

# PIONEER RAILCORP

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June 20, 2012

Mr. Richard F. Timmons  
President & Treasurer  
American Short Line and Regional Railroad Association  
50 F Street NW, Suite 7020  
Washington, DC 20001-1536  
(202) 628-4500

Re: End of Year 2012 Railroad Service Outlook

Dear Mr. Timmons:

Regarding the End of Year 2012 Railroad Service Outlook request by the Surface Transportation Board through your letter dated June 11, 2012, please accept this letter as a collective response for all of the Pioneer Railcorp operating railroad subsidiaries.

Regarding actions taken to prepare for end-of-year shipping season, specifically regarding the area of any expectations for seasonal peaks, the subsidiaries have the unique ability to “share crews”, that is to pull other train crews from other subsidiaries to cover peak shipping periods – keep the traffic flowing (mainly moving unit train proportions); another option – corporate office, personnel has field service experience and is available if necessary, additionally, mechanics/carmen are available within a few hours of most affected locations; intermodal is not a substantial part of our traffic flow.

Regarding summary of economic investments made in freight service improvements for the past year. Over the last few years maintenance dollars have been invested into rail infrastructure, most notably focused on upgrading the track to either Class II or 286 Capacity. Additional investments have continued to “re-activate” track, that is rehabilitation of existing but previously unused sidings or leads – due to track conditions – to increase car holding capacities. Ongoing investments into transload facilities continue as well.

Regarding finished autos, crude oil/oil activities, and commuter rail, autos and oil are not a substantial part of our traffic flow; none of the subsidiaries currently handle commuter rail.

Pioneer Railcorp and its operating railroad subsidiaries appreciate the opportunity to contribute to this worth while effort, should you need any more information or have any comments, please contact me directly, 309-697-1400.

Sincerely,

A handwritten signature in cursive script that reads "Shane Cullen".

Shane Cullen  
VP of Trans. & Opers.

Cc: Mr. J. Michael Carr, President & CEO