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May 21, 2008

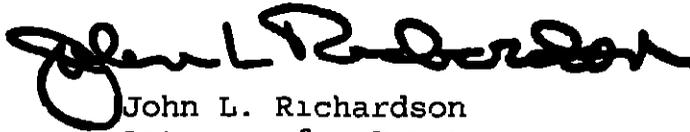
The Honorable Anne K. Quinlan, Esq
Acting Secretary
Surface Transportation Board
395 E Street, S.W
Washington, D C. 20024

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

Dear Ms. Quinlan:

Clarendon Farms, LLC; Diane D. Terni; Greedy Children Land, LLC, Prodigal Son, LLC; Mr. and Mrs William M. Mixon; Dekock SA, Trustee of the JC and AJ Harden Irrevocable Trust, and Ray Basso, as owner of Castle Hill Plantation ("Landowners"), hereby submit their Supplemental Submission in this proceeding transmitting copies of two newspaper articles which discuss the proceeding and address the true motivations of the parties to it. Landowners believe these articles are of great relevance with respect to material issues in dispute in this proceeding and must be considered by the Board as it determines how it should resolve factual, legal and procedural issues presently before it.

Respectfully submitted,



John L. Richardson
Attorney for Petitioners

Enclosures

cc: Derek F Dean, Esq
Warren L. Dean, Jr , Esq.
Thomas Sean McGowan, Esq.
Thomas F. McFarland, Esq.

BEFORE THE
SURFACE TRANSPORTATION BOARD

BEAUFORT RAILROAD COMPANY,) FINANCE DOCKET
INC - MODIFIED RAIL CERTIFICATE) NO 34943

SUPPLEMENTAL SUBMISSION

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Dated May 21, 2008

From the beginning of their participation in this case, Landowners have expressed skepticism about the Beaufort Parties' Notice and their purpose in filing it with the Board. The Notice was very specific and quite detailed with respect to its purpose, and the Beaufort Parties were unequivocal about their sincerity regarding their intentions and plans.² Nevertheless, the reestablishment of freight rail service, after a five year hiatus, over a right-of-way with no active or readily apparent potential shippers did not appear to Landowners to make any economic sense. This conclusion was reinforced when the dismal condition of the line was taken into account and the cost to bring it back up to serviceable condition was considered.

Accordingly, Landowners have suggested to the Board with increasing confidence that the goal of the Beaufort Parties was not to provide BRC with legal authority to reestablish rail service over the right-of-way, but was something quite different, something that the Beaufort Parties had not disclosed to the Board. If their suspicions were validated, Landowners contended that the Board should find that the Beaufort Parties' Notice had been filed improperly and that the Board's Notice and Decision should be reconsidered and withdrawn.

To test those suspicions, Landowners have repeatedly urged the Board to institute a proceeding wherein the bona fides of the Beaufort Parties and their Notice could be evaluated. Landowners' requests have been resisted by the Beaufort Parties, and they have continued to

² In their Notice, the Beaufort Parties assured the Board that their only intention was to permit Beaufort Railroad Company ("BRC") to be able to reinstitute freight rail service over the right-of-way. They told the Board that BRC had been incorporated to make it possible to have service restored. They described and appended a copy of a detailed operating agreement entered into by the BRC and South Carolina Ports Authority under which that service would be provided. They made additional representations regarding the condition of the line and the way it had been maintained by the State of South Carolina since Tangent filed its Notice of Termination in 2003, their plans for improving the right-of-way, and the methods by which they would reestablish freight rail service.

permit the Board to assume that their only purpose in filing the Notice was to provide for the reestablishment of rail service over the line and the designation of BRC to provide it, nothing more and nothing less

New information provides significant support for Landowners' doubts and suspicions Attached as Exhibits A and B to this Submission are copies of two articles that appeared in *The Beaufort Gazette* earlier this week which appear to tell a story quite different from the one the Beaufort Parties have been telling the Board One of the articles is a news report on the right-of-way, this Board proceeding and the local interest in and plans for the right-of-way The second article is an opinion piece authored by the Director of the Beaufort Jasper Water & Sewer Authority which appears to be the ultimate beneficiary of the Beaufort Parties' scheme to convince the Board to retain or reassert jurisdiction over the line and frustrate any attempt by Landowners and others to pursue state court remedies to reacquire control over their properties Together, the two articles appear to confirm that the goal of the Beaufort Parties has had nothing to do with reinstating rail service over the right-of-way, in fact, their goal seems to be directly inconsistent with the reestablishment of the line as part of the national rail network ^{3/}

Landowners believe that these articles contain compelling evidence that the Beaufort Parties have abused the Board's processes and have tried to use those processes to achieve a goal quite different from and inconsistent with the one the Beaufort Parties told the Board they intended to achieve through the use of the Board's Subpart C processes

^{3/} There is no reference in either article to the railroad company the Beaufort Parties told the Board they had organized to reestablish rail service over the line, and there is no discussion about what is to happen to the railroad company the Board was led to believe would be operating over the property In fact, a railroad is only discussed in connection with revenue generating plans of the Water and Sewer Authority to tear up, remove and salvage rail assets to acquire revenues to be used for non-railroad purposes

A full and candid explanation of the Beaufort Parties' scheme is still to be provided. If the substance of the appended articles is to be believed, it is certainly clear that the Beaufort Parties never intended to reestablish rail service over the right-of-way. But the Board and the parties must still speculate about what the Beaufort Parties really intended to achieve and why. It appears almost certain, however, that those instigating the scheme determined that upon the effectiveness of Tangent's Notice of Termination filed in 2003, it could most reasonably be assumed that the Board's jurisdiction over the property had come to an end, as Landowners and others have contended, and if the instigators of the plan were to achieve what they wanted, they would have to file the Notice and hope to convince the Board that the State never gave up its interest in the rail line, that it honestly intended to reinstitute rail service over the right-of-way and that it wanted BRC to be designated as a new railroad operator over the line. Once that occurred, the State would sell the right-of-way to the Water and Sewer Authority, and the railroad operation could be forgotten. As noted, all this is obviously speculation at this point but the intended result Landowners suspect is exactly what appears to be happening.

Accordingly, Landowners believe the Board should reconsider the Notice it issued on December 28, 2006, rescind that notice, and dismiss the Notice filed by the Beaufort Parties on December 1, 2006 as improperly filed.^{4/} In the alternative, and at the very least, the Board should reconsider its December 28, 2006 Notice and hold this entire proceeding in

^{4/} At the same time, for the same reasons and for those contained in Landowners' Response to Reply in Opposition to Petition for Reconsideration filed on May 15, 2008, the Board should reconsider its March 19, 2008 Decision and declare that the line at issue is not part of the national rail system and the Board does not have any continuing jurisdiction over it.

abeyance pending the conclusion of the fact-gathering investigation the Landowners have been seeking

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John L. Richardson". The signature is fluid and cursive, with the first letter of each name being significantly larger and more stylized.

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Dated May 21, 2008

Exhibit A

bgbeaufortgazette.com

Port Royal railroad deal nearly complete; water utility wants to protect lines

Published Sun, May 18, 2008 4 00 PM

By ALEXIS GARROBO
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A \$3 million deal by the S C State Ports Authority to sell 25 miles of railroad to Beaufort-Jasper Water and Sewer Authority could happen as early as next week, officials from both agencies said

The Port Royal Railroad, which links Port Royal to Yemassee, was closed in 2003 when the state deemed it not profitable. The move coincided with the shuttering of the Port of Port Royal, where the tracks end.

Now, BJWSA wants to protect its utility lines that run beneath the tracks by buying the railroad line. The water authority has several water and sewer lines running under the railbed -- including the main water line for Lady's Island.

If the right of way disappeared or was developed, those pipes would be at risk, general manager Dean Moss said.

The water authority has a license agreement to use the area, but it is contingent on the Ports Authority's right of way for the railroad. "In the utility business, the right of way is gold," Moss said. In March, the federal Surface Transportation Board upheld the Ports Authority's claim to the railway that made it possible for the transfer between authorities to occur.

"Unless something unusual comes up, I think it'll pass (at the Ports Authority meeting Tuesday)," said Colden Batten Jr., an authority board member who has been working on the project. "We've pretty much agreed to sell to Beaufort-Jasper. But we're not talking about something that's a done deal, yet."

Moss said he expects the water authority's board of directors to sign the contract to purchase the railroad at its meeting Thursday. The 8 a.m. meeting is open to the public for comment, but the discussion regarding the railroad will be held in executive session.

However, the deal, which also must await the OK from the federal Surface Transportation Board, would not close until the fall. The item could get on the federal board's agenda by the summer, Moss said. If the federal board supports the transfer, the water authority must wait for 60 days to make sure there are no appeals, Moss said.

Then, it will go forward with a master plan for use of the property.

But the water authority's plans for the property only extend below ground. What will be done above the

surface still needs to be determined

"A lot of people are anxious to get stuff there," Moss said

Ideas floating around include a bike trail or park, but the water authority by state law cannot undertake those projects. Instead the authority is depending on the municipalities to form a consortium and submit plans for public use and community benefit.

Exhibit B



Water and sewer authority to acquire railroad right of way

Published Sun, May 18, 2008 12:00 AM

By DEAN MOSS

deanm@bhwsa.org

The Beaufort-Jasper Water & Sewer Authority intends to acquire the right of way for the Port Royal Railroad from the State Ports Authority. This right of way extends from Ribaut Road in Port Royal to Yemassee. BJWSA's board of directors will vote at its regular monthly meeting on Thursday to enter into a purchase agreement with the Ports Authority for acquisition of the right of way; the closing is expected to occur in the fall.

This acquisition is important to water and sewer authority because it has many large pipelines installed in the right of way that would be at risk if the right of way were to disappear or be acquired for development. Additionally, it will be critical for the installation of future pipelines should the growth projected for Port Royal Island and other parts of northern Beaufort County occur. The water and sewer authority agreement with the Ports Authority requires that the right of way be placed in and protected by the federal rail bank. This federal program is designed to ensure that should the right of way be needed in the future for use as a railroad again, it would be available. The program will protect the right of way against possible claims of adjacent land owners but requires that nothing -- such as building construction -- can be done in the right of way that would be inconsistent with its future restoration as a railroad.

An extensive cost analysis was undertaken by water and sewer authority as part of its evaluation, and this demonstrated the desirability of acquiring the right of way. The water and sewer authority will pay the Ports Authority \$3 million for the right of way or about \$6,500 per acre. When compared to the costs the authority would incur if the right of way disappeared or to the costs of acquiring equivalent, new pipeline easements across private land, this price is very inexpensive. Part of this cost will be offset through the sale of an easement to South Carolina Electric & Gas for their existing transmission lines along the right of way, and additional revenue will be recovered through the sale of the rails, ties and other materials.

The Ports Authority has previously entered into agreements with several land owners adjacent to the right of way. The water and sewer authority intends to honor these agreements through their current terms unless they involve or allow activities that pose a threat to pipelines or service activities. As these agreements expire, BJWSA will determine whether to renew them.

After the purchase is completed, estimated to be this fall, the water and sewer authority will remove the rails, ties and other railroad-related facilities and will ensure the road crossings are improved. The water and sewer authority will complete a master plan for future use of the land in support of BJWSA activities, which also will account for other existing and potential future utility uses.

The water and sewer authority understands that there is interest within the community in the development of the right of way as a linear park and recreational trail. Regardless of its desirability,

BJWSA is prevented by state law from undertaking this type of development or from spending its funds to accomplish it. This type of activity is properly the responsibility of the county and municipal governments, by themselves or in cooperation with a not for profit organization.

BJWSA will make the right of way available to the county and the municipalities within the next year for them to begin development of any auxiliary uses they determine as long as these are consistent with the master plan for utility uses. We recommend these local governments engage in a formal planning effort with extensive community involvement. In its planning for future utility development of the right of way, BJWSA will endeavor to preserve the widest range of opportunity for recreational uses along the entire corridor.

This right of way is an important acquisition by the water and sewer authority. Not only will it preserve very important and valuable access for BJWSA lines, but it also has the potential to provide a great deal of public benefit in the future. We encourage the local governments and the community to work together to make this right of way the great asset it has the potential to be.

CERTIFICATE OF SERVICE

I hereby certify that, on May 21, 2008, I caused a copy of the foregoing document to be served upon the following persons by electronic mail

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