

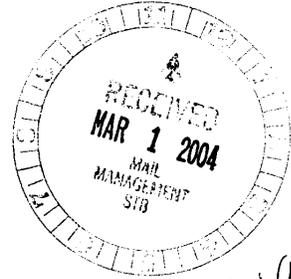
FILED

MAR - 1 2004

**SURFACE
TRANSPORTATION BOARD**

February 27, 2004

By UPS overnight mail
(Monday delivery)



Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Natalie Rosenberg, Esq.
CSX Transportation, Inc.
500 Water Street, J-150
Jacksonville, FL 32202

Re: Docket No. AB-55 (Sub-No. 643X), *CSX Transportation, Inc. -- Abandonment Exemption -- in LaPorte, Porter and Starke Counties, IN*

Dear Mr. Williams & Ms. Rosenberg:

Hereby transmitted to each of you is an Offer of Financial Assistance in the above proceeding filed in behalf of the Incorporated Town of North Judson. The Offer sent to Mr. Williams is an original. It is accompanied by 10 copies and a check for \$1,100 to cover the filing fee.

Mr. Williams is respectfully requested to acknowledge receipt by date stamping the enclosed duplicate copy of this letter and return in the self-addressed stamped envelope.

ENTERED
Office of Proceedings

MAR - 1 2004

Part of
Public Record

Very truly yours,

Tom McFarland
mfw

Thomas F. McFarland
Attorney for The Incorporated
Town of North Judson

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FEE RECEIVED

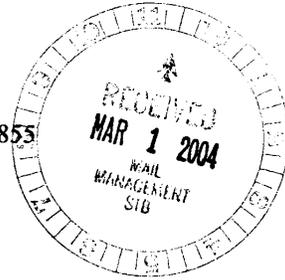
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**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX TRANSPORTATION, INC. --)
ABANDONMENT EXEMPTION -- IN)
LAPORTE, PORTER AND STARKE)
COUNTIES, IN)

DOCKET NO. AB-853
(SUB-NO. 643X)



OFFER OF FINANCIAL ASSISTANCE

FILED

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**SURFACE
TRANSPORTATION BOARD**

THE INCORPORATED TOWN OF NORTH JUDSON
P.O. Box 56
North Judson, IN 46366

Offeror

FEE RECEIVED
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**SURFACE
TRANSPORTATION BOARD**

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Offeror

DATE FILED: March 1, 2004

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Office of Proceedings

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Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX TRANSPORTATION, INC. --)
ABANDONMENT EXEMPTION -- IN) DOCKET NO. AB-855
LAPORTE, PORTER AND STARKE) (SUB-NO. 643X)
COUNTIES, IN)

OFFER OF FINANCIAL ASSISTANCE

Pursuant to 49 U.S.C. § 10904(c) and 49 C.F.R. § 1152.27(c)(2)(iii), THE INCORPORATED TOWN OF NORTH JUDSON (the Town) hereby offers financial assistance in the form of purchase of the entire rail line involved in the above proceeding, i.e., between Milepost CF 0.63 at LaCrosse and Milepost CF 15.23 at Wellsboro, and between Milepost CI 212.55 at North Judson and Milepost CI 230.92 at Malden, a total distance of 32.97 miles, in LaPorte, Porter and Starke Counties, Indiana (“the rail line”). The Town hereby offers to pay \$1,200,000 for the rail line. The Town submits the following in support of its offer.

**THERE IS A REASONABLE EXPLANATION FOR THE DISPARITY
BETWEEN THE AMOUNT OFFERED AND THE OWNER’S
VALUATION OF THE RAIL LINE**

In accordance with 49 U.S.C. § 10904(c), the Town hereby explains the disparity between the amount it has offered to purchase the rail line and the rail carrier’s valuation (asking price) for the line.

CSX Transportation, Inc. (CSXT) values the rail line at \$1,769,950. (Exhibit F, page 1, line 12c). That value is the sum of the alleged net salvage value of \$1,050,550 for the track materials in the line and \$719,400 for land in the rail line right-of-way. *Id.*, page 2, line 12.

Land value is based on a CSXT system average land value of \$21,800 per mile applied to 33 miles of land in the rail line. *Id.*

The Town does not disagree with the net salvage value of track materials posited by CSXT. CSXT furnished a detailed breakdown of the quantity, quality and valuation of those track materials, which appears to support the net valuation used by CSXT. Consequently, the Town has adopted the valuation of \$1,050,550 used by CSXT for track materials.

However, CSXT did not provide adequate support nor explanation for its land value. CSXT provided a summary of land allegedly held in fee title and land for which it has only a railroad easement. However, CSXT did not provide copies of the original acquisition documents for the land that would have provided verification for the summary. Nor did CSXT provide any appraisal of the value of the land, either by an outside appraiser or in-house.

In the circumstances, the Town has estimated that the land for which CSXT has marketable title has a value of \$149,450. That plus the value of track materials results in the amount of \$1,200,000 hereby offered by the Town.

THE TOWN IS FINANCIALLY RESPONSIBLE

The Town is a unit of government in Starke County, Indiana. As such, the financial responsibility of the Town is presumed. *South Orient RR - Aban. & Discon. of Trackage Rights*, 3 S.T.B. 743, 759 (1998) (“... all government agencies are deemed to be financially responsible ...”).

The purchase price for the rail line is likely to be paid from a combination of sources, i.e., (1) a grant of \$1 million in Enhancement Grant funds from the Indiana Department of Transportation; (2) \$150,000 contributed by LaPorte County Farm Bureau Cooperative

Association, Inc., and (3) \$50,000 contributed by Starke County, Indiana. The Town is committed to acquisition and continued operation of the rail line.

THE OFFER IS FOR CONTINUED RAIL SERVICE

Upon acquisition of the rail line, the Town intends to contract with a rail operator to provide rail service to shippers and receivers located or to be located along the rail line. The rail line is active at the present time. The offer thus contemplates continued rail service on the rail line.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, the Board should find that the Town is a financially responsible person who has offered financial assistance to permit rail service to be continued on the rail line. Based on that finding, the Board should postpone the effectiveness of the exemption for abandonment of that rail line pending further proceedings under 49 U.S.C. § 10904.

Respectfully submitted,



Town of North Judson
P.O. Box 56
North Judson, IN 46366
Offeror



THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1194
(312) 236-0204
Attorney for Offeror

Date Filed: March 1, 2004

CERTIFICATE OF SERVICE

I hereby certify that on February 27, 2004, I served the foregoing document, Offer of Financial Assistance, by overnight mail, Monday delivery, on Natalie Rosenberg, Esq., CSX Transportation, Inc., 500 Water Street, J-150, Jacksonville, FL 32202.

Tom McFarland

Thomas F. McFarland

mmk