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10-21-04

O'BRIEN STEEL SERVICE

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October 11, 2004

RE: Docket No. AB-878

To Whom It May Concern:

O'Brien Steel Service Co. is a user of the Kellar Branch of the Peoria, Peoria Heights and Western Railroad. During the past three years, O'Brien Steel Service has registered the following car counts of use over the Kellar Branch:

<u>Year</u>	<u>Cars</u>
2002	74
2003	81
(YTD) 2004	60 (estimated - based upon overall volume)

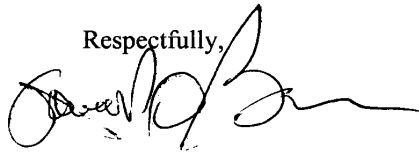
We are aware that the City of Peoria and the Village of Peoria Heights, as owners of the Kellar Branch, desire to replace the current rail operator, Pioneer Railway Co. (Pioneer) with a new rail operator, Central Illinois Railroad Company (Central Illinois), and that this is a Surface Transportation Board proceeding to decide whether Pioneer's railroad authority over the Branch should be discontinued.

Pioneer has not maintained positive relationships with O'Brien Steel over the last few years. Most significantly, last July we developed a new customer for scrap steel in an outlying market. Previously, all sales of scrap steel were limited to existing customers located within our immediate geographical area that were accessible only by truck. After two or three railcar shipments our newly established customer reduced the price on our scrap steel to the point it no longer became economically feasible to continue shipments. We were told by our customer the reason for the reduction in price was to offset the increase incurred because the Pioneer increased their rate three times over a dispute

between the Pioneer and another railroad as to which carrier would provide the railcar used for shipment. O'Brien Steel's newly found business opportunity was not given any consideration in any decision made.

O'Brien Steel applauds the City of Peoria for selecting Central Illinois Railroad as the new operator of the Kellar Branch. We have had a positive working relationship with Central Illinois Railroad's related track construction company – D.O.T. Railway – and anticipate continuing that relationship with Central Illinois.

Respectfully,

A handwritten signature in black ink, appearing to read "J.P. O'Brien", with a long horizontal flourish extending to the right.

J.P. O'Brien
President
O'Brien Steel Service Co.