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August 16, 2007

VIA E-FILING

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E St., S.W.
Washington, DC 20423-0001

Re: STB Finance Docket No. 35063
Michigan Central Railway, LLC — Acquisition and Operation Exemption —
Lines of Norfolk Southern Railway Company

Dear Secretary Williams:

In a letter filing dated July 20, 2007 (“July 20 Letter”), Michigan Southern Railroad Co. (“MSO”) and Elkhart & Western Railroad Co. (“EWR”) gave notice of their intent to participate in the above-captioned proceeding, indicating that both affiliated short line railroads shared concerns about the rail line transaction proposed in this proceeding. In that letter, MSO and EWR indicated that their concerns might be alleviated upon obtaining a better understanding of the transaction.

This morning, representatives of Norfolk Southern Railway Company (“NS”) visited the headquarters of Pioneer Railcorp (“Pioneer” – the parent holding company of MSO and EWR) to discuss the Michigan Central Railway, LLC (“Central”) joint venture encompassed by Finance Docket 35063, among other matters of mutual interest to NS and Pioneer. Today’s discussions among the parties were constructive, and MSO and EWR can report that issues of possible concern generally referred to in the July 20 Letter and in subsequent filings were addressed to MSO’s and EWR’s satisfaction at that time. In particular, MSO understands that, under the proposed transaction, all traffic moving to or from MSO-served points that would be physically interchanged with Central would be handled pursuant to NS haulage rights, and that NS alone would retain the pricing authority for traffic handled in conjunction with MSO, so that Central could not separately assess charges or set prices for traffic it handles on NS’s account under the terms of the haulage agreement. Based upon this

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understanding of the transaction, MSO and EWR do not anticipate filing substantive comments or requesting relief in this proceeding.

Although further substantive participation by MSO and EWR in this proceeding is unlikely as a result of today's NS-Pioneer meeting, MSO and EWR nevertheless request that they remain listed as parties of record so that they may continue to be fully informed of developments that may be of interest to them in this matter.

Sincerely,

A handwritten signature in black ink that reads "William A. Mullins" followed by a stylized flourish or initials.

William A. Mullins

Counsel for Michigan Southern Railroad Company and
Elkhart & Western Railroad Co.

cc: Daniel A. LaKemper, Esq.
All Parties of Record