

CITY of ROCKPORT

226047

NEDRA GROVES, MAYOR
HAROLD GOFFINET, CLERK TREASURER

COUNCIL
JULIE PAYNE, AT LARGE
BOB MACK, WARD 1
FERMAN YEARBY, WARD 2
JACK MORRISON, WARD 3
CONNIE HARGIS, WARD 4

October 30, 2009

Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

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Office of Proceedings

NOV 20 2009

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Public Record



Via e-mail and U.S. Mail

Re: Docket No. AB-1044, Indiana Business Railroad, Inc.--Adverse Discontinuance of Rail Service--Portion of Norfolk Southern Railway Company's Rockport Branch

Dear Ms. Quinlan:

As Mayor of the City of Rockport, Indiana, I am writing this letter regarding the status of the existing Norfolk Southern Railroad right-of-way in our community. As a small community interested in promoting economic opportunity, we are concerned about the refusal of Norfolk Southern to provide service to existing and potential industry (employers) in our community. Over the years, the local economic development corporation, Lincolnland Economic Development Corporation (LEDC) has worked with the city and county government officials to promote development in our area.

In spite of the challenges faced by our community, we have weathered the loss of two major employers, Peerless Pottery and Barmet over the last twenty years. One of those facilities, the former pottery manufacturing plant, has been successfully adapted to provide warehouse and logistics services to area manufacturers and is now one of the city's largest employers. The company, Indiana Properties, would like to expand in our community but needs rail service. The existing NS rail line adjoins the site but NS will not provide service unless the company or community agrees to pay for the rehabilitation of the bridge over Huffman Ditch and adjoining rail line up to the AK Steel spur track (approximately 5 miles to north).

At the same time, the city has invested in a new \$5 million Wastewater Treatment Plant and water tower on the north side of the city to promote industrial development along the NS right-of-way and Base Road. Recently, a large coal gasification project optioned approximately 1,300 acres for a \$2.2 billion synthetic natural gas plant to provide needed jobs and tax base for our community. Along with this potential investment, LEDC has a number of prospective

companies wanting to invest in our community. Several years ago, a large firm wanted to develop a coal transfer facility in this area but NS refused to cooperate in the development.

To support development efforts, the City of Rockport submitted a TIGER Grant application to the U.S. Department of Transportation (USDOT) for \$18.35 million to rehabilitate the rail line and provide better road access to the area north of the city. It should be noted that the US Economic Development Administration has recognized the area along US 231 as an Economic Development Corridor. It is our understanding that NS has pledged support to similar grant applications in our area but has not provided any support of the application put together by Rockport.

It is also my understanding another firm has expressed interest in developing a large bulk transfer facility to support proposed industrial development activities and provide the impetus for other related logistics operations to locate in our area. This investment could be as large as \$30-40 million but would require rail service. With the commitment by the State of Indiana to complete the four-lane US 231 project from the new Natcher Bridge over the Ohio River to Interstate 64 by the end of 2011, our community should be positioned to provide investment opportunities for companies looking for good road, rail and river access. However, we cannot hope to be successful without a willing partner on the rail side.

The city was hopeful that a local private group could take over the line to provide a willing partner to promote economic development in our community. It is our understanding that the group, Indiana Business Railroad, has filed for adverse abandonment in order to replace NS as the rail carrier providing service to Rockport as noted in the above caption. We are concerned that the Surface Transportation Board (STB) has not followed its own regulation in 49 CFR 1152.24 (e) (5), which provides as follows:

"An applicant may seek waiver of specific regulations listed in Subpart C of this part by filing a petition for waiver with the Board. A decision by the Director of the Office of Proceedings granting or denying a waiver petition will be issued within 30 days of the date the petition is filed....."

We would ask that the STB follow through and provide the requested relief to allow a responsible local group to provide service to our community.

Finally, I would like to dispel the notion of active rail service represented by NS in this case. I have attached recent pictures of the overgrown right-of-way in our community. I would doubt that the senior management of NS or STB officials would tolerate this kind of blight in their neighborhood. Furthermore, the city has experienced drainage issues near the right-of-way owned by NS and the railroad has been uncooperative in addressing this health and safety issue.

The irony in all of this is NS would benefit the most if a local group was successful in developing business in the Rockport area since the line would exclusively interchange traffic with the carrier. Apparently NS is more interested in maintaining control than promoting growth. In this global marketplace, such "scorched earth" policies by large corporations are unacceptable and detrimental to communities such as ours.

Sincerely,

A handwritten signature in black ink, appearing to read "Nedra Groves", with a long, sweeping horizontal line extending to the right.

Nedra Groves
Mayor, City of Rockport

Cc: Senator Richard Lugar
Senator Evan Bayh
Senator John D. (Jay) Rockefeller IV
Senator Frank R. Lautenberg
Rep. Barron Hill
Rep. James L. Oberstar
Rep. Corrine Brown
Rep. Brett Guthrie
Ray LaHood, Secretary, US Department of Transportation
Joseph C. Szabo, Administrator, Federal Railroad Administration

Encl: Pictures of NS Railroad Right-of-Way





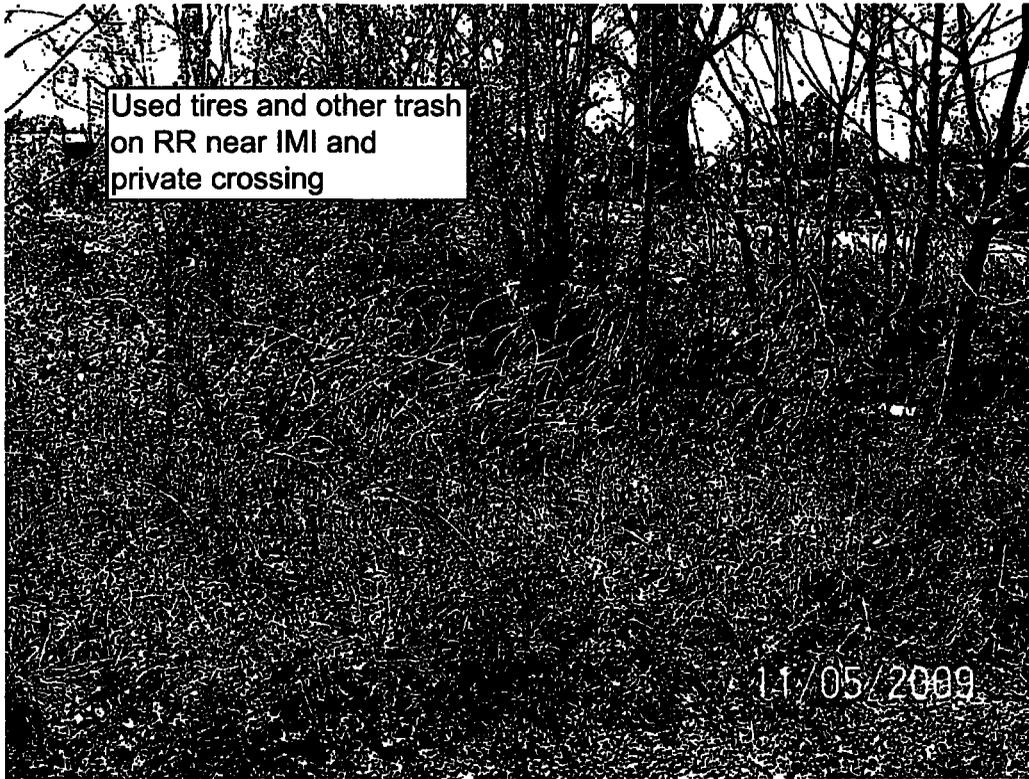
Overgrown RR Right-of-way near Base Road

11/05/2009



Overgrown RR Right-of-way near Base Road

11/05/2009



Used tires and other trash
on RR near IMI and
private crossing

11/05/2009



Trash on RR near IMI and
private crossing

11/05/2009

