



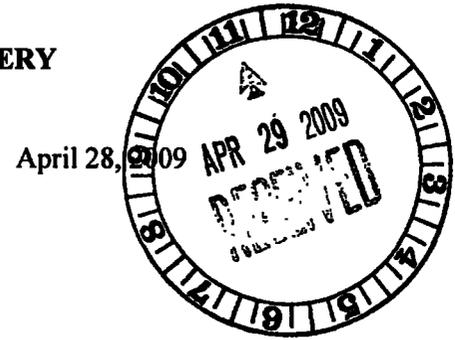
Ellen P. Milcic
Direct Dial 412.394.2436
Email: emilcic@thorpreed.com

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ATTORNEYS AT LAW SINCE 1895

VIA FEDERAL EXPRESS OVERNIGHT DELIVERY

Hon. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, DC 20024



April 28, 2009

Re: Central Railroad Company of Indianapolis –
Abandonment Exemption – Howard County, IN
STB Docket No. AB-511 (Sub-No. 4X)
Offer of Financial Assistance

275016

Dear Secretary Quinlan:

Enclosed for filing are an original and ten copies of the Offer of Financial Assistance (OFA) of US Rail Holdings, LLC and Winamac Southern Railway Company in STB Docket No. AB-511 (Sub-No. 4X), Central Railroad Company of Indianapolis – Abandonment Exemption – Howard County, IN.

A check for \$1,500 in payment of the filing fee is also enclosed.

I have enclosed an additional copy of the OFA and of this letter and request that you time stamp each to acknowledge your receipt and return them to me in the enclosed self-addressed postage prepaid envelope.

Sincerely,

Ellen P. Milcic

FEE RECEIVED
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SURFACE
TRANSPORTATION BOARD

EPM/dat
Enclosures

- Pittsburgh
- Philadelphia
- Princeton
- Wheeling

- c: Louis E. Gitomer, Esq., Central Railroad Co. (w/encl.)
- Melanie B. Yasbin, Esq., Central Railroad Co. (w/encl.)
- Scott G. Williams, Esq., Sr. VP, RailAmerica, Inc.(w/encl.)
- Greg Goodnight, Mayor, City of Kokomo (w/encl.)
- Ronald E. Carter, Executive Director,
Greenways Foundation, Inc. (w/encl.)
- Richard Vonnegut, President, Indiana Trails Fund (w/encl.)

Thorpe Reed & Armstrong, LLP
One Oxford Centre
301 Grant Street, 14th Floor
Pittsburgh, PA 15219-1425
412 394 7711
412 394 2555 Fax

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SURFACE
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BEFORE THE
SURFACE TRANSPORTATION BOARD

225016

STB Docket No. AB-511 (Sub-No. 4X)

CENTRAL RAILROAD COMPANY OF INDIANAPOLIS
ABANDONMENT EXEMPTION - HOWARD COUNTY, IN



OFFER OF FINANCIAL ASSISTANCE

BY

US RAIL HOLDINGS, LLC,
WINAMAC SOUTHERN RAILWAY COMPANY
and US RAIL CORPORATION

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Public Record

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APR 24 2009
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APR 29 2009

SURFACE
TRANSPORTATION BOARD

Eric M. Hocky, Esq.
Ellen P. Milcic, Esq.
Thorp Reed & Armstrong, LLP
One Commerce Square
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Philadelphia, PA 19103-7041
Telephone: 215.640.8500
Facsimile: 215.640.8501

Attorneys for US Rail Holdings, LLC,
Winamac Southern Railway Company and
US RAIL Corporation

Dated: April 28, 2009

BEFORE THE
SURFACE TRANSPORTATION BOARD

225016

STB Docket No. AB-511 (Sub-No. 4X)

**CENTRAL RAILROAD COMPANY OF INDIANAPOLIS –
ABANDONMENT EXEMPTION – HOWARD COUNTY, IN**

OFFER OF FINANCIAL ASSISTANCE

Offerors, US Rail Holdings, LLC (“Holdings”) and Winamac Southern Railway Company (“WSRY”), offer to purchase the rail line proposed to be abandoned by Central Railroad Company of Indianapolis (“CERA”) in this proceeding. CERA proposes to abandon 5.18 miles of rail line in Howard County, IN, consisting of 2.38 miles between milepost 181.26 and milepost 183.64 located on CERA's main line (“West Kokomo line”) and 2.8 miles between milepost 51.5 and milepost 54.3 located on CERA’s Tipton Industrial Lead (“South Kokomo line”) (collectively, “the Line”). See map of Line attached as Exhibit A. Holdings and WSRY intend to enter into an agreement to allow Offeror US Rail Corporation (“US RAIL”) to operate the Line following its acquisition.¹

An offer of financial assistance (“OFA”) to acquire a line for continued rail service need not be detailed, but an offeror must demonstrate that it is financially responsible and that its offer is reasonable. Conrail Abandonments under NERSA, 365 I.C.C. 472 (1981); STB Docket No.

¹ US RAIL currently is the operator designated to operate the lines leased by Holdings from WSRY and its affiliate Kokomo Grain. See STB Finance Docket No. 35234, US Rail Holdings, LLC – Lease and Operation Exemption – Winamac Southern Railway Company and Kokomo Grain Co., Inc. (served April 9, 2009), and STB Finance Docket No. 35235, Gabriel D. Hall – Corporate Family Transaction Exemption – US Rail Holdings, LLC and US RAIL Corporation (served April 9, 2009).

AB-914X, McCloud Railway Company- Abandonment and Discontinuance Exemption- In Siskiyou, Shasta and Modoc Counties, CA, served June 28, 2006; STB Docket No. AB-1000 (Sub-No. 1X), Georgia Southwestern Railroad, Inc.- Abandonment and Discontinuance Exemption- In Harris and Meriwether Counties, GA, served December 21, 2007. Offerors are financially responsible persons within the meaning of 49 U.S.C. 10904 and 49 C.F.R. 1152.27 (e) (2) and propose a reasonable offer.

Reasonable Offer

Offerors, Holdings and WSRV, jointly offer the sum of \$437,429 to purchase the Line. This amount of the purchase offer represents the full minimum purchase price calculated by CERA in accordance with 49 C.F.R. §1152.27(a). See April 16, 2009 letter by CERA's counsel attached as Exhibit B. After the acquisition, US RAIL, an existing Class III carrier under the jurisdiction of the STB, will be the operator of the Line.²

Financial Responsibility

In support of their financial responsibility, Holdings, US RAIL and WSRV state that they have together secured access to a line of credit of up to \$3,000,000 for use as working capital in the ordinary course of business and for use to acquire short-line railroad and related short term operating expenses associated with acquired railroads. Holdings, US RAIL and WSRV intend to use the line of credit to acquire the Line in this matter. In support of these statements regarding the financial responsibility of Holdings, US RAIL and WSRV, the Offerors have attached the Verified Statement of Gabriel D. Hall, including the signed statement of Ted Mills, Managing

² The lines currently operated by US RAIL in Indiana connect with lines of CERA not being abandoned, at Kokomo and at Marion.

Director of ETC Capital, LLC. *See* documents attached as Exhibit C. Together, these statements establish that the Offerors have sufficient financial resources to qualify as “financially responsible” as contemplated by the OFA regulations. *See* STB Docket No. AB-290 (Sub-No. 305X), Norfolk Southern Railway Company- Abandonment Exemption- In Somerset County, PA, served January 30, 2009 (stating that “concrete financial evidence” such as letters of credit, balance sheets, income statements and other financial records or statements will support a finding of financial responsibility).

Terms and Conditions

In addition to the Board’s standard terms and conditions, Offerors request that the following conditions be included as part of the agreement setting the terms and conditions of the purchase: (1) that CERA agree to explicitly transfer all of its rights, title and interest in the Line, including all crossings on the Line, and including all such rights, title and interest as may be asserted against third parties with respect to the Line and the crossings; and (2) that CERA agree to grant standard trackage rights to US RAIL to allow it to access the Line from its existing connections with CERA.³

³ Offerors have requested that CERA voluntarily grant these rights as part of the OFA transfer. Offerors understand that CERA is willing to assign whatever rights, if any, it has with respect to the Line, and that it is considering the request to grant trackage rights on a voluntary basis.

WHEREFORE, US Rail Holdings, LLC and Winamac Southern Railway Company, respectfully request that they be found to be financially responsible persons with respect to their offer to pay the full minimum purchase price of \$437,429 for the 5.18 miles of rail line subject to abandonment in the above-referenced matter and that the Board issue an order approving the offer and setting the matter for closing.

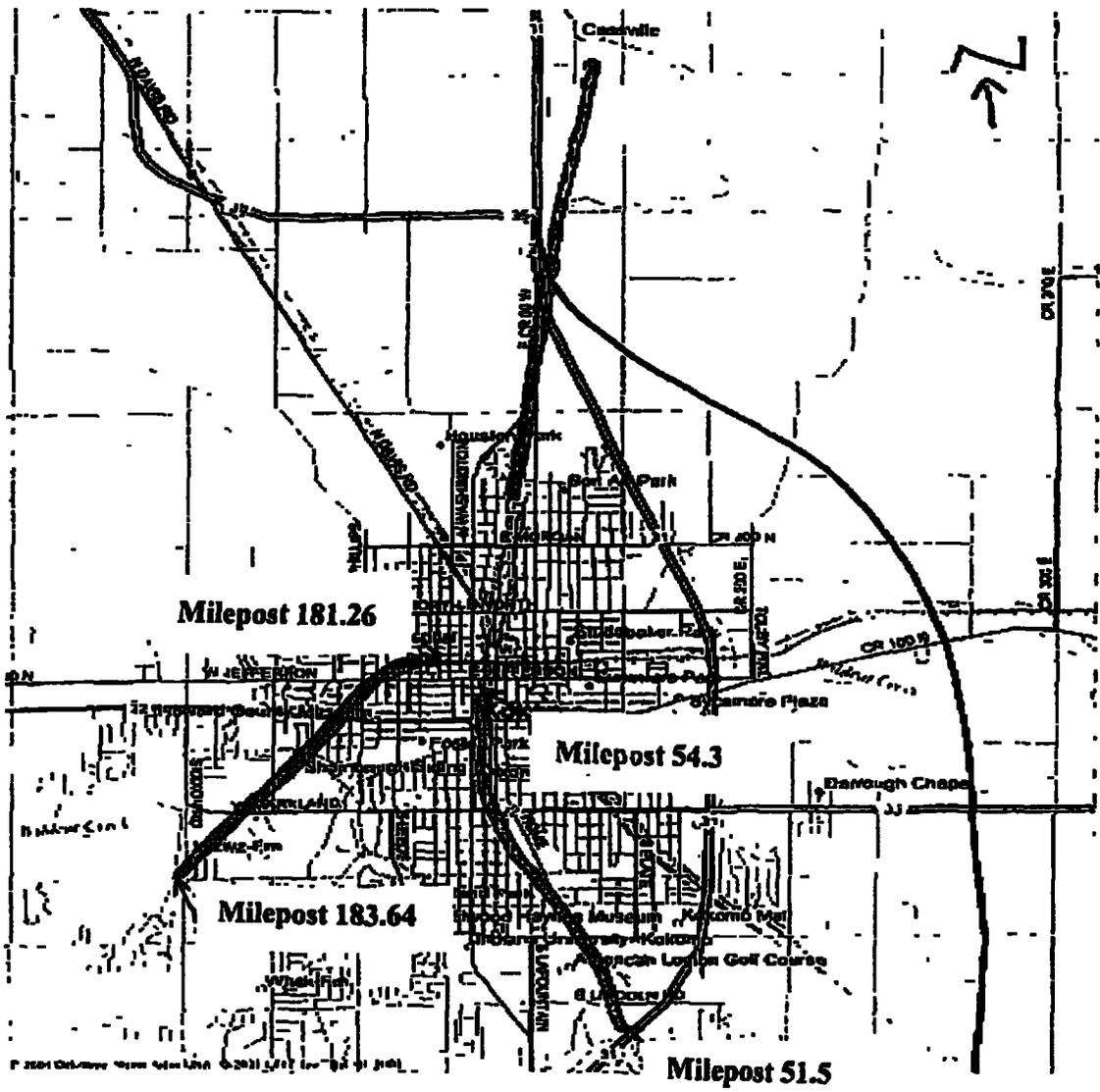
Respectfully submitted,

Dated: April 28, 2009

By: 
Eric M. Hocky, Esq.
Ellen P. Milcic, Esq.

Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street, Suite 1910
Philadelphia, PA 19103-7041
Telephone: 215.640.8500
Facsimile: 215.640.8501

Attorneys for US Rail Holdings, LLC,
Winamac Southern Railway Company and
US RAIL Corporation



EXHIBIT

A

tabbiter

LAW OFFICES OF
LOUIS E. GITOMER

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

April 16, 2009

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

Eric M. Hocky, Esq.
Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street
Suite 1910
Philadelphia, PA 19103

Re: Docket No. AB-511 (Sub-No. 4X), *Central Railroad Company of Indianapolis –Abandonment Exemption—in Howard County, IN*

Dear Eric:

The following is in response to the information you requested on behalf of Winamac Southern Railway Company and US RAIL Corporation (“Offerors”) concerning an offer of financial assistance for two lines of railroad owned by Central Railroad Company of Indianapolis (“CERA”) covering 5.18 miles, consisting of 2.38 miles between milepost 181.26 and milepost 183.64, on mainline (the “Mainline”), and 2.8 miles between milepost 51.5 and milepost 54.3, on CERA’s Tipton Industrial Lead (the “Tipton Lead”), in Howard County, MI (collectively the “Line”).

CERA is providing information as required the Surface Transportation Board’s (the “Board”) at 49 C.F.R. §1152.27(a). The format used is to state Offerors’ request, followed by CERA’s response.

1. Minimum purchase price.

The minimum purchase price for the Line is \$437,429. The minimum purchase price for the Mainline is \$164,911 and the minimum purchase price for the Tipton Lead is \$272,518.

2. CERA’s most recent reports on the physical condition of the involved lines

The attached Exhibit provides CERA’s analysis of the condition of the track and materials on the Line.

3. A description of any crossings or crossing structures that have been removed, and any estimate of the cost of rebuilding or re-installing such structure(s).

The requested information is not required to be provided under 49 C.F.R. §1152.27(a). However, CERA will voluntarily provide the information that is available to the best of CERA’s knowledge.



Eric M. Hocky, Esq.
April 16, 2009
Page 2

The railroad crossing at Sycamore Street, Route 22, was apparently removed by the City of Kokomo after some preliminary discussions with a former CERA employee, but without any agreement between the parties. If there is a demand for railroad service, CERA expects Kokomo to pay to replace the crossing. The crossing was a 160-foot 45 degree crossing with twin cantilevers with lights, but no gates. CERA Estimates the total cost to replace the crossing to be between \$215,000 and \$235,000.

4. Traffic, revenue, and other data, including CERA's estimate of the net liquidation value of its interests in the lines and supporting data reflecting available real estate appraisals, assessments as the quality and quantity of track materials in the lines, and removal cost estimates (including the cost of transporting removed materials to point of sale or point of storage for relay use). Such data should also include a description of the nature of the title to the real estate involved, including disclosure of all revisionary interests.

There has been no traffic on the Line since 2000 when the Line was taken out of service. As noted in response to question 1, the net liquidation value (the "NLV") of the line is \$437,429. The breakdown of the NLV is as follows:

Segment	Track NLV	Land NLV	Total NLV
Mainline	\$52,911	\$112,000	\$164,911
Tipton Lead	\$62,518	\$210,000	\$272,518

The Exhibit contains information concerning the quality and quantity of track materials in the lines, and removal cost estimates (including the cost of transporting removed materials to point of sale or point of storage for relay use). There is no available real estate appraisal. The real estate NLV is based on an offer from the City of Kokomo to acquire the Line for interim trail use/rail banking.

5. Copies of any and all environmental audits of the real estate involved, and a description of (a) all sites under investigation by, or being remediated under the supervision of the U.S. Environmental Protection Agency or the Indiana Department of Environmental Management, (b) all known potential environmental liabilities arising out of conditions on the property, (c) all releases of hazardous materials on or about the property, and (d) a history of all customers and industrial users along the line.

The requested information is not required to be provided under 49 C.F.R. §1152.27(a). However, to the best of its knowledge, CERA does not believe that there are any environmental audits and that there were no spills on the Line.

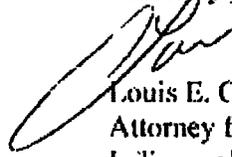
Eric M. Hocky, Esq.
April 16, 2009
Page 3

6. Offerors and their advisors may wish to inspect the lines and property. Please let us know who we should contact to make arrangements for access to the property.

Please contact Sandy Frangcr at 210-841-8332 to arrange for an inspection

If you have any further questions, please contact me

Sincerely yours.



Louis E. Gitomer
Attorney for: Central Railroad Company of
Indianapolis

Enclosures

EXHIBIT

Liquidation Value of Railroad Asset

Marion Sub - 2.38 miles Mainline

March 24, 2009

Rail										
Weight	Jnt./CWR	Miles	NT/Mile	Total NT	Total GT	Class	Price NT	Price GT	Total \$ NT	Total \$ GT
112lb	Jnt	0.29	187.26	54.31	48.49	Relay	\$700		\$38,015	
110lb	Jnt	0.18	183.92	33.11	29.56	Relay	\$700		\$23,174	
90lb	Jnt	1.14	145.73	166.13	148.33	Scrap	\$165		\$27,411	
90lb	Jnt	1.14	150.48	171.55	153.17	Reroll	\$250		\$42,887	
80lb	Jnt	0.68	129.54	88.08	78.65	Scrap	\$165		\$14,534	
Totals		3.43		513.17	458.19			Total Rail Value	\$146,021	

OTM										
Weight	Jnt./CWR	Miles	NT/Mile	Total NT	Total GT	Class	Price NT	Price GT	Total \$ NT	Total \$ GT
112lb	Jnt	0.29	84.0	24.36	21.75	Relay	\$900		\$21,924	
110lb	Jnt	0.18	57.0	10.26	9.16	Relay	\$900		\$9,234	
0lb	Jnt	0	0.0			Relay	\$900		\$0	
90lb	Jnt	1.14	50.0	57.00	50.89	Relay	\$900		\$51,300	
90lb	Jnt	1.14	50.0	57.00	50.89	Scrap	\$165		\$9,405	
80lb	Jnt	0.68	42.0	28.56	25.50	Scrap	\$165		\$4,712	
Totals		3.43		177.18	158.20			Total OTM Value	\$96,575	

Ties (Removal & Market)						Signal Appliances			
Class	%	Miles	Total Ties	Price Ea.	Total	Type	Quantity	Unit Price	Total
#1 Relay	10%	3.4	1029	\$12	\$12,348	Lights	9	\$0	
#2 Relay	20%	3.4	2058	\$6	\$12,348	Gates	1	\$0	
Landscape	20%	3.4	2058	\$4	\$8,232	Total all Signals \$0			
Scrap	50%	3.4	5145	\$5	\$25,725				
Total Tie Value					\$7,203				

Turnouts										
Weight	Type	Qty.	NT/TO	Total NT	Total GT	Class	Price EA	Price GT	Total \$ Each	Total \$ GT
112lb	No 9	1	3.80	3.80	3.39	scrap	\$300		\$300	
115lb	No 9	1	3.80	3.80	3.39	scrap	\$300		\$300	
90lb	No 11	1	1.93	1.93	1.72	relay	\$2,500		\$2,500	
80lb	No 11	1	1.93	1.93	1.72	scrap	\$300		\$300	
Totals		4		11.46	10.23			Total OTM Value	\$3,400	

Liquidation Costs				
	Unit	Cost	Quantity	Total
Dismantle Track (CWR)	NT	\$65		
Dismantle Trk (Jointed)	NT	\$50	690 NT	\$34,517.7
Transport Rail & OTM	NT	\$65	702 NT	\$45,617.9
Remove Ties	EA	\$2	10,290	\$23,152.5
Remove Relay Turnouts	EA	\$2,500	4	\$10,000.0
Remove Crossing Signal	EA	\$1,500	10	\$15,000.0
Restore Crossings	EA	\$4,000	18	\$72,000.0

Gross Liquidation Value	\$253,199
Total Liquidation Costs	\$200,288
Net Liquidation Value	\$52,911

Liquidation Value of Railroad Asset

Tipton Industrial Track - MP 54.3 to MP 51.5

March 24, 2009

Rail										
Weight	Jnt./CWR	Miles	NT/Mile	Total NT	Total GT	Class	Price NT	Price GT	Total \$ NT	Total \$ GT
100lb	Jnt	0.25	167.20	41.80	37.32	Reroll	\$250		\$10,450	
90lb	Jnt	1.42	150.48	213.68	190.79	Reroll	\$250		\$53,420	
90lb	Jnt	1.64	145.73	238.99	213.39	Scrap	\$165		\$39,434	
80lb	Jnt	0.36	133.76	48.15	42.99	Reroll	\$250		\$12,038	
80lb	Jnt	0.85	129.54	110.11	98.31	Scrap	\$250		\$27,526	
Totals		4.52		652.73	582.80				Total Rail Value	\$142,869

OTM										
Weight	Jnt./CWR	Miles	NT/Mile	Total NT	Total GT	Class	Price NT	Price GT	Total \$ NT	Total \$ GT
100lb	Jnt	0.25	55.3	13.83	12.34	Relay	\$900		\$12,443	
90lb	Jnt	1.42	50.0	71.00	63.39	Relay	\$900		\$63,900	
90lb	Jnt	1.64	50.0	82.00	73.21	Scrap	\$165		\$13,530	
80lb	Jnt	1.21	42.0	50.82	45.38	Scrap	\$165		\$8,385	
Totals		4.52		217.65	194.33				Total OTM Value	\$98,258

Ties (Removal & Market)						Signal Appliances			
Class	%	Miles	Total Ties	Price Ea.	Total	Type	Quantity	Unit Price	Total
#1 Relay	0%	4.5		\$12		Lights	7	\$0	
#2 Relay	15%	4.5	2034	\$6	\$12,204	Gates	2	\$0	
Landscape	20%	4.5	2712	\$4	\$10,848	Total all Signals \$0			
Scrap	65%	4.5	8814	-\$5	\$44,070				
Total Tie Value					-\$21,018				

Turnouts										
Weight	Type	Qty.	NT/TO	Total NT	Total GT	Class	Price EA	Price GT	Total \$ Each	Total \$ GT
90lb	No 11	5	1.93	9.65	8.62	relay	\$2,500		\$12,500	
90lb	No 11	5	1.93	9.65	8.62	scrap	\$300		\$1,500	
90lb	No 9	7	1.83	12.81	11.44	scrap	\$300		\$2,100	
115lb	diamonds	2				relay	\$40,000		\$80,000	
Totals		19		32.11	28.67				Total OTM Value	\$96,100

Liquidation Costs				
	Unit	Cost	Quantity	Total
Dismantle Track (CWR)	NT	\$65		
Dismantle Trk (Jointed)	NT	\$50	870 NT	\$43,519.0
Transport Rail & OTM	NT	\$65	902 NT	\$58,661.8
Remove Ties	EA	\$2	13,560	\$30,510.0
Remove Turnouts	EA	\$2,500	19	\$47,500.0
Remove Crossing Signal	EA	\$1,500	9	\$13,500.0
Restore Crossings	EA	\$4,000	15	\$60,000.0

Gross Liquidation Value	\$316,209
Total Liquidation Costs	\$253,691
Net Liquidation Value	\$62,518

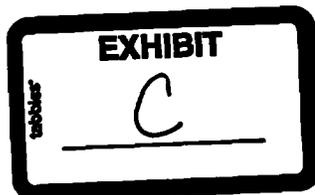
BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Docket No. AB-511 (Sub-No. 4X)

VERIFIED STATEMENT OF GABRIEL D. HALL

I, Gabriel D. Hall, on behalf of, and as an authorized Member of US Rail Holdings, LLC, (“Holdings”) and on behalf of, and as President of US Rail Corporation (“US RAIL”), and on behalf of Winamac Southern Railway Company, (“WSRY”) do hereby verify under oath as follows:

1. We are the Offerors with respect to the foregoing Offer of Financial Assistance (“OFA”).
2. As Offerors, we have together secured sufficient financial resources to make the offer presented in the OFA.
3. US Rail Holdings, LLC, Winamac Southern Railway Company and US RAIL Corporation, have access to a line of credit of up to \$3,000,000 for use as working capital in the ordinary course of business and for the acquisition of short-line railroads and related short term operating expenses of acquired railroads. See signed statement of Ted Mills, Managing Director of ETC Capital, LLC, verifying the line of credit attached as Exhibit 1.
4. We intend to use the line of credit to acquire the subject Line in this matter as set forth in the OFA.



I, Gabriel D. Hall, on behalf of, and as an authorized Member of US Rail Holdings, LLC, and on behalf of, and as President of US Rail Corporation, and on behalf of Winamac Southern Railway Company, verify under penalty of perjury that the foregoing statement is true and correct and that I am qualified and authorized to make and file the foregoing document.

Executed on April 28, 2009.



Gabriel D. Hall



46570 Humboldt Dr • Novi, MI 48377 • P 248-560-0203 • F 248-560-0205 • www etccapital.com

April 25, 2009

To Whom It May Concern:

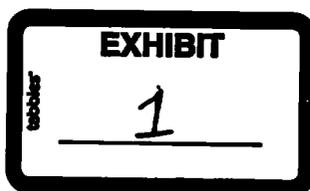
U S Rail Holdings, LLC, Winamac Southern Railway Company, and US Rail Corporation have access to an acquisition line of credit with ETC Capital, LLC of up to \$3,000,000. The line can be used for working capital in the ordinary course of business and for acquisitions of short-line railroads and related short term operating expenses of acquired railroads.

Please feel free to contact me at anytime with questions 248-560-0203.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ted Mills'.

Ted Mills
Managing Director



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing
OFFER OF FINANCIAL ASSISTANCE has been served on this 28th day of April, 2009, via U.S. Mail,
postage prepaid, upon the following:

Louis E. Gitomer, Esq.
Melanie B. Yasbin, Esq.
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(Central Railroad Company of Indianapolis)

RailAmerica, Inc.
Scott G. Williams, Esq.
Senior Vice President and General Council
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256

City of Kokomo, Indiana
Greg Goodnight, Mayor
100 S. Union Street
Kokomo, IN 46901

Greenways Foundation, Inc.
Ronald E. Carter, Executive Director
P.O. Box 80091
Indianapolis, IN 46280-0091

Indiana Trails Fund
Richard Vonnegut, President
217 W. 10th Street, #120
P.O. Box 402
Indianapolis, IN 46204