 per thousand board feet depending the routing, a 7% difference).

* **Assertion:** Carver Lumber was forced to transload material for a period of nearly 5 months at a cost of \$41,605.10 after an attempt to

deliver a car over the Kellar Branch resulted in runaway cars, a collision, and a derailment

Response: Here again current management has no information about this incident which occurred in August 2005, a year before our takeover, and is therefore unable to respond.

* **Assertion:** Access to Carver over the “Western Connection” instead of via the entire Kellar Branch gives Carver access to only one line-haul carrier [Union Pacific or “UP”] instead of the 8 carriers available through the Kellar Branch.

Response: Any line haul carrier can connect through Peoria and the T&P for delivery to Pioneer Park. We are currently negotiating with UP on a more acceptable rate package.

So that the Board can more fully understand the relationship between CIRY and Carver. I'd like to make a few other observations. First, most of the correspondence, pleadings, and assertions by either Carver or PIRY on behalf of Carver deal with CIRY before my management team acquired the Company on August 18, 2006. We have tried to make amends for less than satisfactory service that may have been provided Carver by prior management. However, serious infrastructure problems in the form of bad track conditions on the Kellar Branch have frustrated our efforts to restore Peoria as a open junction for Pioneer Park

traffic. As discussed above, CIRY attempted very unsuccessfully to serve Carver by moving two carloads of freight with a trackmobile over the Kellar Branch on August 27, 2005. The crew never should have attempted that move and the accident ultimately contributed to the termination of certain personnel. Because of the poor track condition, the high cost of rehabilitation, and the modest amount of Carver traffic, the switch charge CIRY would need to set in order to recover the cost of our rehabilitation capital would be significantly greater than any remaining rate differences between Western Connection rates and the rates for a direct move through Peoria utilizing the Kellar Branch. Before we would be willing to provide a direct service, approximately \$466,000 in track repairs would be required based upon an estimate prepared by D.O.T. Rail Service, Inc., relying on a Federal Railroad Administration inspector's report attached hereto.¹ While PIRY suggests that the line could be restored to service with some fast "quick and dirty" repairs, the State of Illinois Department of Transportation has concluded otherwise. There is nothing in the record challenging the State's estimated repair cost. My management is unwilling to restore direct service "on the cheap" as PIRY is apparently willing to do. We don't want another mishap.

¹ In the year 2000 the Illinois Department of Transportation estimated the cost of rehabilitating 8.3 miles of the Kellar Branch at over \$2.5 million. A copy of that document is attached.

Another point worth noting is frequency of service. PIRY suggests that it would provide and Carver would be satisfied with five day per week service. We are willing to commit to serve Carver any time they have a need for service. But the key to service frequency is how often the connecting carrier, here the UP, is able to provide service to the Pioneer Junction interchange. I also want the Board to know that we have been working with UP to present Carver with a service package that makes economic sense for all parties. I met with Carver on February 14, 2007, to explore alternatives for competitive rates via the Western Connection. If we can solve the economic problems, we will then work with UP to arrange a service schedule and frequency that is operationally feasible and acceptable to the customer.

VERIFICATION

STATE OF ILLINOIS)
) SS
CITY OF ROCHELLE)

John A. Darling, being duly sworn according to law, hereby deposes and states that (s)he is authorized to make the Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information and belief.

John A. Darling

Subscribed and sworn to before me, a Notary Public, in and for the City of Rochelle in the State of Illinois, this 22nd day of February

Anita Schabacker
Notary Public

My Commission expires:

8/19/07





**LESTER D. BERGSTEN PUBLIC WORKS
OPERATION and MAINTENANCE CENTER**

3505 N. Dries Lane
Peoria, Illinois 61604
Phone: (309) 494-8851
Fax: (309) 494-8855

FAX

DATE: 7-31-06

TO: Ray Fuch - Operations Mgr.

COMPANY: CENTRAL ILL RR

FAX #: 815-338-6400

FROM: DAVE MARSHALL

SUBJECT: Inspection Repair Estimate

PAGES (including cover sheet): 5

Comments: Attached FRA inspection report for
your use in providing written estimate of
cost to comply per our telephone con-
versation this date.

SPECIAL INSTRUCTIONS:

- CONFIDENTIAL
- URGENT
- PLEASE REPLY
- PER YOUR REQUEST
- FOR YOUR INFORMATION

Item	Location/Station	Equipment/Track #	Type/Kind	# of CPL/OSC	Defect	Remarks	Speed	Class	Train #/Mile	SNFR*	RCL**	# of Occ.***	Activity Code
<p align="center">** Comments to Railroad Company **</p> <p>THIS INSPECTION MADE AT THE REQUEST OF THE CITY OF PEORIA AS OWNERS OF THE PEORIA, PEORIA, HEIGHTS AND WESTERN RAILROAD. THIS INSPECTION COVERED APPROXIMATELY 8 MILES OF THIS INDUSTRIAL SPUR TRACK BETWEEN ADAMS ST AND PIONEER PARKWAY, WHICH HAS NOT BEEN OPERATED OVER FOR ONE YEAR. THE MAJORITY OF THIS TRACK HAD GRASS AND WEEDS FROM 18 INCHES TO 6 FEET TALL COVERING THE BALLAST SECTION MAKING IN VERY DIFFICULT TO INSPECT.</p>													
<p>Violation Recommended: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Within Notification to FRA of Remedial Action is: Required <input type="checkbox"/> Optional <input type="checkbox"/> Railroad Action Code: _____ Date (mm/dd/yyyy): _____ Comments on back? <input type="checkbox"/></p>													
2		BRA	I	213	0109	03	10	I		N	N	334	YTW
<p>Description: NO EFFECTIVE SUPPORT TIES WITHIN THE PRESCRIBED DISTANCE FROM A JOINT</p>													
<p>Violation Recommended: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Within Notification to FRA of Remedial Action is: Required <input type="checkbox"/> Optional <input checked="" type="checkbox"/> Railroad Action Code: _____ Date (mm/dd/yyyy): _____ Comments on back? <input type="checkbox"/></p>													
3		BRA	I	213	0109	03	10	I		N	N	241	YTW
<p>Description: CROSSTIES NOT EFFECTIVELY DISTRIBUTED TO SUPPORT A 39-FOOT SEGMENT OF TRACK.</p>													
<p>Violation Recommended: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Within Notification to FRA of Remedial Action is: Required <input type="checkbox"/> Optional <input checked="" type="checkbox"/> Railroad Action Code: _____ Date (mm/dd/yyyy): _____ Comments on back? <input type="checkbox"/></p>													

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION (FRA)

INSPECTION REPORT

OMB Approval No. 2130-0100

(Continuation)

Inspection ID No. 20710	Report No. 89	Report Date 7/28/2006
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Item	Location/Segment	Equipment/Track #	Type/Kind	# CP/USC	Defect	Subcode	Speed	Class	Time Since	SRP*	REL**	# of Occ.***	Activity Code
4		BRA	I	213	0113	07	10	I		N	N	2	YTW

Description
TWO 4 INCH BOLT-HOLE CRACKS, BROKEN OUT, BETWEEN ADAMS ST. AND HWY 24 UNDERPASS.

Violation Recommended Yes No Length:

Written Notification to FRA of Remedial Action Is: Required Optional Railroad Action Code: Date (mm/dd/yyyy): Comments on back?

Item	Location/Segment	Equipment/Track #	Type/Kind	# CP/USC	Defect	Subcode	Speed	Class	Time Since	SRP*	REL**	# of Occ.***	Activity Code
5		BRA	I	213	0053	01	10	I		N	N	5	YTW

Description
GAGE DIMENSION EXCEEDS ALLOWABLE ON TANGENT TRACK - FIVE LOCATIONS THAT MEASURE 58 1/8 INCHES: 1 AT JOINT IN CORNHILL RD. CROSSING, 1 IN LEFT HAND CURVE 1/2 MILE NORTH OF HWY 24, AND 3 LOCATION IN LEFT HAND CURVE WEST OF BISHOP ST.

58" Max

Violation Recommended Yes No Length:

Written Notification to FRA of Remedial Action Is: Required Optional Railroad Action Code: Date (mm/dd/yyyy): Comments on back?

Item	Location/Segment	Equipment/Track #	Type/Kind	# CP/USC	Defect	Subcode	Speed	Class	Time Since	SRP*	REL**	# of Occ.***	Activity Code
6		BRA	I	213	0135	07	10	I		N	N	2	TOY

Description
INSECURE SWITCH STAND OR SWITCH MACHINE DUE TO DEFECTIVE SWITCH TIES - SWITCH NORTH OF HWY 24 AND FIRST SWITCH WEST OF PROSPECT.

Violation Recommended Yes No Length:

Written Notification to FRA of Remedial Action Is: Required Optional Railroad Action Code: Date (mm/dd/yyyy): Comments on back?

Item	Location/Segment	Equipment/Track #	Type/Kind	# CP/USC	Defect	Subcode	Speed	Class	Time Since	SRP*	REL**	# of Occ.***	Activity Code
7		BRA	I	213	0113	04	10	I		N	N	1	YTW

Description
VERTICAL SPI.IT HEAD IN JOINT ON THE SOUTH RAIL 200 FT. NORTH OF HWY 24.

Violation Recommended Yes No Length:

Written Notification to FRA of Remedial Action Is: Required Optional Railroad Action Code: Date (mm/dd/yyyy): Comments on back?

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION (FRA)

INSPECTION REPORT

(Continuation)

QR# Approval No. 2130-0109

Inspector's ID No.	Report No.	Report Date											
20710	89	7/28/2006											
Item	Location/Station	Equipment/Track #	Type/Kind	# of CFR/URC	Section	Mileage	Speed	Class	Train #/Date	SPR*	RCL**	# of Cars***	Activity Code
8		BRA	1	213	0033	07	10	1		N	N	2	YTW
Description: UNCONTROLLED WATER UNDERCUTTING TRACK STRUCTURE OR EMBANKMENT - TWO LOCATIONS ON THE NORTH SIDE, IN MIDDLE OF LEFT HAND CURVE, NORTH OF BISHOP ST													
Violation Recommended: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Latitude: _____ Longitude: _____													
Write Notification to FRA of Remedial Action is: Required <input type="checkbox"/> - Optional <input checked="" type="checkbox"/> Action Code: _____ Date (mm/dd/yyyy): _____ Comments on track? <input type="checkbox"/>													
Item	Location/Station	Equipment/Track #	Type/Kind	# of CFR/URC	Section	Mileage	Speed	Class	Train #/Date	SPR*	RCL**	# of Cars***	Activity Code
9		BRA	1	213	0113	08	10	1		N	N	4	YTW
Description: FOUR INCH HEAD WEB SEPARATION IN JOINT - FOUR LOCATIONS NORTH OF GLEN AVE.													
Violation Recommended: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Latitude: _____ Longitude: _____													
Write Notification to FRA of Remedial Action is: Required <input type="checkbox"/> - Optional <input checked="" type="checkbox"/> Action Code: _____ Date (mm/dd/yyyy): _____ Comments on track? <input type="checkbox"/>													
Item	Location/Station	Equipment/Track #	Type/Kind	# of CFR/URC	Section	Mileage	Speed	Class	Train #/Date	SPR*	RCL**	# of Cars***	Activity Code
10		BRA	1	213	0121	06	10	1		N	N	1	YTW
Description: LESS THAN 1 BOLT PER RAIL AT EACH JOINT FOR CONVENTIONAL JOINTED RAIL IN CLASS 1 TRACK - NO BOLTS IN DUTCHMAN													
Violation Recommended: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Latitude: _____ Longitude: _____													
Write Notification to FRA of Remedial Action is: Required <input type="checkbox"/> - Optional <input checked="" type="checkbox"/> Action Code: _____ Date (mm/dd/yyyy): _____ Comments on track? <input type="checkbox"/>													



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

December 29, 2000

Dear Rail Plan Recipient:

This document represents an Amendment to the FY 2001 Rail Improvement program. This Amendment analyzes the potential use of state and/or federal funds as a share of the costs to retain railroad service in an area known as the Pioneer Industrial Park all in the City of Peoria, Illinois. The analysis presents the findings of the Illinois Department of Transportation on the benefits and costs associated with the potential project using the Standard Benefit-Cost Methodology of the Federal Railroad Administration.

I urge you to review this Amendment, and to provide any comments you might have. Comments may be made orally or in writing, and, as described more fully in the attached Offer of Public Hearing, a hearing may be held if sufficient interest warrants. Comments should be received no later than January 31, 2001. Send comments to:

Don Highley
Rail Freight Program Manager
Bureau of Railroads Room 302
Illinois Department of Transportation
2300 South Dirksen Parkway,
Springfield, Illinois 62764

If you have any questions, or desire additional information, please call Don Highley at (217) 782-6481.

Sincerely,

A handwritten signature in black ink, appearing to read 'Merrill L. Travis', with a long horizontal flourish extending to the right.

Merrill L. Travis
Chief, Bureau of Railroads

POTENTIAL OPTIONS TO RETAIN RAIL SERVICE

**Table 1
Estimated Project Costs**

City of Peoria
Pioneer Park

OPTION	UNITS/ QUANTITY	MATERIAL	LABOR	TOTAL
1. Rehabilitation	8.3 miles	\$1,590,163	\$1,068,767	\$2,658,930
2. Construction / Rehabilitation	2,600 T.F./ 4,400 T.F.	\$438,470	\$463,090	\$901,560

SALVAGE VALUE:

The facilities rehabilitated with an investment have an economic life extending beyond the 10-year FRA standard planning horizon used for this analysis. Therefore, this analysis includes as a project benefit an estimated salvage value, which approximates the remaining economic value of the improvement beyond the planning horizon. In this case, as detailed in Table 2, project alternative 1 has an estimated salvage value of \$304,197, which, discounted to its present worth (@ 4.5% discount rate), yields a benefit of \$195,872. Project alternative 2 yields a benefit of \$48,976.

The following, Figure 1, depicts the location of Investment Option 1 and Figure 2, depicts the location of Investment Option 2.