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September 26, 2003

VIA AIRBORNE EXPRESS

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423

FILED
SEP 29 2003
SURFACE
TRANSPORTATION BOARD

**Re: STB Docket No. AB-55 (Sub-No. 642X)
CSX Transportation, Inc. - Abandonment
Exemption in Vermillion County, Illinois**

Dear Mr. Williams:

Enclosed for filing are the original and ten copies of CSX Transportation, Inc.'s Petition for Exemption in the above-captioned proceeding. A check in the amount of \$4,700.00 to cover the filing fee is also enclosed. Finally, I am enclosing the original and ten copies of a draft Federal Register notice along with a computer diskette compatible with the Board's current word processing capabilities. I would appreciate your acknowledgment of receipt of these documents by stamping the enclosed extra copy of this letter and returning it to me in the enclosed self-addressed stamped envelope.

Very truly yours,

Natalie S. Rosenberg
Natalie S. Rosenberg

OFFICE RECEIVED

SEP 29 2003

NSR/pkw

Enclosures

SURFACE
TRANSPORTATION BOARD

ENTERED
Office of Proceedings

SEP 29 2003

Part of
Public Record



STB Docket No. AB-55 (Sub-No. 642X)

Notice of Petition for Exemption to Abandon

On September 26, 2003, CSX Transportation, Inc. filed with the Surface Transportation Board, Washington, DC 20423, a petition for exemption to abandon a line of railroad in the Western Region, Chicago Division, Woodland Subdivision, extending from Milepost OZE 107.1 to Milepost OZE 113.0, a total distance of approximately 5.9 miles, (hereinafter referred to as "the line"). The line traverses through United States Postal Service ZIP Codes 61848 and 60963. The line for which the abandonment exemption request was filed includes no stations.

The line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the labor protective conditions imposed in Oregon Short Line R. Co. - Abandonment - Goshen, 360 I.C.C. 91 (1979).

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested persons should be aware that following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use.

Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after

notice of the filing of the petition for exemption is published in the Federal Register.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 C.F.R. part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-55 (Sub-No. 642X)

CSX TRANSPORTATION, INC.
ABANDONMENT EXEMPTION
IN VERMILLION COUNTY, ILLINOIS

P E T I T I O N F O R E X E M P T I O N

NATALIE S. ROSENBERG
500 Water Street - J150
Jacksonville, Florida 32202
(904) 359-1253

Counsel for
CSX TRANSPORTATION, INC.

Dated: September 26, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-55 (SUB-NO. 642X)

CSX TRANSPORTATION, INC.
ABANDONMENT EXEMPTION
IN VERMILLION COUNTY, ILLINOIS

P E T I T I O N F O R E X E M P T I O N

CSX Transportation, Inc. ("CSXT") proposes to abandon a line of railroad in its Western Region, Chicago Division, Woodland Subdivision, extending from Milepost OZE 107.1 at Rossville Junction to Milepost OZE 113.0 at Henning, a total distance of approximately 5.9 miles, in Vermillion County, Illinois (hereinafter referred to as "the line"). The line traverses through United States Postal Service ZIP Codes 61848 and 60963. Maps showing the trackage proposed for abandonment, as well as the location of the trackage in the State of Illinois, are attached to this petition as Exhibit A. CSXT files this petition under 49 U.S.C. 10502 for an exemption from the provisions of 49 U.S.C.

10903, with regard to the proposed abandonment. In support of its petition, CSXT states the following:

1. CSXT proposes to abandon a 5.9 mile portion of its Western Region, Chicago Division, Woodland Subdivision, extending from Milepost OZE 107.1 at Rossville Junction to Milepost OZE 113.0 at Henning in Vermillion County, Illinois. Abandonment of this line will allow for the elimination of 13 highway rail at-grade crossings.

- a. Traffic

There is only one rail patron currently located on the line. Fall Grain purchased a grain elevator on the line in approximately September, 2002. Fall Grain has utilized rail transportation a modest amount during the past year. Prior to purchase by Fall Grain, the elevator was owned by Consolidated Grain & Barge, a more significant user of rail. It is CSXT's understanding that Consolidated Grain & Barge operated the elevator as a "public" elevator and permitted other companies to utilize the elevator. Since the time the elevator was purchased by Fall Grain, however, rail shipments have dropped dramatically due, at least in part, to the fact that the elevator is now solely utilized by Fall Grain. Since purchasing the elevator in 2002, Fall Grain shipped 30 carloads in 2002 and 57 carloads through June, 2003. See the Verified Traffic Statement which is attached hereto as Exhibit E.

The primary alternative transportation option available to Fall Grain is motor carrier transportation. CSXT, however, has offered to sell the line to Fall Grain for Net Liquidation Value

as an industry track subsequent to the exercise of any abandonment authority granted to CSXT. To date, Fall Grain has not definitively responded to CSXT's offer. Fall Grain has been made aware that this abandonment filing was forthcoming.

b. Rehabilitation Expenses

The line is in extremely poor condition and is classified as excepted track. In order to continue to operate on the line, CSXT would be required to make a significant capital expenditure in the very near future.

As is more fully set out in the Verified Statement of CSXT Roadmaster, Gale Free, which is attached hereto as Exhibit G, the rail on this 5.9 mile line requires imminent replacement. The rail is 85-pound rail which was milled between 1903 and 1906. Experience has shown that the rail is not able to withstand extreme temperatures. In extreme cold, the rail has a tendency to break and in extreme heat, the rail, which contains no anchors, has a tendency to misalign under the weight of a train. Both of these issues can and have resulted in derailments.

Although CSXT has a practice of refraining from using the line in either extreme hot or cold to help decrease the potential for derailments, CSXT is still forced to take extra precautions even in average temperatures. Because of the condition of the line, either the Roadmaster or Track Inspector h-y-rails the line and inspects it prior to *EACH AND EVERY RAIL USE* of the Line. Unfortunately, these frequent inspections still do not protect against all rail breaks or misalignments. This inefficient and

ineffective method of operation can only be stopped by the replacement of the rail. More in-depth inspections using a rail test car are not only next to impossible to perform due to the poor condition of the track but fail to produce accurate results.

District Project Engineer, David J. Fette, estimates that the cost to replace the rail on the line with used rail is approximately \$670,090.00. See Verified Statement of David J. Fette attached hereto as Exhibit H. In the event that CSXT were to replace the rail on this line, CSXT would also be required to repair all grade crossings on the line, replace 3 turnouts and resurface the track. In Mr. Fette's estimation, grade crossing work including labor and materials would cost approximately \$196,118.00; turnout work including labor and materials would cost approximately \$186,000.00; and resurfacing work including labor and materials would cost approximately \$47,440.00. The total cost of the rail and rail-related work is \$1,099,648.00.

In addition to the work required to be performed on the rail, a bridge located at or near Milepost OZE 109.30 (the "Bridge") requires significant repairs. According to Leeroy Davidson, Engineer Bridges-Louisville Division, this timber trestle Bridge that was constructed in 1913 is nearing the end of its useful life. Although significant repairs can be performed that should extend the life of the Bridge for at least another five years, the Bridge will likely require replacement within the next ten years (at an estimated cost of \$600,000.00). In order to keep the Bridge in service for approximately five more years, Mr. Davidson

believes that it is necessary to replace 102 bridge ties, three caps, and three subcaps and to install 10 timber piles. If this work is not performed in the near future, CSXT will be required to take the Bridge out of service and, as a result, would be unable to reach the Fall Grain facility. See Verified Statement of Leeroy Davidson attached hereto as Exhibit I. A very rough estimate of the cost to replace the Bridge is \$600,000.00.

As is more fully explained in the Verified Statement of David J. Fette, the cost of the Bridge work consists of capital work in the form of bridge tie replacement at an estimated cost of \$45,900.00 as well as maintenance expenses of \$42,000.00 for the piles, caps and subcaps.

Although the line is currently classified as excepted track, it is likely that CSXT would be required to embargo the line at some point unless the above described repairs are performed. CSXT estimates the total cost of capital rehabilitation expenses between the rail replacement and bridge repair to be \$1,145,548.00. As will be more fully set out below, the nominal amount of traffic on the line does not come close to justifying this type of expenditure.

c. Economic Analysis

Ellen Preslar, Senior Manager of Costing in the Finance Department of CSXT prepared revenue and cost data for the line in conformity with 49 CFR §1152.36. This analysis (See Exhibit F) shows the following:

	Base Year	Forecast Year	Subsidy Year
Revenues Attributable	\$390,570	\$406,193	\$410,099
Avoidable Costs	\$313,554	\$360,876	\$321,128
Subsidization Costs	-	-	\$ -
Return on Value	\$ -	\$ 8,168	\$ 7,927
Avoidable Loss	\$(77,016)	\$(45,317)	\$(88,971)
Avoidable Loss/Opportunity Costs	-	\$(37,149)	-
Subsidy Year Loss	-	-	\$150,357

To summarize, although CSXT shows a marginal profit in the Base Year,¹ the profit is diminished significantly in the Forecast Year as a result of the imminent, extraordinary repairs required on the Bridge. In the Subsidy Year, the modest profit of the Forecast Year turns into a sizeable loss as a result of the \$1,145,548.00 capital expenditure required to maintain service over the line.

2. Under 49 U.S.C. 10903, a rail line cannot be abandoned without the prior approval of the Board. However, under 49 U.S.C. 10502, the Board must exempt a rail transaction from regulation when it finds that (1) application of the pertinent statutory provisions is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction is of limited scope or regulation is unnecessary to protect shippers from the abuse of market power. The proposed abandonment falls squarely within the statutory standards requiring exemption.

¹Although CSXT used system average numbers for the Maintenance of Way and Structures line item due to an inability to specifically identify the amount of money spent on the Bridge during the Base Year, it is the opinion of Leroy Davidson that CSXT likely spent between \$30,000.00 and \$40,000.00 on Bridge maintenance during the Base Year. As such, actual profits were likely significantly lower.

3. The rail transportation policy set forth in 49 U.S.C. 10101 requires, as relevant here, that in exercising its regulatory authority, the Board will minimize the need for Federal regulatory control over the rail transportation system and, when regulation is necessary, render fair and expeditious regulatory decisions; reduce barriers to exit from the industry; foster sound economic conditions and encourage efficient management; ensure the operation of transportation facilities and equipment without detriment to the public health and safety; and promote a sound transportation system meeting the needs of the public and the national defense.

Exemption of the proposed abandonment well serves all of these elements of the rail policy. Specifically, by minimizing the regulatory expense and time lag inherent in a full abandonment application, exemption will expedite regulatory decisions and reduce regulatory barriers to exit. Exemption will also foster sound economic conditions and encourage efficient management. As earlier indicated, the rail patron located on the line makes minimal use of the line. Finally, the proposed abandonment will relieve CSXT from the costs of owning and maintaining an under-utilized line of railroad that is need of significant repairs.

The line does not serve a military facility. Given this fact, it seems very unlikely that the line proposed for abandonment is necessary for the national defense. Nevertheless, CSXT has served a copy of this petition on the Military Traffic

Management Command, which shall advise the Board of any national defense concerns about the line.

In short, full abandonment proceedings are unnecessary to carry out any of the relevant rail transportation policy elements of 49 U.S.C. 10101. No vital interest of shippers, competitors or communities will be adversely affected, and the abandonment exemption CSXT seeks here will free it from the burdens associated with ownership and maintenance of the line.

4. The Environmental Report required by 49 C.F.R. Section 1105.7 and the Historic Report required by 49 C.F.R. 1105.8 are attached as Exhibits B and C, respectively, to this petition for exemption. Attached as Exhibit D is a certificate showing CSXT's compliance with 49 C.F.R. 1105.11.

5. CSXT understands that the Board will impose labor protective conditions as stated in Oregon Short Line R. Co. -- Abandonment -- Goshen, 360 I.C.C. 91 (1979), to satisfy the requirements of 49 U.S.C. 10502(g).

6. The rail patron located on the line has made minimal use of rail transportation. Furthermore, this patron has an alternative transportation option available. It is therefore clear that the proposed abandonment presents no opportunity for an abuse of market power. Further, the proposed abandonment is of limited scope, because it involves only 5.9 miles of trackage.

7. All communications with respect to this petition should be directed to:

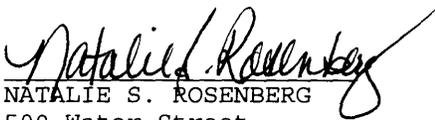
Natalie S. Rosenberg
Senior Counsel
500 Water Street - J150
Jacksonville, Florida 32202
(904) 359-1253

8. Based on information in our possession, the line does not contain federally granted right-of-way. Any documentation in petitioner's possession will be made available promptly to those requesting it.

9. The newspaper notice required by 49 C.F.R. 1105.12 was published in the *The Commercial News*, Danville, IL on September 18, 2003. An Affidavit of publication from the newspaper will be forwarded to the Board as soon as it is received by CSXT.

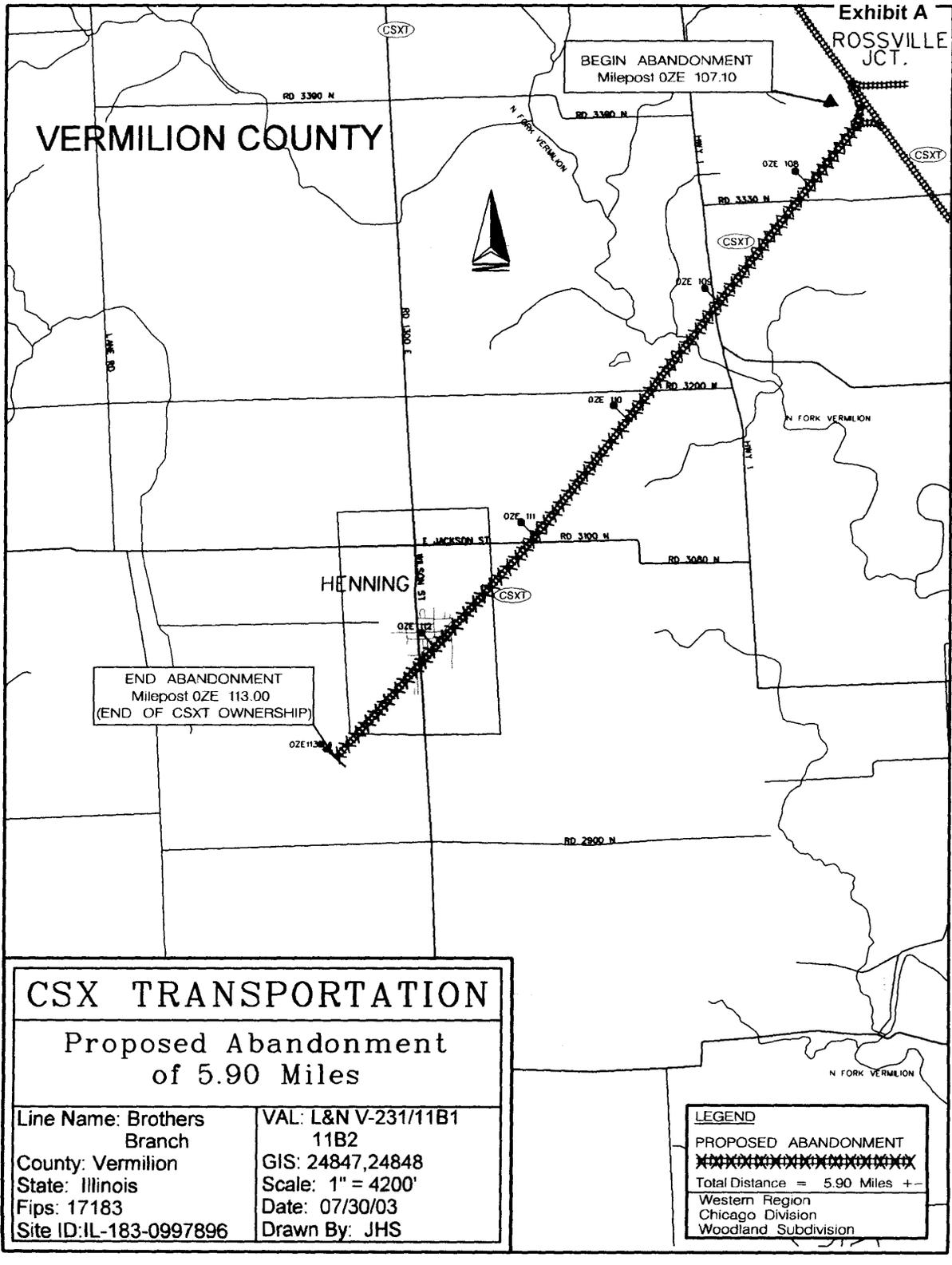
CSXT accordingly requests that the Board grant an exemption from the provisions of 49 U.S.C. 10903, with regard to the proposed abandonment of that portion of its Western Region, Chicago Division, Woodland Subdivision, extending from Milepost OZE 107.1 at Rossville Junction to Milepost OZE 113.0 at Henning in Vermillion County, Illinois.

Respectfully submitted,


NATALIE S. ROSENBERG
500 Water Street
Jacksonville, Florida 32202

Counsel for
CSX Transportation, Inc.

Dated: September 26, 2003



VERMILION COUNTY

Exhibit A
ROSSVILLE
JCT.

BEGIN ABANDONMENT
Milepost OZE 107.10

END ABANDONMENT
Milepost OZE 113.00
(END OF CSXT OWNERSHIP)

HENNING

CSX TRANSPORTATION

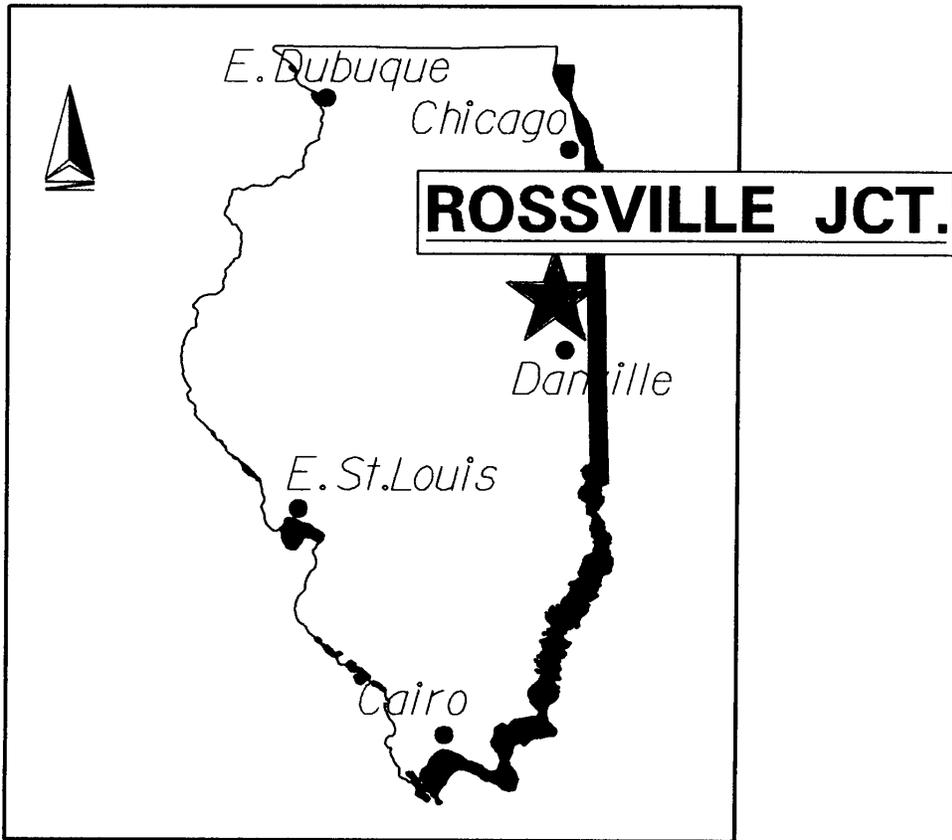
**Proposed Abandonment
of 5.90 Miles**

Line Name: Brothers
Branch
County: Vermilion
State: Illinois
Fips: 17183
Site ID: IL-183-0997896

VAL: L&N V-231/11B1
11B2
GIS: 24847,24848
Scale: 1" = 4200'
Date: 07/30/03
Drawn By: JHS

LEGEND

PROPOSED ABANDONMENT
~~XXXXXXXXXXXXXXXXXX~~
Total Distance = 5.90 Miles +/-
Western Region
Chicago Division
Woodland Subdivision



**AREA MAP
STATE OF ILLINOIS**

**Proposed Abandonment - 5.90 Miles
Vermilion County
Rossville Jct. - Hemming, Illinois**

WESTERN REGION - CHICAGO DIVISION - WOODLAND SUBDIVISION

ENVIRONMENTAL REPORT

CSX TRANSPORTATION, INC.

ROSSVILLE JUNCTION TO HENNING
VERMILION COUNTY, ILLINOIS

DOCKET AB-55 (SUB-NO. 642X)

The following information is provided in accordance with 49 C.F.R. Section 1105.7:

(1) PROPOSED ACTION AND ALTERNATIVES

Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

CSX Transportation, Inc. ("CSXT") proposes to abandon 5.9 miles of its rail line between Rossville Junction and Henning, Vermilion County, Illinois. This line segment has generated minimal originating and terminating traffic during the past several years, and future prospects appear bleak. During the past several years, the principal commodity transported over the line has been grain.

Abandonment of this line will result in the removal of the rail, crossties, and possibly the upper layer of ballast; subsequently, the operations and maintenance of this line will cease.

The only alternative would be not to abandon and to pass the operating loss and capital costs of retaining the line to all other CSXT customers. This would not be a prudent utilization of carrier resources.

Two maps, which delineate the proposed project, are attached. (See Attachments 1 and 2.)

(2) TRANSPORTATION SYSTEM

Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

There is no CSXT passenger traffic on this line. There will be no effect on existing regional or local transportation systems or patterns.

(3) LAND USE

- (i) **Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.**

Applicant has not received a response to its letter dated July 25, 2003 to the Village of Henning seeking information regarding this statement (See Attachment 3.) Applicant believes the proposed action is not inconsistent with local land use plans.

On July 28, 2003, the County Board of Vermilion County, Illinois advised that Vermilion County does not have a planning commission. However, the Board advised, "the county does not object to your plans to abandon the rail line between the Rossville Junction and Henning in Vermilion County, Illinois." (See Attachment 4.)

- (ii) **Based on consultation with the U. S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.**

Applicant has not received a response to its letter dated July 25, 2003 to the Natural Resources Conservation Service requesting information regarding this statement. (See Attachment 5.) While some prime farmland may exist in the vicinity of this project, Applicant feels that the simple removal of track material should not have an adverse impact.

- (iii) **If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9.**

The State of Illinois does not have a coastal zone

management program.

- (iv) **If the proposed action is an abandonment, state whether or not the right of way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.**

The property involved in the proposed abandonment may be suitable for other public purposes but may be subject to reversionary interests that may affect transfer of title for other than rail purposes.

(4) ENERGY

- (i) **Describe the effect of the proposed action on transportation of energy resources.**

The proposed action will have no effect on the transportation of energy resources.

- (ii) **Describe the effect of the proposed action on recyclable commodities.**

The proposed action will have no effect on the movement and/or recovery of recyclable commodities.

- (iii) **State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.**

The proposed action will not result in an increase or decrease in overall energy efficiency.

- (iv) **If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.**

There will be no diversion of rail traffic to motor carriage in excess of the above thresholds.

(5) AIR

- (i) **If the proposed action will result in either: (A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line**

affected by the proposal, or (B) an increase in rail yard activity of at least 100% (measured by carload activity), or (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions.

The above thresholds will not be exceeded.

- (ii) If the proposed action affects a class I or non-attainment area under the Clean Air Act; and will it result in either: (A) an increase in rail traffic of a least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or (B) an increase in rail yard activity of a least 20% (measured by carload activity), or (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan.

The above thresholds will not be exceeded.

- (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity, the frequency of service; safety practices (including any speed restriction); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Not applicable.

(6) NOISE

If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more, or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

The above thresholds will not be exceeded.

(7) SAFETY

- (i) Describe any effects of the proposed action on public health and

safety (including vehicle delay time at railroad grade crossings).

There will be no effect on public health and safety as a result of the proposed action.

- (ii) **If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.**

Not applicable.

- (iii) **If there are any known hazardous waste sites or sites where there have been known hazardous material spills on the right of way, identify the location of those sites and the types of hazardous materials involved.**

Applicant's records do not indicate any hazardous waste sites or sites where there have been hazardous material spills on this line segment.

(8) BIOLOGICAL RESOURCES

- (i) **Based on consultation with the U. S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.**

On August 14, 2003, the U.S. Fish and Wildlife Service advised, "we do not own any lands or interests...in the vicinity of the proposed rail line abandonment. We do not have any concerns regarding real estate matters in the abandonment." (See Attachment 6.)

- (ii) **State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.**

Based upon Applicant's review of the area, the line is not within any wildlife sanctuaries or refuges, National or State parks or forests.

(9) WATER

- (i) **Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.**

Applicant has not received a response to its inquiry dated July 25, 2003 to the Illinois Environmental Protection Agency requesting information regarding this statement. (See Attachment 7.)

Applicant does not contemplate any action known to be inconsistent with federal, state and/or local water quality standards. Any necessary permits or applications will be obtained as well as compliance with conditions or procedures required by regulatory agencies.

- (ii) **Based on consultation with the U. S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.**

Applicant has not received a response to its inquiry dated July 25, 2003 to the U. S. Army Corps of Engineers, Louisville District requesting information regarding this statement. (See Attachment 8.)

Upon receiving abandonment authority, removal of material will be accomplished by use of the right of way for access, along with existing public and private crossings, and no new access roads are contemplated. We do not intend to disturb any of the underlying roadbed or perform any activities that would cause sedimentation or erosion of the soil, and do not anticipate any dredging or use of fill in the removal of the track material. The crossties and/or other debris will be transported away from the rail line and will not be discarded along the right of way nor be placed or left in streams or wetlands, or along the banks of such waterways. Also, during track removal, appropriate measures will be implemented to prevent or control spills from fuels, lubricants or any other pollutant materials from entering any waterways. Based upon this course of action, Applicant does not believe a permit under Section 404 of the Clean Water Act will be required.

Applicant is not aware of any designated wetlands or 100-year flood plains within the proposed project.

- (iii) **State whether permits under Section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action. (Applicants should contact the U. S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required).**

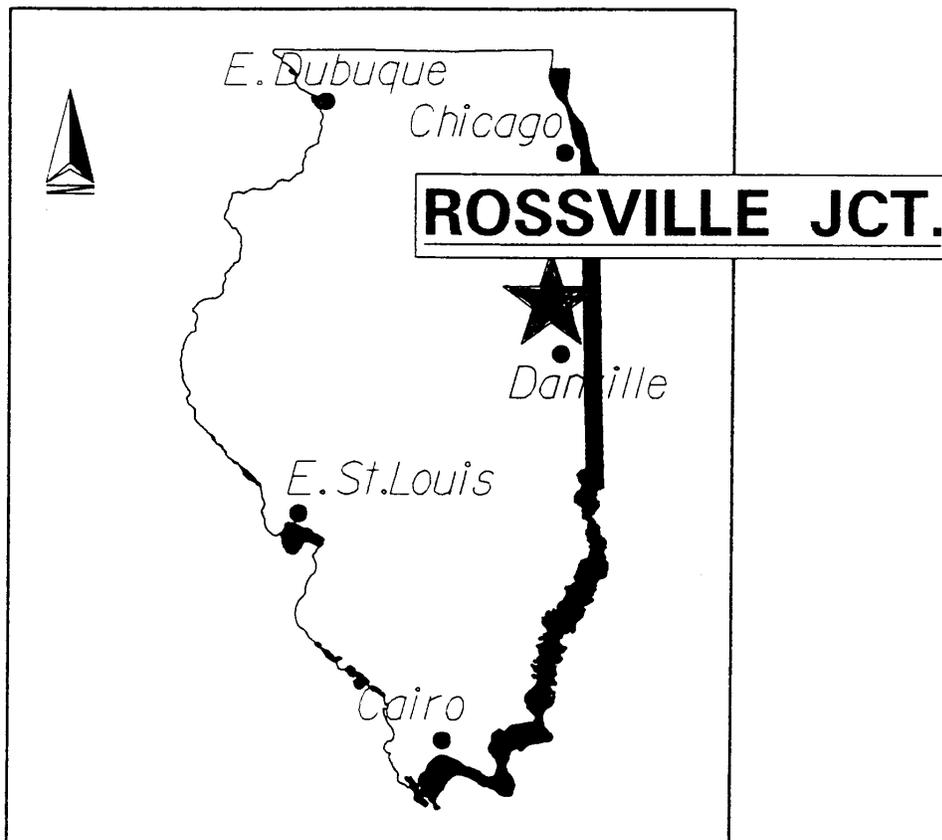
Applicant has not received a response to its inquiry dated July 25, 2003 to the U. S. Environmental Protection Agency, Region 5, requesting information regarding this statement. (See Attachment 7.)

Based upon the course of action described in Section 9 (ii), Applicant does not believe a permit under Section 402 of the Clean Water Act will be required.

10. MITIGATION

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

There will be no adverse environmental impacts in the project area as a result of this abandonment; therefore, mitigating action will not be necessary.

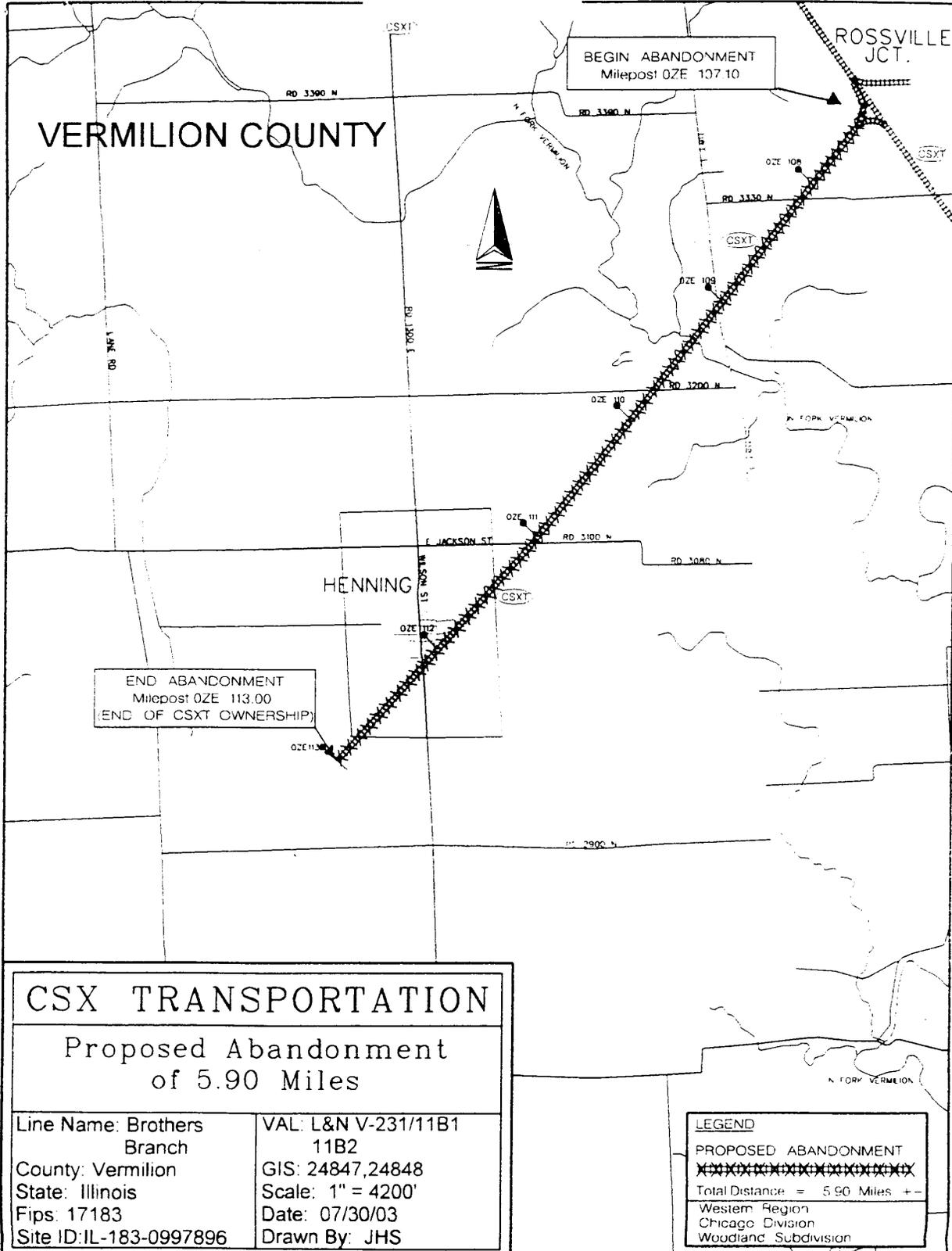


**AREA MAP
STATE OF ILLINOIS**

**Proposed Abandonment - 5.90 Miles
Vermilion County
Rossville Jct. - Hemming, Illinois**

WESTERN REGION - CHICAGO DIVISION - WOODLAND SUBDIVISION

ATTACHMENT 2



CSX TRANSPORTATION

**Proposed Abandonment
of 5.90 Miles**

Line Name: Brothers Branch	VAL: L&N V-231/11B1 11B2
County: Vermilion	GIS: 24847,24848
State: Illinois	Scale: 1" = 4200'
Fips: 17183	Date: 07/30/03
Site ID: IL-183-0997896	Drawn By: JHS

LEGEND
PROPOSED ABANDONMENT
Total Distance = 5.90 Miles +-
Western Region Chicago Division Woodland Subdivision



ATTACHMENT 3

500 Water Street - J200
Jacksonville, FL 32202
Phone: (904) 359-2409
FAX: (904) 359-1111
E-Mail: Heidi_VanHorn-Bash@csx.com

Heidi VanHorn-Bash
Director - Asset Management

July 25, 2003

Village of Henning
P. O. Box 63
Henning, IL 61848

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line between Rossville Junction and Henning, Vermilion County, Illinois, as depicted on the attached map.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7(3)(i) require that we develop a response to the following statement:

"Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies."

I would appreciate your advice as to the existence of a long-range comprehensive planning map for the Village of Henning and the line's relationship to such planning.

Sincerely,

Attachment

ATTACHMENT 4

COUNTY BOARD
VERMILION COUNTY ILLINOIS



TODD A. LEE
Chairman

6 N. Vermilion
Danville, Illinois 61832
(217) 431-2555

July 28, 2003

CSX Transportation
Heidi VanHorn-Bash
Director - Asset Management
500 Water Street - J200
Jacksonville, FL. 32202

RE: Railroad line at Rossville Junction and Henning

Dear Ms. VanHorn-Bash.

Please be advised that Vermilion County does not have a planning commission.

As County Board Chairman, I am authorized to let you know that the county does not object to your plans to abandon the rail line between the Rossville Junction and Henning in Vermilion County, Illinois.

Please do not hesitate to contact my office should you have any questions.

Sincerely,

Todd A. Lee

TAL/sh



Printed on recycled paper



ATTACHMENT 5

500 Water Street - J200
Jacksonville, FL 32202
Phone: (904) 359-2409
FAX: (904) 359-1111
E-Mail: Heidi_VanHorn-Bash@csx.com

Heidi VanHorn-Bash
Director - Asset Management

July 25, 2003

District Conservationist
Natural Resources Conservation Service
1905A US Route 150
Danville, IL 61832-5396

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line between Rossville Junction and Henning, Vermilion County, Illinois, as depicted on the attached map.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7(3)(ii) require that we develop a response to the following statement:

"Based on consultation with the Natural Resources Conservation Service,
state the effect of the proposed action on any prime agricultural land."

Please advise if any of the land contiguous to the rail line in the project area is classified as prime agriculture land.

Sincerely,

Attachment

ATTACHMENT 6



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Bishop Henry Whipple Federal Building
1 Federal Drive
Fort Snelling, MN 55111-4056

IN REPLY REFER TO:

FWS/NWRS-RE - General
Railroad Abandonments

August 14, 2003

Ms. Heidi VanHorn-Bash
CSX Transportation
500 Water Street - J200
Jacksonville, Florida 32202

Dear Ms. VanHorn-Bash:

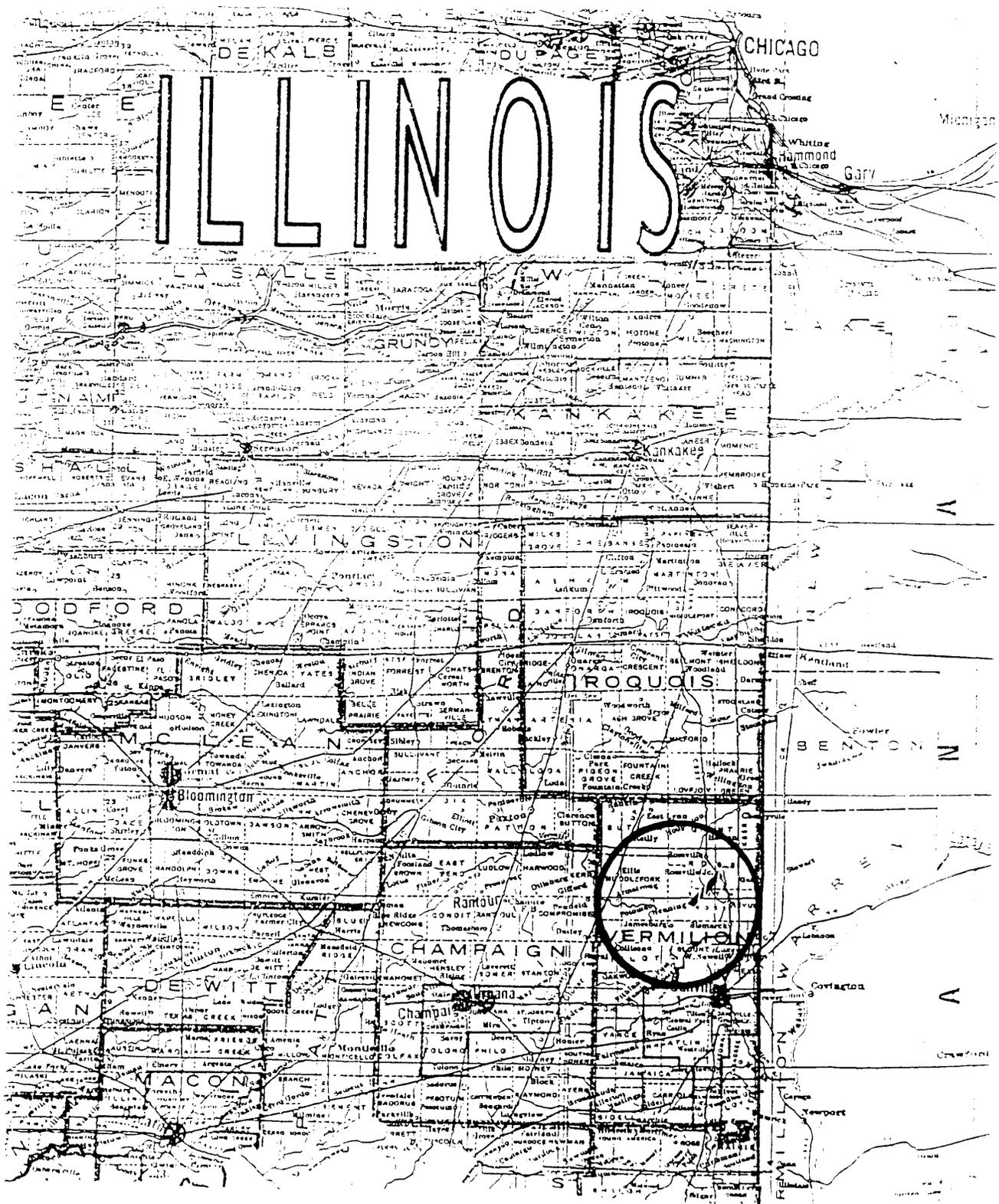
Thank you for the opportunity to comment on the proposed abandonment by CSX Transportation of a portion of its rail line between Rossville Junction and Henning, Vermilion County, Illinois, as depicted on the enclosed map.

We have researched our ownership in the vicinity and have determined we do not own any lands or interests in land in the vicinity of the proposed rail line abandonment. We do not have any concerns regarding real estate matters in the abandonment.

Sincerely,

Patrick G. Carroll
Senior Realty Officer
Division of Realty

Enclosure





ATTACHMENT 7

500 Water Street - J200
Jacksonville, FL 32202
Phone: (904) 359-2409
FAX: (904) 359-1111
E-Mail: Heidi_VanHorn-Bash@csx.com

Heidi VanHorn-Bash
Director - Asset Management

July 25, 2003

U. S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3507

Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, IL 62702

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line between between Rossville Junction and Henning, Vermilion County, Illinois, as depicted on the attached map.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7 (9) (i) and (iii) require that we develop a response to the following statements:

- (i) "Based on consultation with State Water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies."
- (iii) "State whether permits under Section 402 of the Clean Water Act 33 U.S.C. 1342 are required for the proposed action."

There are no refueling or maintenance areas within the project area. The removal of the rail material will be accomplished by use of the right of way for access, along with existing public and private crossings, and no new access roads are contemplated. We do not intend to disturb any of the underlying roadbeds and do not anticipate any dredging or use of fill in the removal of the track material. The crossties and/or other debris will be transported away from the rail line and will not be discarded along the right of way, nor be placed or left in streams or wetlands, or along the banks of such waterways. During track removal, appropriate measures will be implemented to prevent or control spills from fuels, lubricants or any other pollutant materials from entering any watercourses.

Based upon the above described actions, we would appreciate receiving your concurrence with CSXT's position that the proposed project is consistent with applicable Federal, State and local water quality standards, and that no permits under Section 402 are required at this time.

If you have any questions, please feel free to contact me.

Sincerely,

Attachment



ATTACHMENT 8

500 Water Street - J200
Jacksonville, FL 32202
Phone: (904) 359-2409
FAX: (904) 359-1111
E-Mail: Heidi_VanHorn-Bash@csx.com

Heidi VanHorn-Bash
Director - Asset Management

July 25, 2003

US Army Corps of Engineers
Louisville District
ATTN: CELRL-OP-F
P.O. Box 59
Louisville, KY 40201-0059

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line between Rossville Junction and Henning, Vermilion County, Illinois, as depicted on the attached map.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7(9)(ii) require that we develop a response to the following statement:

"Based on consultation with the U. S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100 year flood plains will be affected. Describe the effects."

It is our opinion that there will be no impact on designated wetlands or 100-year flood plains because our intent at this time is to only remove the metal track material, crossties and perhaps the upper layer of ballast, and to preserve the existing routes of water flow and drainage. We do not intend to disturb any of the underlying roadbeds or perform any activities that would cause sedimentation or erosion of the soil, and we do not anticipate any dredging or use of fill in the removal of the track material. The track removal will be accomplished by use of the right of way for access, along with existing public and private crossings, and no new access roads are contemplated. The crossties and/or other debris will be transported away from the rail line and will not be discarded along the right of way, nor be placed or left in streams or wetlands, or along the banks of such waterways.

Based upon the above described actions, we would appreciate your concurrence in CSXT's position that there would be no adverse impact on wetlands or 100-year flood plains, and that no permits under Section 404 will be required.

We would appreciate your comments; and, if you have any questions, please feel free to call me.

Sincerely,

Attachment

HISTORIC REPORT

CSX TRANSPORTATION, INC.
ROSSVILLE JUNCTION TO HENNING
VERMILION COUNTY, ILLINOIS

DOCKET AB-55 (SUB-NO. 642X)

1105.7(e)(1)

PROPOSED ACTION AND ALTERNATIVES. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable detailed map and drawings clearly delineating the project.

CSX Transportation, Inc. (CSXT) proposes to abandon 5.9 miles of its rail line between Rossville Junction and Henning, Vermilion County, Illinois. This line segment has generated minimal originating and terminating traffic during the past several years, and future prospects appear bleak. During the past several years, the principal commodity transported over the line has been grain.

Abandonment of this line will result in the removal of the rail, crossties, and possibly the upper layer of ballast; subsequently, the operations and maintenance of this line will cease.

The only alternative would be not to abandon and to pass the operating loss and capital costs of retaining the line to all other CSXT customers. This would not be a prudent utilization of carrier resources.

Two maps which delineate the proposed project are attached. (See Attachments 1 and 2.)

1105.8(d)

- (1) **A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action.**

Attached is an image of topographic map of the project area between Rossville Junction and Henning, Illinois, courtesy of the U. S. Department of the Interior Geological Survey. The line to be abandoned has been identified by a heavy black and white diagonal line. (See Attachment 3.) There is one CSXT-owned structure that is 50 years old or older and its location is shown on Attachment 3 (Page 1 of 2).

- (2) **A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristic of the surrounding area:**

The right of way varies between 30 and 108 feet from the centerline of track. The line traverses a sparsely populated rural area.

- (3) **Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:**

Photographs of Bridge No. 109.3 are included as Attachments 4 and 5. In addition, a bridge sketch is included as Attachment 6.

- (4) **The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known:**

Bridge No. 109.3 - 53 ft. DPG and 122 ft. pile trestle – Built 1913

- (5) **A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action:**

The Chicago & Eastern Illinois Railway Company (C&EIR) acquired the property from Rossville Junction to Henning in 1893. The C&EIR was chartered under the general laws of Illinois in 1894 and of Indiana in 1899, being the last of four successive corporations of the same name. The first three corporations named Chicago and Eastern Illinois Railroad Company consolidated in 1881, 1887, and 1894, respectively, with certain other corporations to form the carrier. The C&EIR was acquired by the Louisville and Nashville Railroad (L&N) in 1968.

In 1972 The Family Lines was adopted to identify the Louisville and Nashville Railroad and the Seaboard Coast Line Railroad. On November 1, 1980, Seaboard Coast Line Industries Inc. (which was formed in May, 1969) and Chessie System Inc. merged and became CSX Corporation. On January 1, 1983, the merger of The Family Lines'

affiliates formed the Seaboard System Railroad Inc., which name was changed on July 1, 1986 to CSX Transportation, Inc.

Upon receiving abandonment authority, Applicant's operations and maintenance over this line will cease.

- (6) **A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:**

Engineering Sketches and Valuation Maps,
Office of Chief Engineer, Jacksonville, FL.

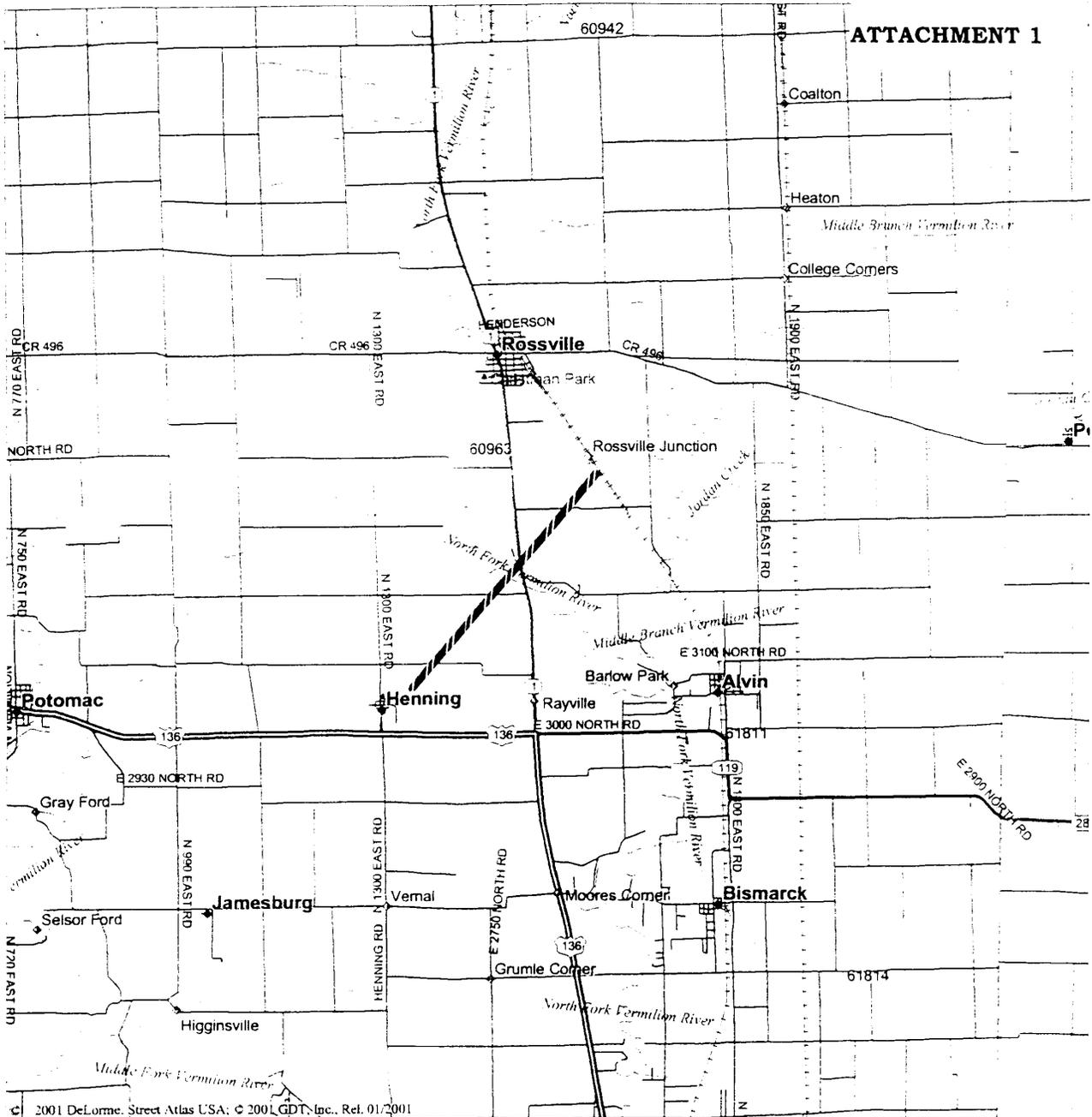
- (7) **An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):**

We do not know of any significance or uniqueness to this structure that would warrant your consideration, since to our knowledge, it is not associated with any event that has made a contribution to the broad patterns of history; or was not associated with lives of persons significant to our past; does not embody the distinctive characteristics of a type, period or method of construction and does not represent a significant and distinguishable entity whose component may lack individual distinction and has not or may not be likely to yield information important in prehistory or history.

We do not know of any archeological resources or any other previously unknown historic properties in the project area.

- (8) **A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or man-made) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.**

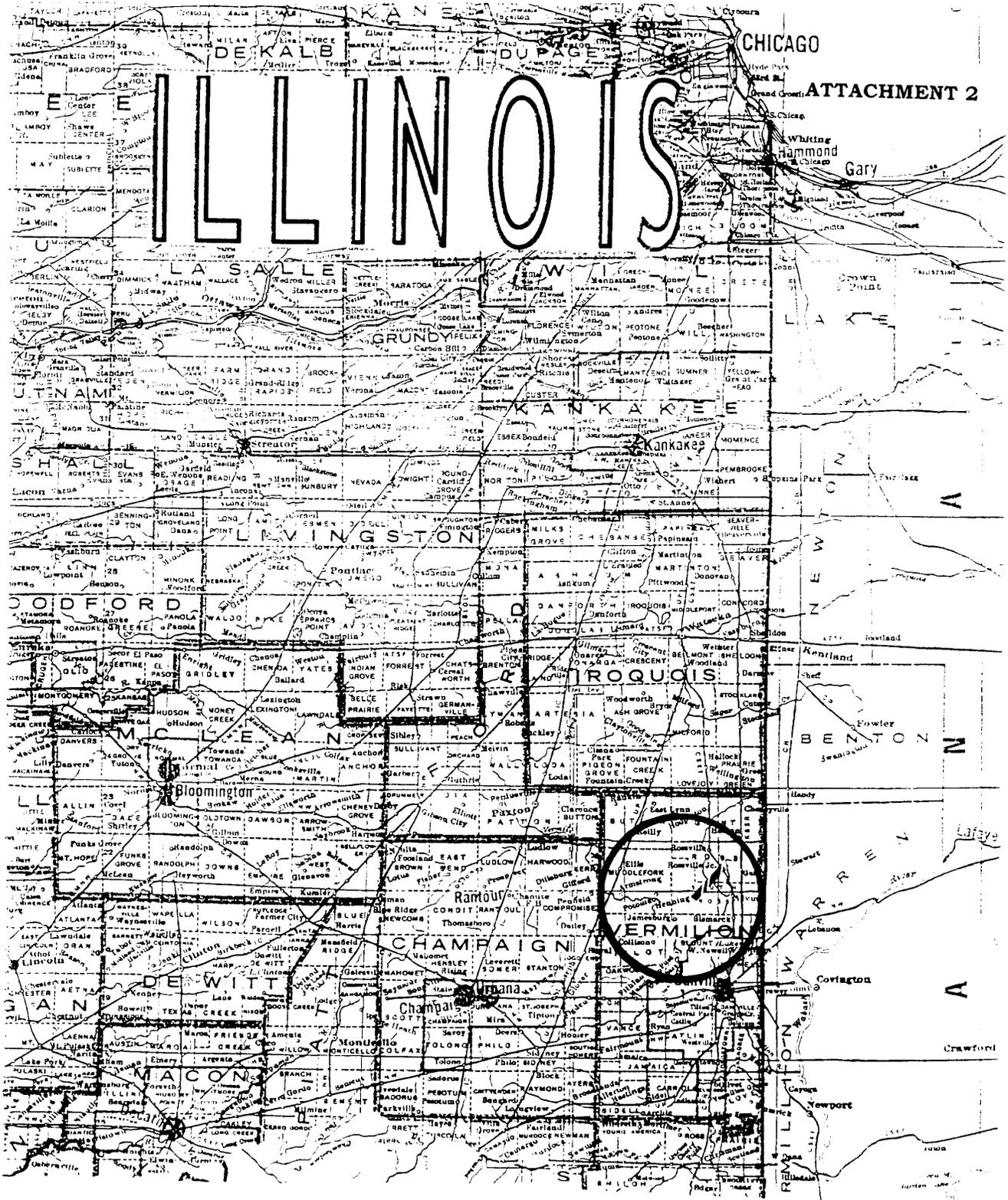
The line was disturbed during construction by cuts and fill and any archeological resources that may have been located in the proposed project area would have been affected at that time versus during the proposed salvage operations associated with rail removal. Our records do not indicate that any swampy conditions exist, or that any hazardous material spills have occurred within the project area.



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**CSX TRANSPORTATION, INC.
ROSSVILLE JUNCTION TO HENNING
VERMILION COUNTY, ILLINOIS**

 track proposed for abandonment



CHICAGO

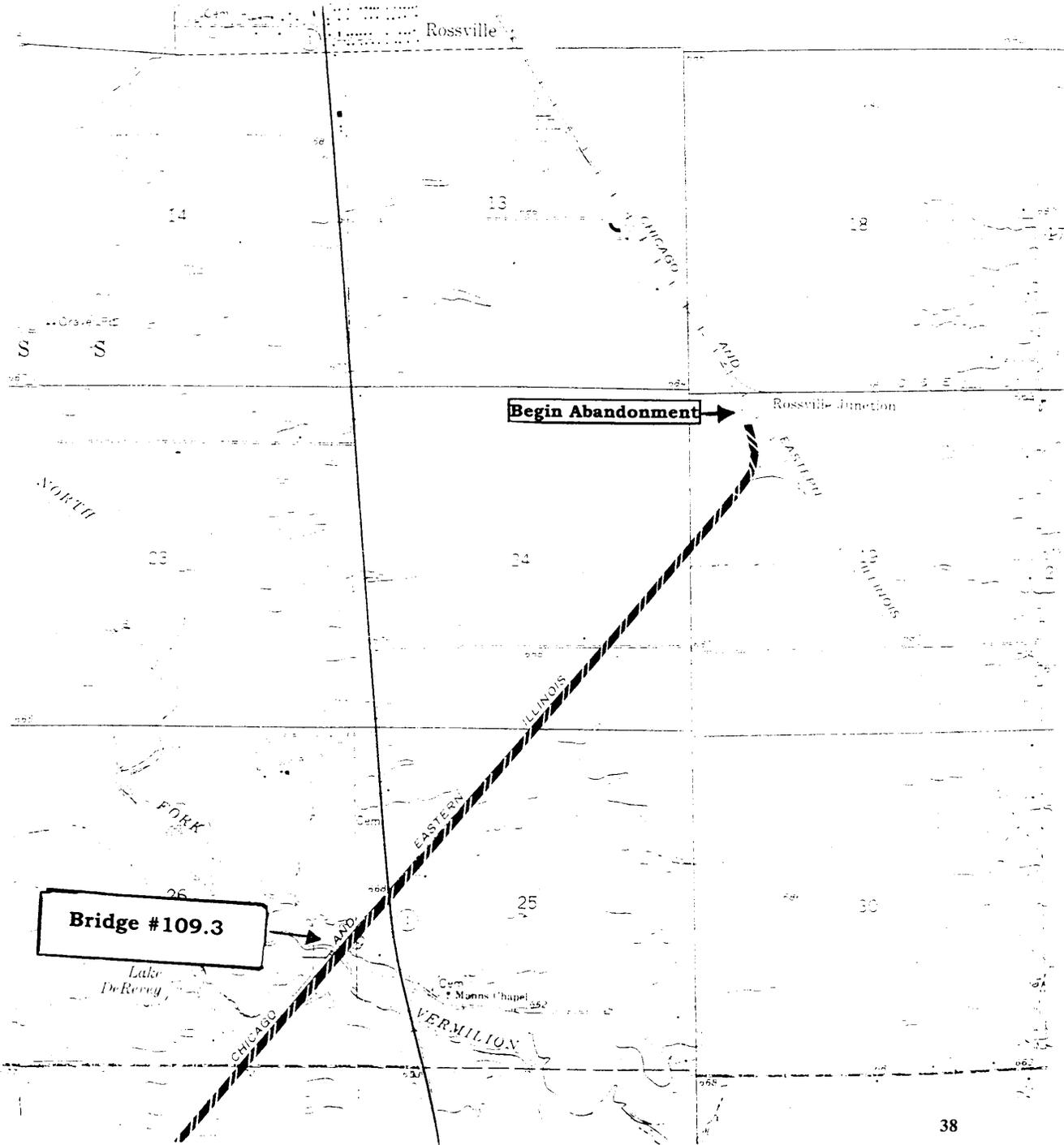
ATTACHMENT 2

ILLINOIS

ATTACHMENT 3
(Page 1 of 2)

U. S. DEPT. OF THE INTERIOR
GEOLOGICAL SURVEY

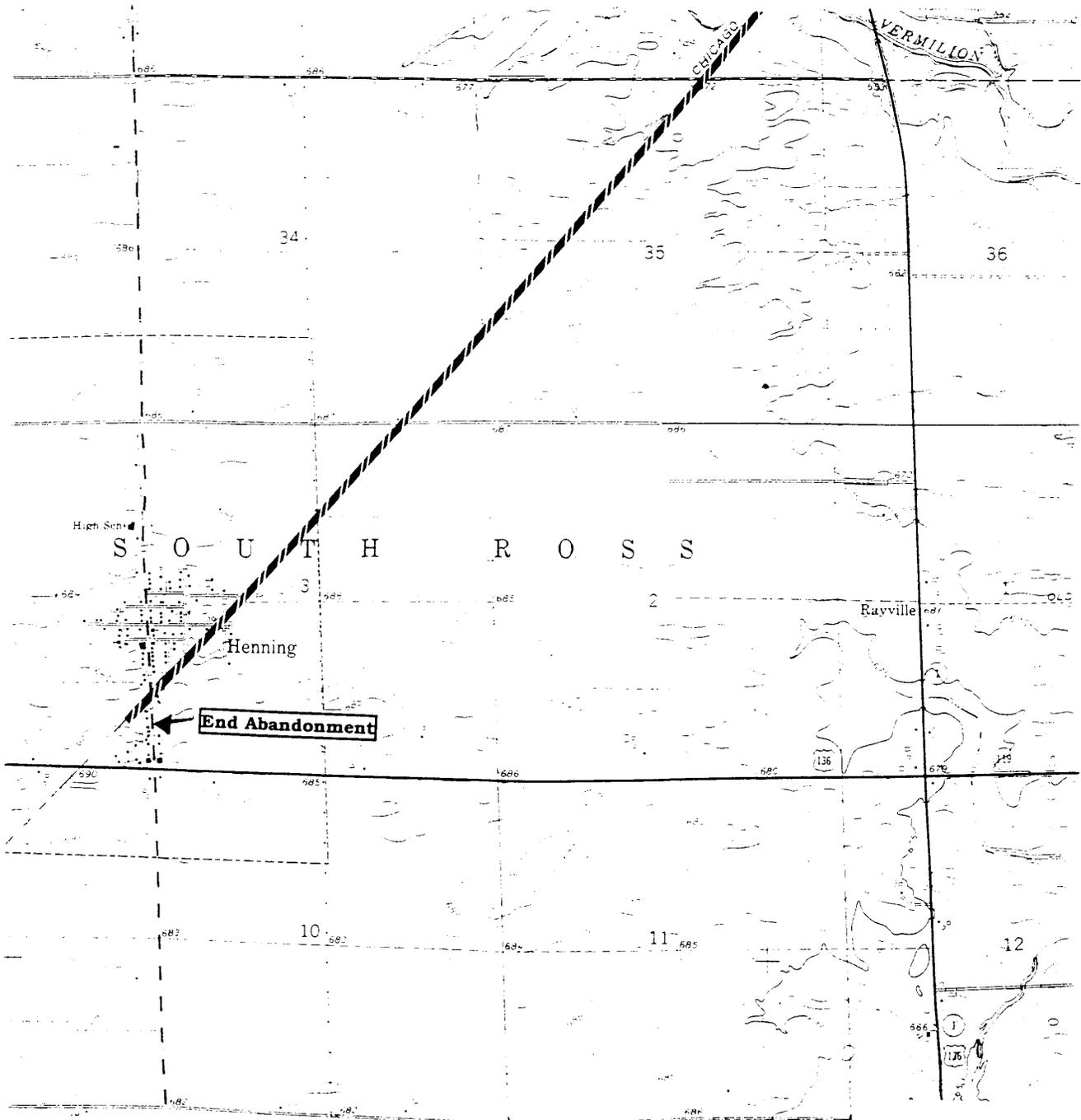
Henning Quadrangle
Illinois - Vermilion Co.
1964
Page 1 of 2



ATTACHMENT 3
(Page 2 of 2)

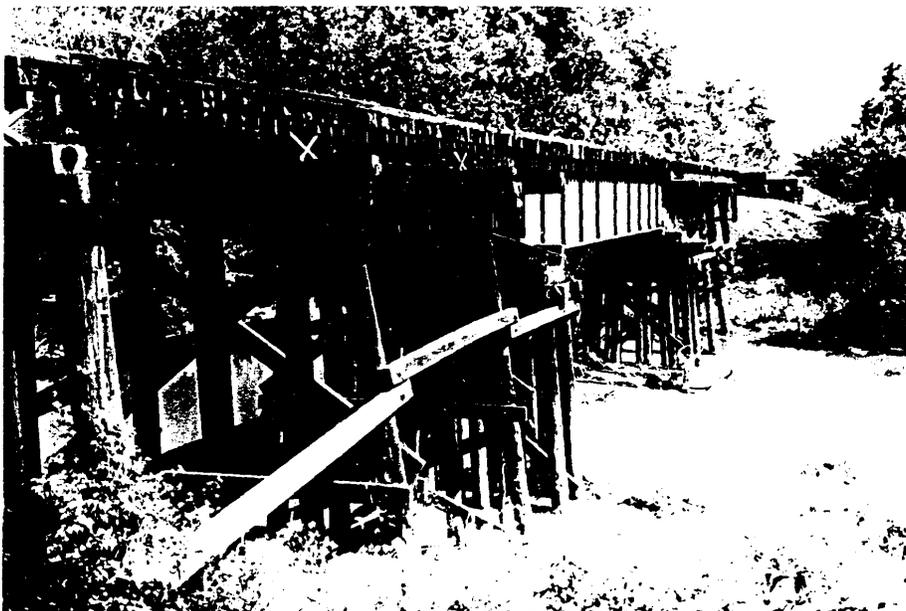
U. S. DEPT. OF THE INTERIOR
GEOLOGICAL SURVEY

Henning Quadrangle
Illinois - Vermilion Co.
1964
Page 2 of 2





**Bridge 109.3 – Henning, IL
North Fork/Vermilion River
53 ft. Deck Plate Girder/122 ft. Pile Trestle
Built 1913**

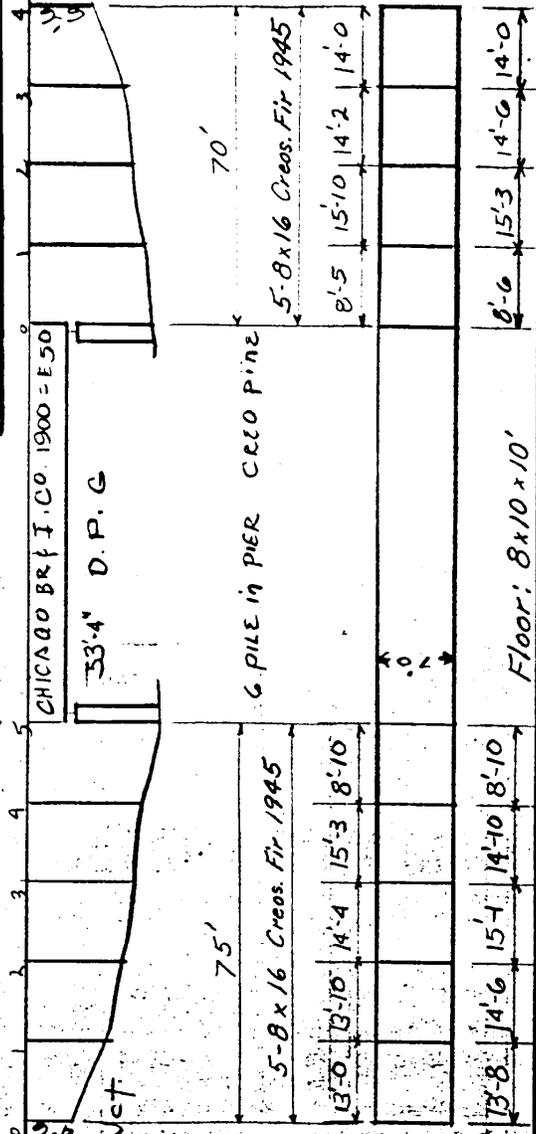


**Bridge 109.3 – Henning, IL
North Fork/Vermilion River
53 ft. Deck Plate Girder/122 ft.Pile Trestle
Built 1913**

BR. D. 1093

BROTHERS SUB DIV. 168

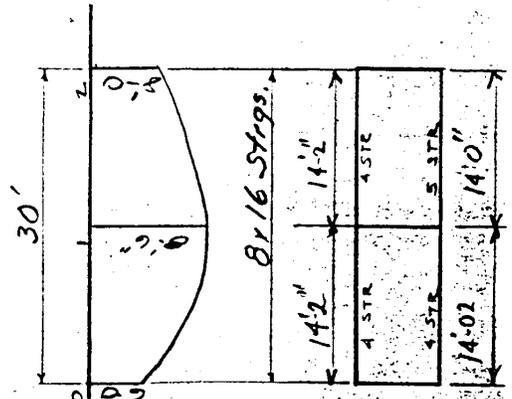
1.2 mi. S of Rossville, Ga.
CH&E I.F. 25-276
8x8 x 9' TIES



Alignment:
Beats: 5 Pile C.O. 1913

BR. D. 1152

BROTHERS SUB DIV.



CH&E I.F. 25-277

8x8x9 CREO PINE TIES

Alignment:
Beats: 5 Pile C.O. 1913

(untreated 1942)
Stringers: 8x16 Fir

4195589-11



Heidi VanHorn-Bash
Director - Asset Management

500 Water Street
Jacksonville, FL 32202
Tel. (904) 359-2409
Fax (904) 359-1111
E-Mail: Heidi.VanHorn-Bash@csx.com

July 25, 2003

Ms. Ann Haaker
State Historic Preservation Officer
Illinois Historic Preservation Agency
One Old State Capitol Plaza
Springfield, IL 62701-1507

Dear Ms. Haaker:

**RE: ROSSVILLE JUNCTION TO HENNING, VERMILION COUNTY, ILLINOIS
CSX Transportation, Inc. – Proposed Abandonment
Docket AB-55 (Sub No. 642X)**

Dear Ms. Haaker:

Please be advised that CSX Transportation, Inc. ("CSXT"), anticipates filing for abandonment of approximately 5.9 miles of its rail line between Rossville Junction and Henning, Vermilion County, Illinois, as shown in the attached Historic Report.

In connection with rail lines that are to become the subject of applications for authority to abandon, Federal Regulations at 49 CFR 1105.8(d), require that a Historic Report be submitted to the State Historic Preservation Officer prior to filing with the Surface Transportation Board. In accordance with those Regulations, I am attaching an Historic Report covering the above proposed abandonment.

I would appreciate it if you could confirm in writing that this project will have no impact upon cultural resources. If you have questions, please feel free to call me.

Sincerely,

Attachment

Copy:
Surface Transportation Board
Section of Environmental Analysis
1925 "K" Street NW - Suite 534
Washington, DC 20423-0001

Ms. N. S. Rosenberg, Counsel, CSXT, 500 Water St.-J150, Jacksonville, FL 32202



**Illinois Historic
Preservation Agency**

1 Old State Capitol Plaza • Springfield, Illinois 62701-1507 • Teletypewriter Only (217) 524-7128

Voice (217) 782-4836

Vermilion County
Rossville Junction & Henning
Abandonment of 5.9 miles of Rail Line
5.9 miles between Rossville Junction and Henning
IHPA Log #025072803

August 19, 2003

Heidi Bash
CSX Transportation
500 Water Street
Jacksonville, FL 32202

Dear Ms. Bash:

We have reviewed the documentation submitted for the referenced project(s) in accordance with 36 CFR Part 800.4. Based upon the information provided, no historic properties are affected. We, therefore, have no objection to the undertaking proceeding as planned.

Please retain this letter in your files as evidence of compliance with section 106 of the National Historic Preservation Act of 1966, as amended. This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Cody Wright, Cultural Resources Manager, Illinois Historic Preservation Agency, 1 Old State Capitol Plaza, Springfield, IL 62701, 217/785-3977.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

AEH

CERTIFICATE OF COMPLIANCE
WITH NOTICE REQUIREMENTS OF
49 C.F.R 1105.11

In accordance with 49 C.F.R. § 1105.7(b), I hereby certify that on August 29, 2003, a copy of the Environmental Report was served upon the below listed parties, by first-class mail, postage prepaid:

Vermilion County Planning Commission
County Courthouse Annex
6 North Vermilion Street
Danville, IL 61832-5842

Village of Henning
P. O. Box 63
Henning, IL 61848

U. S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3507

Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, IL 62702

Regional Wetlands Coordinator
U. S. Fish and Wildlife Service
One Federal Drive, BHW Bldg.
Fort Snelling, MN 55111-4056

U. S. Fish & Wildlife Service
Chicago Ecological Services Office
1250 S. Grove Ave., Suite 103
Barrington, IL 60010

US Army Corps of Engineers - Louisville District
ATTN: CELRL-OP-F
P.O. Box 59
Louisville, KY 40201-0059

Ms. Roukaya McCaffrey
Illinois State Clearinghouse
Department of Commerce & Economic Opportunity
620 East Adams - 6th Floor

Springfield, Illinois 62701

District Conservationist
Natural Resources Conservation Service
1905A US Route 150
Danville, IL 61832-5396

District Conservationist
Natural Resources Conservation Service
1905A US Route 150
Danville, IL 61832-5396

Mr. Edward J. McKay
Chief Spatial Reference System Division
DOC/NOAA
National Geodetic Survey N/NGS2
1315 East West Highway, Room 8813
Silver Spring, MD 20910-3282

Midwest Region
Regional Director
National Park Service
1709 Jackson Street
Omaha, NE 68102

In accordance with 49 C.F.R. 1105.8(c), I hereby certify that on July 25, 2003, a copy of the Historic Report was served upon the below listed party, by first-class mail, postage prepaid:

Ms. Ann Haaker
State Historic Preservation Officer
Illinois Historic Preservation Agency
One Old State Capitol Plaza
Springfield, IL 62701-1507


Natalie S. Rosenberg

September 26, 2003

Jacksonville, Florida September 10, 2003

Ms. Natalie S. Rosenberg

Re: IL-02C - CSXT Proposed Abandonment, Western Region, Chicago Division, Woodland Subdivision, between Rossville Junction (Milepost OZE-107.1) and Henning (Milepost OZE 113.0), a distance of 5.9 miles in Vermilion County, Illinois.
STB Docket AB-55 (Sub-No. 642X)

In preparation for filing a Petition for Exemption to abandon the above-referenced line segment, listed below are the carloads handled over the line for the years 2001, 2002 and 2003 (as of June 2003*):

PATRON	STATION	COMMODITIES	CARLOADS		
			2001	2002	2003*
Fall Grain Ms. Stephanie Spiros 3609 North Vermillion Street, Suite C Danville, IL 61832	Henning	Corn	0	30	57
Consolidated Grain & Barge **	Henning	Corn, Soybeans	569	500	0
TOTAL TRAFFIC			569	530	57

** Traffic for Consolidated Grain and Barge (CGB) is included for historic informational purposes. In September 2002, Fall Grain purchased CGB's grain elevator in Henning, IL. Therefore, traffic associated with the CGB elevator can now be attributed to Fall Grain. After purchasing the elevator, Fall Grain closed it to public shipments. The elevator is currently only being used for their grain storage and shipments.

Transportation options for the grain elevator include use of motor carriers.

There are no defense installations served by this line or in the immediate vicinity. There is also no overhead traffic on the line.



Heidi Bash
Director – Asset Management

Exhibit 1

CSX Transportation, Inc.
Line Segment: Henning, IL

	Base Year ending June 30, 2003	Forecast Year beginning September 1, 2003	Subsidy Year ending December 31, 2004
	245 CL	245 CL	245 CL
Revenues Attributable			
1. Freight Originated &/or Terminated On Branch	\$390,570	\$406,193	\$410,099
2. Bridge Traffic	-0-	-0-	-0-
3. All Other Revenue and Income	0	0	0
4. Total Revenues Attributable (Lines 1 thru 3)	<u>\$390,570</u>	<u>\$406,193</u>	<u>\$410,099</u>
Avoidable Costs			
5. Total On-Branch Costs (Lines 5a thru 5k)	<u>\$49,405</u>	<u>\$91,519</u>	<u>\$49,675</u>
a. Maintenance of Way and Structures	27,266	69,266	27,266
b. Maintenance of Equipment - Locomotives	1,566	1,598	1,610
c. Transportation	8,305	8,265	8,361
d. Joint Facilities	-0-	-0-	-0-
e. Deadheading, Taxi and Hotel	-0-	-0-	-0-
f. Overhead Movement	-0-	-0-	-0-
g. Freight Car Costs (o/t Return on Freight Cars)	5,881	6,003	6,052
h. Return on Value - Locomotives	2,471	2,471	2,471
i. Return on Value - Freight Cars	3,916	3,916	3,916
j. Revenue Taxes	-0-	-0-	-0-
k. Property Taxes	-0-	-0-	-0-
6. Total Off-Branch Costs (Lines 6a and 6b)	<u>\$264,149</u>	<u>\$269,357</u>	<u>\$271,453</u>
a. Off-Branch Costs (o/t Return on Freight Cars)	252,321	257,529	259,625
b. Return on Value - Freight Cars	11,828	11,828	11,828
7. Total Avoidable Costs (Lines 5 and 6)	<u>\$313,554</u>	<u>\$360,876</u>	<u>\$321,128</u>
Subsidization Costs			
8. Rehabilitation	xxxx	xxxx	\$229,110
9. Administration Costs (1%)	xxxx	xxxx	2,291
10. Casualty Reserve Account	xxxx	xxxx	-0-
11. Total Subsidization Costs (Lines 8 thru 10)	<u>xxxx</u>	<u>xxxx</u>	<u>\$231,401</u>
Return on Value			
12. Valuation of Property (Lines 12a thru 12c)	xxxx	\$71,450	\$69,730
a. Working Capital	xxxx	3,446	1,726
b. Income Tax Consequences	xxxx	(39,939)	(39,939)
c. Net Liquidation Value	xxxx	107,943	107,943
13. Nominal Rate of Return	xxxx	14.0%	14.0%
14. Nominal Return on Value (Line 12 * Line 13)	xxxx	10,003	9,762
15. Holding Gain (Loss) 1.70%	xxxx	1,835	1,835
16. Total Return on Value (Line 14 less Line 15)	<u>xxxx</u>	<u>\$8,168</u>	<u>\$7,927</u>
17. Avoidable Loss from Operations (Line 7 less Line 4)	<u>(\$77,016)</u>	<u>(\$45,317)</u>	<u>(\$88,971)</u>
18. Estimated Forecast Year Loss from Operations (Lines 7 and 16 less Line 4)		<u>(\$37,149)</u>	
19. Estimated Subsidy Year Loss from Operations (Lines 7, 11, and 16 less Line 4)			<u>\$150,357</u>

CSX Transportation, Inc.
Line Segment: Henning, IL

Notes to Exhibit 1:

*	Base Year	Analysis covers one patron, Fall Grain, located in Henning, IL.
	Carloads	All three periods reflect carloads actually moving in the base year period. The O/T carloads include traffic originated or terminated by CSXT for patrons included in study.
Line 1	Freight Revenues	Base year = total CSXT waybill revenues; Forecast / Subsidy years = Base year revenues with potential increase as identified by CSXT marketing personnel (4% and 5%, respectively).
Line 3	All Other Revenue and Income	No identified miscellaneous revenues.
Line 5	Avoidable On-branch Costs	Costs for base year are based on year 2002 unit costs and reflect indexing adjustments. The forecast year and subsidy year costs reflect indexing adjustments.
Line 5a	Maintenance of Way & Structures	Maintenance expenses are estimated at \$5000 per mile per year. Also, an additional \$2,266 was added due to the need for a hi-rail vehicle to inspect track before every trip. Forecast Year includes an additional \$42,000 in Bridge Expenses required to keep bridge in service.
Lines 5g & 5i	On-branch Car Costs	Standard on-branch car cost calculation using year 2002 unit costs for the base year including indexing factors. Forecast year and subsidy year periods reflect indexing factors.
Line 6	Off-branch Costs	CSXT 2001 URCS indexed to the base year, forecast year, and subsidy year periods.
Line 8	Rehabilitation Costs	Expected Capital Costs are \$1,145,548 (\$1,099,648 for track and \$45,900 for bridge) with an assumed life of 5 years with application at 20% (1 year of 5) of the Capital Costs in the Subsidy Year.
Line 12	Valuation of Property	The net liquidation value is based on an average land value of \$21,800 per mile (\$109,000) and the net salvage value of track was provided by CSXT Engineering Department (-\$1,057). Income tax consequences are calculated at 37% of land and resale track values.

VERIFICATION

I, Ellen M. Preslar, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on September 17, 2003

Ellen M. Preslar
Ellen M. Preslar

VERIFIED STATEMENT

OF

GALE FREE

My name is Gale Free and I am a Roadmaster employed by CSX Transportation, Inc. (“CSXT”) with responsibility for, among other things, the Woodland Subdivision. My office is located in Danville, Illinois. My duties include inspection, repair and replacement of all track-related structures in the Woodland Subdivision. I began my railroad career in 1977 as a Laborer, was promoted to Machine Operator in 1978, Foreman in 1980, Assistant Roadmaster in 1982, and Roadmaster in 1984. I have served in the position of Roadmaster for more than 18 years. While working in Danville I earned both my B.S. Degree (1991) and an M.B.A. Degree (1998) from Eastern Illinois University.

This statement describes the condition of the line proposed for abandonment between Rossville Junction at Milepost OZE 107.1 and Henning at Milepost OZE 113.0 on the Western Region, Chicago Division (the “Line”).

During the past several weeks, I personally inspected the Line. The Line is classified as excepted track and the rail is in need of replacement. Excepted track classification means that the Line does not meet Federal Railroad Administration Safety Standards for its lowest class. The rail is in such poor condition that I consider CSXT lucky every time that a train traverses the Line without a problem. The joint bars which hold the rail on the Line together are loose and many of them are broken and mismatched. The Line is badly in need of a major rebuild program.

The rail on the Line was milled between 1903 and 1906 as is evidenced from stamps on the rail itself. It is 85 pound rail that is unable to withstand significant swings in temperature.

Because the old rail has a tendency to break in extremely cold weather, CSXT generally refrains from utilizing the Line when temperatures drop below 10 degrees. Also, because the rail has no anchors, the track can misalign under a train in extremely high temperatures. Generally, it is not advisable to utilize the Line when temperatures climb to over 90 degrees. When the rail breaks under a train during cold weather or the track misaligns under a train during hot weather, there is a high probability that the train could derail and cause tens of thousands of dollars in track and equipment damage.

During periods when temperatures allow for use of the Line, it is necessary for myself or the track inspector to hy-rail the Line prior to any rail use of the Line. Such an inspection generally takes between 2 and 3 hours although it can take longer. Unfortunately, these inspections are unable to ensure against all breaks in the rail as the rail often breaks under the weight of a train and cannot be detected ahead of time by these inspections. It is practically impossible to do more detailed inspections using a rail test car because the rail is so bent and twisted that the machine has difficulty performing and fails to produce accurate results.

Snow also creates a major problem on this Line. The land surrounding the Line is flat and 6 inches of snow with wind exceeding 10 mph can cause a snowdrift of 6 feet or more. When these conditions occur, it is impossible to inspect the Line and therefore, CSXT will not allow trains to use it.

Replacing the rail would help keep the rail from breaking and misaligning under a train, therefore preventing derailments, and it would also eliminate the inefficiencies associated with the need to visually inspect the track prior to each use. A major rail replacement project would necessarily include repairing all grade crossings on the Line, replacing 3 turnouts and resurfacing

the track. The crossies, except for the ones in the grade crossings, are in fair to good condition and do not require replacement at this time.

VERIFICATION

I, Gale Free, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed September __, 2003

Gale Free
Gale Free

VERIFIED STATEMENT

OF

DAVID J. FETTE

My name is David J. Fette and I am a District Project Engineer employed by CSX Transportation, Inc. (“CSXT”) with responsibility for, among other things, the Woodland Subdivision. My office is located in Fort Wright, Kentucky. My duties relate to railroad capital and public improvement engineering projects and specifically include planning, design, estimating, materials procurement, and construction coordination. I have served as a District Project Engineer for approximately 10 years but have worked at CSXT for 25 years holding various positions including: Engineering Assistant; Field Engineer; Resident Engineer; Project Engineer; and Senior Project Engineer.

Based on information provided to me by, among others, Gale Free (Roadmaster) and Leeroy Davidson (Engineer Bridges) regarding the condition of the line proposed for abandonment between Rossville Junction at Milepost OZE 107.1 and Henning at Milepost OZE 113.0 in the Western Region, Chicago Division (the “Line”), I prepared a cost estimate for the work required to bring the Line up to a Class I standard. It is my understanding that the bridge on the Line is in need of significant rehabilitation and the rail on the Line is in need of immediate replacement. Unless otherwise indicated, the costs set forth herein take materials, labor and applicable overhead into account. I have not personally inspected the Line for purposes of providing this statement.

With regard to necessary repairs to the bridge located at or near Milepost OZE 109.30 (the “Bridge”), it is my understanding that numerous ties require replacement, along with several caps, sub-caps and timber piles. In my estimation, the 102 bridge ties that require replacement

will have an approximate unit cost of \$450.00 and a total cost of \$45,900.00. The three caps requiring replacement will have a total approximate cost of \$7,500.00 and the three sub-caps requiring replacement will have a total approximate cost of \$4,500.00. Finally, the installation of 10 timber piles at an approximate unit cost of \$3,000.00 will have a total cost of \$30,000.00. The total cost to repair the Bridge in accordance with the specifications of CSXT's Engineer Bridges will be approximately \$87,900.00.

It is my further understanding that the rail on the Line requires replacement. Upon replacement of the rail, several other incidental items such as grade crossing surfaces will also require replacement. As will be set out in more detail below, I believe that it will cost approximately \$1,099,648.00 to replace the rail on the Line and perform the work incidental to the rail replacement.

The primary expense is the cost of the rail replacement. I estimate that it would cost approximately \$670,090.00 to replace the rail on the Line with used rail. This figure was calculated based on an estimated cost of \$113,000.00 per track mile for relay (used) rail. This per track mile figure was utilized by CSXT in 2003 for capital planning purposes.

In the event that CSXT were to replace the rail on the Line, CSXT would necessarily be required to resurface the track, renew several turnouts and renew numerous grade crossings. With regard to the cost to resurface track, CSXT estimates that it costs approximately \$8,000.00 per mile. As a result, I believe that it would cost approximately \$47,440.00 to resurface the track on the Line.

It is my understanding that three turnouts on the Line would require replacement as a result of a rail replacement program. The unit cost for replacing a turnout is approximately

\$62,000.00. As such, I estimate that it would cost approximately \$186,000.00 to replace three turnouts on the Line.

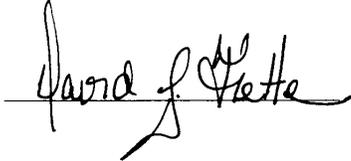
Finally, there are 13 at-grade railroad crossings on the Line. CSXT would be required to renew these crossing surfaces upon replacement of the rail. In my estimation, it costs approximately \$386.06 per foot to renew a grade crossing surface. It is my understanding that these 13 grade crossings have a combined surface area of approximately 508 feet. As such, I believe that it would cost approximately \$196,118.00 to resurface the grade crossings on the Line.

Based on my experience, I believe that the work required to be performed on the Line would cost approximately \$1,187,548.00 (\$42,000.00 of which would likely be expensed, not capitalized).

VERIFICATION

I, David J. Fette, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on September 15, 2003

A handwritten signature in cursive script that reads "David J. Fette". The signature is written in black ink and is positioned above a horizontal line.

VERIFIED STATEMENT

OF

LEEROY DAVIDSON

My name is Leeroy Davidson and I am Engineer Bridges-Louisville Division for CSX Transportation, Inc. (CSXT). My office is located at 11429 Bluegrass Parkway, Louisville, KY. My duties include inspection, repair and replacement of all railroad structures in the Louisville Division. Until approximately one month ago, I performed these same duties for structures in Vermillion County, Illinois. I began my railroad career in 1970 as a bridge repairman, and was promoted to Assistant Bridge Supervisor in 1972 and Bridge Supervisor in 1980 for the former Louisville and Nashville Railroad Company. Since 1981, I have been employed by CSXT in the following positions: Assistant Bridge Supervisor, Bridge Supervisor, General Bridge Supervisor, Engineer B&B, Engineer of Production, Assistant Division Engineer, Regional Engineer of Structures, and Engineer Bridges. I earlier provided a Verified Statement in *CSX Transportation, Inc.–Discontinuance–at Memphis in Shelby County, Tennessee*, STB Docket No. AB-55 (Sub-No. 618) (STB served October 28, 2002).

This statement describes the condition of the bridge located at or near Milepost OZE 109.30 (the“Bridge”) on the line proposed for abandonment between Rossville Junction at Milepost OZE 107.1 and Henning at Milepost OZE 113.0 in the Western Region, Chicago Division (the“Line”).

As recently as June 23, 2003, I personally inspected the Bridge. Over the years, the Bridge has been inspected following the industry standards for bridge inspections outlined in CSXT Fundamentals of Railroad Bride Inspection.

A typical timber railroad bridge has a life span of approximately 40 to 50 years depending on the rate of decay, the quality of timber used and the quality of the preservative treatment, among other factors. When the cost of repairing a bridge is so great that it is not economically feasible to maintain and it becomes unsafe to operate on the bridge, the life of that bridge is considered to have ended.

After various inspections utilizing industry standards and my general engineering knowledge, I determined that the Bridge is nearing the end of its useful life. The approximately 198-foot long Bridge was built in 1913 and consists of 10 spans and a timber ballast deck. Although work could be performed to allow this Bridge to remain in service for a few more years, the Bridge will require replacement in the very near future, likely within 10 years.

CSXT could perform repairs to the Bridge that would permit continued rail use for approximately 5 more years. In my estimation, the Bridge requires the replacement of: 102 bridge ties; three caps; and three sub-caps. Furthermore, the Bridge requires the installation of 10 timber piles. This work must be performed in the very near future in order for the Bridge to remain in service.

Due to the age and condition of the Bridge, a great deal of general maintenance is required on an annual basis. My best estimation is that even upon the performance of the above repairs, CSXT will need to spend approximately \$20,000.00 per year just for maintenance on the Bridge. Although I cannot provide an exact figure, I would estimate that CSXT likely spent between \$30,000.00 and \$40,000.00 for repairs to the Bridge during the past year.

In my estimation, the Bridge will require replacement within the next 10 years. CSXT would replace the timber approaches with a pre-stressed concrete trestle. A rough estimation of the replacement cost is \$600,000.00.

VERIFICATION

I, Leeroy Davidson, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed September 16, 2003


Leeroy Davidson

CERTIFICATE OF SERVICE

I certify that on September 26, 2003, I served by first-class mail, postage prepaid, a copy of the foregoing Petition for Exemption on the following:

MTMCTEA
Attn: Railroads for National Defense
720 Thimble Shoals Blvd., Suite 130
Newport News, Virginia 23606-2574

National Park Service
Recreation Resources Division
1849 C Street NW
Washington, D.C. 20240-0001

National Park Service
Land Resources Division
1849 C Street NW
Washington, D.C. 20240-0001

U. S. Department of Agriculture
Chief of the Forest Service
1849 C Street NW
Washington, D.C. 20240-0001

Illinois Commerce Commission
Transportation Division
527 E. Capital Ave.
Springfield, IL 62701

Fall Grain
Attn: Ms Stephanie Spiros
3609 North Vermillion St.
Suite C
Danville, IL 61832

Natalie L. Rosenberg