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January 12, 2010

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Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE Finance Docket No. 35175, *Roseburg Forest Products Co., Timber Products Company, LC, Suburban Propane, LP, Cowley D&L, Inc., Sousa Ag Service, and Yreka Western Railroad Company Alternative Rail Service- Central Oregon & Pacific Railroad, Inc.* Ex Parte No. 346 (Sub-No. 25C), *Rail General Exemption Authority-Petition for Partial Revocation of Commodity Exemption-Lumber or Wood Products*

Dear Ms. Brown:

By letter dated December 16, 2009, addressed to Chairman Elliott, Senator Wyden, Senator Merkley, and Congressman DeFazio (the "Congressional Letter"), requested the Surface Transportation Board (the "Board") to "move as quickly as possible to rule fairly on the Coos-Siskiyou Shippers Coalition petition." Earlier, the Congressional Letter recounted the arguments made by the Coos-Siskiyou Shippers Coalition. On January 5, 2010, a letter was filed by the Petitioners in the above-entitled proceeding, opposing the request for abeyance made by the Siskiyou Regional Rail Authority to defer action in this proceeding, and instead requesting the Board to move forward, consistent with the position in the Congressional Letter.

The Central Oregon & Pacific Railroad, Inc. ("CORP") has been reticent to reply to the Congressional Letter because it has not been treated as a pleading of record in this proceeding. However, the reference to the Congressional Letter by the Petitioners requires CORP to respond. Contrary to the factual allegations made in the Congressional Letter, the Board, in its March 4, 2009 decision, concluded that "petitioners have failed to make all of the showings required for the relief they seek" (at 2) and that "[t]he record does not establish the existence of a rail transportation emergency having a substantial adverse effect on rail shippers. Although petitioners have experienced a reduction in service frequency and have documented some service inadequacy, they have not established that a substantial, measurable service deterioration exists that would justify an alternative service order" (at 9). As CORP argued in its April 10, 2009 Response, "Petitioners have failed to provide quantifiable and verifiable responses to the clarification sought by the Board." Response at 20. CORP continues to urge the Board to deny the request for alternative service.

CORP remains willing to make the rail line between Black Butte, CA and Ashland, OR available for service by another rail carrier, if that carrier is willing to pay compensation pursuant to the Board's formula developed in *Pycro Industries, Inc. Alternative Rail Service-South Plains Switching, Ltd. Co.*, STB Finance Docket No. 34889 (STB served January 11, 2008) at 6. CORP is also supportive of SRRA's efforts to strike a deal with Union Pacific to acquire the necessary rights and/or arrange for an alternative operator on the Siskiyou summit, and CORP will consider amending its Lease obligations with Union Pacific to facilitate such an objective.

ENTERED
Office of Proceedings

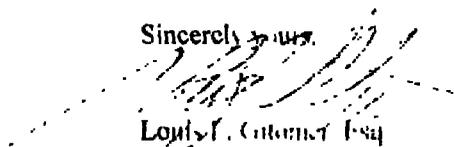
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CORP is e-filing this letter. Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,



Louis J. Cotman Esq.
Attorney for Central Oregon & Pacific Railroad,
Inc.

Cc: Parties of record