

July 6, 2005

By Messenger

Victoria Rutson, Esq.
Chief, Section of Environmental Analysis
Surface Transportation Board
1925 K St. N.W.
Washington, D.C. 20005

RE: Petition for Exemption from 49 U.S.C. 10901 To Construct and Operate a Rail Line in Keokuk, IA

Dear Mrs. Rutson:

Pursuant to our meeting with the Section of Environmental Analysis ("SEA") on June 20, 2005, Roquette America, Inc. ("RAI") hereby requests a waiver of the six-month pre-filing notice requirement set forth in 49 C.F.R. 1105.10(a)(1), in accordance with 49 C.F.R. 1105.10(c). As described at the meeting, RAI proposes to construct and operate a very short line of rail extending from its plant in Keokuk, IA across the line of the Keokuk Junction Railway ("KJR") to connect to the line of the BNSF Railway ("BNSF"). The primary purpose of the proposed line is to create competitive rail service at RAI's plant in Keokuk. Presently, the RAI plant is served only by the KJR, and the proposed line will connect the plant to the line of the BNSF.

As described at the meeting, RAI's plant is located within the city limits of Keokuk, at a plant site near the Mississippi River. The plant is located at the bottom of a line of bluffs which effectively isolate the plant from the dwellings and businesses of the city of Keokuk, which are located at the top of the bluff. The main line of the KJR runs directly adjacent to the plant for the entire distance of the plant and beyond, and between the plant and the river. The BNSF has a main line and a yard which is located to the outside of the KJR line as viewed from RAI's plant, between the KJR line and the river. Thus, the KJR line effectively acts as a barrier, preventing direct competitive rail service by BNSF to RAI's plant.

RAI is examining several possible rail routes. As explained in the meeting, one of these routes would run from RAI track located inside the eastern side of the plant, across the KJR track located just outside the plant, and connect to the BNSF main line located just outside the KJR track. This route would require only a very short build-out (less than one-hundred feet), and a crossing of the KJR track. A similar short construction might be made at the western end of RAI's plant, again involving a short build-out and crossing of KJR's track. Finally, a third possible route would involve the construction of a short line of rail from the eastern end of RAI's plant, to connect directly to the BNSF Mooar line, which extends northward at the eastern end of the plant to serve shippers located up the Mooar line. This last option would require no crossing of the KJR line at all, and may not require any STB action. At the present time, RAI is examining all of these routes. However, in all cases, the build-out will be very short and will not affect KJR operations. The area is heavily industrial and has been so for many years. Existing track has been in place for many years. There are no residences near the proposed line.

RAI's Keokuk facility currently ships approximately 7,000 outbound carloads per year via rail, and receives approximately 2,000 carloads. Inbound cars contain primarily corn from nearby elevators as

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well as some chemicals and acids for plant processing. Outbound products consist of high value corn starch derivatives called polyols, as well as corn syrup and related products such as high fructose corn syrup. These products are for use in the food products, beverage, and similar industries. Some of these products are shipped to customers across the country; others are intermediate products shipped to RAI's other plant in Illinois; and still other outbound carloads consist of by-products that RAI recovers in the process of manufacture. RAI leases about 1400 tank cars for its outbound product movements, and uses railroad-supplied hopper cars for inbound grain and outbound by-products.

At our June 20 meeting with SEA, RAI representatives described the essential aspects of the proposed rail construction project. As explained at that meeting, RAI is not aware of any environmental issues. The build-out will be very short, will be located in an industrial area in the midst of current rail tracks, and will not require any trestles or fill for the construction. RAI does not anticipate that the project will raise any air quality, noise, or cultural resource issues, or affect minority or low-income populations. Although the Mississippi River is not far, RAI does not expect that the construction or operation of the line will result in any environmental effect on the river. The primary effect of the construction and operation of the line and the crossing would, depending upon the competitive response of both KJR and BNSF, be to possibly eliminate KRJ as the origin switch carrier for the movements, rather than to generate significant new volumes of rail traffic. The proposed build-out is not expected to significantly alter the current or future volume of shipments.

RAI intends to fully address any environmental issues that arise because of the project and to take appropriate mitigation measures. RAI has selected a third-party environmental contractor, Burns and McDonnell, to be directed by SEA, to prepare necessary environmental documentation for the project. Burns and McDonnell is well known to SEA, and is on SEA's Third Party Consultant Contact List, which is comprised of individuals and firms with expertise and experience in environmental review of rail or transportation projects. RAI will be shortly submitting to SEA a request to approve Burns and McDonnell as third party consultant for this construction project.

In light of the recent meeting with SEA to discuss the scope of the project, the nature of the proposed construction, and the lack of apparent significant environmental effects, RAI requests a waiver of the requirement contained at 49 C.F.R. 1105.10(a) that an applicant consult with SEA a minimum of six months prior to the filing of a petition for exemption. If you have any questions regarding the proposed project or this request for waiver, please do not hesitate to contact me. Finally, I would note that this project is still in the planning stage, and thus RAI would appreciate it if the Board would, to the extent possible, treat this matter for the present time as confidential.

Sincerely,



Nicholas J. DiMichael
Attorney for Roquette America, Inc.
