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LAW OFFICES

**JOHN H. BROADLEY & ASSOCIATES, P.C.**

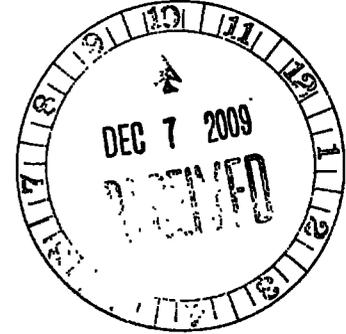
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December 4, 2009

JOHN H. BROADLEY



Cynthia T. Brown  
Chief of the Section of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423

Re: The Indiana Rail Road Company—Abandonment Exemption—Martin and  
Lawrence Counties, Indiana AB 295 (Sub-No. 7X)

Dear Ms. Brown:

Enclosed for filing please find the following:

1. An original and ten copies of a Petition for Exemption of The Indiana Rail Road Company to abandon a line of railroad in Martin and Lawrence Counties, Indiana, together with the Verified Statement of Thomas G. Hoback in support of that Petition.
2. Eleven copies of the Combined Environmental and Historic Report which was served on the required agencies on November 6, 2009.
3. An original and ten copies of a draft Federal Register notice.
4. A sealed envelope containing an original and ten unredacted copies of Exhibit No. 1 to the Petition for Exemption for filing under seal.
5. A CD with copies of the Petition for Exemption and Hoback Verified Statement in Word and PDF format, and a copy of the draft Federal Register notice in Word format.
6. A check payable to the Surface Transportation Board in the amount of \$6400 as a filing fee.

I have also included an extra copy of the Petition which I ask that you date stamp and return with our messenger. Should you have any questions concerning this matter, please don't hesitate to call me at the above number.

Yours very truly,

John Broadley

ENTERED  
Office of Proceedings

DEC 7 - 2009

Part of  
Public Record

226122

**BEFORE THE  
SURFACE TRANSPORTATION BOARD  
Washington, D.C.**

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The Indiana Rail Road Company – Abandonment-- )  
Exemption – Martin and Lawrence Counties, )  
Indiana )  
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AB 295 (Sub-No. 7X)



ENTERED  
Office of Proceedings

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Public Record

**THE INDIANA RAIL ROAD COMPANY'S PETITION  
FOR EXEMPTION OF AN ABANDONMENT IN MARTIN  
AND LAWRENCE COUNTIES, INDIANA**

**FILED**  
DEC 7 - 2009  
**SURFACE  
TRANSPORTATION BOARD**

THE INDIANA RAIL ROAD COMPANY

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Dated: December 4, 2009

**FEE RECEIVED**

DEC 7 - 2009

**TRANSPORTATION BOARD**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD  
Washington, D.C.**

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	)	
The Indiana Rail Road Company – Abandonment--	)	AB 295 (Sub-No. 7X)
Exemption – Martin and Lawrence Counties,	)	
Indiana	)	
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**THE INDIANA RAIL ROAD COMPANY’S PETITION  
FOR EXEMPTION OF AN ABANDONMENT IN MARTIN  
AND LAWRENCE COUNTIES, INDIANA**

The Indiana Rail Road Company (“INRD”) hereby petitions the Surface Transportation Board (“Board”) pursuant to 49 U.S.C. 10502 and 49 CFR Parts 1121 and 1152.60 for an order:

1. Exempting its abandonment of a line in Martin and Lawrence Counties, Indiana from regulation under 49 U.S.C. 10903;
2. Exempting it from any condition imposed under 49 U.S.C. 10905 prohibiting or delaying the recovery and reuse on its own system of the rail, ties and other track materials (“OTM”) and ballast in the line it proposes to abandon; and
3. Making a final order granting this petition immediately effective if it is issued after February 28, 2010, thus permitting INRD to begin recovery of rail assets in the line it proposes to abandon.

**I. THE FACTS RELATING TO THE PROPOSED ABANDONMENT**

The relevant facts relating to the proposed abandonment are set forth in the Verified Statement of Thomas G. Hoback, INRD’s president, (“Hoback VS”) that is being filed with this petition, and in the Combined Environmental and Historic Report (“CEHR”) also filed with this petition.

1. Description of the Line to be Abandoned

The line to be abandoned is part of INRD's main north-south line between Chicago, IL and Louisville, KY. The section to be abandoned lies between milepost 241.35 east of Crane, IN and milepost 262.50 in Bedford, IN. We will refer to this portion of the line to be abandoned as the Crane-Bedford Line. Also included in the abandonment is the Bedford Industrial Track, a track branching from the Crane-Bedford Line at approximate milepost 262.40 and proceeding from the Crane-Bedford Line in an open counter-clockwise loop (east-north-west-south) for approximately 1.65 miles. Together the lines to be abandoned (the Crane-Bedford Line and the Bedford Industrial Track) will be referred to in this petition as the "Line."<sup>1</sup> A map showing the general location of the Line and a series of maps showing the location of the Line in detail is attached to the CEHR as Exhibit C. The total length of the Line, including both the Crane-Bedford Line of 21.15 miles and the Bedford Industrial Track of 1.65 miles, is 22.80 miles. (Hoback V.S. ¶ 3)

The Crane-Bedford Line runs through a rural area of southern Indiana that is characterized by low steeply sloped wooded hills. The Crane-Bedford Line begins east of the most easterly rail spur leading into the Crane Naval Surface Warfare Center at Crane, IN and runs easterly to Bedford, IN and ends at the junction of the line with CSX Transportation's ("CSXT") line in Bedford, IN. Because of the nature of the terrain, there is a substantial amount of curvature and numerous bridges on the line. (CEHR Exhibits C, E and F)

The Crane-Bedford Line is in generally good condition. For the most part the track meets FRA Class 3 standard, though several stretches are Class 2 because of grade and curvature related issues. Several of the bridges need work. INRD estimates that correcting problems

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<sup>1</sup> The same naming convention is used in the Hoback Verified Statement.

identified in a 2007 inspection of all bridges on the Line will cost approximately \$437,000. Moreover, new federal bridge inspection regulations will require a new inspection of all the bridges on the Line in 2011 which will cost approximately \$100,000 (Hoback V.S. ¶ 5)

In addition to the bridges on the Line, the tunnel located at milepost 242.20 also needs repairs in the near future to correct inward bulging in the tunnel wall which is narrowing clearances inside the tunnel. INRD estimates that these near term repairs to the tunnel will cost between \$250,000 and \$400,000. If INRD is to operate over the Line in the long term, major repairs will be required on the tunnel to correct the underlying problems that are leading to the bulging. This work will involve removing the tunnel lining, widening it, and relining it. The estimated cost of this work will be between \$6 million and \$8 million. (Hoback V.S. ¶ 6)

Exhibit E to the CEHR is a series of photographs taken of each structure on the Line that is 50 years old or more. In the case of the Line, these structures include all the bridges and the tunnel. Exhibit F to the CEHR is a series of photographs taken at each milepost on the Crane-Bedford Line illustrating the terrain and surrounding environmental characteristics and the general characteristics and condition of the Crane-Bedford Line.<sup>2</sup> (CEHR Exhibits E and F)

The Bedford Industrial Track runs through an industrial area of Bedford, IN. The track is in poor condition and is classified as FRA Excepted Track. Exhibit G to the CEHR illustrates the deteriorated condition of this segment of the Line and the nature of the area through which it passes. All three on-line shippers who have used the Line since 2006 are located on the Bedford Industrial Track. (Hoback V.S. ¶ 8) (CEHR Exhibit G).

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<sup>2</sup> The photographs in Exhibit F to the CEHR were taken on October 23, 2009 when autumn leaves obstructed the view of the tie condition. Exhibit E to the CEHR is a set of photographs of the bridges and tunnel on the Line taken in the spring of 2007. The generally good tie condition can be observed in these photographs.

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

2. Traffic on the Line

Since December 31, 2006 only three shippers on the Line have received service. All three shippers are located on the Bedford Industrial Track. The traffic and INRD revenue have been as follows (Hoback V.S. ¶ 13):<sup>3</sup>

2007	Shipper A	9 cars (inbound) (scrap metal)
	Shipper B	2 cars (inbound) (steel beams)
2008	Shipper A	21 cars (inbound) (scrap metal)
	Shipper C	1 car (outbound) (one time move of heavy equipment)
2009	Shipper A	27 cars (inbound) (scrap metal) <sup>4</sup>

INRD's annual revenue from the on-line traffic has been as follows:

2007	\$14,234
2008	\$39,893
2009	\$33,998

INRD has attempted to develop additional traffic on the Line. Specifically, it has sought to develop additional traffic from Shipper C but has been unsuccessful. Shipper C manufactures relatively specialized products which appear more suitable for truck shipment than rail. INRD has also attempted to develop additional traffic from Shipper B. Shipper B obtains much of its inbound product from northern Indiana. In response to INRD's marketing efforts with Shipper B, Shipper B has stated that truck rates from northern Indiana are too cheap for rail to be competitive. Shipper B also receives some inbound product from Arkansas. To move this by

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<sup>3</sup> INRD has filed a letter with the Board under seal identifying the shippers. A redacted copy of that letter is attached hereto as Exhibit No. 1.

<sup>4</sup> Since the CEHR was prepared in September 2009, Shipper A has received two additional carloads of scrap.

rail, however, requires a three line haul. INRD has not been able to put together a sustainable competitive package. Finally, INRD has also sought to develop additional traffic from Shipper A. The traffic that INRD currently handles to Shipper A originates in Oklahoma or other western states and consists of demilitarized scrap metal from the military. To INRD's knowledge Shipper A receives additional volumes of inbound scrap metal from other sources and generates additional volumes of outbound materials all of which moves by truck. INRD recently has been unable to obtain any of the non-military inbound scrap metal nor any of the outbound materials. (Hoback V.S. ¶ 14)

In addition to its attempts to develop additional business from the three shippers discussed above, INRD has attempted to develop new rail business with potential shippers, including inbound aluminum and plastics shipments to local industries and outbound shipments of Indiana architectural limestone and high calcium limestone for flue gas desulphurization at coal burning power plants. Despite high demand for this high calcium limestone, INRD has not been able to develop this business because of an abundance of this type of product elsewhere. (Hoback V.S. ¶ 16).

In addition to the on-line traffic, the Line also carried overhead traffic to and from Louisville, KY. Cars moving in overhead service were as follows (Hoback V.S. ¶ 16):

2007	5842 cars
2008	4663 cars
2009	1754 cars

On July 16, 2009 INRD rerouted its overhead traffic from the Line. Approximately 90% of the overhead traffic to and from Louisville, KY has been rerouted through Indianapolis via an arrangement between INRD and Louisville & Indiana Railroad Company ("LIRC"). LIRC will not haul certain types of traffic, therefore, INRD has rerouted that traffic (approximately 10% of

the overhead traffic) via CSXT through Indianapolis or Terre Haute, via CN through Newton, IL or via NS through Chicago, IL. (Hoback V.S. at ¶¶ 21, 22, 23)

INRD has offered to work with the only current on-line shipper (Shipper A) who has received a total of 57 carloads of scrap metal in the past three years. INRD has discussed several alternatives including establishing a transloading arrangement elsewhere on INRD's own lines, or a transloading arrangement at an existing facility operated by Shipper A and located on CSXT's nearby east-west line at Mitchell, IN, only 10 miles south of Bedford. In the event neither of these alternatives proves satisfactory, Shipper A will likely continue to receive the inbound demilitarized scrap metal by truck as it does its other inbound scrap metal shipments. Both the volume involved (approximately 20 carloads per year on average) and the nature of the scrap metal received by rail are well adapted to truck transport. (Hoback V.S. ¶ 41)

### 3. INRD's Plans for the Line

In his Verified Statement, Mr. Hoback explains that traffic is growing on other parts of the INRD system, and that increases of 50% are expected in the next five years on some sections of the system. This has led to a need for additional capital investment in those sections and the need to redeploy the underused assets from the Line, particularly rail, ties and OTM, to parts of the system where traffic is expected to increase. If this petition is granted, INRD plans to retrieve the rail, ties and OTM (and possibly some of the ballast) to use in its extensive 2010 and 2011 track improvement projects on other parts of its system that are needed to handle prospective traffic increases. Those projects include capital projects involving rerailling on 10.65 miles of INRD's north-south and east-west main lines in the 2010 construction season, and capital projects involving rerailling on 17 miles in the 2011 construction season. In addition, curve rail will be replaced at several points on the Indianapolis Sub-Division (the east-west main

line) and new rail will be installed in INRD's Senate Avenue Yard in Indianapolis. (Hoback V.S. ¶¶ 25-28)

INRD estimates that there are the following quantities (and value) of rail, ties and OTM (tie plates) in place on the Crane-Bedford Line (Hoback V.S. ¶26):

Type	Quantities	Current Estimated Price	Current Estimated in Place Value
Rail	21.15 track miles 4600 tons	\$850/ton No. 1 Relay Rail	\$3,910,000
Tie Plates	138,000	\$7.25/tie plate	\$1,000,000
Ties	34,000 <sup>5</sup>	\$25/relay tie	\$850,000
<b>TOTAL</b>			<b>\$5,760,000</b>

INRD does not have an estimate of the tonnage or value of the ballast that can be recovered. The ballast on the Crane-Bedford Line is primarily granite, an extremely good ballast material that is expensive to obtain and use in southern Indiana. It is likely that a substantial portion of the ballast will be recovered and reused, though precise quantities cannot be determined at this time. (Hoback V.S. ¶ 37)

INRD estimates that the cost of recovering the recoverable assets on the Line, exclusive of the ballast, will be approximately \$890,000, leaving potential net recovery, exclusive of the ballast, of \$4,870,000. Use of this material in INRD's 2010-2011 construction program will reduce INRD's new capital requirements for that program by at least that amount, and likely by considerably more because of difficulty in obtaining this amount of relay material in the market. (Hoback V.S. ¶ 38)

INRD does not believe that the rail, ties and OTM on the Bedford Industrial Track are suitable for relay. They will likely all be scrapped. (Hoback V.S. ¶ 39)

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<sup>5</sup> This number is based on an estimate of the number of ties in place and an overall impression of their quality. The actual number of ties of relay quality may be fewer than this. A detailed tie-by-tie inspection to determine which ties can be reused has not yet been made.

INRD is still investigating the nature of its title to the right-of-way under the Line.<sup>6</sup> As can be seen from the photographs in CEHR Exhibit F, the Crane-Bedford Line has definite possibilities for trail use. INRD does not know whether any trail or park organizations are interested. If INRD's title consists only of a rail use easement, trail and park organizations will have to opportunity to acquire the Line under the Trails Act and the Board's regulations at 49 CFR 1152.29. INRD will cooperate with any qualified organization seeking trail use for the Line.<sup>7</sup> In the event INRD has a fee interest in any segment of the Line, it will review its options for disposition of the property. (Hoback V.S. ¶ 40)

#### 4. Environmental and Historic Preservation Matters

INRD has filed with this petition its Combined Environmental and Historic Report ("CEHR") which addresses all the issues required to be addressed by the Board's regulations at 49 CFR 1105.7 and 49 CFR 1109.8. INRD certifies that:

A. None of the applicable rail activity thresholds will be exceeded by this abandonment, CEHR at pp.11-13;

B. It has consulted with and solicited input from the appropriate agencies in preparing the CEHR (CEHR at pp.2-3); and

C. It has sent copies of the CEHR to the relevant agencies listed in 49 CFR 1105.7(b) and to other agencies with which it has consulted in preparing the CEHR at least 20 days before

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<sup>6</sup> CP quit claimed its interest in the Line to INRD in 2006 when INRD bought CP's Chicago to Louisville line. Investigation of the condition of the underlying title may take several weeks. The Board approved INRD's acquisition of the Line (and other properties) from CP in *The Indiana Rail Road Company – Acquisition – Soo Line Railroad Company*, STB Finance Docket No. 34783 (S.T.B. served April 11, 2006).

<sup>7</sup> INRD should note, however, that part of the Crane-Bedford Line runs through the Naval Surface Warfare Center at Crane, IN and that security requirements may limit the availability of the right-of-way in this location.

filing this petition. A copy of the cover letter sent to the relevant agencies is attached as Exhibit No. 2.

5. INRD's Reasons for Abandoning the Line

INRD's principal use of the Line was to carry overhead traffic to and from Louisville, KY. The limited amount of overhead traffic (between 4000 and 5000 cars per year) hardly justified the costs of maintaining the Line to an FRA Class 3 standard suitable for overhead traffic. Several other problems emerged relating to overhead traffic to Louisville. INRD operates over trackage rights between Bedford and Louisville. The trackage rights agreement with CSXT for the 71.9 miles between Bedford and New Albany require INRD to share in the maintenance cost of the line on the basis of relative car counts. CSXT has discontinued service on the line between Mitchell and Bedford, IN. *See CSX Transportation, Inc—Abandonment and Discontinuance Exemption—In Lawrence County, IN*, Docket No. AB-55 (Sub-No. 45X), I.C.C. served January 17, 1995. More recently CSXT has ceased all service between Mitchell and New Albany (not including New Albany) other than for occasional movements of cars to and from storage sidings. Thus, INRD is responsible for almost the entire maintenance of the 71.9 mile line from Bedford to New Albany. (Hoback V.S. ¶17)

Not only did INRD become responsible for almost all the maintenance between Bedford and New Albany under the trackage rights agreements, the cost of maintaining that line is very high because of an antiquated signal system that is prone to frequent failures, and much of the track has been slow-ordered to 10 MPH and will require significant expenditures to improve speeds to 25 mph. (Hoback V.S. ¶18)

Finally, both the Crane-Bedford Line and the CSXT line have grades that require significant locomotive commitments. This also results in high fuel consumption. (Hoback V.S. ¶19)

An alternative route for overhead traffic to and from Louisville was clearly needed for the 5000 cars per year that INRD moved to and from that city. INRD found that it could route the overhead traffic to and from Louisville under an arrangement with LIRC that concentrates both INRD's Louisville traffic and LIRC's Louisville traffic on the LIRC line between Indianapolis and Louisville. The limited amount of traffic that LIRC will not handle under the arrangement has been rerouted either via CSXT through Indianapolis or Terre Haute, IN, via CN through Newton, IL or via NS through Chicago, IL. The alternative arrangements for handling overhead traffic are more efficient in the long term than use of the Line and will remain in place even if the Crane-Bedford Line is not abandoned because (i) the alternative arrangements provide superior service to customers, and (ii) the cost of maintaining the Crane-Bedford Line to a FRA Class 3 standard and of paying all of the maintenance costs on an additional 71.9 miles of CSXT line between Bedford and New Albany is not warranted by the small volume of overhead traffic INRD is handling to and from Louisville. (Hoback V.S. ¶ 21-24)

INRD has estimated the costs of continuing to use the Line. Those costs are as follows:

1. Bridges. In 2007 INRD contracted for a comprehensive assessment of the bridges on the Line. That assessment revealed a number of deficiencies that must be corrected within 2 years. INRD estimates that the cost of correcting the deficiencies will be \$437,100. In addition, new federal regulations relating to bridges will require a new assessment of their condition in 2011 which INRD estimates will cost \$100,000 for the bridges on the Line. (Hoback V.S. ¶ 5)
2. Annual maintenance Class 3. In order to continue using the Line for overhead traffic, the Line should be maintained to a FRA Class 3 standard. This is the standard INRD seeks to maintain on its entire main line route. Average annual maintenance costs system-wide for main line track are between \$11,000 and \$12,000 per mile. Maintenance of the 21.15 mile Crane-Bedford Line to a FRA Class 3 standard would reasonably cost an average of

\$252,000 per year. Indeed, in view of the substantial curvature and grade on the line, it is likely that annual maintenance costs would be higher. (Hoback V.S. ¶ 9)

3. Annual maintenance Class 1. Annual maintenance costs would be radically reduced on the Line for the next several years if INRD allowed it to deteriorate to FRA Class 1 and used the Line only to serve the one active shipper at Bedford. INRD estimates that annual maintenance costs under this scenario would be approximately \$6500 per mile for the next 3 years and would then increase as work became necessary to maintain the Line at Class 1. (Hoback V.S. ¶ 10)

In sum, the Line is not essential to serving INRD's existing off-line customers who can be served more efficiently and economically under the arrangement with LIRC or by other routings; and the very limited amount of on-line business does not warrant the substantial annual maintenance cost of the Line even under the scenario where it is permitted to deteriorate to FRA Class 1. INRD's total annual revenue from the Line is only approximately \$30,000. This will cover less than 25% of the annual maintenance costs on the Line even in the scenario where the Line is permitted to deteriorate to a FRA Class 1 standard. Operating costs (INRD picks up traffic for Shipper A at Chicago) and any return on a net of \$4,870,000 of rail assets in place that can be redeployed to other parts of the INRD system where traffic is growing rapidly simply make an already large negative number even larger.

In order to avoid the cost of on-going maintenance on the Line and to recover assets needed for use on other parts of INRD's system, INRD decided to abandon the Line. (Hoback V.S. ¶ 33).

## **II. THE APPLICABLE LEGAL STANDARD FOR GRANTING AN EXEMPTION FOR THIS ABANDONMENT**

The applicable legal standard for granting an exemption under 49 U.S.C. 10502 is well known to the Board (49 U.S.C. 10502(a)):

- (a) In a matter related to a rail carrier providing transportation subject to the jurisdiction of the Board under this part, the Board,

to the maximum extent consistent with this part, shall exempt a person, class of persons, or a transaction or service whenever the Board finds that the application in whole or in part of a provision of this part—

(1) is not necessary to carry out the transportation policy of section 10101 of this title; and

(2) either—

(A) the transaction or service is of limited scope; or

(B) the application in whole or in part of the provision is not needed to protect shippers from the abuse of market power.

Absent an exemption, this transaction would be subject to Board review and approval under 49 U.S.C. 10903 and 49 CFR Part 1152. It is well established that 49 U.S.C. 10502(a)(1) focuses on the need for regulation of the transaction in order to carry out the rail transportation policy. *Village of Palestine v. Interstate Commerce Commission*, 936 F.2d 1335, 1338 (D.C. Cir. 1991) (*Village of Palestine*). In *Village of Palestine* the court described the Board's function under section 10502(a)(1) as follows (*id.* at 1338):<sup>8</sup>

Since a section 10502(a) exemption may be granted only from “a provision of this subtitle,” rather than from the statute as a whole, . . . one must first decide in what respect the provision implements the rail transportation policy. . . . Put differently, if a provision does not implement a particular goal set forth in the rail transportation policy, it follows in the language of section 10505(a) that application of the provision is not necessary to carry out that goal. The scope of the Board's review in an exemption proceeding will therefore be a function of the “relationship between” the “section” from which an exemption is sought and the “national rail transportation policy. . . .” *Brae Corp. v. United States*, 740 F.2d 1023, 1046-47 (D.C. Cir. 1984), *cert. denied*, 471 U.S. 1069, 105 S.Ct. 2149, 85 L.Ed.2d 505 (1985).

49 USC 10903(d) provides that a rail carrier providing transportation subject to the jurisdiction of the Board may abandon any part of its lines only if the Board:

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<sup>8</sup> Code citations in the quotation have been updated to conform to current codification.

finds that the present or future public convenience and necessity require or permit the abandonment. . . .In making the finding, the Board shall consider whether the abandonment or discontinuance will have a serious, adverse impact on rural and community development.

It is hornbook law that in determining whether the “present or future public convenience and necessity require or permit the abandonment,” the Board is required to balance the respective interests of the carrier, protesting communities and shippers, and interstate commerce generally. *See Colorado v. United States*, 271 U.S. 153 (1926); *Georgia Public Service Commission v. United States*, 704 F.2d 538, 541 (11<sup>th</sup> Cir. 1983); *City of Cherokee v. ICC*, 641 F.2d 1220, 1227-28, *cert. denied* 454 U.S. 892 (1981).

Two possible formulations of the relevant test under 49 U.S.C. 10502(a)(1) are possible—either the Board is required to find that, under the facts of the case before it, its balancing function under 49 USC 10903 is not necessary to carry out the national transportation policy, or alternatively, the Board is required to find that a formal proceeding under 49 U.S.C. 10903 is not necessary for the Board to perform its balancing function. The one alternative focuses on the necessity of the substance of the Board’s function under section 10903, the other focuses on the necessity of the procedures of section 10903. This case satisfies either formulation.

A. In This Case The Board’s Balancing Function under 49 U.S.C. 10903 Is Not Necessary to Carry Out the Transportation Policy of 49 U.S.C. 10101.

The first criterion for “balancing” is that there be something to balance, at least one factor with weight must exist on each side of an issue. Balancing implies making a judgment about the relative weight of the factors on opposite sides of an issue. This has been the classic definition of the Board’s function in abandonment proceedings since the Supreme Court first addressed the

abandonment provision of the Transportation Act of 1920 in *Colorado v. United States*, 271 US 153, 168 (1926):

The sole test prescribed is that abandonment be consistent with public necessity and convenience. In determining whether it is, the Commission must have regard to the needs of both intrastate and interstate commerce; for it was a purpose of Transportation Act 1920 to establish and maintain adequate service for both. Wisconsin Railroad Commission v. Chicago, Burlington & Quincy R. Co., 257 U. S. 563, 585, 587, 589, 42 S. Ct. 232, 66 L. Ed. 371, 22 A. L. R. 1086; New England Divisions Case, 261 U. S. 184, 43 S. Ct. 270, 67 L. Ed. 605; Dayton-Goose Creek Ry. Co. v. United States, 263 U. S. 456, 485, 44 S. Ct. 169, 68 L. Ed. 388, 33 A. L. R. 472; United States v. Village of Hubbard, 266 U. S. 474, 45 S. Ct. 160, 69 L. Ed. 389. The benefit to one of the abandonment must be weighed against the inconvenience and loss to which the other will thereby be subjected. Conversely, the benefits to particular communities and commerce of continued operation must be weighed against the burden thereby imposed upon other commerce. Compare Proposed Abandonment by Boston & Maine R. R., 105 Interst. Com. Com'n. R. 13. 16. The result of this weighing-the judgment of the Commission-is expressed by its order granting or denying the certificate.

This is a case where on one side of the scale there is literally nothing to balance—no reasoned argument that can be made against permitting abandonment of the Line under the facts of this case. Mr. Hoback has outlined in great detail the situation on the Line in his verified statement. The overhead traffic has been moved to more efficient and economical routings that also provide better (more frequent and consistent) service to the shippers and will not return to the Line under any circumstances.

Mr. Hoback has outlined the financial facts facing the carrier:

- (i) The Crane-Bedford Line requires immediate bridge and tunnel work that will cost between \$687,000 and \$837,000;
- (ii) In 2011 the Crane-Bedford Line will require a complete new bridge inspection under new federal regulations that will cost \$100,000.

(iii) Over the long term, the tunnel on the line will require a major capital investment of over \$6 million.

(iv) On an on-going basis for the next three years it will cost at least \$6500 per mile to maintain the Crane-Bedford Line at FRA Class 1 level or \$137,000 per year, a number that will increase thereafter.

(v) There are assets in place on the Line (rail, ties, and OTM) with a value of at least \$4,870,000 that are needed on other parts of INRD's system where traffic is growing.

On the other side of INRD's ledger, INRD's total revenue from on-line shippers over the past three years has been \$88,125, or approximately \$30,000 per year, a number which is unlikely to change in the future. This is revenue, not contribution. Even if the operating cost of serving the shippers were zero, INRD would be losing large sums of money out of pocket on an annual basis, and when a return on the value of assets is included and when operating costs are taken into account, as noted above, and already large negative number simply becomes larger.

Neither the on-line shippers nor the communities have an interest adverse to the abandonment that carries any weight. The single currently active on-line shipper (Shipper A at Bedford) has received an average of less than 20 cars per year in the past three years. Shipper A receives inbound scrap by truck and ships all of its outbound traffic by truck. The demilitarized scrap metal Shipper A receives by rail can readily be transported by truck. Moreover, Shipper A also operates a facility at Mitchell, IN, ten miles south of Bedford, where it could receive rail service from CSXT's east-west line. INRD has sought to work with Shipper A to explore intermodal alternatives for its current inbound traffic. INRD's revenue from Shipper A's traffic is approximately \$30,000 per year for traffic INRD receives in Chicago and hauls 262 miles to Bedford, IN.

There is no community interest adverse to the abandonment with substantial weight. There is no reasonable prospect that additional traffic can be brought to the Line. INRD has attempted to market rail service to shippers on the line who have used rail in the past and has been unsuccessful. It has been similarly unsuccessful in attempting to market rail service to shippers who would be new to rail. There is no factual basis for an assertion that the revenues INRD has received from the on-line shippers in the past three years can be expected to grow in the next three. Nor is there a factual basis for an assertion that the development or other needs of the community require rail service. The demand of the community for rail service has been explored by the INRD Marketing Department and found not to exist.

To the extent there may be an interest in this abandonment with weight other than that of the carrier, it is that of interstate commerce. In this case, however, that interest is unequivocally on the same side of the scale as that of the carrier. Business changes over time and transportation patterns change with it. It is essential to the efficient and economical flow of interstate commerce that the nation's rail systems change and adapt to those changing transportation patterns. That is precisely what is happening in this case. Transportation patterns have changed in a manner that makes the Line unnecessary to the efficient and economical flow of interstate commerce. At the same time, changing transportation patterns at other places are adding traffic to the railroad which will require a significant capital investment in rail facilities on other parts of INRD's system. The interests of interstate commerce strongly favor permitting INRD to stop the drain on its capital which continued operation of the Line would entail, and equally strongly favor permitting the redeployment of assets in the Line as INRD proposes.

With nothing for the Board to "balance," an abandonment proceeding under 49 U.S.C. 10903 would simply be a procedural exercise whose outcome is not in doubt. For the Board to

engage in such a time consuming and expensive exercise whose outcome cannot be in doubt clearly is not necessary to advance any of the national transportation policies outlined in 49 U.S.C. 10101, and certainly not those that are served by 49 U.S.C. 10903.<sup>9</sup>

**B. In This Case The Board's Balancing Function Under  
49 U.S.C. 10903 Is Not Necessary to Protect Shippers  
From An Abuse Of Market Power**

Plainly, under the facts of this case a formal proceeding under 49 U.S.C. 10903 is not necessary to protect shippers from an abuse of market power. Indeed, it is near impossible to identify any market power, let alone the possibility of its abuse. All of the actual and potential shippers on the Line have other transportation alternatives – this is obvious from the fact that all but one are using their transportation alternatives to the exclusion of rail service, and the one shipper on the Line still using rail service receives some of its inbound scrap, and ships all its outbound product, by truck.

Nor is a formal proceeding necessary to protect the shippers whose traffic formerly moved in overhead service on the Line. Abandonment of the Line will leave at least three physical routing options for overhead traffic moving between Louisville and Indiana—Norfolk Southern, CSXT and LIRC. INRD's diversion of the overhead traffic that formerly moved over

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<sup>9</sup> If one looks at the test under 49 U.S.C. 10502(a)(1) as asking whether a formal proceeding under 49 U.S.C. 10903 is necessary to provide data for the Board to perform its balancing function, one reaches the same result under the facts of this case. Where the weight of interests clearly and overwhelmingly on one side of the scale as is the case here, the Board has no need for the finely detailed data that a proceeding under 49 U.S.C. 10903 would produce. As noted in the text, the annual maintenance cost of the line dwarfs the revenue from the shippers on the line. A finely detailed allocation of operating and other costs that would be produced in a proceeding under 49 U.S.C. 10903 would add nothing to the Board's ability to do its job under the statute.

the Line to use of the LIRC line will strengthen that carrier and make it more competitive in the market for rail services between Indiana and Louisville.<sup>10</sup>

Little more can be said on this issue—no one has market power in any market affected by the Line or its abandonment, and there is no reasoned argument to be made that any shipper would be exposed to the abuse of market power as a result of the Board foregoing a proceeding under 49 U.S.C. 10903, the final result of which could only go one way—to permit the abandonment.

#### **IV. EXEMPTING THIS ABANDONMENT WOULD FURTHER SEVERAL ASPECTS OF THE TRANSPORTATION POLICY**

In exemption proceedings, the Board frequently looks at whether granting an exemption would itself further one or more of the policies under 49 U.S.C. 10101. In this case, granting the exemption would clearly further the following:

- 10101(2) to minimize the need for Federal regulatory control over the rail transportation system and to require fair and expeditious regulatory decisions when regulation is required; [Avoiding the cost and delay of an unnecessary formal regulatory proceeding under 49 U.S.C. 10903]
- 10101(3) to promote a safe and efficient rail transportation system by allowing rail carriers to earn adequate revenues, as determined by the Board; [Permitting INRD to exit from a hopelessly losing line and redeploy the assets to lines where traffic is growing without the cost and delay of an unnecessary proceeding under 49 U.S.C. 10903]
- 10101(5) to foster sound economic conditions in transportation and to ensure effective competition and coordination between rail carriers and other modes;

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<sup>10</sup> It might be argued that abandoning the Line reduces potential competitors in the market for rail transportation between Louisville and Indiana from four to three. In response to such an argument, INRD would make clear that it is not leaving the Louisville – Indiana market. Its arrangement with LIRC permits it to compete more effectively for traffic to and from Louisville than was the case when it was bearing the full cost of the Line and of the maintenance on CSXT's line from Bedford to New Albany. It is apparent from the low and declining volume of overhead traffic on the Line that INRD was not a significant competitor in that market over the Line. There is no basis for arguing that abandonment of the Line will have an adverse effect on competition in any rail market.

[Permitting INRD to exit from a hopelessly losing line and redeploy the assets to lines where traffic is growing without the cost and delay of an unnecessary proceeding under 49 U.S.C. 10903]

10101(7) to reduce regulatory barriers to entry into and exit from the industry; [Avoiding the cost and delay of an unnecessary formal regulatory proceeding under 49 U.S.C. 10903]

10101(15) to provide for the expeditious handling and resolution of all proceedings required or permitted to be brought under this part. [Avoiding the cost and delay of an unnecessary formal regulatory proceeding under 49 U.S.C. 10903]

**V. THE BOARD SHOULD MAKE ITS DECISION GRANTING THE EXEMPTION IMMEDIATELY EFFECTIVE AND REMOVE ANY OBSTACLE TO EARLY RECOVERY OF THE RAIL, TIES AND ANY OTHER TRACK MATERIAL IN THE LINE.**

One of the most substantial benefits to be realized from the abandonment of the Line, and especially the Crane-Bedford Line, is the opportunity it will provide INRD to redeploy the assets in the Line to other parts of INRD's system where traffic is growing.

In order to make rail, ties and OTM available for the 2010 construction season, INRD will need to begin recovery of those assets from the Line as soon after March 31, 2010 as the weather and regulation permit. Accordingly, INRD has requested that the Board make its decision immediately effective if a final decision is issued after February 28, 2010.

In the event the Board imposes a public use condition pursuant to 49 U.S.C. 10905, INRD requests that the Board exempt it from any restriction that would impair its ability to recover the rail, ties, OTM and ballast in the Line.

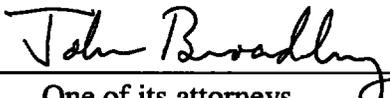
## CONCLUSION

For the reasons outlined above, INRD requests that the Board enter an order:

1. Exempting abandonment of the Line from regulation under 49 U.S.C. 10903;
2. Exempting INRD from any requirement under 49 U.S.C. 10905 to leave rail, ties, OTM and ballast in place in the event the Board imposes a public use condition;
3. Making its order immediately effective, if the order is entered after February 28, 2010.

Respectfully submitted,

THE INDIANA RAIL ROAD COMPANY

By:   
One of its attorneys

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John H. Broadley & Associates, P.C.  
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Washington, D.C. 20007  
Tel. 202-333-6025  
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E-mail [jbroadley@alum.mit.edu](mailto:jbroadley@alum.mit.edu)

Dated: December 4, 2009

# **Petition for Exemption**

## **Exhibit No. 1**

LAW OFFICES

JOHN H. BROADLEY & ASSOCIATES, P.C.

CANAL SQUARE  
1054 THIRTY-FIRST STREET, N.W.  
WASHINGTON, D.C.  
20007

(202) 333-6025  
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INTERNET  
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December 4, 2009

JOHN H. BROADLEY

Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street SW  
Washington, D.C. 20423

Re: The Indiana Rail Road Company—Abandonment Exemption—Martin and Lawrence Counties, Indiana, Docket AB 295 (Sub0No. 7X)

Dear Ms. Quinlan:

Concurrent with this letter The Indiana Rail Road Company is filing the captioned petition for exemption, the verified statement of Thomas G. Hoback, and a Combined Environmental and Historic Report.

The petition and the verified statement both discuss details of rail traffic to three shippers. In order to preserve the confidentiality of the business of those shippers and to comply with 49 U.S.C. 11904 we have identified those shippers only as Shipper A, Shipper B and Shipper C. This letter being filed under seal is to inform the Board of the identity of those shippers. A redacted copy is filed with the petition for exemption as Exhibit No. 1.

We do not believe that disclosure of the identity of these shippers would be necessary for any person to oppose the petition, and accordingly we have not filed a motion for a protective order. Should any person seek discovery of the identity, we will promptly file a motion for a standard protective order.

I have served copies of the petition for exemption and the supporting verified statement on all three shippers.

The identity of Shippers A, B and C is disclosed on Attachment No. 1 to this letter.

Yours very truly,

  
John Broadley

**ATTACHMENT No. 1**

**REDACTED**

# **Petition for Exemption**

## **Exhibit No. 2**



# THE INDIANA RAIL ROAD COMPANY

101 WEST OHIO STREET, SUITE 1600, INDIANAPOLIS, INDIANA 46204 WWW.INRD.COM

November 6, 2009

To: Addressees on Attached List

Re: The Indiana Rail Road Company - Abandonment Petition - Martin and Lawrence Counties, IN, AB No. 295 (Sub-No. 7X)

Dear Sir/Madam:

On November 30, 2009 we expect to be filing with the Surface Transportation Board a Petition for Exemption seeking authority to abandon a line of railroad located in Martin and Lawrence counties, Indiana located between Indiana Rail Road Company ("INRD") mileposts 241.35 and 262.50. The abandonment will also include INRD's Bedford Industrial Track which branches from the main line at approximate milepost 262.4 and extends as a loop for 1.65 miles between Bedford Industrial Track mileposts 0.00 and 1.65. Attached is a combined Environmental and Historic Report describing the proposed action and any expected environmental and/or historic effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 395 E Street, S.W., Room 1106, Washington, DC 20423, telephone: 202-245-0295 and refer to the above Docket No. AB 295 (Sub-No. 7X). Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks.

Your comments will be considered by the Board in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is John H. Bradley who may be contacted by telephone at 202-333-6025 or by mail at John H. Bradley & Associates, P.C., 1054 31<sup>st</sup> Street, N.W., Suite 200, Washington, D.C. 20007.

Yours very truly,

David B. Long  
Vice President, Marketing & Sales

**United States Army Corps of Engineers  
Louisville District  
P. O. Box 59  
Louisville, KY 40201-0059**

**Natural Resources Conservation Service  
United States Department of Agriculture  
6013 Lakeside Boulevard  
Indianapolis, IN 46278**

**U.S. National Geodetic Survey  
BY E-MAIL  
[NGS.InfoCenter@noaa.gov](mailto:NGS.InfoCenter@noaa.gov)**

**U.S. Fish and Wildlife Service  
Bloomington Field Office (ES)  
620 South Walker Street  
Bloomington, IN 47403-2121**

**United States Environmental Protection Agency  
Region 5  
Metcalf Building  
Office of Strategic Environmental Analysis  
77 West Jackson Blvd, Mail Code B-19J  
Chicago, IL 60604**

**Nick Chevance, Environmental Coordinator  
Planning & Compliance Office  
U.S. National Park Service  
Midwest Region  
601 Riverfront Drive  
Omaha, NE 68102-4226**

**Indiana Department of Transportation  
Railroad Section  
100 N. Senate Avenue  
1GC-N, Room N901  
Indianapolis, IN 46204**

**Indiana Department of Natural Resources  
Division of Historic Preservation and  
Archeology  
402 West Washington Street  
Indiana Government Center South  
Room W2566  
Indianapolis, IN 42204**

**Indiana Dept of Environmental Management  
Indiana Government Center  
100 N. Senate Avenue  
Indianapolis, IN 46206-6015**

**Miami Tribe of Oklahoma  
c/o Ms. Julie Olds  
P.O. Box 1326  
Miami, OK 74355-1326**

**Peoria Tribe of Indians of Oklahoma  
c/o Ms. Charla K. Reeves  
P.O. Box 1527  
Miami, OK 74355**

**Miami Nation of Indians of the State of Indiana  
80 W. 6th Street, P.O. Box 41  
Peru, IN 46970**

**Board of County Commissioners  
Martin County  
P.O. Box 600  
County Courthouse  
Shoals, IN 47581-0600**

**Board of County Commissioners  
Lawrence County  
916 15<sup>th</sup> Street  
Room 28  
Bedford, IN 47421**

**Mayor, City of Bedford  
1102 16<sup>th</sup> Street  
Bedford, IN 47421**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 4<sup>th</sup> day of December 2009 I caused a copy of THE INDIANA RAIL ROAD COMPANY'S PETITION FOR EXEMPTION OF AN ABANDONMENT IN MARTIN AND LAWRENCE COUNTIES, INDIANA to be served on the following persons by depositing copies in the United States mail, postage prepaid, addressed as follows:

Indiana Department of Transportation  
Railroad Section  
100 N. Senate Avenue  
1GC-N, Room N901  
Indianapolis, IN 46204

Surface Deployment and Distribution Command  
Transportation Engineering Agency  
Railroads for National Defense Program  
709 Ward Drive Building 1990  
Scott Air Force Base, Illinois 62225

National Park Service  
Recreational Resources Assistance Division  
1849 C Street NW  
Washington, D.C. 20240

US Department of Agriculture  
Chief U.S. Forest Service  
1400 Independence Avenue SW  
Washington, D.C. 20250-0003

Shipper A As identified under seal

Shipper B As identified under seal

Shipper C As identified under seal

  
John Broadley

Dated: December 4, 2009

A

**BEFORE THE  
SURFACE TRANSPORTATION BOARD  
Washington, D.C.**

	)	
	)	
The Indiana Rail Road Company – Abandonment--	)	AB 295 (Sub-No. 7X)
Exemption – Martin and Lawrence Counties,	)	
Indiana	)	
	)	
	)	

**VERIFIED STATEMENT OF THOMAS G. HOBACK**

**BACKGROUND**

1. I am Thomas G. Hoback, president of The Indiana Rail Road Company (“INRD”). I have held this position since INRD was established in 1986.

2. INRD is owned by Midland United Corporation, which in turn is owned 85% by CSX Transportation, Inc. (“CSXT”) and 15% by me. CSXT’s acquisition of control of INRD was approved by the Board in *CSX Corporation et al. -- Control -- The Indiana Rail Road Company*, STB Finance Docket No. 32892, S.T.B. served November 7, 1996.

3. In 2006 INRD acquired from Canadian Pacific (“CPR”) its line between Chicago, IL and Louisville, KY (the “Chicago-Louisville Line”). The Board approved this acquisition in *The Indiana Rail Road Company—Acquisition—Soo Line Railroad Company*, STB Finance Docket No. 34783, S.T.B. served April 11, 2006. The line which is the subject of this petition for abandonment is the part of the Chicago-Louisville Line east/south of Crane, IN to Bedford, IN. I will refer to the line to be abandoned as the “Crane-Bedford Line.” The Crane-Bedford Line consists of that part of the Chicago-Louisville Line between mileposts 241.35 and 262.5. In addition, this petition for abandonment also covers the Bedford Industrial Track, an industrial

spur which departs from the main line at milepost 262.4 and extends in an open loop for approximately 1.65 miles east, north, west and south.

### **CONDITION OF THE CRANE-BEDFORD LINE AND THE BEDFORD INDUSTRIAL TRACK**

4. The Crane-Bedford Line is in generally good condition. The line is primarily at FRA Class 3 standard, though with some limited sections at Class 2 standard because of grade and curvature issues. The rail is suitable for relay and most of the ties are in good condition, though a detailed survey of rail conditions and tie conditions has not been undertaken to determine precise numbers. The ballast is primarily granite which is both rare and expensive in southern Indiana because of its superb characteristics for that purpose—it is extremely hard and does not crumble--and because it has to be brought in to that area.

5. While the Crane-Bedford Line is in generally good condition, the same cannot be said for some of the bridges on the line. In 2007 INRD commissioned a survey of the bridges on the line. The surveyor identified 20 bridges that had deficiencies that needed to be corrected within two years. Attached as Exhibit No. 1 is a list of those 20 bridges identified by milepost number, a description of the work that is required, and INRD's estimate of the cost of the repairs. The total estimated cost for bridge repairs identified by the surveyor as needed within two years is \$437,100. In addition, new federal regulations relating to bridges will require a new assessment of the condition of the bridges on the Crane-Bedford Line in 2011. The INRD Engineering Department has advised me that this will cost \$100,000 for the bridges on that line.

6. There is also a tunnel on the Crane-Bedford Line located at milepost 242.20. An area inside the tunnel is bulging and causing clearance restrictions. I have been advised by the INRD Engineering Department that the problem is caused by a layer of gypsum through which the tunnel passes. When the gypsum absorbs water it expands and causes the tunnel to bulge

inward in the middle. This has reduced clearance to only 5 inches for AAR Plate F cars. It is necessary to run a laser clearance car through the tunnel periodically to check on clearance. I have been advised by the INRD Engineering Department that their estimate of the cost to make short term repairs to deal with the bulging is between \$250,000 and \$400,000. If INRD is to operate over the Crane-Bedford Line in the long term, I have been advised by the INRD Engineering Department that a widening and complete relining of the tunnel will be needed to deal with the issue of the bulging. The Engineering Department's cost estimate for this work is \$6 - \$8 million.

7. In summary, the estimated cost of immediately needed repairs to bridges and the tunnel on the Crane-Bedford Line is between \$687,100 and \$837,100. Long term, the line will require a major capital investment in the tunnel as I have outlined.

8. The Bedford Industrial Track is in poor condition and is classified as FRA Excepted Track. The condition is obvious from the photographs found at Exhibit G of the Combined Environmental and Historic Report ("CEHR") being filed with INRD's petition for exemption. As the only active shipper is near the beginning of the Bedford Industrial Track, there is no point in improving the condition. Excepted Track status is adequate to serve the active shipper on this track.

#### **MAINTENANCE COSTS ON THE CRANE-BEDFORD LINE**

9. Maintenance costs on a line of railroad are driven by several factors, the FRA Class to which the line is to be maintained, the characteristics of the line and the terrain with maintenance costs generally increasing on lines with substantial grades and curvature, and the volume of traffic moving over the line. INRD's system average maintenance cost per track mile is between \$11,000 and \$12,000. Most of INRD's system is maintained to FRA Class 2 or Class

3 standard with the objective of moving to a Class 3 standard for all main line tracks. At present 62% of main line tracks are at FRA Class 3 standard. In general, because of the terrain the Crane-Bedford Line has a higher degree of curvature and more and steeper grades than the average for other parts of INRD's system. On the other hand, traffic density on the Crane-Bedford Line is significantly less than on other parts of INRD's system. Over the long term, however, we believe that maintaining the Crane-Bedford Line at FRA Class 3 standard will cost approximately \$12,000 per mile per year, or approximately \$250,000 per year. This would include the bridge work and short term tunnel work I have discussed above.

10. While an FRA Class 3 standard would be appropriate if overhead traffic to and from Louisville were returned to the Crane-Bedford Line, if the sole purpose of the line is to serve on-line shippers at Bedford, there would be no need to incur the expense of maintaining the line to that standard and the line could be permitted to deteriorate to Class 1. This would considerably reduce annual average maintenance costs, but not eliminate them. The bridge and short term tunnel issues previously identified would still have to be addressed, periodic inspections would still be required, brush and ditches would have to be cleared, and at some point additional maintenance work would be required to maintain the Class 1 condition. I have been advised by the INRD Engineering Department that the annual maintenance costs for the Crane-Bedford Line under this scenario would be approximately \$6500 per mile (\$137,000 total for the line) for each of the next three years, and then would increase.

#### **TRAFFIC DEVELOPMENTS ON THE CRANE-BEDFORD LINE**

11. At the time INRD acquired the Chicago-Louisville Line, we believed it would be possible to develop substantial additional business for INRD moving through the Louisville gateway. Specifically, we expected that substantial volumes of Illinois Basin coal would begin

moving to the southeast as southeastern power plants installed scrubbers that permitted them to burn higher sulphur, but lower cost Illinois Basin coal. For a number of reasons, that traffic has not developed. First, the price of coal has increased dramatically over the last few years to the point that coal in the Central Appalachian Coal Basin that was considered to be uneconomic to mine is now able to be mined profitably. At the same time, the price of Illinois Basin coal has more than doubled, making it less attractive. Second, the current economic crisis has dramatically decreased the demand for electricity to the point that even base load coal fired plants have reduced needs for coal, with no significant change expected for possibly several years. Third, major new reserves of natural gas coupled with low demand have caused the price of natural gas to plummet to the point that it is now competitive with many of the higher cost coal fired units, further impacting the demand for coal. Lastly, the majority of the new coal production in Indiana to which INRD has access has been sold under long-term contracts to local customers. Two other factors may well have been involved in the failure of the coal business to develop as originally expected. Utility scrubber construction in the southeast and at utilities on the Ohio River has been extended out two to three years (i.e. from 2012 to 2014-2015) because of the dramatic decline in SO<sub>2</sub> allowances, from \$1600/ton a few years ago to their current level of \$80-85/ton, which means less high sulphur coal is needed from Indiana. Finally, large increases in coal production in other Illinois Basin states (particularly Illinois and Kentucky) have slowed the sales of Indiana coals to the Ohio River ports and to the southeast until the Central Appalachian coal production decreases.

12. Since 2006 traffic to and from Louisville over the Crane-Bedford Line has declined. In 2007 there were 5842 cars moving to and from Louisville over the line, in 2008 there were 4663, and in the first six months of 2009 there were 1754. A primary reason for the

decline in this traffic is the reduced shipments of fertilizers as a result of economic and market conditions, as well as the general decline in other commodities as a result of the economic downturn.

13. At the time INRD acquired the Chicago-Louisville Line, there was little on-line business east/south of the Crane Naval Surface Warfare Center at Crane, IN. In 2007, 2008 and 2009 INRD provided service to a total of three on-line shippers east of Crane, all located in Bedford, IN on the Crane-Bedford Line. INRD does not have the right under its trackage rights agreements to serve shippers south of Bedford on the trackage rights. The three shippers at Bedford, which I have referred to as Shippers "A" "B" and "C," received or shipped the following in 2007, 2008 and 2009:<sup>1</sup>

Year	Shipper	Cars	Product	INRD Revenue
2007	Shipper A	9 Cars (Inbound)	Scrap Metal	\$11,226
2007	Shipper B	2 Cars (Inbound)	Steel Beams	\$3,008
2007	TOTAL 2007	11		\$14,234
2008	Shipper A	21 Cars (Inbound)	Scrap Metal	\$28,893
2008	Shipper C	1 Car (Outbound)	Heavy Equipment	\$11,000
2008	TOTAL 2008	22		\$39,893
2009	Shipper A	27 Cars (Inbound)	Scrap Metal	\$33,998
2009	TOTAL 2009 <sup>2</sup>	27		\$33,998

14. INRD has made substantial efforts to develop additional traffic on the Crane-Bedford Line. We have sought to develop additional traffic from Shipper C but have been unsuccessful. Shipper C specializes in manufacturing relatively specialized products which appear more suitable for truck shipment than rail. We have also attempted to develop additional traffic from Shipper B. Shipper B obtains much of its inbound product from northern Indiana. In response to INRD's marketing efforts, Shipper B has stated that truck rates from northern

<sup>1</sup> We have filed under seal with the Board the names of Shippers A, B and C together with a motion for a protective order.

<sup>2</sup> Through December 1, 2009.

Indiana are too cheap for rail to be competitive. Shipper B also has received inbound product from Arkansas. To move this by rail, however, requires a three line haul. INRD has not been able to put together a sustainable competitive package for this traffic. Finally, among existing shippers, INRD has also sought to develop additional traffic from Shipper A. The traffic that INRD handles for Shipper A originates in Oklahoma and other western states and consists of demilitarized scrap metal from the military. To INRD's knowledge Shipper A receives additional volumes of inbound scrap metal from other sources and generates additional volumes of outbound materials. INRD recently has been unable to obtain any of the non-military inbound scrap metal and nor any of the outbound materials.

15. Prior to INRD's ownership of the Crane-Bedford Line, shipments to or from Bedford by rail were relatively light. For example, during the years 2002 through 2004 rail to or from Bedford facilities averaged 48 cars per year.

16. In addition to its attempts to develop additional business from existing shippers on the Crane-Bedford Line, INRD has attempted to develop new rail business with potential shippers, including inbound aluminum and plastics shipments to local industries and outbound shipments of Indiana architectural limestone and high calcium limestone for flue gas desulphurization at coal burning power plants. Despite high demand for this high calcium limestone, INRD has not been able to develop this business because of an abundance of this type of product elsewhere.

17. In addition to the declining level of traffic to and from Louisville, the cost to INRD of handling the traffic to and from Louisville has been increasing for another reason. South of Bedford and all the way to Louisville, INRD operates over trackage rights on other railroads, primarily CSXT between Bedford and New Albany, a distance of 71.9 miles. The

CSXT trackage rights agreements require INRD to share in the maintenance of the CSXT line on a per-car basis. CSXT has discontinued service on the line between Mitchell and Bedford, IN and abandonment is authorized once INRD's trackage rights over the line are themselves discontinued. *See CSX Transportation, Inc.—Abandonment and Discontinuance Exemption—In Lawrence County, IN, Docket No. AB-55 (Sub-No.45X), I.C.C. served January 17, 1995.* CSXT has ceased all service between Mitchell and New Albany (not including New Albany) other than for occasional movements of cars to and from storage sidings. Thus INRD is responsible for almost the entire maintenance cost of the 71.9 mile line between Bedford and New Albany.

18. Not only would INRD now be responsible for almost 100% of the maintenance on the CSXT line between Bedford and New Albany under the trackage rights agreement, the cost of maintaining that line is very high because of an antiquated signal system that is prone to frequent failures. Moreover, much of the track has been slow-ordered to 10 MPH and will require significant expenditures to improve speeds to 25 MPH.

19. A final problem with the use of the Crane-Bedford Line as part of an INRD route to Louisville is that it requires significant locomotive commitments to handle the grades both on the INRD section and on the CSXT section. This also results in high fuel consumption.

20. It became apparent that INRD's route to Louisville over the Crane-Bedford Line and the CSXT trackage rights was uneconomic and that alternatives should be explored.

21. INRD has found an alternative and more economical way of moving traffic to and from Louisville by making arrangements with Louisville & Indiana Railroad ("LIRC"). LIRC has a line from Indianapolis to Louisville. It is more efficient for INRD to move its traffic to and from Louisville by using its arrangements with LIRC than by operating its own trains to Louisville over its own route. INRD's new route to Louisville provides customers with a higher

level of service, five days per week versus 2-3 days per week over INRD's own route. Improvements in service consistency have been realized using the LIRC route. The new INRD route also makes use of existing train service between Hiawatha Yard at Jasonville, IN and Indianapolis. This adds benefits for many customers because the level of service can remain at a higher level because the volume of traffic is more consistent. The new route also reduced the need for additional locomotive power to handle the significant grades on INRD's own route to Louisville, also resulting in less fuel being consumed per ton of freight.

22. Once arrangements with LIRC were in place, INRD moved its Louisville traffic from using the Crane-Bedford Line and its trackage rights over CSXT to the LIRC route. Overhead traffic to and from Louisville was rerouted from July 16, 2009.

23. LIRC refused to move certain commodities via its line. This left approximately 10% of the traffic moving on the Crane-Bedford Line to Louisville to be rerouted. INRD did this by rerouting such commodities via CN through Newton, IL, via NS through Chicago, IL, and via CSXT through Indianapolis and Terre Haute.

24. For the reasons I have outlined above, the new routing arrangements for INRD's Louisville traffic are more efficient and economical than using its own route to Louisville over the Crane-Bedford Line and the CSXT trackage rights. The rerouting arrangements will stay in place even if the Crane-Bedford Line is not abandoned because of the superior service provided to customers under the rerouting arrangements, and because maintaining the Crane-Bedford Line at FRA Class 3 standard and paying for all of the maintenance on CSXT's Bedford-Mitchell line and almost all of the maintenance on CSXT's line from Mitchell to New Albany will be more expensive, in the long term, than the cost to INRD of the rerouting arrangements.

## **TRAFFIC DEVELOPMENTS ON OTHER PARTS OF THE INRD SYSTEM**

25. At the same time that use of the Crane-Bedford Line to Louisville was declining, traffic on other parts of the INRD system has been growing, and as a result of several new initiatives we project that traffic on some parts of the INRD system will increase by approximately 50% over the next five years. These initiatives include INRD's construction of a new spur line into Peabody Coal Company's new Bear Run Mine, *see The Indiana Rail Road Company—Petition for Declaratory Order*, STB Finance Docket No. 35181, S.T.B. served April 15, 2009. Opening of Peabody's new Bear Run Mine ultimately will bring seven million tons of coal onto the INRD system within the next three years. This volume could increase to 8 to 10 million tons annually if Peabody is successful at securing additional contracts. It is important to note that even though some of the tonnage coming from Bear Run is replacement tonnage for what had historically come from Farmersburg Mine, much of this tonnage will be moving over segments of INRD trackage that need upgrading.

26. In addition to the Bear Run initiative, INRD has been working hard to develop new short haul moves for coal from Indiana mines to Indiana power plants located on its own lines and on the lines of connecting carriers. INRD has negotiated trackage rights which will give it access to mines located at Carlisle and Oaktown, IN and permit it to move coal from that mine to electric generating stations at Indianapolis, IN, Merom, IN, Petersburg, IN and Culley, IN. *See The Indiana Rail Road Company—Trackage Rights Exemption—CSX Transportation, Inc.*, STB Finance Docket No. 35137, S.T.B. served May 22, 2008; and *The Indiana Rail Road Company—Trackage Rights Exemption—CSX Transportation, Inc.*, STB Finance Docket No. 35287, S.T.B. served September 2, 2009. INRD believes it can obtain additional contracts for

short haul coal moves from these mines to other Indiana electric generating stations and is negotiating for the right to do so.

27. With total tonnage on parts of the INRD system expected to increase by up to 50% over the next five years, it has become necessary to accelerate INRD's capital program on those parts of the system. The principal capital projects currently planned to take place are at the following locations and will involve re-railing existing track:

2010 Construction Season (total of 10.65 miles)

M.P. 95.3 – 100.2 – Indianapolis subdivision  
M.P. 100.65 – 101.7 – Indianapolis subdivision  
M.P. 0.0 to 4.7 – Midland subdivision

2011 Construction Season (total of 17.00 miles)

M.P. 92.0 – 94.7 – Indianapolis subdivision  
M.P. 174.4 – 182.6 – Chicago subdivision  
M.P. 2.9 – 3.9 – Indianapolis subdivision  
M.P. 10.4 – 10.8 – Indianapolis subdivision  
M.P. 83.0 – 85.0 – Indianapolis subdivision  
M.P. 70 – 72.7 – Indianapolis subdivision

Senate Avenue Yard

Curve rail at 23.1, 23.8, 25.1, 31.3, 31.7, and 31.9 – Indianapolis subdivision

28. All of the capital projects listed above will include removing the existing rail and replacing it with higher quality rail generated primarily from the proposed abandonment. The existing rail in the identified segments is being replaced because of conditions such as size (90 lb. or 110 lb.), excessive curve wear, and severe end batter of the rails which prevents maintaining proper track geometry on Class 3 track. The work at Senate Avenue Yard will involve changing out light rail sections on key lead tracks into the yard and the connection track leading to CSXT. The tie plates and rail from these projects will be generated from the proposed abandonment. The spikes and rail anchors will be purchased.

## **THE DECISION TO ABANDON THE CRANE-BEDFORD LINE**

29. Traffic on the INRD did not develop in the pattern we expected. Accordingly we decided that INRD's assets should be realigned to the parts of the system where traffic was developing and away from parts of the system where traffic was declining or non-existent. That decision caused us to focus on the Chicago-Louisville Line and particularly on the part of the line east/south of Crane—the Crane-Bedford Line.

30. As I have described, the overhead traffic on the Crane-Bedford Line has been declining and INRD has succeeded in rerouting that traffic via more efficient and economical routes. There is almost no on-line traffic with only one shipper receiving scrap metal on a regular basis in each of the three years. The Crane-Bedford Line will require substantial capital work to repair the bridges and tunnel, but the rail, ties, OTM and ballast in the line are in generally good condition and could be used in other parts of the INRD system.

31. We ultimately decided to abandon the section of the Crane-Bedford Line that lies between the western milepost 241.35 east of Crane, IN and eastern milepost 262.50 in Bedford, IN at the junction point with the CSXT line in Bedford. We selected the western milepost in order to ensure that INRD could continue to serve Crane Naval Surface Warfare Center over both of the rail spurs leading into the facility, and also that there would be enough tail room to permit trains to use the Y connection between the main line and the easterly rail spur into the Crane facility. The tunnel, located at milepost 242.20, will be included in the abandonment. On the eastern end we decided to abandon all of INRD's ownership all the way to the connection with CSXT's line at milepost 262.50.

32. In addition to the main line track between mileposts 241.35 and 262.50, we were advised that in light of its usage and history the Bedford Industrial Track, an industrial spur

departing easterly from the main line track at milepost 262.40, was likely a line or railroad subject to the Board's jurisdiction and should also be included in the abandonment. The Bedford Industrial Track departs easterly from the main track and then loops in a counter clockwise direction north, west and south, but does not rejoin itself or the main line. The Bedford Industrial Track is in poor condition. It is classified at FRA Excepted Track. I have been advised that the rail, ties and OTM in the Bedford Industrial Track are suitable only for scrap.

33. The benefits to INRD of abandoning the Crane-Bedford Line are twofold. First, INRD will avoid very significant costs associated with the line and second INRD will obtain valuable assets to deploy on other parts of its system where they are badly needed.

34. Looking first at avoided costs, abandonment will avoid the short term need to repair bridges and the tunnel at an estimated cost between \$687,000 and \$837,000 and will avoid the major capital commitment for widening and relining the tunnel. Abandonment will also avoid the need to perform routine maintenance on the line. The annual cost to maintain the line at its present FRA Class 3 standard would be approximately \$250,000 per year. The annual cost to maintain the line at FRA Class 1 standard would be approximately \$137,000 for the first three years, increasing thereafter.

35. In addition we took into account the cost of serving the Bedford traffic. INRD picks up Shipper A's traffic in Chicago and moves it the approximately 262 miles to Bedford, IN. Assuming that the Shipper A continues to receive an average of 2 inbound cars per month, this would mean INRD would have to run a special train to Bedford to deliver the traffic and another to pick up empties. Shipper A generally gets 1-3 cars at a time. Current INRD practice is to go to Bedford once a week if needed. To do this, when INRD switches a customer at Odon, IN, approximately 6 miles west of Crane, IN, that train handles the Bedford traffic of Shipper A

if there is any (delivery of loads or pick-up of empties). In substance, INRD has to run one special train down a 32 mile branch line for every carload received by Shipper A.

36. Looking at the assets that will be available for redeployment to other parts of the INRD system the case for abandonment is compelling. I have been advised by INRD's Engineering Department that there are the following quantities (and value) of rail, ties and OTM (tie plates) in place on the Crane-Bedford Line:

Type	Quantities	Current Price	Estimated	Current Estimated in Place Value
Rail	21.15 track miles 4600 tons	\$850/ton	No. 1 Relay Rail	\$3,910,000
Tie Plates	138,000	\$7.25/tie plate		\$1,000,000
Ties	34,000 <sup>3</sup>	\$25/relay tie		\$850,000
<b>TOTAL</b>				<b>\$5,760,000</b>

37. We do not have an estimate of the tonnage or value of the ballast that can be recovered. The ballast on the Crane-Bedford Line is primarily granite, however. This is an extremely good ballast material that is expensive to obtain and use in southern Indiana. It is likely that a substantial portion of the ballast will be recovered and reused.

38. I have been advised by INRD's Engineering Department that the estimated cost of recovering the recoverable assets on the Crane-Bedford Line, exclusive of the ballast, will be approximately \$890,000, leaving potential net recovery, exclusive of the ballast, of \$4,870,000. Use of this material in INRD's 2010-2011 construction program will reduce INRD's new capital requirements for that program by at least that amount. In fact, the saving to INRD's 2010 and 2011 capital programs could be substantially in excess of this amount because the actual cost of

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<sup>3</sup> This number is based on an estimate of the number of ties in place and an overall impression of their quality. The actual number of ties of relay quality may be fewer than this. A detailed tie-by-tie inspection to determine which ties can be reused has not yet been made.

acquiring the necessary assets in the market could well be much higher for a number of reasons—e.g. relay material might not be available.

39. I have been advised by INRD's Engineering Department that the rail, ties and OTM on the Bedford Industrial Track are not suitable for relay. It is likely that they will all be scrapped.

40. INRD is still investigating the nature of its title to the right-of-way under the Crane-Bedford Line and the Bedford Industrial Track.<sup>4</sup> As can be seen from the photographs of the Crane-Bedford Line in CEHR Exhibit F that line has definite possibilities for trail use. INRD does not know whether any trail or park organizations are interested. If INRD's title consists only of a rail use easement, trail and park organizations will have to opportunity to acquire the Line under the Trails Act and the Board's regulations. INRD will cooperate with any qualified organization seeking trail use for the Crane-Bedford Line.<sup>5</sup> In the event INRD has a fee interest in any segment of the Crane-Bedford Line, it will review its options for disposition of the property.

41. Over the 23 years since we established INRD, we have built the traffic base through aggressive marketing of its rail services to on-line businesses and through acquisitions. Losing the business of on-line shippers is contrary to the culture of the company. Accordingly, we are very concerned at losing the business of Shipper A in Bedford. INRD's Marketing Department has offered to work with Shipper A who has received a total of 57 carloads of scrap

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<sup>4</sup> CP quit claimed its interest in the Line to INRD in 2006 when INRD bought CP's Chicago to Louisville line. Investigation of the condition of the underlying title may take several weeks. The Board approved INRD's acquisition of the Line (and other properties) from CP in *The Indiana Rail Road Company – Acquisition – Soo Line Railroad Company*, STB Finance Docket No. 34783 (S.T.B. served April 11, 2006).

<sup>5</sup> I should note, however, that part of the main line segment runs through the Naval Surface Warfare Center at Crane, IN and that security requirements may limit the availability of the right-of-way in this location.

metal in the past three years to find a substitute for rail service. Among the options we have discussed are establishing a transload center elsewhere on INRD's own lines. Alternatively, we have raised the possibility of moving Shipper A's business to Mitchell, IN to a site Shipper A already operates where he could be served by CSXT's east-west line that runs through Mitchell. To our knowledge, neither of these options has been accepted as of yet. It is likely that the inbound military scrap Shipper A now receives by rail will in the future move by truck, which is the way Shipper A receives most of its other inbound materials. The volume of Shipper A's inbound rail traffic (approximately 20 carloads per year) and its nature (demilitarized scrap metal) we believe is adaptable to truck transport.

42. INRD's marketing efforts along the Crane-Bedford Line and the Bedford Industrial Track have been unsuccessful. This led us to conclude that there is little or no real demand for rail service in the area.

**VERIFICATION  
(28 U.S.C. 1746)**

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

Executed on December 2, 2009

Handwritten signature of Thomas G. Hoback in cursive script.

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Thomas G. Hoback, President  
The Indiana Rail Road Company

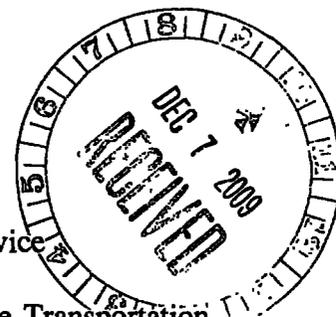
# **Hoback Verified Statement**

## **Exhibit No. 1**

## Chicago Sub Bridge Repair Work

Bridge Mile Post	Description of Work	Repair Cost
243.9	Replace All Stringers	150,000
244.7	Replace Caps (2)	9,500
244.8	Replace Caps (2)	9,500
245.3	4 Posts and 1 Cap	16,100
245.8	2 Caps & Stringer	13,500
246.9	Roller Nests & Bridge Ties	20,000
247.2	Post, Cap, Frame & Bridge Ties	20,900
250.4	Cap	4,500
251.9	Post	2,900
252.2	Stringer & 2 Posts	10,300
254.6	Frame Out Headwall & Caps (2)	24,000
259.25	Cap	4,500
259.54	Cap	4,500
259.9	Cap	4,500
260	Stringer & Cap	14,000
260.1	Cap (2)	9,000
260.23	Stringer (2) & Cap (2)	25,000
260.5	Cap	4,500
260.9	Cap	4,500
261.9	Posts, Caps, Frames, Head Wall	85,400
<b>TOTAL</b>		<b>\$437,100</b>

STB No. AB-295 (Sub-No.7X)



Notice of Petition for Exemption to Abandon or to Discontinue Service

On December 4, 2009 The Indiana Rail Road Company filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for the abandonment of a line of railroad known as the Crane-Bedford Line extending from railroad milepost 241.35 near Crane, IN to railroad milepost 262.5 in Bedford, IN and the Bedford Industrial Track extending from Bedford Industrial Track railroad milepost 0.00 at Crane-Bedford milepost 262.4 to Bedford Industrial Track railroad milepost 1.65 which traverses through United States Postal Service ZIP Codes 47581, 47470 and 47421, a distance of 22.80 miles, in Martin and Lawrence Counties, Indiana. The line for which the abandonment exemption request was filed includes the stations of Williams at milepost 251.4 and Bedford at milepost 262.5.

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 conditions specified 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.

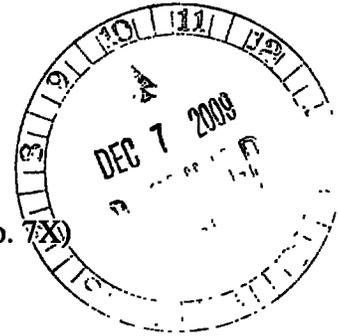
Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

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.

DEC 7 - 2009

Part of  
Public Record

**BEFORE THE  
SURFACE TRANSPORTATION BOARD  
Washington, D.C.**



\_\_\_\_\_  
The Indiana Rail Road Company -- Abandonment )  
Exemption -- Martin and Lawrence Counties, IN )  
\_\_\_\_\_)

AB 295 (Sub-No. 7X)

**COMBINED ENVIRONMENTAL AND HISTORIC REPORT**

This Combined Environmental and Historic Report ("Report") is keyed to the appropriate sections and sub-sections of the Code of Federal Regulations. The Environmental Report is keyed to the sub-sections of 49 CFR 1105.7 and the Historic Report is keyed to the sub-sections of 49 CFR 1105.8. For convenience, the regulatory requirement is stated in italics preceding each sub-section of the Report.

The proposed abandonment is a section of The Indiana Rail Road Company's ("INRD's") north-south line between Chicago, IL and Louisville, KY lying between milepost 241.35 near Crane, IN and milepost 262.50 in Bedford, IN. The abandonment also includes the Bedford Industrial Track which branches from the main line at approximately milepost 262.4 and proceeds in a loop of approximately 1.65 miles between Bedford Industrial Track milepost 0.00 at the switch connection to the main line and milepost 1.65. The line to be abandoned lies in Martin and Lawrence counties, IN and will be referred to in this Report as the "Line."

**ENVIRONMENTAL REPORT  
(49 CFR 1105.7)**

*(a) Filing. An applicant for an action identified in § 1105.6 (a) or (b) must submit to the Board (with or prior to its application, petition or notice of exemption, except as provided in paragraph (b) for abandonments and discontinuances) an Environmental Report on the proposed action containing the information set forth in paragraph (e) of this section.*

This is the Environmental Report referred to in 49 CFR 1105.7. It will be filed with the

Board concurrently with the Petition for Exemption for abandonment of the Line.

*(b) At least 20 days prior to the filing with the Board of a notice of exemption, petition for exemption, or an application for abandonment or discontinuance, the applicant must serve copies of the Environmental Report on:*

- (1) the State Clearinghouse of each State involved (or other State equivalent agency if the State has no clearinghouse);*
- (2) the State Environmental Protection Agency of each State involved;*
- (3) the State Coastal Zone Management Agency for any state where the proposed activity would affect land or water uses within that State's coastal zone;*
- (4) the head of each county (or comparable political entity including any Indian reservation) through which the line goes;*
- (5) the appropriate regional offices of the Environmental Protection Agency;*
- (6) the U.S. Fish and Wildlife Service;*
- (7) the U.S. Army Corps of Engineers;*
- (8) the National Park Service;*
- (9) the U.S. Soil Conservation Service;*
- (10) the National Geodetic Survey (formerly known as the Coast and Geodetic Survey) as designated agent for the National Geodetic Survey and the U.S. Geological Survey; and*
- (11) any other agencies that have been consulted in preparing the report.*

*For information regarding the names and addresses of the agencies to be contacted, interested parties may contact SEA at the address and telephone number indicated in § 1105.3.*

Copies of this Report have been served on the listed entities at least 20 days prior to the date of filing with the Board.

*(c) Certification. In its Environmental Report, the applicant must certify that it has sent copies of the Environmental Report to the agencies listed and within the time period specified in paragraph (b) of this section*

INRD certifies that it has sent copies of the Report to the agencies listed at least 20 days prior to filing with the Board.

*and that it has consulted with all appropriate agencies in preparing the report. These consultations should be made far enough in advance to afford those agencies a reasonable opportunity to provide meaningful input.*

INRD certifies that it has consulted with all the agencies listed above in preparing this report. The agencies were notified by letter of the proposed abandonment at least 21 days prior to the finalization of this Report and its service on the above listed agencies. INRD certifies that these are the appropriate agencies for consultation.

*Finally, in every abandonment exemption case, applicant shall certify that it has published in a newspaper of general circulation in each county through which the line passes a notice that alerts the public to the proposed abandonment, to available reuse alternatives, and to how it may participate in the STB proceeding.*

INRD certifies that it has published in the Bedford Times-Mail, a newspaper of general circulation in Martin and Lawrence Counties, IN, a notice alerting the public to the proposed abandonment, to available reuse alternatives, and to how the public may participate in the STB proceeding. A copy of the advertisement which ran in the Bedford Times-Mail on October 30, 2009 is attached as Exhibit A.

*(d) Documentation. Any written responses received from agencies that were contacted in preparing the Environmental Report shall be attached to the report. Oral responses from such agencies shall be briefly summarized in the report and the names, titles, and telephone numbers of the persons contacted shall be supplied. A copy of, or appropriate citation to, any reference materials relied upon also shall be provided.*

Copies of all responses from agencies consulted in preparing the Environmental Report are attached as Exhibit B.

No oral responses were received from any of the agencies contacted.

The following reference materials were relied upon:

- Comprehensive Plan for Martin County dated August 13, 2009
- Comprehensive Plan for Bedford-Lawrence County 2020 dated 2009

*(e) Content. The Environmental Report shall include all of the information specified in this paragraph, except to the extent that applicant explains why any portion(s) are inapplicable. If an*

*Historic Report is required under § 1105.8, the Environmental Report should also include the Historic Report required by that section.*

*(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.*

### The Proposed Action

The proposed action is to abandon the Line. The Line lies between Milepost 241.35 near Crane, IN and Milepost 262.50 in the town of Bedford, IN, and includes the Bedford Industrial Track which branches from the main line at approximately Milepost 262.4 and proceeds in a loop northeast, north, northwest, west, southwest and south for a distance of approximately 1.65 miles. The Line is in Martin and Lawrence Counties, IN.

### Commodities Transported

Three shippers on the Line have received service since December 31, 2006. All are located in Bedford, IN:

2007	Shipper A	9 cars (inbound) (scrap metal)
	Shipper B	2 cars (inbound) (steel beams)
2008	Shipper A	21 cars (inbound) (scrap metal)
	Shipper C	1 car (outbound) (one time move of heavy equipment)
2009	Shipper A	25 cars (inbound) (scrap metal)

Until July 2009 INRD also used the Line to move a limited volume of overhead traffic to and from Louisville, KY. In 2007, 5842 cars moved in overhead service on the Line, in 2008 4663, and in 2009 through July 16, 1754. INRD has rerouted most of that overhead traffic through Indianapolis via a haulage arrangement with Louisville & Indiana Railroad Company ("LIRC"). The remainder of the overhead traffic has been rerouted either via CSXT through Indianapolis, IN, via CN through Newton, IL or via NS through Chicago, IL.

### Planned Disposition of the Line

Once INRD has received authority to abandon the Line, it intends to remove the rails, ties and other track materials ("OTM") and to reuse them on other parts of its system. It is also possible that INRD will remove some of the ballast on the Line. INRD estimates the following salvage quantities and values for rail, ties and OTM:

- 21.15 track-miles of rail will yield approximately 4600 tons of relay rail. No. 1 relay rail has a market value of approximately \$850/ton, for a total current value of approximately \$3,910,000. Rail on the Bedford Industrial Track is not suitable for relay and will likely be scrapped.
- 138,000 tie plates on the Line have a value of approximately \$7.25 per tie plate or \$1,000,000.
- 34,000 relay ties on the Line have a value of approximately \$25 per tie or \$850,000.<sup>1</sup>
- The total in-place value of salvageable rail, ties and tie plates on the Line is approximately \$5,760,000.

INRD estimates that the cost of salvage (labor, rental of rail train, disposal of items not to be retained, and stockpiling of retained items) will be approximately \$890,000. Thus, the net value of rail, ties and tie plates that can be salvaged from the Line for reuse on other parts of INRD's system will be approximately \$4,870,000. INRD does not have an estimate of the value, if any, of the ballast that may be recovered.

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<sup>1</sup> A closer inspection may reduce the number of ties that are suitable for relay. Ties that are not suitable for relay will be removed from the right-of-way and disposed of in an environmentally acceptable manner.

INRD plans to use most of the relay rail, tie plates and ties salvaged from the Line during the 2010 and 2011 construction seasons for re-railing projects on other parts of its system. The principal projects are currently planned to take place at the following locations:

**2010 Construction Season**

M.P. 95.3 – 100.2 – Indianapolis subdivision  
M.P. 100.65 – 101.7 – Indianapolis subdivision  
M.P. 0.0 to 4.7 – Midland subdivision

**2011 Construction Season**

M.P. 92.0 – 94.7 – Indianapolis subdivision  
M.P. 174.4 – 182.6 – Chicago subdivision  
M.P. 2.9 – 3.9 – Indianapolis subdivision  
M.P. 10.4 – 10.8 – Indianapolis subdivision  
M.P. 83.0 – 85.0 – Indianapolis subdivision  
M.P. 70 – 72.7 – Indianapolis subdivision

**Senate Avenue Yard**

Curve rail at 23.1, 23.8, 25.1, 31.3, 31.7, 31.9 – Indianapolis subdivision

INRD does not plan to remove the bridges. Instead, bridges will be barricaded to prevent access. Rail and OTM will be removed from the bridges and ties may be removed from ballast deck bridges. As previously noted, some ballast may be removed from the right-of-way. Ballast will not be removed from ballast deck bridges. Removal of rail, ties and OTM and such ballast as is ultimate determined to be salvageable will be performed from the rail line itself to minimize disturbance of the roadbed and of the area adjacent to the right-of-way. INRD or its contractors will perform the work subject to the conditions recommended by the Fish and Wildlife Service in its letter of October 22, 2009, specifically:

1. Minimize tree clearing and avoid wetland disturbance for access to work areas. (Access to work areas will be from the rail line itself and should cause no disturbance of wetlands. INRD does not see any reason for tree clearing).

2. Avoid discharge of demolition debris, waste material, or other pollutants into streams of wetlands. (There will be little or no demolition debris, waste material, or other pollutants generated by removing the rail, ties and OTM and none will be discharged into streams or wetlands. Where ballast is to be removed from the right-of-way it will be done in a manner to avoid discharge of debris, waste material or other pollutants into streams or wetlands.)
3. If earthmoving is required, contain disturbed soil to prevent runoff to waterways or wetlands. (No earthmoving is contemplated. In the event any earthmoving becomes necessary to remove the rail, ties and OTM or recoverable ballast, the measures recommended by the Fish and Wildlife Service will be undertaken.)
4. If bridge removal is proposed, minimize disturbance of the stream channel and banks, and avoid work in stream channels during the primary fish spawning season (April 1 – June 15). (INRD does not contemplate bridge removal. If removal of one or more bridges becomes necessary, INRD or its contractors will comply with the recommendation of the Fish and Wildlife Service.)

The Fish and Wildlife Service also made recommendations relating to protection of karst systems. INRD does not believe that removal of the rail, ties, OTM or ballast from the right-of-way of the Line will have any effect on karst systems as it is not contemplated that the removal will affect existing runoff patterns or result in the deposition of construction site sediment, highway ditch effluent, or other pollutants into runoff waters which might affect karst formations.

With respect to endangered species, the Fish and Wildlife Service expressed concerns regarding the Indiana Bat which is found in areas along the right-of-way corridor and at the Crane Naval Weapons Support Center. The Fish and Wildlife Service recommended that in order to avoid incidental take of Indiana Bats tree clearing be avoided during the period April 1 – September 30. INRD does not contemplate that removal of the rail, ties, OTM or ballast from the right-of-way will require any tree clearing. If it does, the Fish and Wildlife Service's recommendations will be complied with.

Changes in Current Operation or Maintenance Practices

The only change to current operation practices resulting from the abandonment is that INRD will cease serving the on-line shippers in Bedford, IN. Overhead traffic was removed from the Line in July. Once abandonment is authorized and consummated, INRD will, of course, cease maintaining the Line.

#### Suitability of the Line for Other Uses

INRD is currently investigating the quality of its title to the right-of-way and will decide how to dispose of it once it has concluded its investigation. The Line runs through a rolling countryside and runs for a substantial distance through the Crane Naval Weapons Support Center and the Hoosier National Forest. The Line may be suitable for use as a trail, although the part of the Line located within the boundaries of the Crane Naval Weapons Support Center may not be usable for that purpose on security grounds.

#### Alternatives to Abandonment

There are two alternatives to abandoning the Line.

First, INRD could continue operating the Line to serve the very small amount of on-line traffic at Bedford, IN and could return the overhead traffic to the Line. This alternative would be the most costly to INRD as it would have to continue to maintain the Line in a condition adequate to serve the on-line shippers at Bedford and also adequate to carry the overhead traffic to and from Louisville, KY. This alternative would increase INRD's costs of handling the overhead traffic because the new routings for overhead traffic are more efficient in the long term than moving that traffic over the Line.

Second, INRD could continue operating the Line to serve solely the on-line traffic at Bedford, IN. This would require INRD to incur substantial annual maintenance costs on the Line, even if it performed no capital work. Under this alternative the Line would deteriorate to a

minimally usable condition adequate only to serve the limited amount of on-line traffic at Bedford.

### Map

A map of the Line is attached as Exhibit C. The comprised an overview map locating the abandonment in southern Indiana and a detailed map showing the Line and the structures on the line that are 50 years old or older.

*(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.*

The proposed abandonment will have minimal effect on regional or local transportation systems and patterns. The overhead traffic formerly carried on the Line (approximately 4000 – 5000 cars per year) has already been diverted to other more efficient rail routings and will not be returned to the Line even if it is not abandoned.

The principal on-line shipper at Bedford, IN (Shipper A above) has received a total of 55 cars of scrap since the beginning of 2007. INRD has offered to work with this shipper to relocate its facility to another point on INRD's system or to install a trans-load arrangement either on INRD's own line or on CSXT's line at Mitchell, IN. In the event neither of these alternatives proves satisfactory, the shipper will likely receive the inbound scrap by truck. This will involve an increase in truck traffic of approximately 40 trucks per year (less than one per week) based on an average inbound traffic level of 20 rail cars per year.

### *(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.*

INRD asked the Southern Indiana Development Commission about the status of comprehensive land use plans in Martin and Lawrence counties. Both counties have recently adopted comprehensive plans which include guidelines and suggestions relating to future land use. INRD has reviewed the land use provisions of each of those plans and, based on those reviews, has concluded that the abandonment of the Line is consistent with each plan.

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

The Natural Resources Conservation Service has stated that the proposed abandonment of the Line will have no effect on any prime agricultural land. See Exhibit B, NRCS letter dated October 6, 2009.

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

The Line does not lie in a designated coastal zone, and its abandonment will not affect land or water uses within a designated coastal zone.

*(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. 10905 and explain why.*

The right-of-way may be suitable for alternative public use as an assembled corridor. INRD has not yet determined the condition of its title to the right-of-way under the Line. The fact that a substantial part of the Line lies within the boundaries of the Crane Naval Warfare Support Center may limit its utility for alternative public use because of security restrictions.

*(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 abandonment will have a minimal effect on recyclable commodities. Shipper A at Bedford, IN receives shipments of scrap for processing. Transportation of this scrap (approximately 20 rail car loads per year) will be changed either to an intermodal move through an intermodal facility at Mitchell, IN (approximately 10 miles south of Bedford, IN) or to an all truck move.

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

The proposed abandonment will have no effect on overall energy efficiency. The on-line traffic is so limited that energy efficiency would be unaffected if the traffic were diverted to truck (less than one truck per week). The overhead traffic has already been rerouted over rail routes which are more efficient than the Line in the long term when the limited volume of overhead traffic is considered. The abandonment will relieve INRD of the need to maintain 21 miles of line that is inefficient and largely unused.

*(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. To minimize the production of repetitive data, the information on overall energy efficiency in § 1105.7(e)(4)(iii) need not be supplied if the more detailed information in § 1105.7(e)(4)(iv) is required.*

The proposed abandonment will cause no diversions from rail to motor carriage exceeding the thresholds.

*(5) Air.*

*(i) If the proposed action will result in either:*

*(A) An increase in rail traffic of at least 100 percent (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 percent (measured by carload activity), or*

*(C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment,*

*quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10502) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.*

The proposed action will result in no increase in truck or rail traffic that exceeds the thresholds. Discontinuance of service to on-line shippers will at most result in an increase in truck traffic of less than one truck per week.

*(ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either:*

*(A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line,*

*(B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or*

*(C) An average increase in truck traffic of more than 10 percent 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. However, for a rail construction under 49 U.S.C. 10901 (or 49 U.S.C. 10502), or a case involving the reinstatement of service over a previously abandoned line, only the three train a day threshold in this item shall apply.*

The proposed abandonment will not result in an increase in rail traffic, rail yard activity, or truck traffic which exceeds the thresholds.

*(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 restrictions); 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.*

The action will not affect the transportation of ozone depleting materials.

*(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.*

None of the thresholds in sub-section 5(i) are exceeded.

*(7) Safety.*

*(i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).*

The proposed abandonment will have no effect on public health and safety. Overhead traffic has been rerouted for reasons unrelated to the abandonment. When the Line was used for overhead traffic only two to three trains per week were operated in each direction. Rerouting of overhead traffic has added a very limited amount of additional traffic to existing trains on other routes with no effect on public health or delay time at highway grade crossings.

*(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.*

None of the on-line shippers receives or ships hazardous materials. To the extent that hazardous materials were moved in overhead service on the Line they have already been rerouted over more efficient lines for reasons unrelated to the abandonment. There will be no net increase in hazard from transportation of hazardous materials as a result of this proposed action.

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

*types of hazardous materials involved.*

INRD is not aware of any hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way.

*(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.*

The abandonment of the Line will not adversely affect endangered or threatened species or areas designated as a critical habitat. The Fish and Wildlife Service has made recommendations as to activities that could affect the Indiana Bat (tree clearing) and measures to be taken to protect that species (avoiding clearing trees April 1- September 30). INRD does not intend to engage in tree clearing. In the unlikely event that some tree clearing might become necessary to recover rail, ties, OTM or ballast, INRD will comply with the recommendations of the Fish and Wildlife Service to protect the Indiana Bat.

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

A substantial part of the Line lies in the Hoosier National Forest. Abandonment of the Line will remove external disturbances from the National Forest and permit use of the right-of-way in the National Forest that is consistent with forest purposes. The removal of rail, ties, OTM and ballast from the right-of-way will be conducted so as not to affect wildlife sanctuaries, refuges, or parks and 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.*

The proposed action will have no effect on water quality. Removal of rail, ties and OTM will be done in a manner that does not affect water quality either by increasing runoff or contaminating it.

*(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.*

Permits are not required under section 404 of the Clean Water Act and no designated wetlands or 100-year flood plains will be affected. The termination of rail operations on the Line and the removal of the rail, ties, OTM and ballast from the right-of-way will have no effect on adjacent property or wetlands. Any work will be done in a manner to avoid discharge from the right-of-way. INRD does not propose to remove bridges on the Line.

*(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.)*

Permits under section 402 of the Clean Water Act are not required. The termination of rail service on the Line and the removal of the rail, ties and OTM will not result in any discharge into adjacent waters.

*(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.*

Applicant does not believe that the proposed action will cause any adverse environmental impacts. Accordingly, no mitigation measures are required or proposed except that the removal of rail, ties, OTM and ballast will be conducted in a manner that avoids disturbance of adjacent land, cutting of trees, or the change, increase or contamination of existing runoff flows as recommended by the Fish and Wildlife Service. Ties not reused will be removed from the right-of-way and disposed of in an environmentally acceptable manner.

*(11) Additional Information for Rail Constructions. The following additional information should be included for rail construction proposals (including connecting track construction):*

*(i) Describe the proposed route(s) by State, county, and subdivision, including a plan view, at a scale not to exceed 1:24,000 (7 1/2 minute U.S.G.S. quadrangle map), clearly showing the relationship to the existing transportation network (including the location of all highway and road crossings) and the right-of-way according to ownership and land use requirements.*

*(ii) Describe any alternative routes considered, and a no-build alternative (or why this would not be applicable), and explain why they were not selected.*

*(iii) Describe the construction plans, including the effect on the human environment, labor force requirements, the location of borrow pits, if any, and earthwork estimates.*

*(iv) Describe in detail the rail operations to be conducted upon the line, including estimates of freight (carloads and tonnage) to be transported, the anticipated daily and annual number of train movements, number of cars per train, types of cars, motive power requirements, proposed speeds, labor force, and proposed maintenance-of-way practices.*

*(v) Describe the effects, including indirect or down-line impacts, of the new or diverted traffic over the line if the thresholds governing energy, noise and air impacts in §§ 1105.7(e)(4), (5), or (6) are met.*

*(vi) Describe the effects, including impacts on essential public services (e.g., fire, police, ambulance, neighborhood schools), public roads, and adjoining properties, in communities to be traversed by the line.*

*(vii) Discuss societal impacts, including expected change in employment during and after construction.*

Not applicable.

#### **HISTORIC REPORT REQUIRED BY 49 CFR 1105.8**

The Board is referred to the information set forth in the Environmental Report above for the information required by § 1105.7(e)(1). The following additional historic information responds to the specific requirements of 49 CFR 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;*

The maps attached as Exhibit C show the location of the Line. All of the structures that are 50 years old or older and that are part of the proposed action are bridges (except one which is a tunnel) by which the Line crosses various roads, streams or gullies. None of the bridges will be removed. Rail and OTM will be removed from all bridges and ties may also be removed from ballast deck bridges. INRD does not expect to remove ballast from ballast deck bridges. Suitable barricades will be put in place to prevent public access to the bridges.

Exhibit D is a list of structures on the Line together with details regarding the type, length, date of construction and an identification of the categories of documents that are available with respect to each structure. These are the only structures on the Line that are 50 years old or older.

Exhibit E is a set of photographs of each of the structures with the milepost location of the structure on the Line. The character and dimensions of each of the bridges is indicated on Exhibit D. The detail maps in Exhibit C have been marked with the locations of each of the structures listed on Exhibit D.

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

The right-of-way is rolling with the maximum grade over the distance being 1.9%. The right-of-way for most of the distance is 100 feet wide. The line runs through a primarily wooded area of low rolling hills until it enters the town of Bedford, IN where it runs through the urban area of the northern part of the town to the connection between the Line and CSXT's Hoosier Subdivision at Milepost 262.5.

*(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;*

Exhibit E is a set of color photographs of each structure on the Line that is 50 years old

which adequately shows the immediately surrounding area of each.

Exhibit F is a set of photographs taken at each milepost along the Line. In each case the photograph was taken in an easterly or southerly direction (i.e. in the direction of the Bedford end of the abandonment.) In addition, the Line is easily viewed on Google Earth beginning at approximately 38°40'09.07"N, 86°48'11.39"W (on the west/north end of the abandonment) and ending at approximately 38°51'54.96"N, 86°29'04.35"W (on the east/south end of the abandonment).<sup>2</sup>

A separate set of photographs is included as Exhibit G showing the Bedford Industrial Track from its junction with the main line at approximate milepost 262.4 (Bedford Industrial Track Milepost 0.00) and following the Bedford Industrial Track around its 1.65 mile loop to Bedford Industrial Track Milepost 1.65.

*(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;*

The information known about each of the structures on the Line that is 50 years old or older and regarding which INRD has information is contained in Exhibit D, the list of structures on the Line that are 50 years old or older.

*(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 Line originally was part of a regional system, the Southern Indiana Railroad, built by John R. Walsh. The Southern Indiana ran from Chicago Heights, IL to Westport, IN, approximately 65 miles southeast of Indianapolis. Walsh assembled the Southern Indiana between 1897 and 1907. The railroad was reorganized in 1910 as the Chicago, Terre Haute &

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<sup>2</sup> The latitude and longitude coordinates are given only to assist in reviewing the aerial photographs of the Line and the right-of-way. The formal beginning and end of the abandonment will be governed by the milepost designations.

Southeastern, and leased to the Chicago, Milwaukee & St. Paul in 1921. The Milwaukee bought the line in 1948.

In 1971 the ICC conditioned Louisville & Nashville's acquisition of the Monon Railroad between Louisville and Chicago on L&N granting trackage rights to the Milwaukee between Bedford, IN and Louisville, KY. *See Louisville & Nashville R.R. Co. – Merger – Monon*, 338 I.C.C. 134 (1970). The Line thus formed a link in the Milwaukee's route between Chicago, IL and Louisville, KY. In 1977 the Milwaukee abandoned its line east of Bedford, IN (but retained its trackage rights from Bedford to Louisville) and in 1979 moved its operations between Terre Haute, IN and Chicago to Conrail's line via Danville, IL, either abandoning or transferring to short lines its own line north of Terre Haute.

In 1985 Soo Line acquired the Milwaukee's Chicago to Louisville line (specifically, Milwaukee's trackage rights between Chicago and Terre Haute, the Milwaukee's owned line between Terre Haute and Bedford, IN, and the Milwaukee's trackage rights between Bedford, IN and Louisville, KY) as a result of the Milwaukee's bankruptcy. In 1990 Soo Line moved its operations between Terre Haute and Chicago to CSXT's C&EI line. In 2006 INRD acquired Soo's line between Chicago and Louisville, KY. *See The Indiana Rail Road Company – Acquisition – Soo Line Railroad Company*, STB Finance Docket No. 34783 (S.T.B. served April 11, 2006).

*(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;*

INRD has documents in its possession relating to each of the structures that is 50 years old or older as shown on Exhibit D.

*(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 CFR 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);*

In INRD's opinion none of the structures located on the Line meets the criteria for listing on the National Register of Historic Places. INRD is not aware of the likelihood of archeological resources or other previously unknown historic properties along the Line. INRD's plans to abandon rail operations on the Line and to remove rail, ties, OTM and ballast will not disturb any structure on the Line that is 50 years old or older nor will it disturb any archeological resources or other historic properties along the Line.

Adjacent to the Bedford Industrial Track, but not owned by INRD, is the former Milwaukee Station in Bedford, IN. INRD believes this structure is more than 50 years old and has been acquired by persons interested in its preservation. INRD has never owned this structure and does not have plans or further information regarding it. Photographs of the structure are contained in Exhibit G.

*(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 manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.*

INRD is not aware of any subsurface ground disturbance or fill, or any environmental conditions along the Line, naturally occurring or manmade, that might affect the archeological recovery of resources.

*(9) Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specified nonrailroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (i.e., prehistoric or native American).*

Respectfully submitted,

THE INDIANA RAIL ROAD COMPANY

By: John Broadley  
One of its attorneys

John Broadley  
John H. Broadley & Associates, P.C.  
1054 31<sup>st</sup> Street NW, Suite 200  
Washington, D.C. 20007  
Tel. 202-333-6025  
Fax 301-942-0676  
E-mail [Jbroadley@alum.mit.edu](mailto:Jbroadley@alum.mit.edu)

Dated: November 6, 2009

**Exhibit A**  
**(Newspaper Notice and Affidavit of Publication)**

CHRIS RUND  
Indiana Rail Road Nov. 20

**TIMES-MAIL**  
**BEDFORD, INDIANA**

**PROOF OF PUBLICATION**

State of Indiana  
County of Lawrence

The undersigned, being duly sworn on oath, says that he/she is Public Notice Clerk of Times-Mail a public newspaper of general circulation, printed in the town of Bedford, in said county and state; that the notice, of which the annexed is a true copy, was published in regular edition of said paper, issued upon the following dates, to wit:

*Amended version*  
10/30/09

*Joyce Thomas*

Subscribed and sworn to before me  
October 30, 2009

*[Signature]*  
Notary Public or Clerk

My Commission expires: \_\_\_\_\_

ion Fee: \$88.11

Pamela S Hickman  
Notary Public Seal State of Indiana  
Morgan County  
My Commission Expires 07/02/2016

# **Exhibit B**

**(Written Responses from Agencies Contacted in Preparation of Report)**

United States Department of Agriculture



Natural Resources Conservation Service  
6013 Lakeside Blvd.  
Indianapolis, IN 46268

October 6, 2009

John H. Broadley  
John H. Broadley & Associates, P.C.  
Canal Square  
1054 Thirty-First Street, N.W.  
Washington, D.C. 20007

Dear Mr. Broadley:

The proposed project to abandon approximately 20.75 miles of railroad between the Town of Crane and the City of Bedford in Martin and Lawrence County, Indiana, as referred to in your letter received October 5, 2009, will not cause a conversion of prime farmland.

If you need additional information, please contact Lisa Bolton at 317-290-3200, extension 342.

Sincerely,

A handwritten signature in cursive script that reads "Jane E. Hardisty".

JANE E. HARDISTY  
State Conservationist

Enclosures



**PEORIA TRIBE OF INDIANS OF OKLAHOMA**

118 S. Eight Tribes Trail (918) 540-2535 FAX (918) 540-2538

P.O. Box 1527

MIAMI, OKLAHOMA 74355

**CHIEF**  
John P. Froman

**SECOND CHIEF**  
Jason Dollarhide

October 7, 2009

Law Offices  
John H Broadley & Associates, P.C.  
Canal Square  
1054 Thirty-First Street, NW  
Washington, D.C. 20007

**RE: The Indiana Rail Road Company's proposed abandonment of its line between Crane, IN and Bedford, IN located in Martin and Lawrence Counties, IN**

Thank you for notice of the referenced project. The Peoria Tribe of Indians of Oklahoma is currently unaware of any documentation directly linking Indian Religious Sites to the proposed construction. In the event any items falling under the Native American Graves Protection and Repatriation Act (NAGPRA) are discovered during construction, the Peoria Tribe request notification and further consultation.

The Peoria Tribe has no objection to the proposed construction. However, if any human skeletal remains and/or any objects falling under NAGPRA are uncovered during construction, the construction should stop immediately, and the appropriate persons, including state and tribal NAGPRA representatives contacted.

A handwritten signature in black ink, appearing to read 'JPC', is written over the printed name of John P. Froman.

John P. Froman  
Chief

xc: Bud Ellis, Repatriation/NAGPRA Committee Chairman

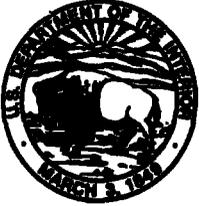
**TREASURER**  
John Sharp

**SECRETARY**  
Hank Downum

**FIRST COUNCILMAN**  
Carolyn Garren

**SECOND COUNCILMAN**  
Jenny Rampey

**THIRD COUNCILMAN**  
Alan Goforth



# 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

October 9, 2009

Mr. John H. Broadley  
John H. Broadley and Associates, P.C.  
Canal Square  
1054 Thirty-first Street N.W.  
Washington, D.C. 20007

Dear Mr. Broadley:

Thank you for the opportunity to comment on the proposed abandonment of service on 20.75 miles of railroad line between Railroad Milepost 241.35 (near Crane, Indiana) and Railroad Milepost 262.10 (near Bedford, Indiana); STB Docket No. (unknown).

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

Sincerely,

Patrick G. Carroll  
Senior Realty Officer  
Division of Realty



# United States Department of the Interior Fish and Wildlife Service



Bloomington Field Office (ES)  
620 South Walker Street  
Bloomington, IN 47403-2121  
Phone: (812) 334-4261 Fax: (812) 334-4273

October 22, 2009

Mr. John Broadley  
John H. Broadley and Associates  
1054 Thirty-First Street NW  
Washington, D.C. 20007

Dear Mr. Broadley:

This responds to your letter of September 30, 2009 (forwarded to this office from our Regional Office and received October 19, 2009) requesting U.S. Fish and Wildlife Service (FWS) review of a proposed railroad abandonment in Lawrence and Martin Counties, Indiana.

These comments have been prepared under the authority of the Fish and Wildlife Coordination Act (16 U.S.C. 661 et. seq.) and are consistent with the intent of the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the U. S. Fish and Wildlife Service's Mitigation Policy.

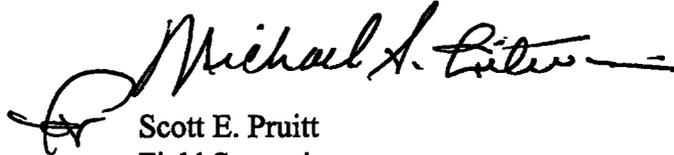
The proposed abandonment is on 20.75 miles of the Indiana Railroad Company line between Crane Naval Weapons Support Center and the town of Bedford (milepost 241.35 to 262.10). Your letter provided no details regarding the extent of track removal, bridge removal or other disturbance for equipment access and staging. The affected railroad line crosses numerous streams, with wetlands adjacent or nearby in some areas. We recommend the following measures to avoid or minimize impacts to wildlife and their habitats.

1. Minimize tree clearing and avoid wetland disturbance for access to work areas.
1. Avoid discharge of demolition debris, waste material, or other pollutants into streams or wetlands.
2. If earthmoving is required, contain disturbed soils to prevent runoff to waterways or wetlands.
4. If bridge removal is proposed, minimize disturbance of the stream channel and banks, and avoid work in stream channels during the primary fish spawning season (April 1 - June 15).

This precludes the need for further consultation on this project as required under Section 7 of the Endangered Species Act of 1973, as amended. If new information arises pertaining to project plans or a revised species list be published, it will be necessary for the Federal agency to reinitiate consultation.

For further discussion, please contact Mike Litwin at (812) 334-4261 ext. 205.

Sincerely yours,

  
Scott E. Pruitt  
Field Supervisor



Division of Historic Preservation & Archaeology • 402 W. Washington Street, W274 • Indianapolis, IN 46204-2739  
Phone 317-232-1646 • Fax 317-232-0693 • [dhpa@dnr.IN.gov](mailto:dhpa@dnr.IN.gov)

October 29, 2009

John H. Broadley  
John H. Broadley & Associates, P.C.  
Canal Square  
1054 Thirty-First Street, N.W.  
Washington, D.C. 20007

Federal Agency: Surface Transportation Board

Re: Project information regarding the abandonment of rail line from milepost 241.35 at Crane to milepost 262.10 in Bedford (DHPA #7321)

Dear Mr. Broadley:

Pursuant to Section 106 of the National Historic Preservation Act (16 U.S.C. § 470f) and 36 C.F.R. Part 800, the staff of the Indiana State Historic Preservation Officer ("Indiana SHPO") has conducted an analysis of the materials dated September 30, 2009 and received on October 2, 2009 for the above indicated project from Crane to Bedford, Martin and Lawrence counties, Indiana.

Thank you for your recent submission. We noted that a combined environmental and historic report for the abandonment of the old Chicago, Milwaukee, St. Paul and Pacific Railroad line between Crane and Bedford will be prepared and provided to the Indiana SHPO for review in the future. Based on the limited information provided up to this point in the process, we have identified the following historic properties within the probable area of potential effects which we believe may be eligible for inclusion in the National Register of Historic Places:

Furst-Kerber Cut Stone Co., 921 O Street, Bedford, Lawrence Co., Site #093-038-27077

Williams Milling Company, SR 450, Williams, Lawrence Co., Site #093-680-46013

Lawrence County Bridge No. 126, c.1913, carrying CR 450 over Crooked Creek

However, a complete analysis of the submitted project was not possible, as the information provided is incomplete. We look forward to receiving the historic report, containing the information enumerated in 49 C.F.R. § 1105.8(d). Please be sure to include the following in order to facilitate the identification and analysis of historic properties in the project area:

- 1) Define the area of potential effects<sup>1</sup> and provide a map or a good quality photocopy of a map containing the following:
  - The boundaries of the area of potential effects and the precise location of the project area within those boundaries clearly outlined in dark ink on a copy of the relevant portion of a town, city, county, or U.S. Geological Survey quadrangle map.
  - The names of nearby landmarks clearly labeled (e.g., major streets, roads, highways, railroads, rivers, lakes).

<sup>1</sup> Area of potential effects means the geographic area or areas within which an undertaking may directly or indirectly cause changes in the character or use of historic properties, if any such properties exist. The area of potential effects is influenced by the scale and nature of an undertaking and may be different for different kinds of effects caused by the undertaking (see 36 C.F.R. § 800.16[d]).

- 2) Provide details of proposed project activities including any construction, demolition, and earthmoving activities.
- 3) Give the precise location of any buildings, structures, and objects *within the area of potential effects* (e.g., addresses and a site map with properties keyed to it).
- 4) Give the known or approximate date of construction for buildings, structures, objects, and districts *within the area of potential effects*.
- 5) Submit historical documentation for buildings, structures, objects, and districts *within the area of potential effects*.
- 6) List all sources checked for your historical research of the *area of potential effects*.
- 7) Provide clear, recent photographs (not photocopies or aerial photographs), keyed to a site plan, showing any historic buildings, structures, objects, or landscapes *that could be affected in any way by the project*. These photographs should be of the project area and the defined area of potential effect.

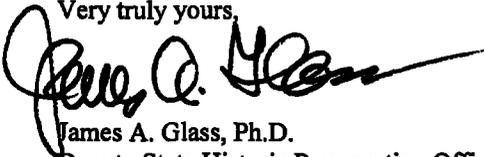
It is our understanding that part of this project travels through Crane Naval Weapons Support Center. Please coordinate with this agency regarding the Section 106 procedures.

All cemeteries will need to be avoided by all project activities and, if impacts are to occur within 100 feet of a cemetery, a development plan will need to be submitted to and approved by this office.

Once the indicated information is received, the Indiana SHPO will resume identification and evaluation procedures for this project. Please keep in mind that additional information may be requested in the future.

*A copy of the revised 36 C.F.R. Part 800 that went into effect on August 5, 2004, may be found on the Internet at [www.achp.gov](http://www.achp.gov) for your reference. If you have questions about archaeological issues please contact Cathy Draeger at (317) 234-3791 or [cdraeger@dnr.IN.gov](mailto:cdraeger@dnr.IN.gov). If you have questions about buildings or structures please contact Chad Slider at (317) 234-5366 or [cslider@dnr.IN.gov](mailto:cslider@dnr.IN.gov). Additionally, in all future correspondence regarding the above indicated project, please refer to DHPA #7321.*

Very truly yours,



James A. Glass, Ph.D.  
Deputy State Historic Preservation Officer

JAG:CWS:CLD:cld

cc: David C. Navecky, Environmental Protection Specialist, Surface Transportation Board  
emc: Nancy Albertson, Cultural Resource Program Manager

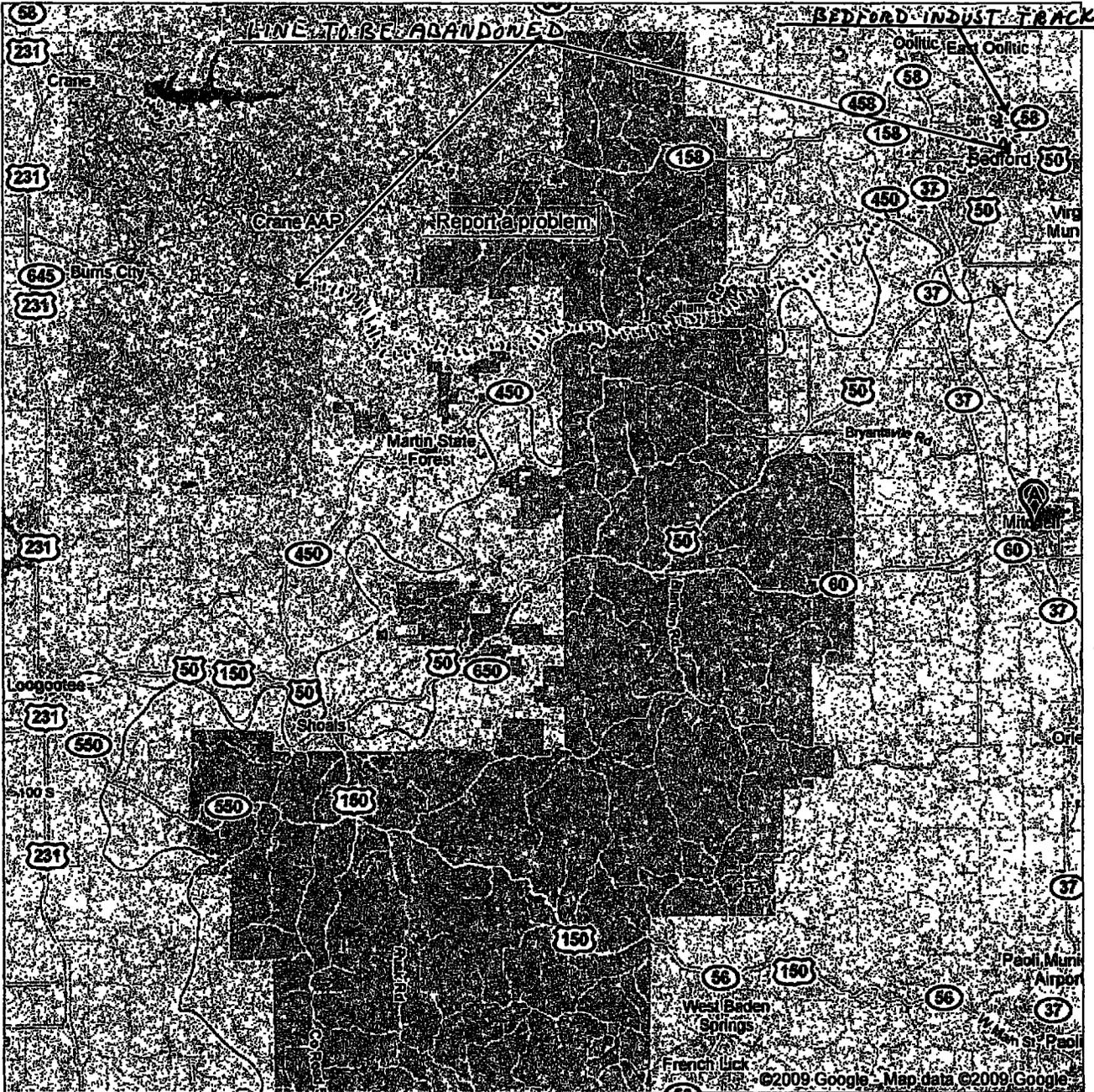
**Exhibit C**  
**(Map of the Line)**

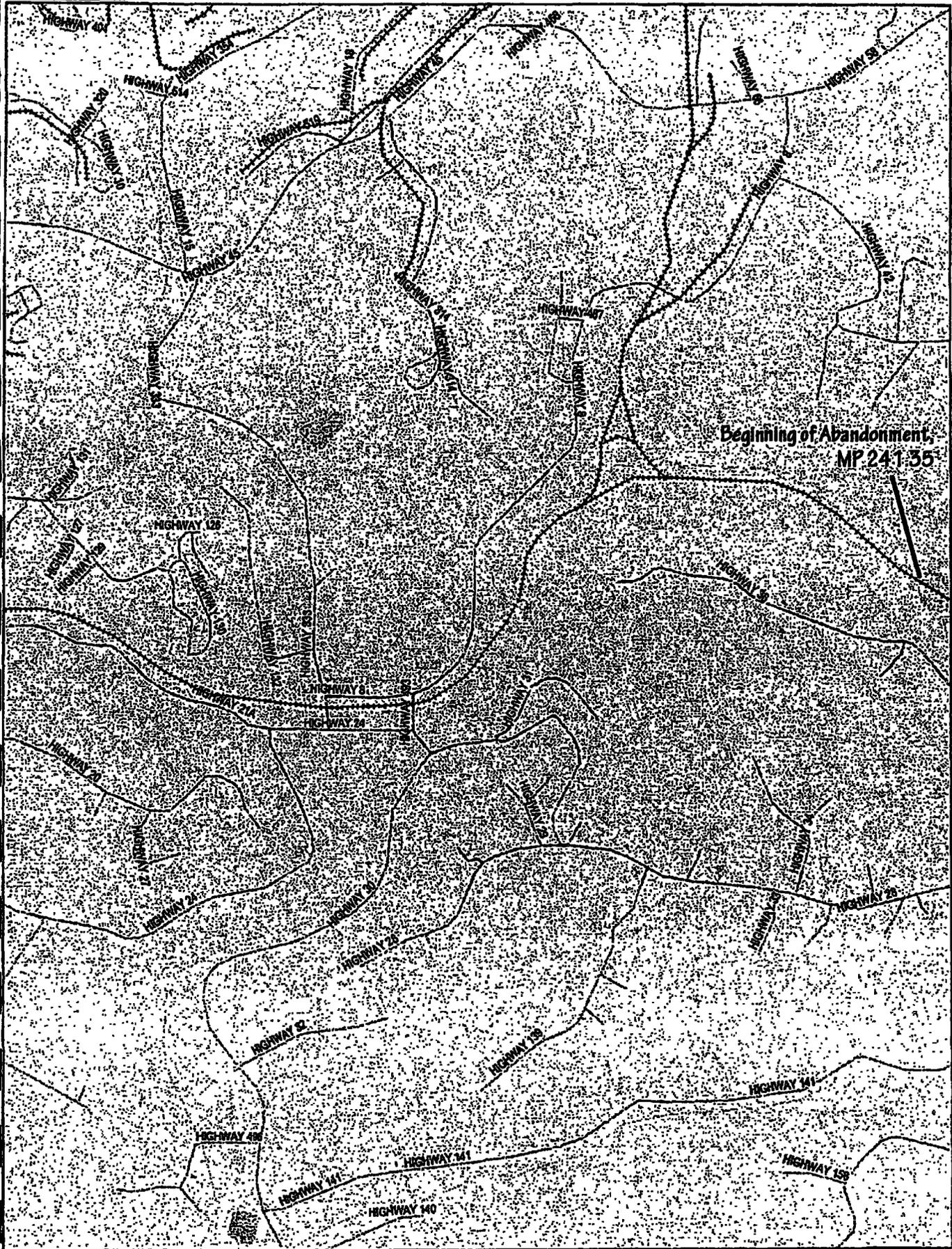
Google maps Address Mitchell, IN

Get Google Maps on your phone  
Text the word "GMAPS" to 466453

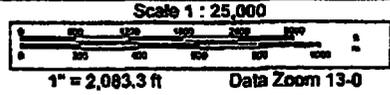


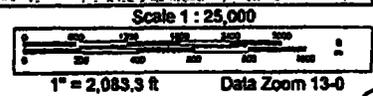
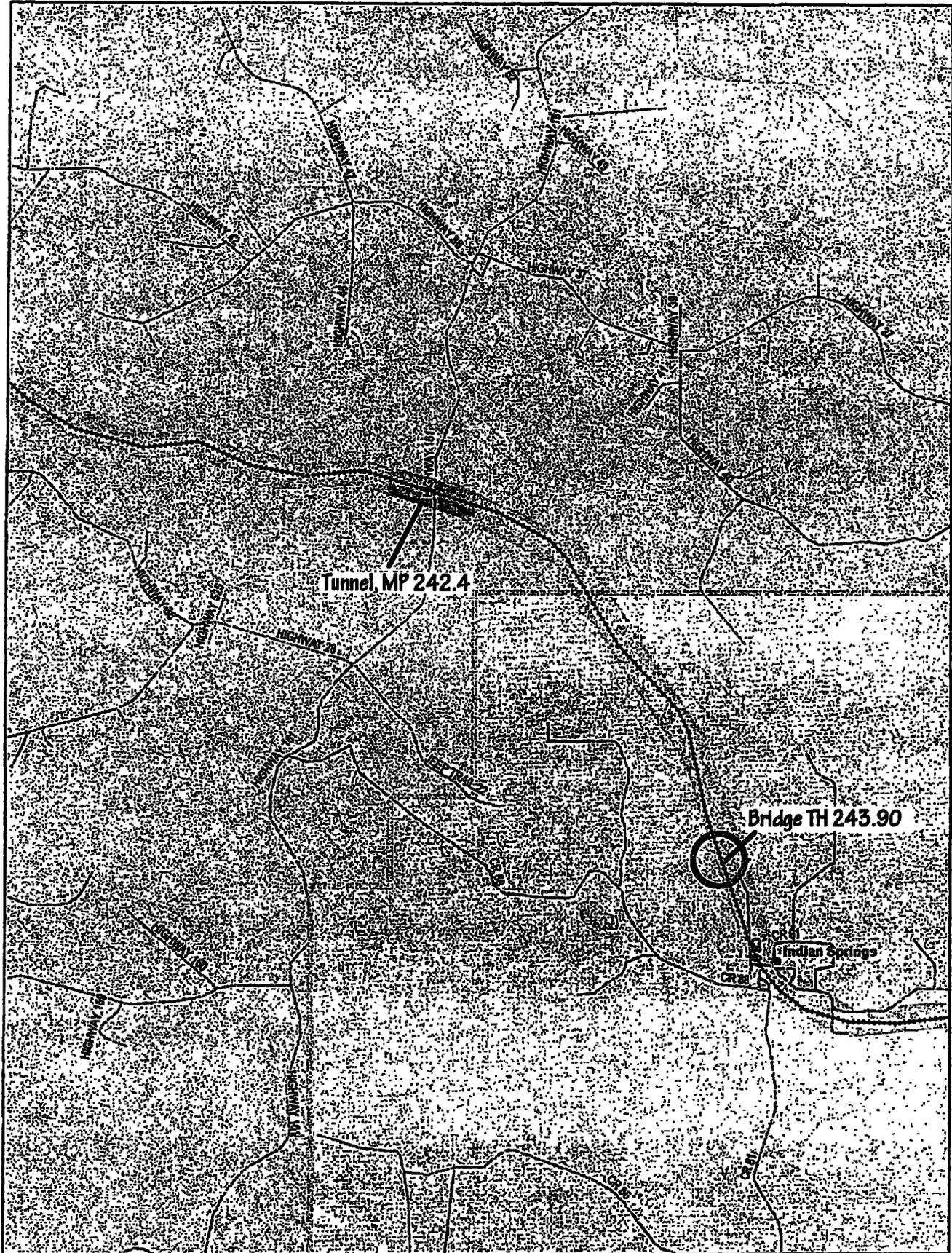
OVERVIEW MAP



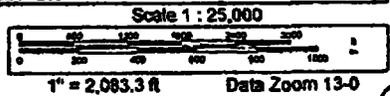
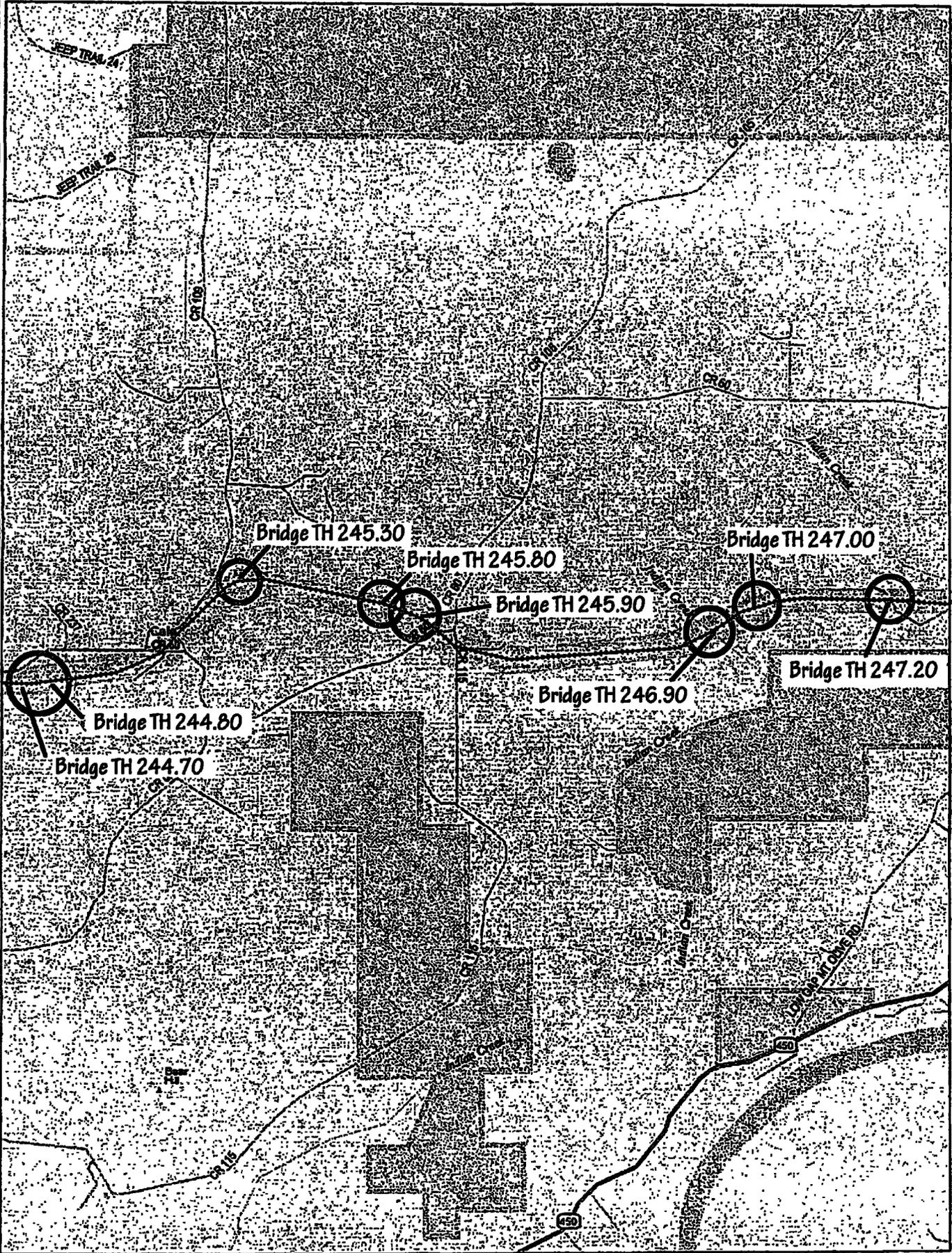


Beginning of Abandonment,  
MP 241.35

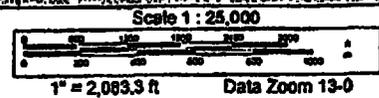
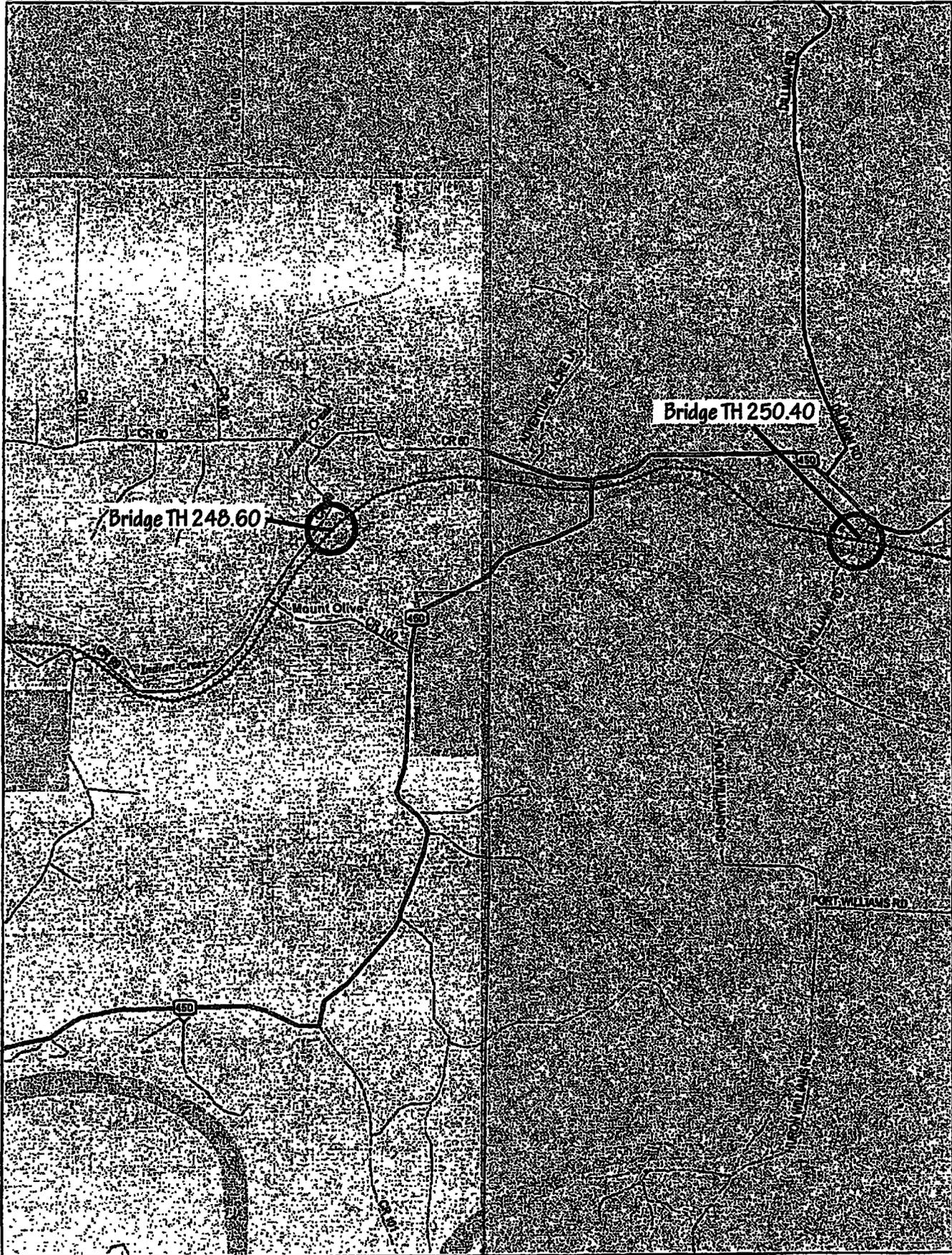




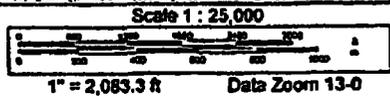
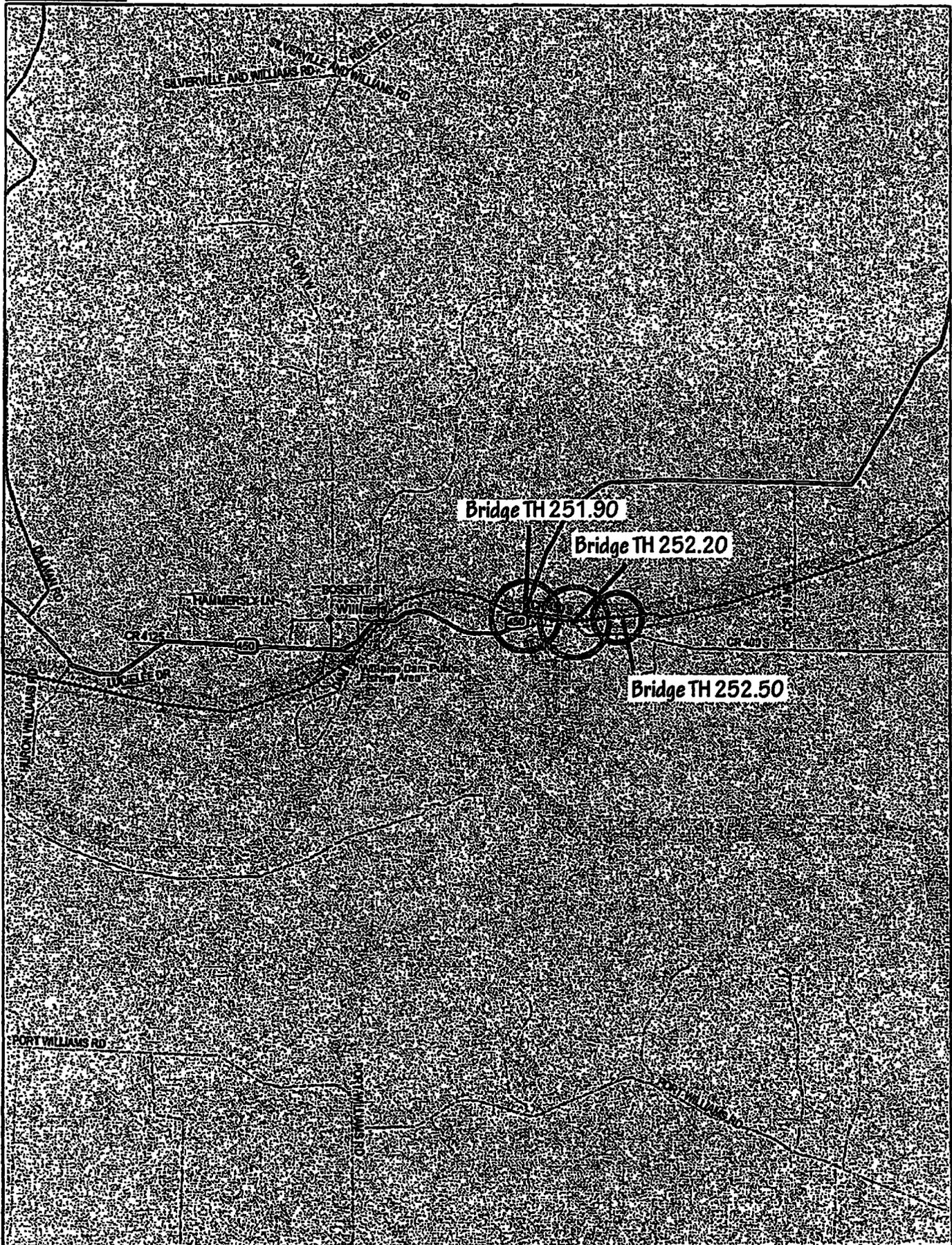
20



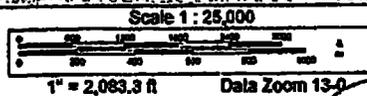
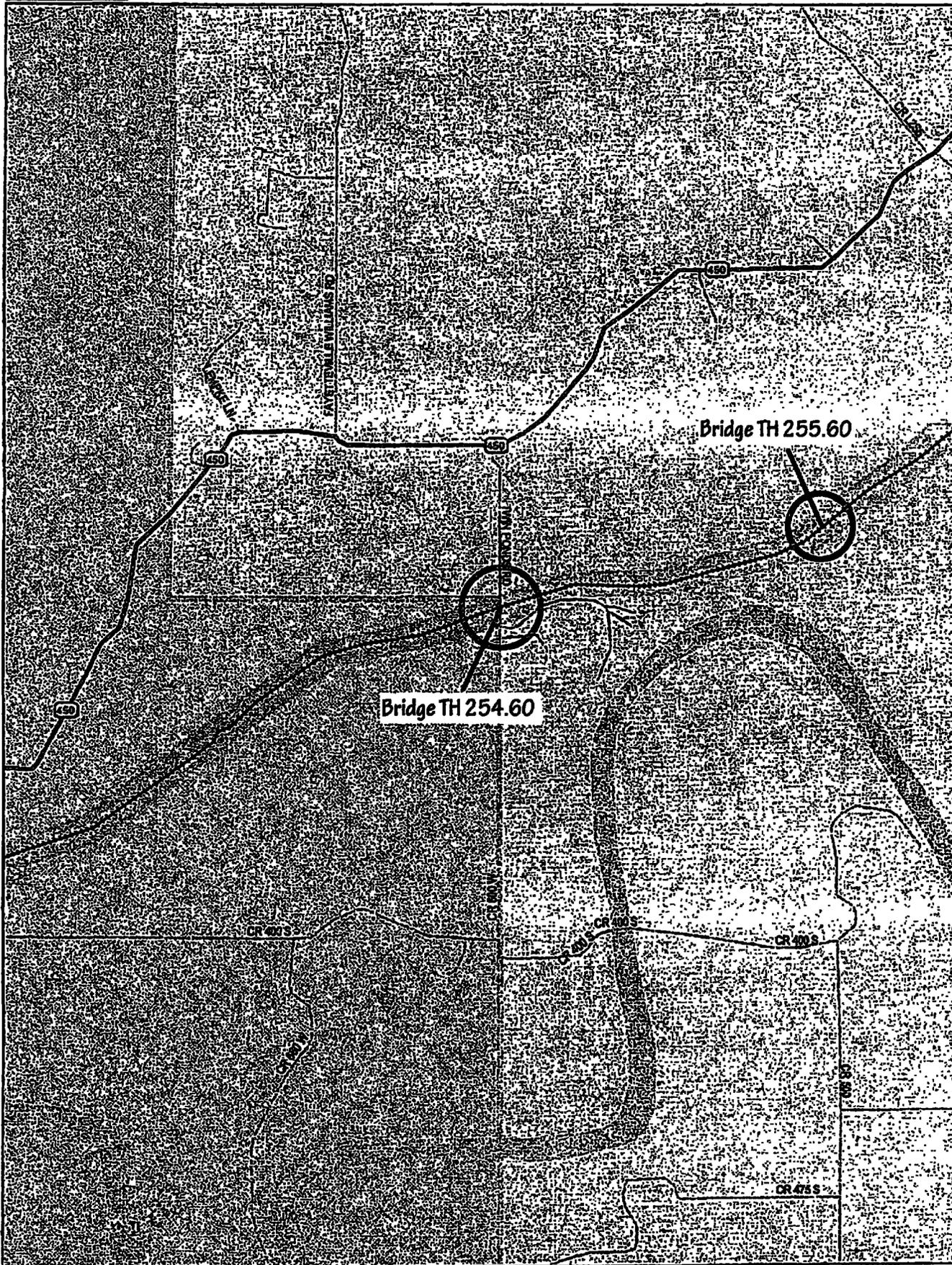
21



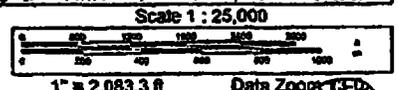
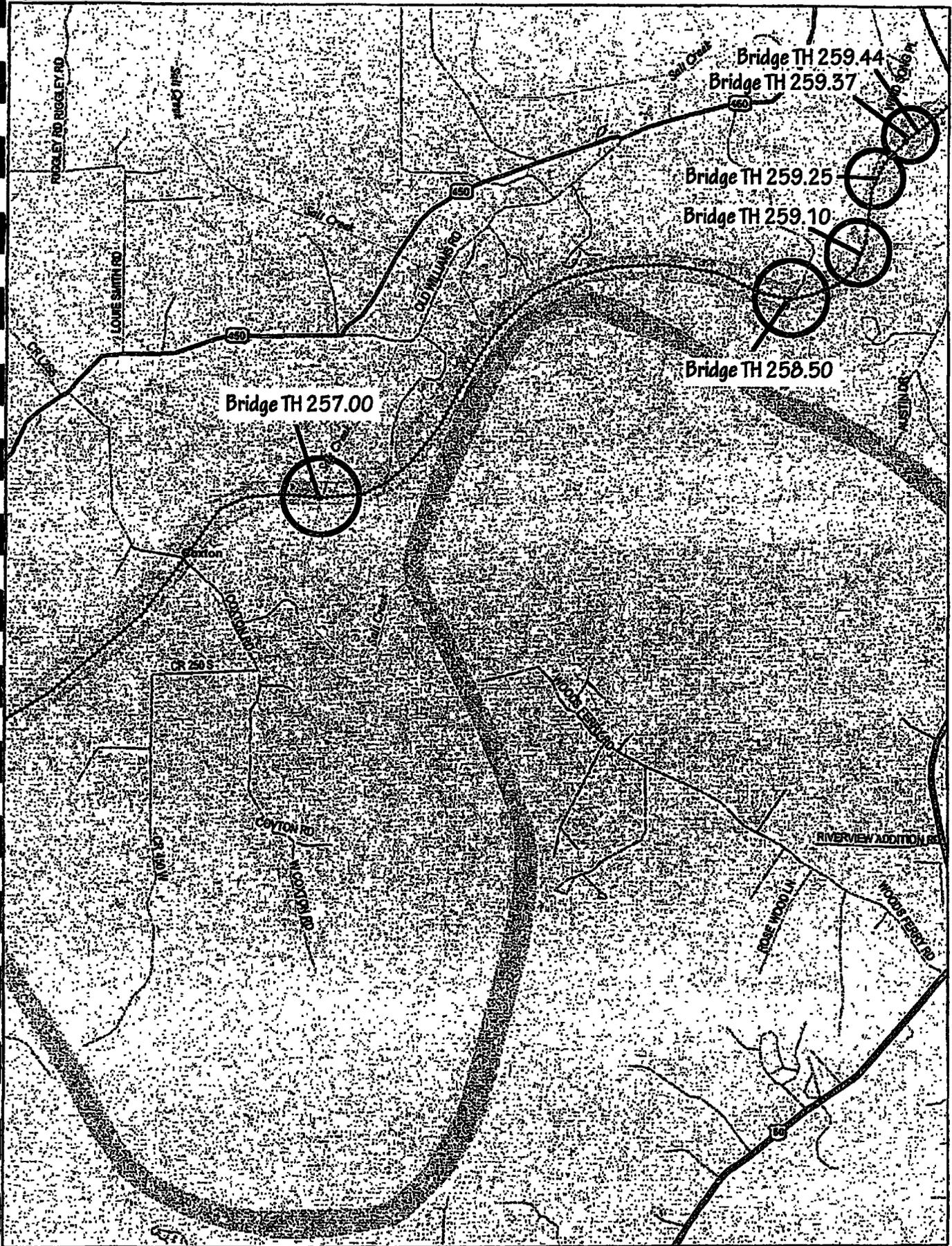
22



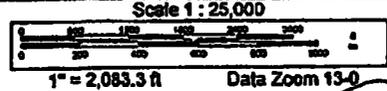
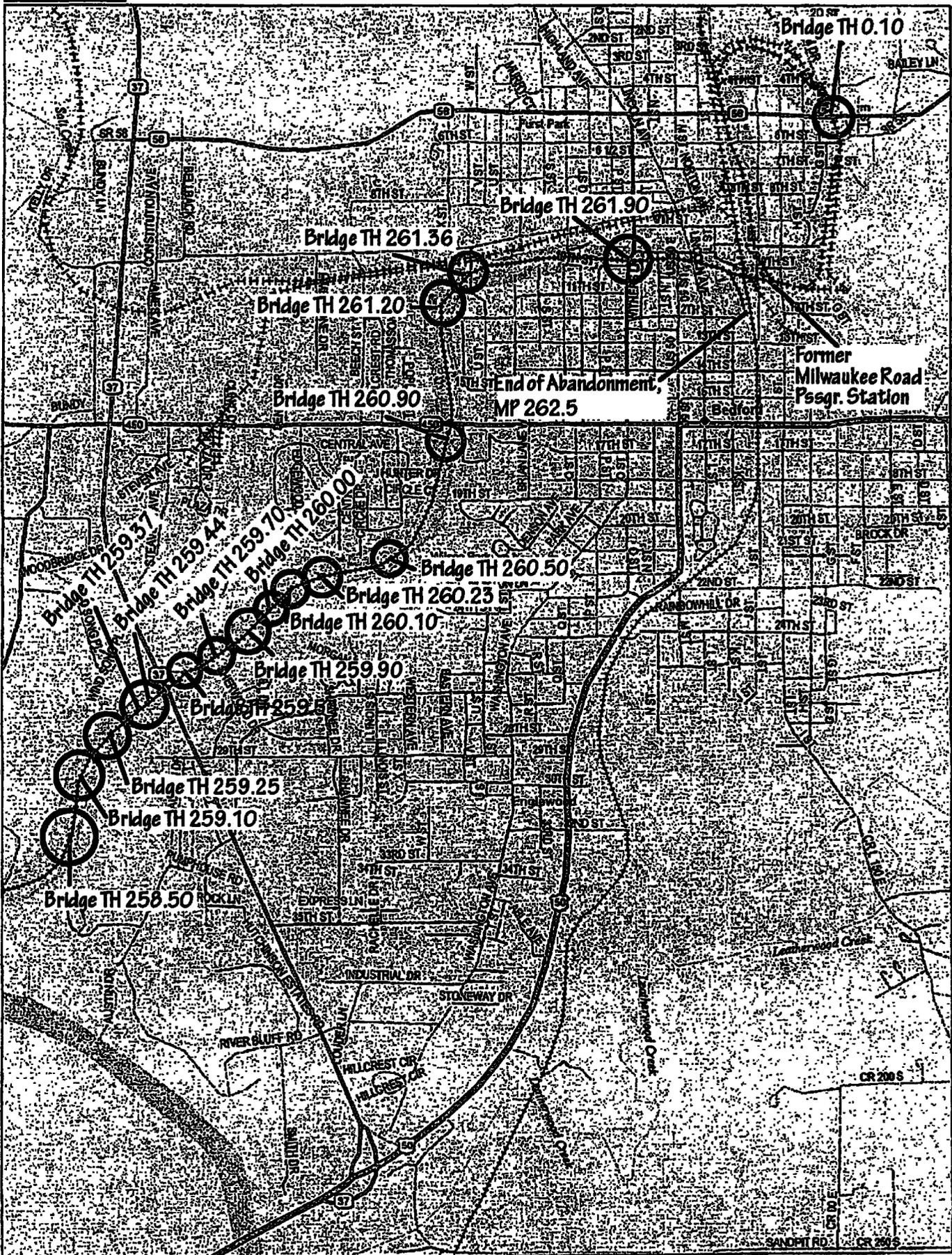
72



24



1" = 2,083.3 ft Data Zoom T3-D  
 (25)



26

# **Exhibit D**

**(List of structures on the Line 50 Years old or older)**

**STRUCTURES ON LINE CRANE, IN – BEDFORD, IN  
MP 241.35 – MP 262.50**

<b>No.</b>	<b>MP</b>	<b>Description</b>	<b>Comments/Documents</b>
1	242.20	Tunnel	Built: Unknown Documents: Engineering Drawings
2	243.90	Bridge (Open Deck, Pile) 42 feet	Built: 1946 Documents: Inspection Report 4/18/07; Engineering Drawings
3	244.70	Bridge (Open Deck, Pile) 98 feet	Built: 1957 Documents: Inspection Report 4/18/07; Engineering Drawings
4	244.80	Bridge (Open Deck, Pile) 96 feet	Built: 1956 Documents: Inspection Report 4/18/07; Engineering Drawings
5	245.30	Bridge (Open Deck, Pile) 140 feet	Built: 1950 Documents: Inspection Report 4/18/07; Engineering Drawings
6	245.80	Bridge (Open Deck, Pile) 70 feet	Built: 1950 Documents: Inspection Report 4/18/07; Engineering Drawings
7	245.90	Bridge (Open Deck, Pile) 144 feet	Built: 1950 Documents: Inspection Report 4/18/07; Engineering Drawings
8	246.90	Bridge (Deck Plate Girder, Truss) 232 feet	Built: 1899 Documents: Inspection Report 4/18/07; Engineering Drawings
9	247.00	Bridge (Open Deck, Pile) 128 feet	Built: 1957 Documents: Inspection Report 4/18/07; Engineering Drawings
10	247.20	Bridge (Open Deck, Pile) 208 feet	Built: 1955 Documents: Inspection Report 4/18/07; Engineering Drawings
11	248.60	Bridge (Open Deck, Pile) 42 feet	Built: 1961 Documents: Inspection Report 4/18/07; Engineering Drawings [Bridge recently rebuilt]
12	250.40	Bridge (Ballast Deck, Pile and Beam Span) 63 feet	Built: 1940 Documents: Inspection Report 4/18/07; Engineering Drawings
13	251.90	Bridge (Open Deck, Pile and Beam Span) 68 feet	Built: 1935 Documents: Inspection Report 4/17/07; Engineering Drawings
14	252.20	Bridge (Open Deck, Pile) 84 feet	Built: 1946 Documents: Inspection Report 4/17/07; Engineering Drawings
15	252.50	Bridge (Open Deck, Pile) 42 feet	Built: 1950 Documents: Inspection Report 4/17/07; Engineering Drawings
16	254.60	Bridge (Ballast Deck, Pile and Deck Plate Girder) 91 feet	Built: 1937 Documents: Inspection Report 4/17/09; Engineering Drawings
17	255.60	Bridge (Open Deck, Pile) 16 feet	Built: 1950 Documents: Inspection Report 4/17/07; Engineering Drawings
18	257.00	Bridge (Deck Plate Girder, Truss) 204 feet	Built: 1899 & 1985 Documents: Inspection Report 4/17/07; Engineering Drawings
19	258.50	Bridge (Open Deck, Pile) 54 feet	Built: 1950 Documents: Inspection Report 4/17/07; Engineering Drawings
20	259.10	Bridge (Ballast Deck, Pile and Deck Plate Girder) 96 feet	Built: 1943 Documents: Inspection Report 4/17/07; Engineering Drawings
21	259.25	Bridge (Open Deck, Wood Span Bridge) 17 ½ feet	Built: 1977 Documents: Inspection Report 4/17/07; Engineering Drawings
22	259.37	Bridge (Beam Span) 18 feet	Built: 1905 Documents: Inspection Report 4/17/07; Engineering Drawings
23	259.44	Bridge (Open Deck, Wood Span Bridge) 18 ½ feet	Built: 1952 Documents: Inspection Report 4/17/07; Engineering Drawings
24	259.54	Bridge (Beam Span) 18 ½ feet	Built: 1953 Documents: Inspection Report 4/17/07; Engineering Drawings
25	259.70	Bridge (Wood Span	Built: 1961 Documents: Inspection Report 4/17/07;

No.	MP	Description	Comments/Documents
		Bridge) 18 ½ feet	Engineering Drawings
26	259.90	Bridge (Beam Span) 19 feet	Built: 1905 Documents: Inspection Report 4/17/07; Engineering Drawings
27	260.00	Bridge (Open Deck, Wood Span Bridge) 18 ½ feet	Built: 1953 Documents: Inspection Report 4/17/07; Engineering Drawings
28	260.10	Bridge: (Open Deck, Beam Span) 19 feet	Built: 1931 Documents: Inspection Report 4/17/07; Engineering Drawings
29	260.20	Bridge (Open Deck, Wood Span Bridge) 32 feet	Built: 1959 Documents: Inspection Report 4/17/07; Engineering Drawings
30	260.50	Bridge (Open Deck, Wood Span Bridge) 48 feet	Built: 1945 Documents: Inspection Report 4/17/07; Engineering Drawings
31	260.90	Bridge (Open Deck, Wood Span Bridge) 15 feet	Built: 1958 Documents: Inspection Report 4/17/07; Engineering Drawings
32	261.20	Bridge (Beam Span) 19 feet	Built: 1888 Documents: Inspection Report 4/17/07; Engineering Drawings
33	261.36	Bridge (Open Deck Wood Span Bridge) 28 feet	Built: 1962 Documents: Inspection Report 4/17/07; Engineering Drawings
34	261.90	Bridge (Open Deck, Frame) 182 feet	Built: 1928 Documents: Inspection Report 4/17/07; Engineering Drawings

# **Exhibit E**

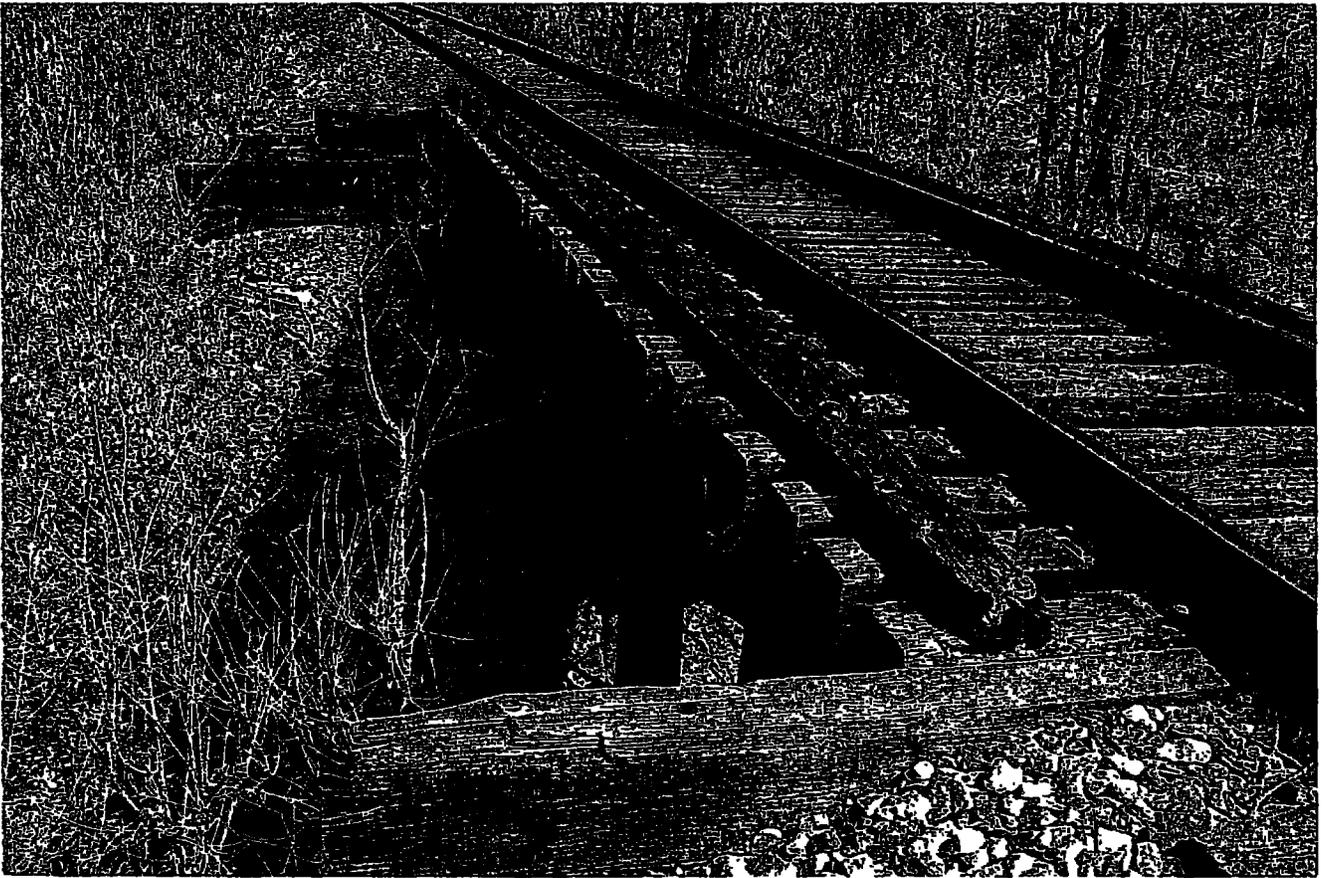
**(Photographs of structures on Line that are 50 years old or older)**

# Indiana Railroad



Bridge TH 242.20

# Indiana Railroad



Bridge TH 243.90

# Indiana Railroad



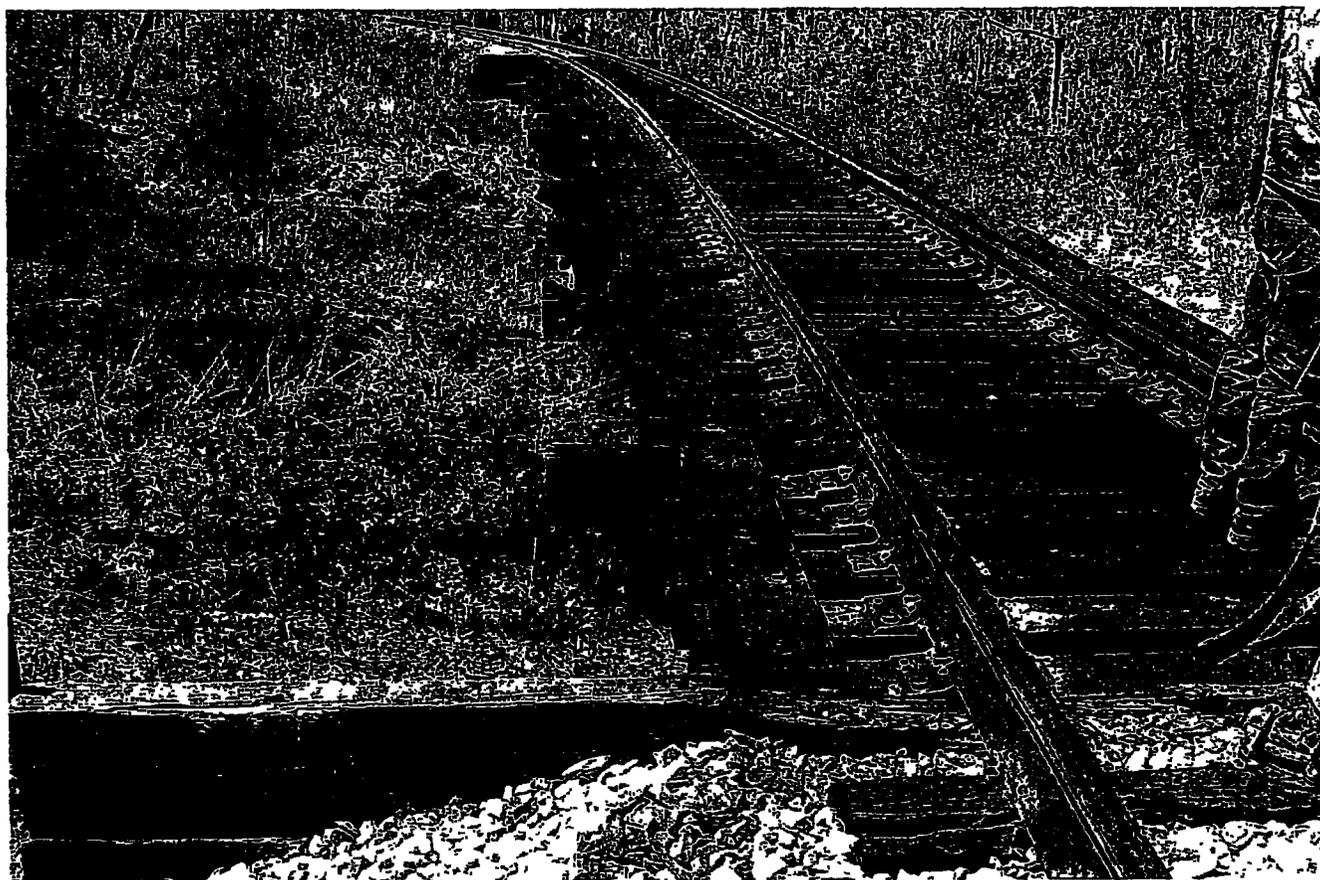
Bridge TH 244.70

# Indiana Railroad



Bridge TH 244.80

# Indiana Railroad



Bridge TH 245.30

# Indiana Railroad



Bridge TH 245.80

# Indiana Railroad



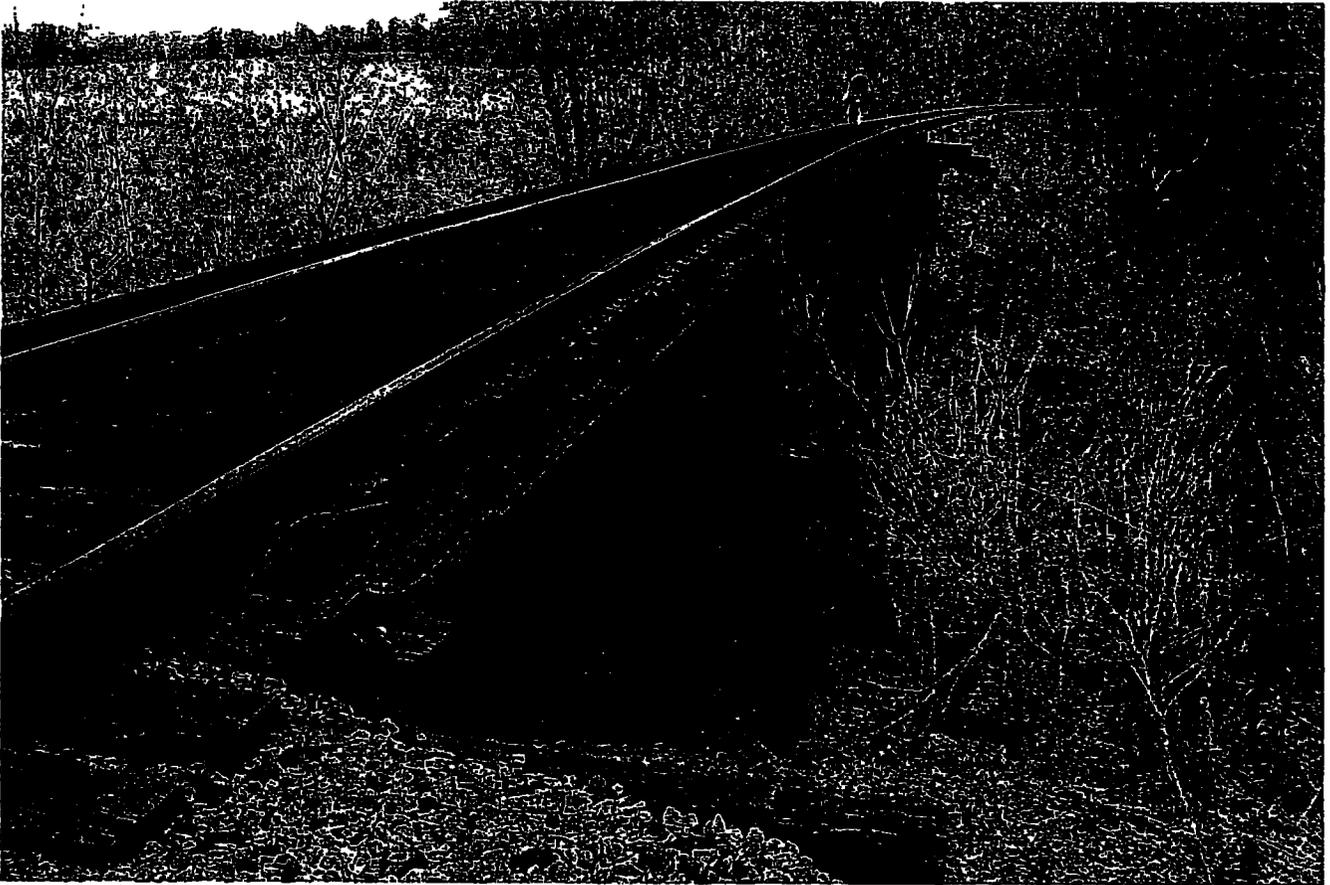
Bridge TH 245.90

# Indiana Railroad



Bridge TH 246.90

# Indiana Railroad



Bridge TH 247.00

# Indiana Railroad



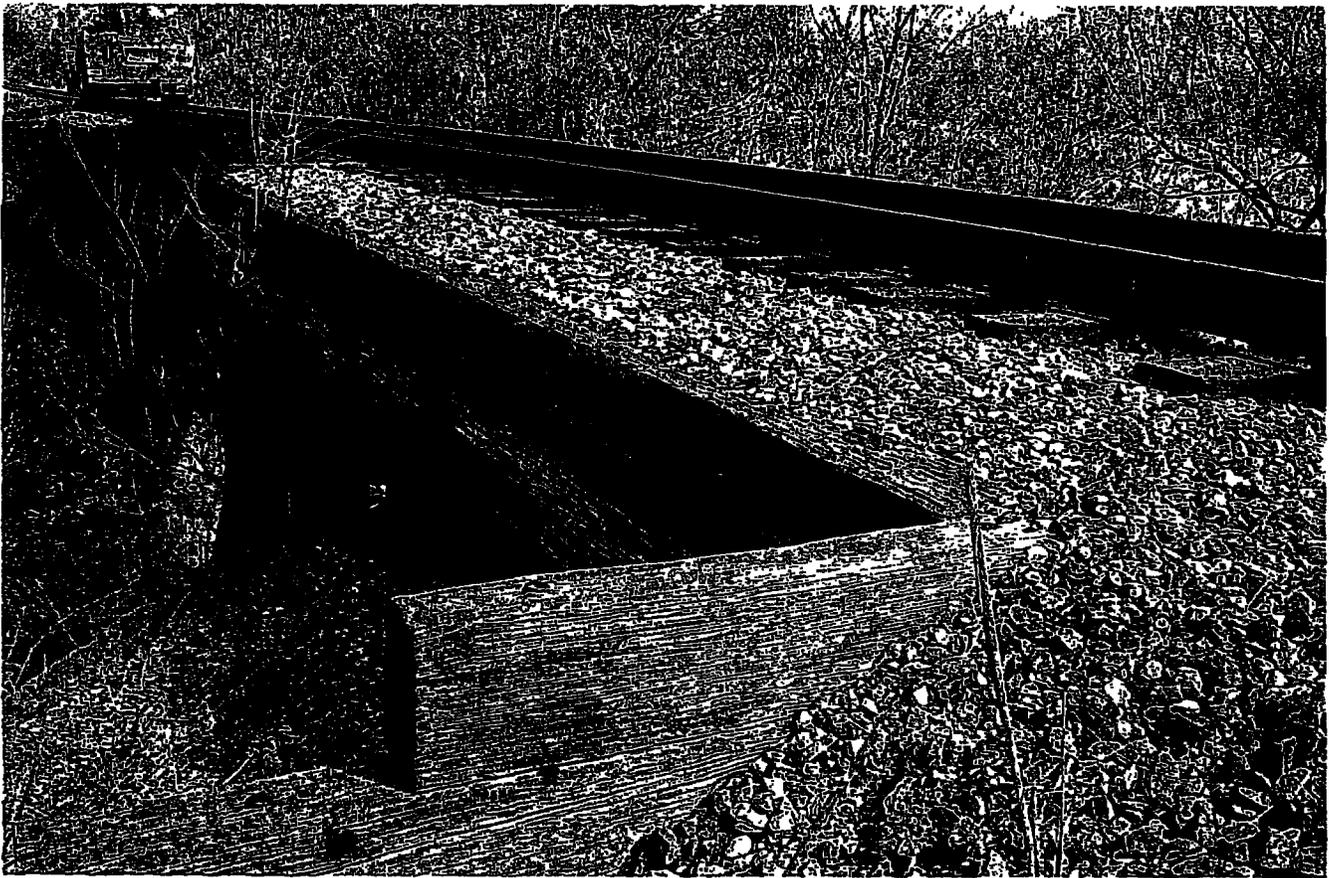
Bridge TH 247.20

# Indiana Railroad



Bridge TH 248.60

# Indiana Railroad



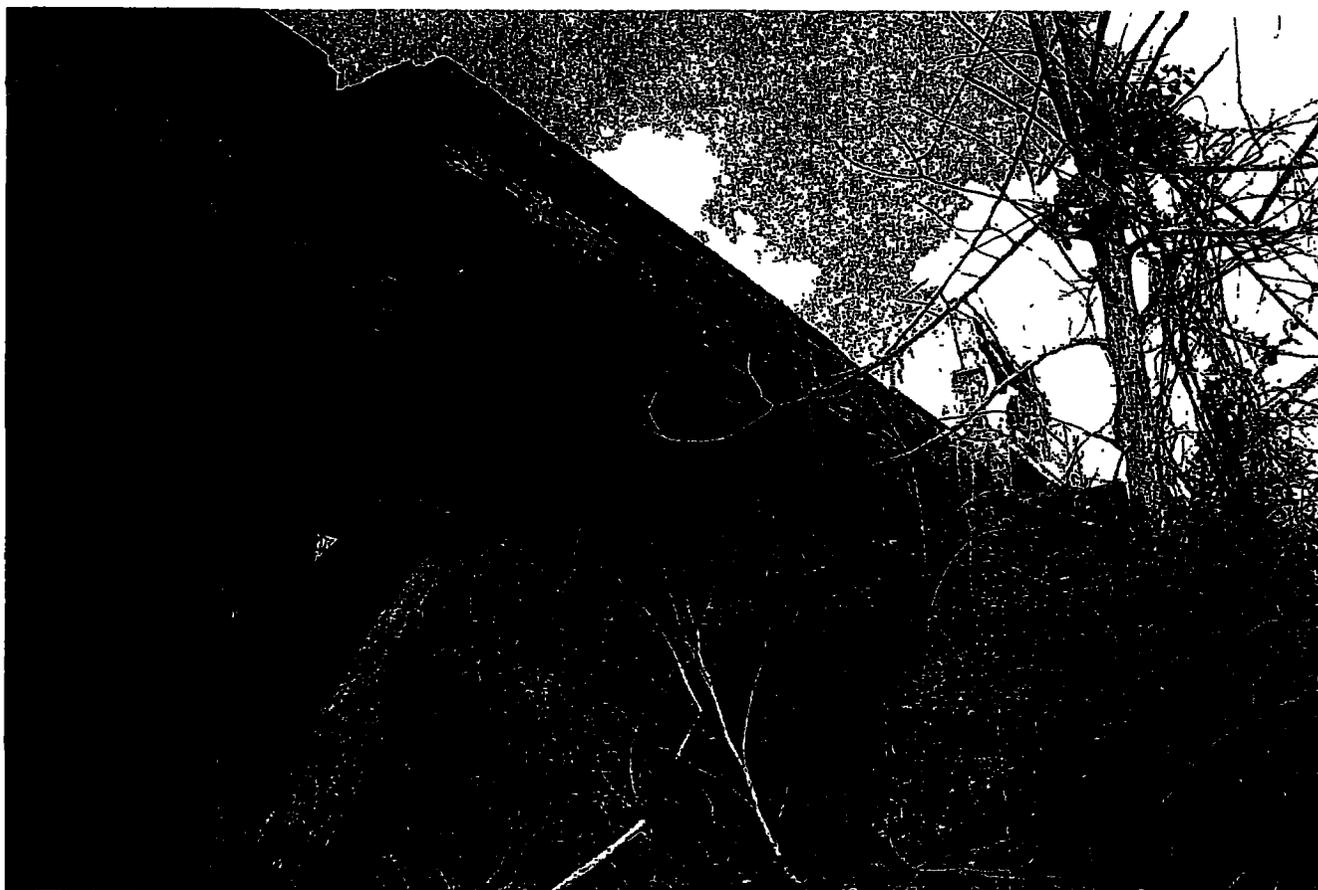
Bridge TH 250.40 Section 1

# Indiana Railroad



Bridge TH 250.40 Section 2

# Indiana Railroad



Bridge TH 250.40 Section 3

# Indiana Railroad



Bridge TH 251.90 Section 1

# Indiana Railroad



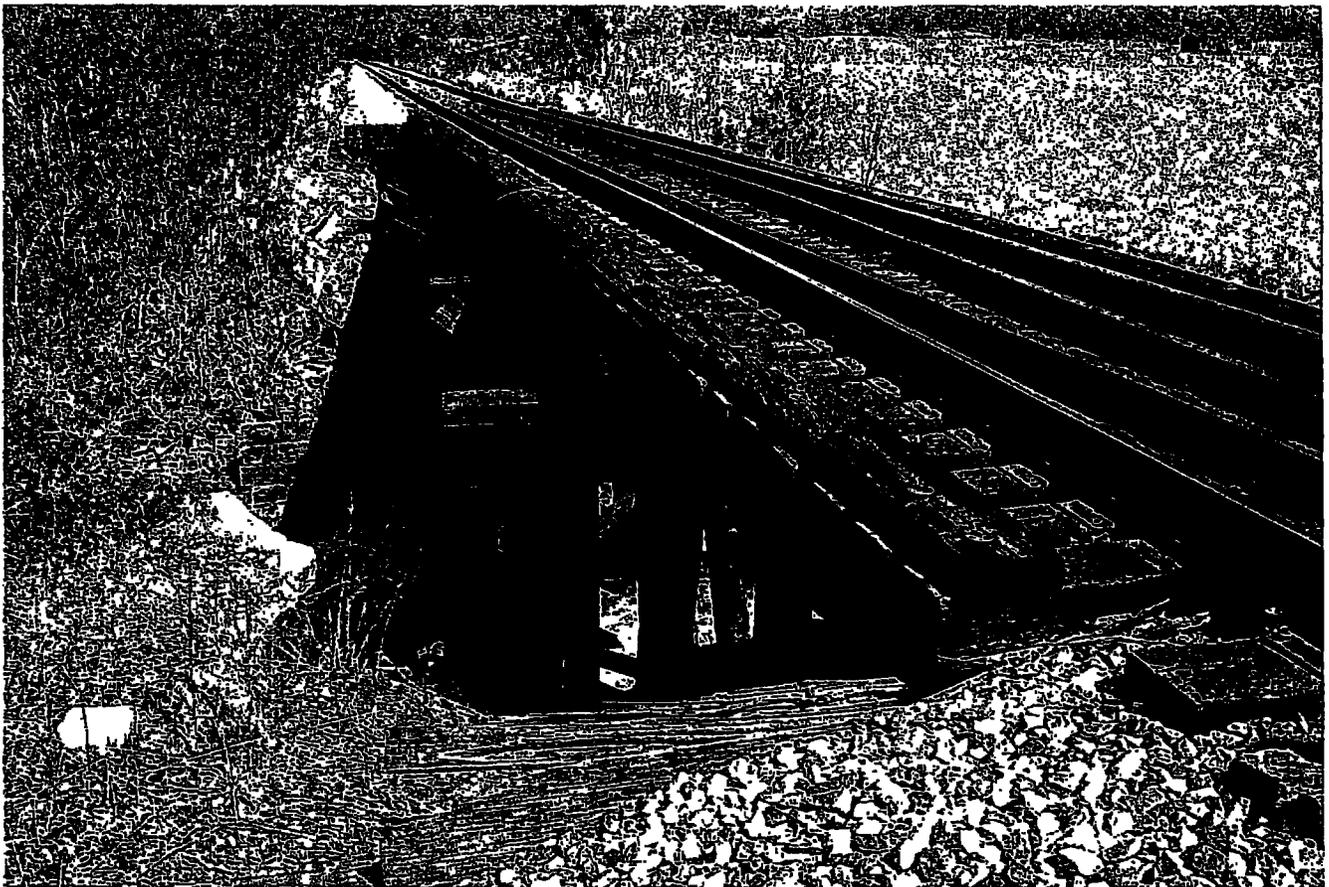
Bridge TH 251.90 Section 2

# Indiana Railroad



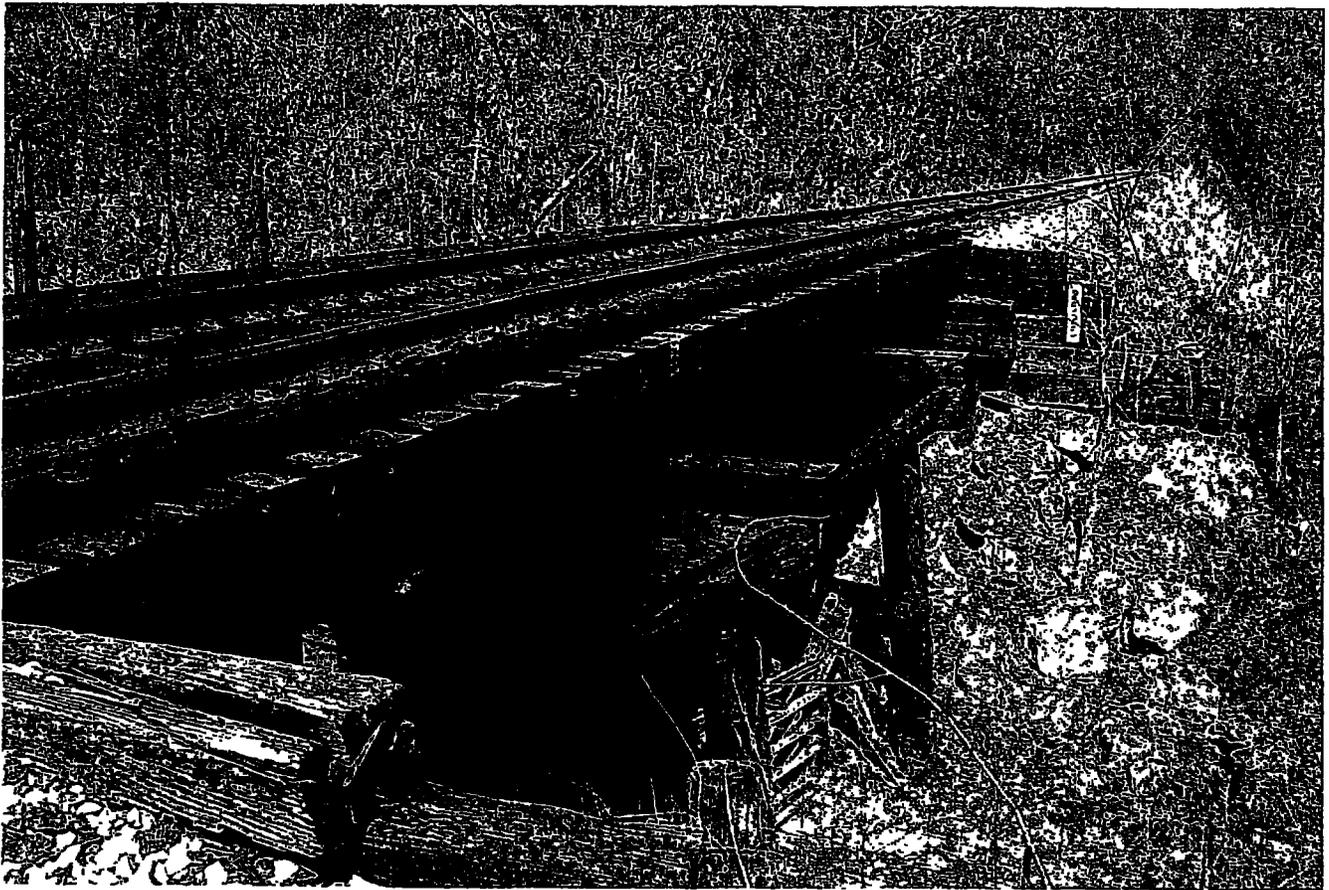
Bridge TH 251.90 Section 3

# Indiana Railroad



Bridge TH 252.20

# Indiana Railroad



Bridge TH 252.50

# Indiana Railroad



Bridge TH 254.60 Section 1

# Indiana Railroad



Bridge TH 254.60 Section 2

# Indiana Railroad



Bridge TH 254.60 Section 3

# Indiana Railroad



Bridge TH 255.60

# Indiana Railroad



Bridge TH 257.00

# Indiana Railroad



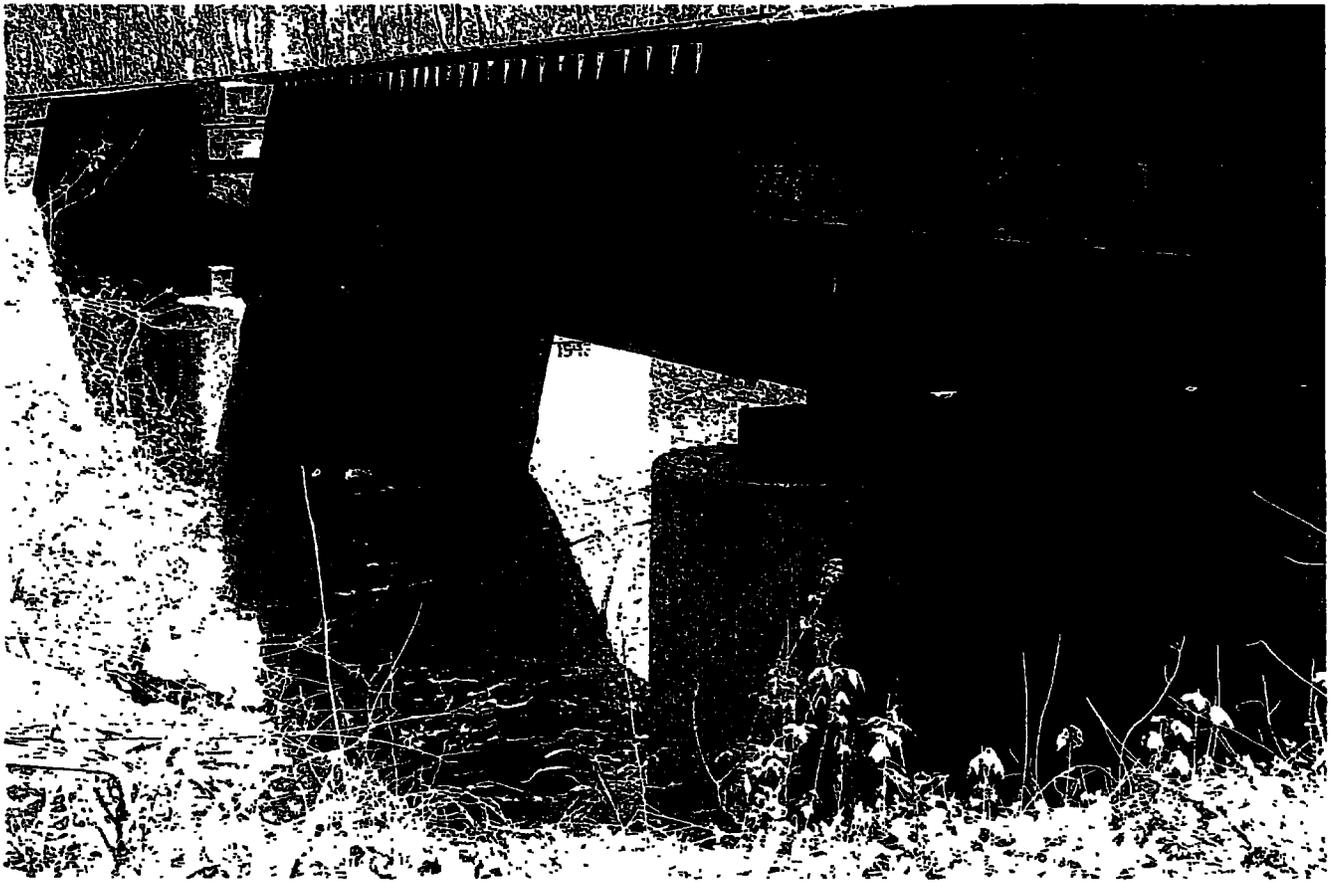
Bridge TH 258.50

# Indiana Railroad



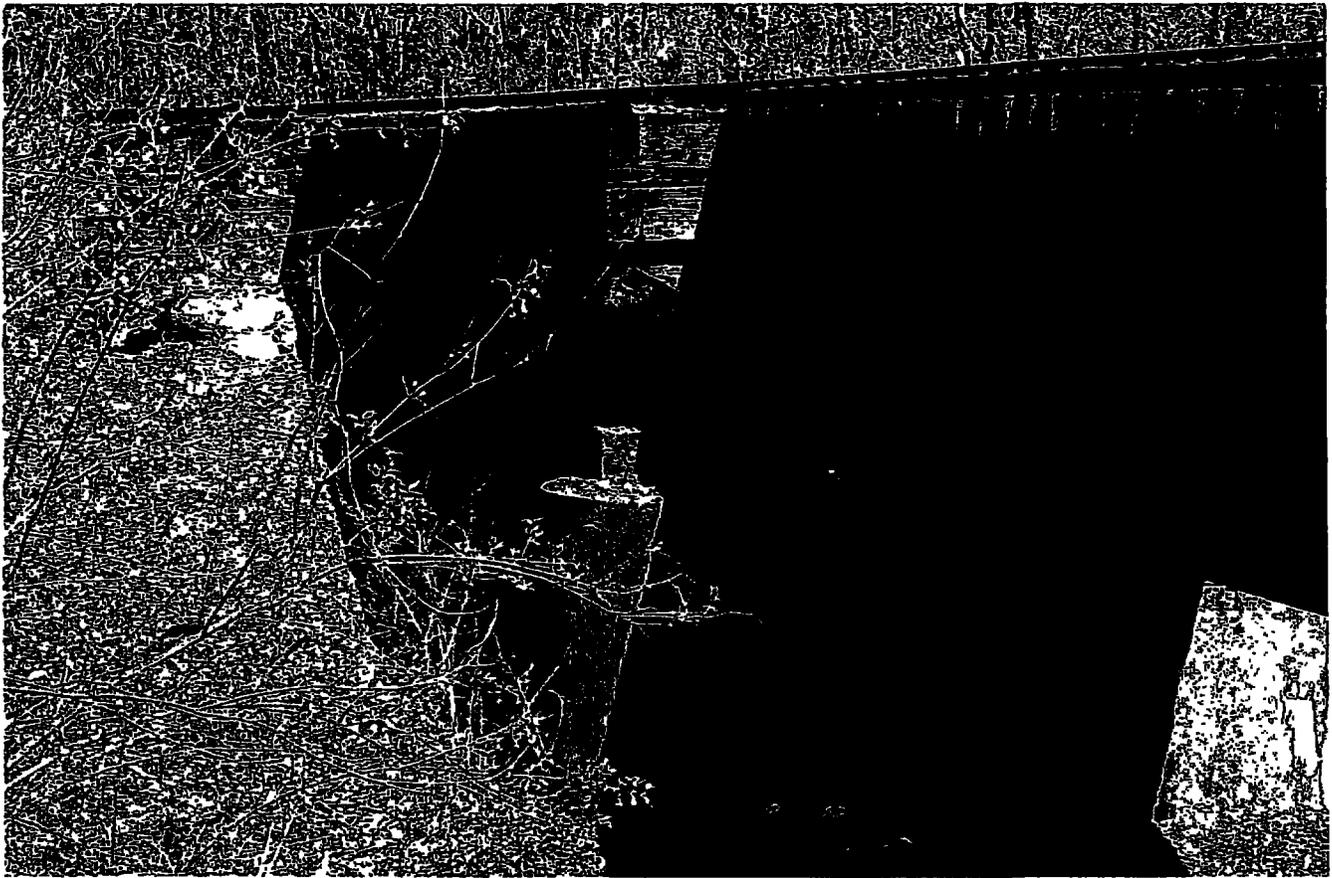
Bridge TH 259.10 Section 1

# Indiana Railroad



Bridge TH 259.10 Section 2

# Indiana Railroad



Bridge TH 259.10 Section 3

# Indiana Railroad



Bridge TH 259.37

# Indiana Railroad



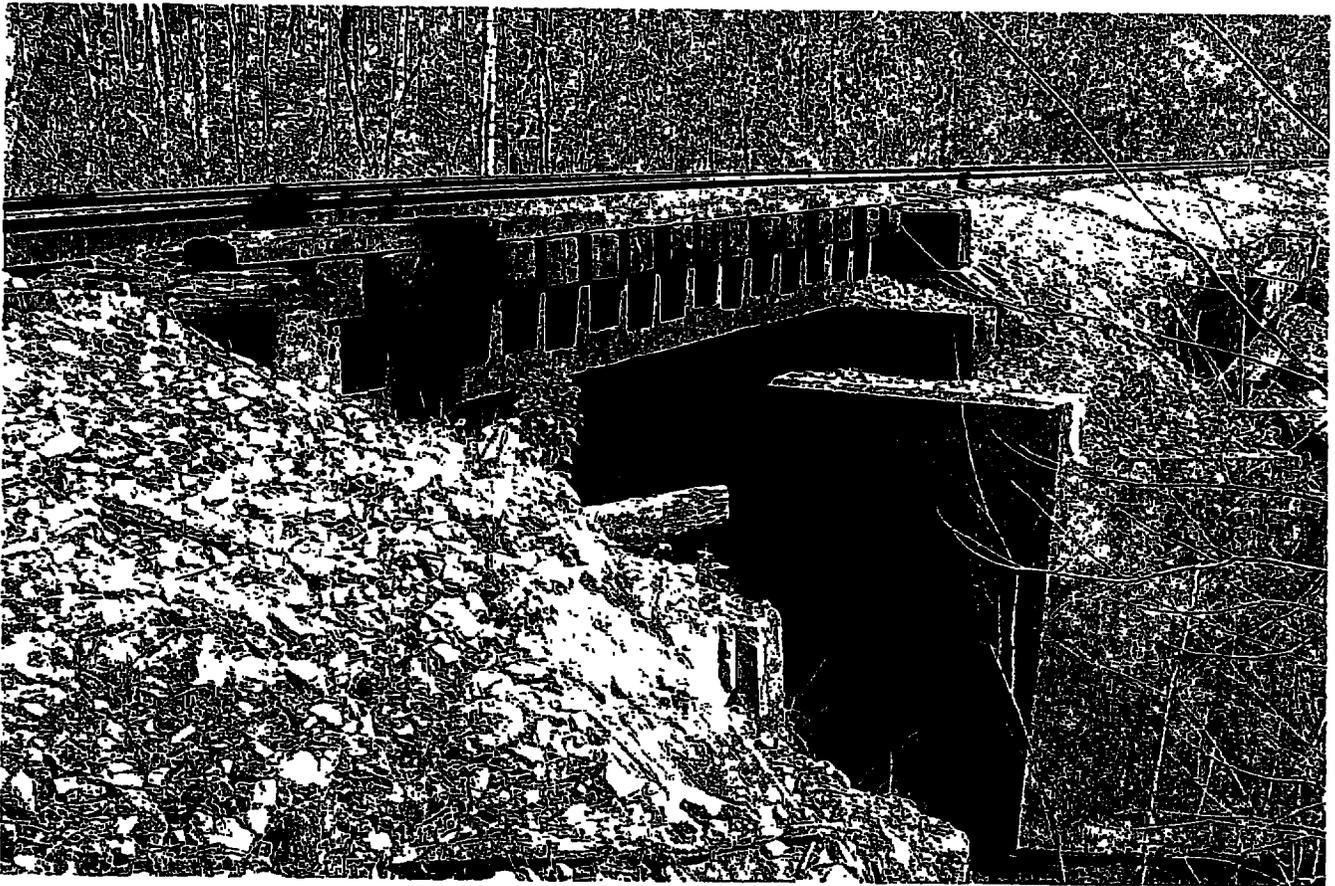
Bridge TH 259.44

# Indiana Railroad



Bridge TH 259.54

# Indiana Railroad



Bridge TH 259.70

# Indiana Railroad



Bridge TH 259.90

# Indiana Railroad



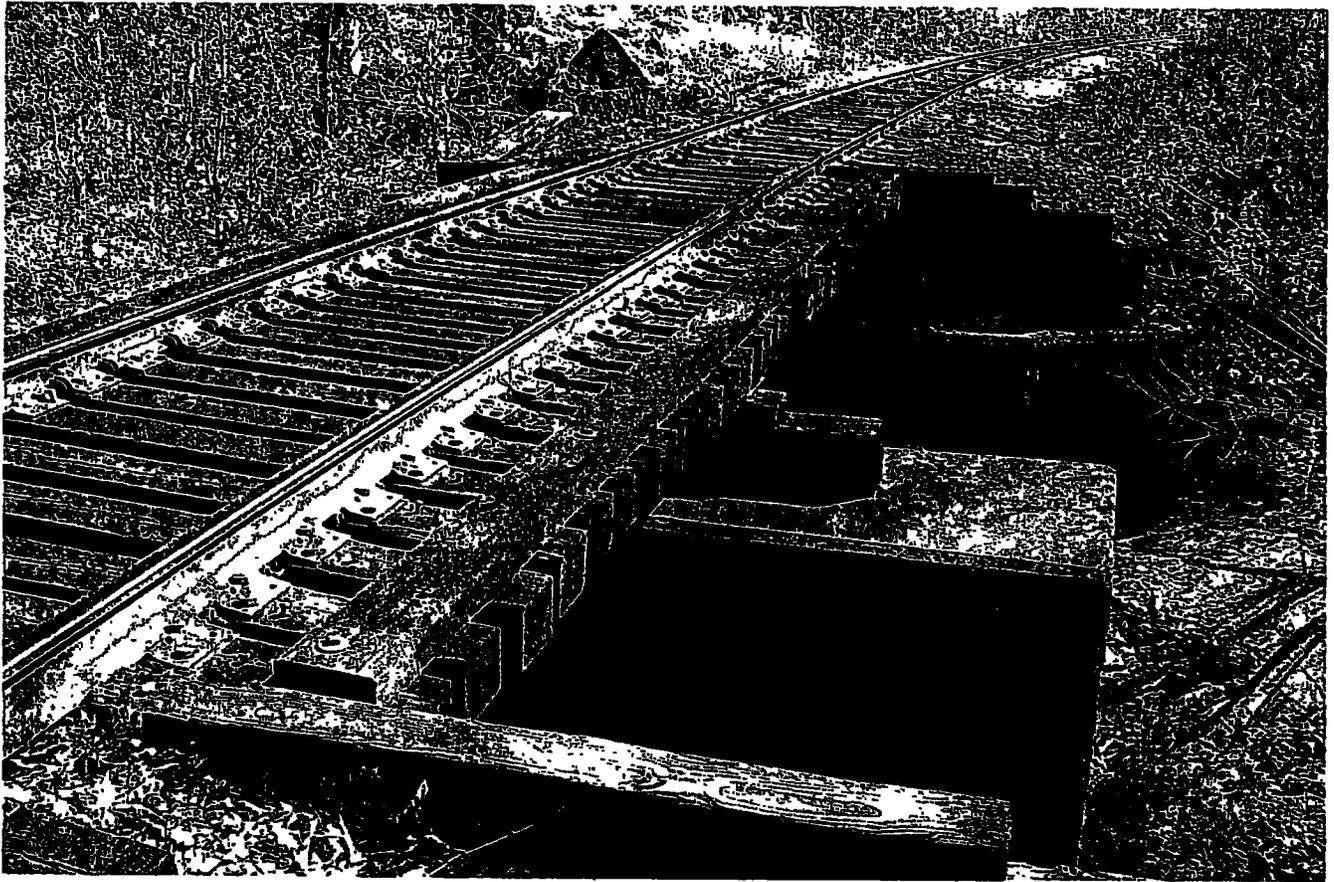
Bridge TH 260.00

# Indiana Railroad



Bridge TH 260.10

# Indiana Railroad



Bridge TH 260.23

# Indiana Railroad



Bridge TH 260.50

# Indiana Railroad



Bridge TH 260.90

# Indiana Railroad



Bridge TH 261.20

# Indiana Railroad



Bridge TH 261.36

# Indiana Railroad



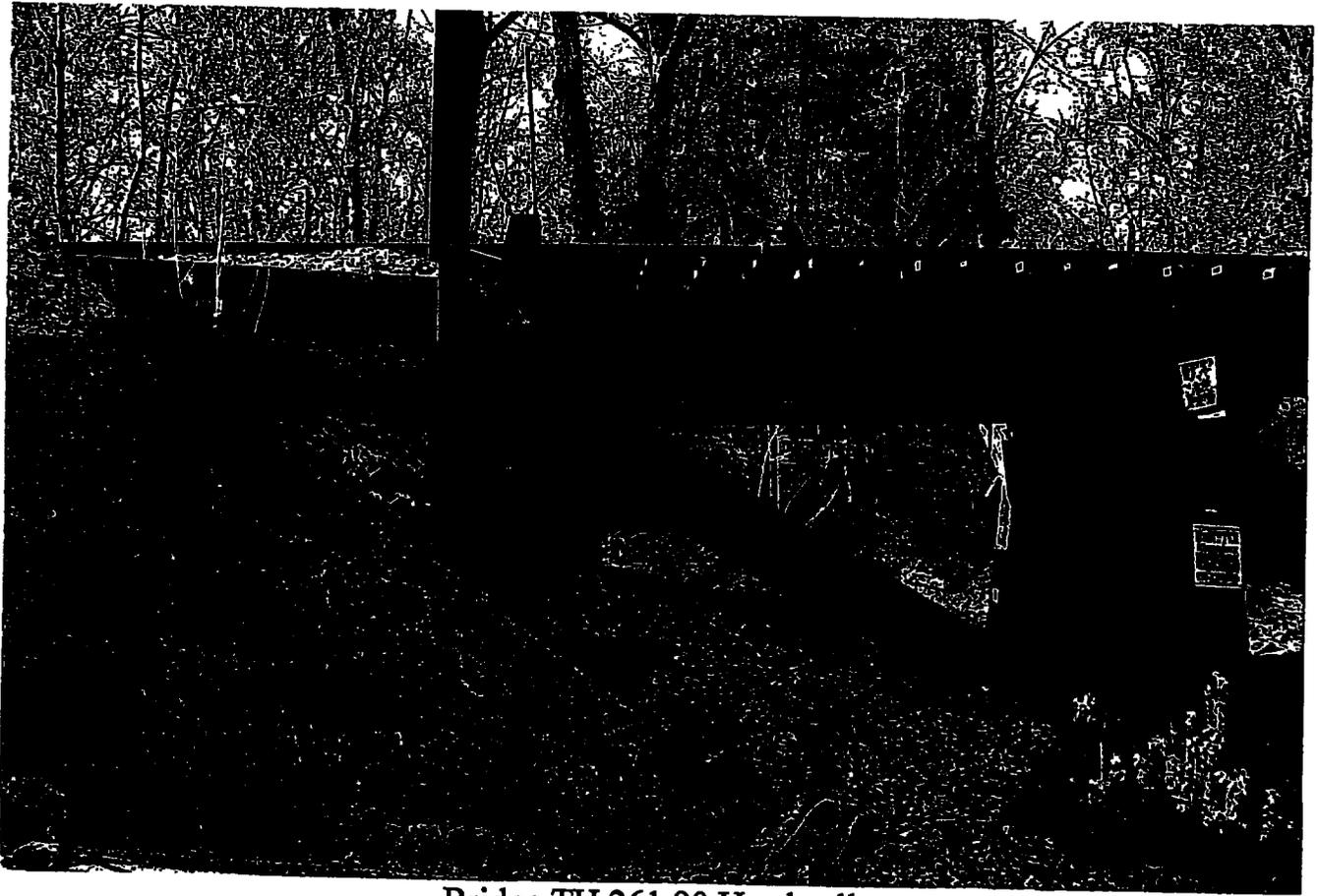
Bridge TH 261.90

# Indiana Railroad



Bridge TH 261.90 Bents 6, 7 & 8

# Indiana Railroad



Bridge TH 261.90 Headwall

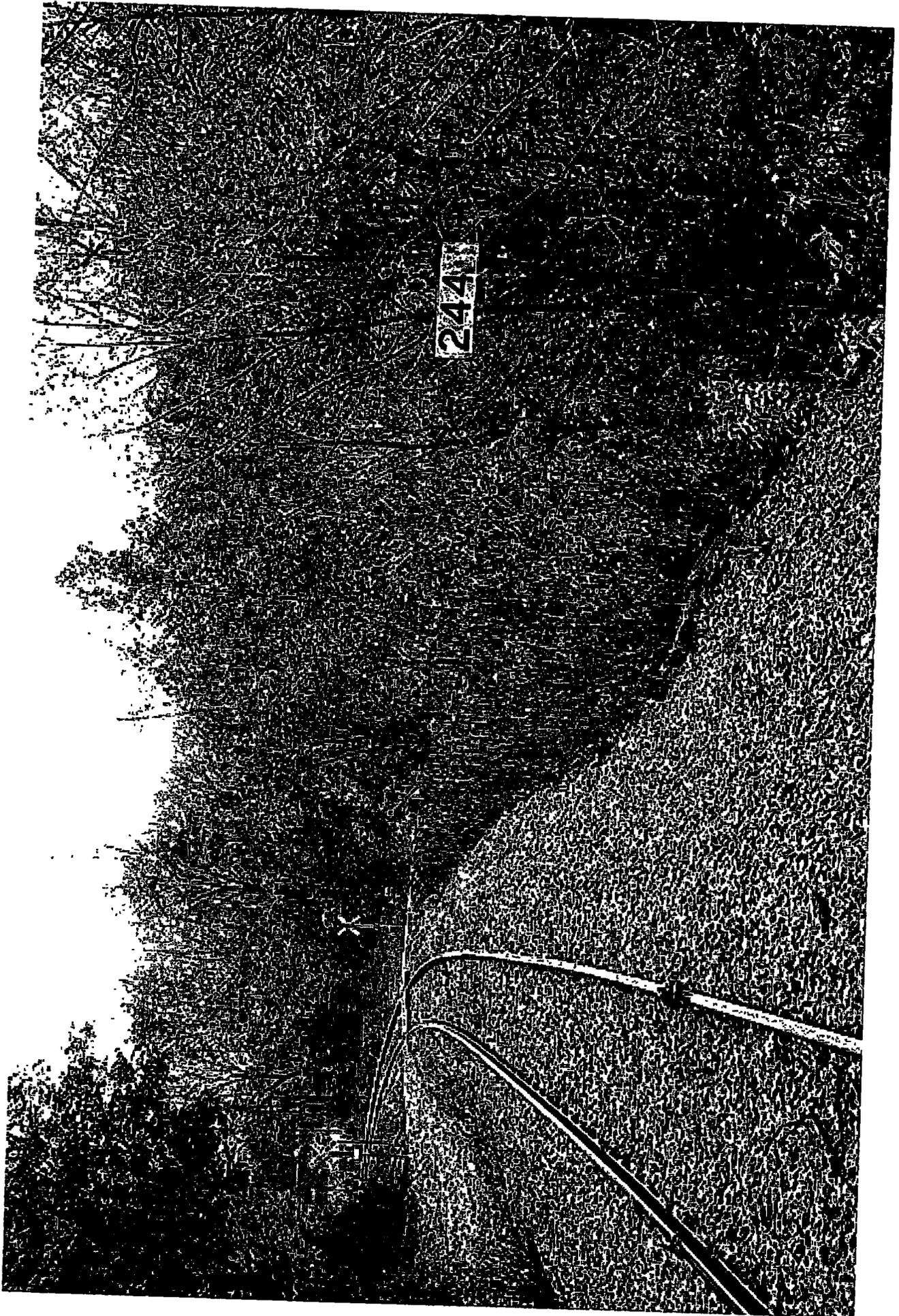
**Exhibit F**  
**(Photographs of the Line at each milepost)**



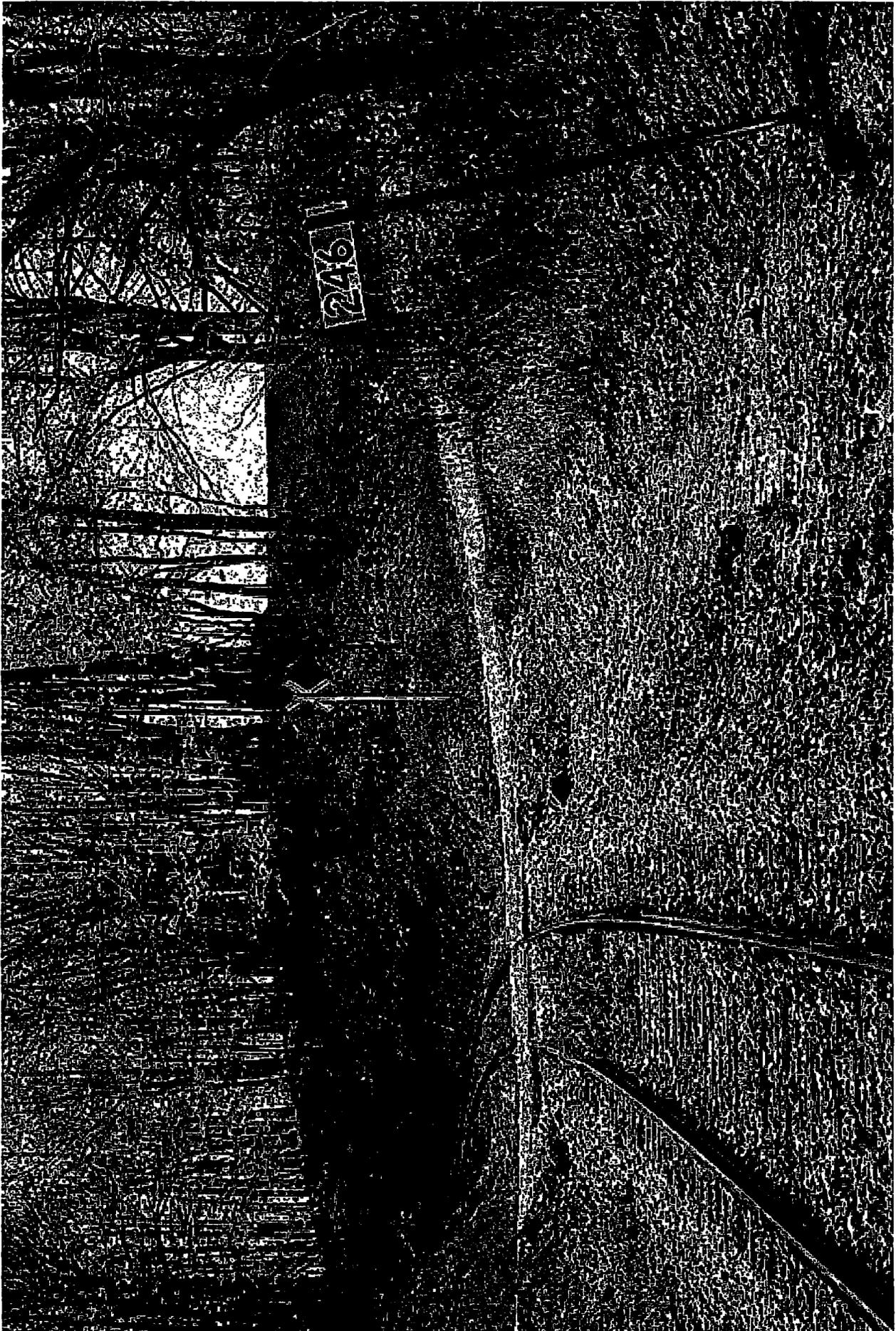


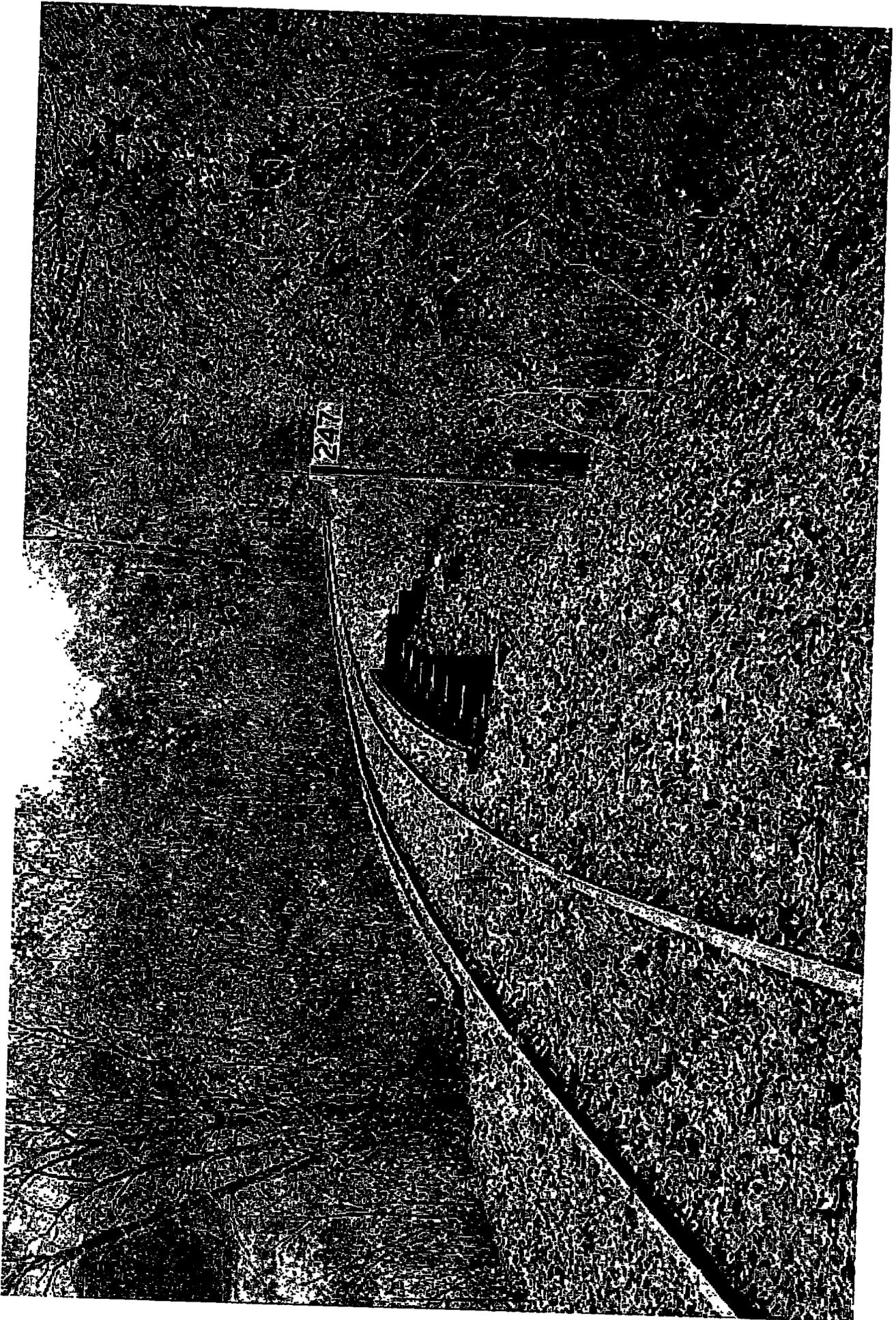
243





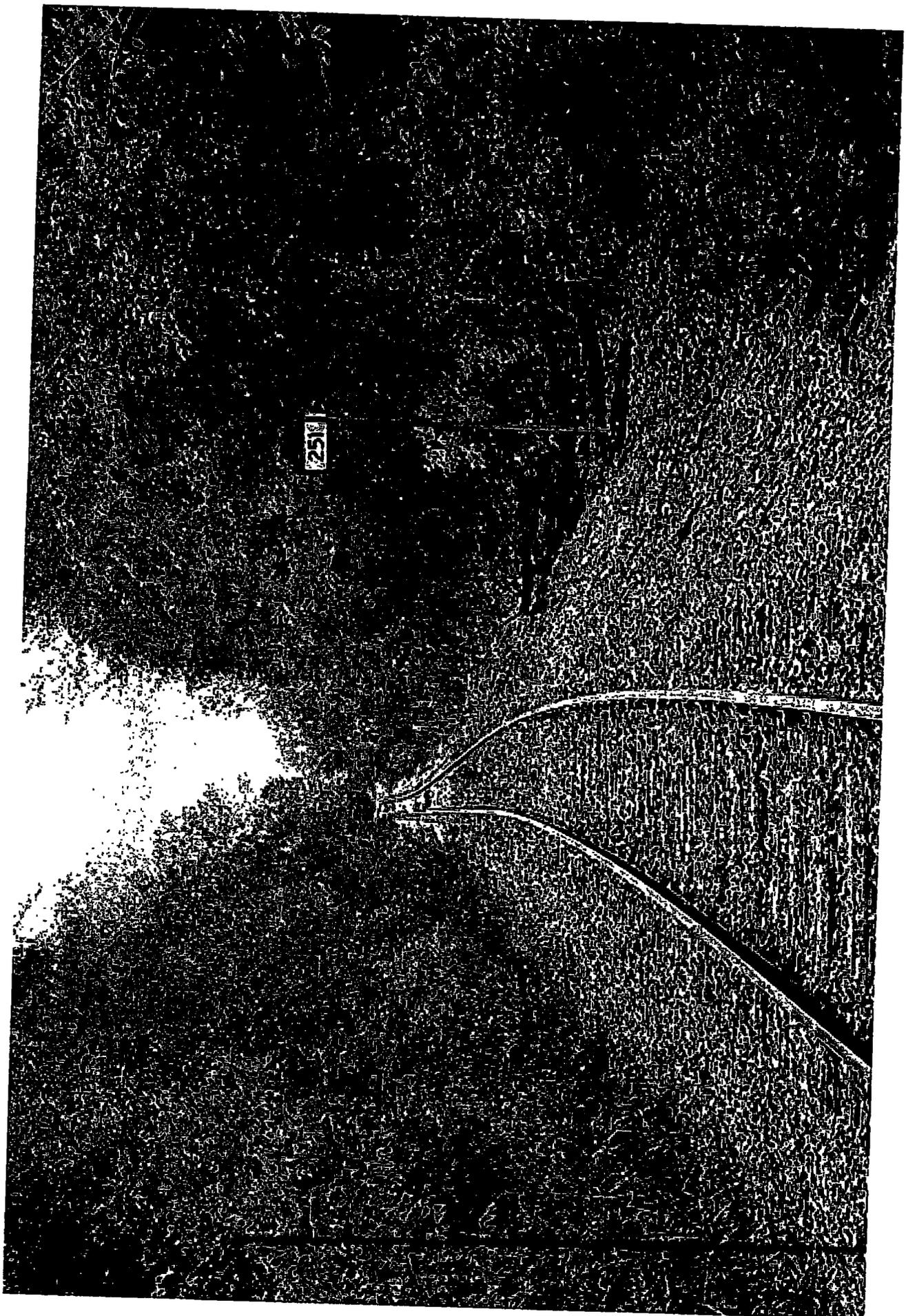




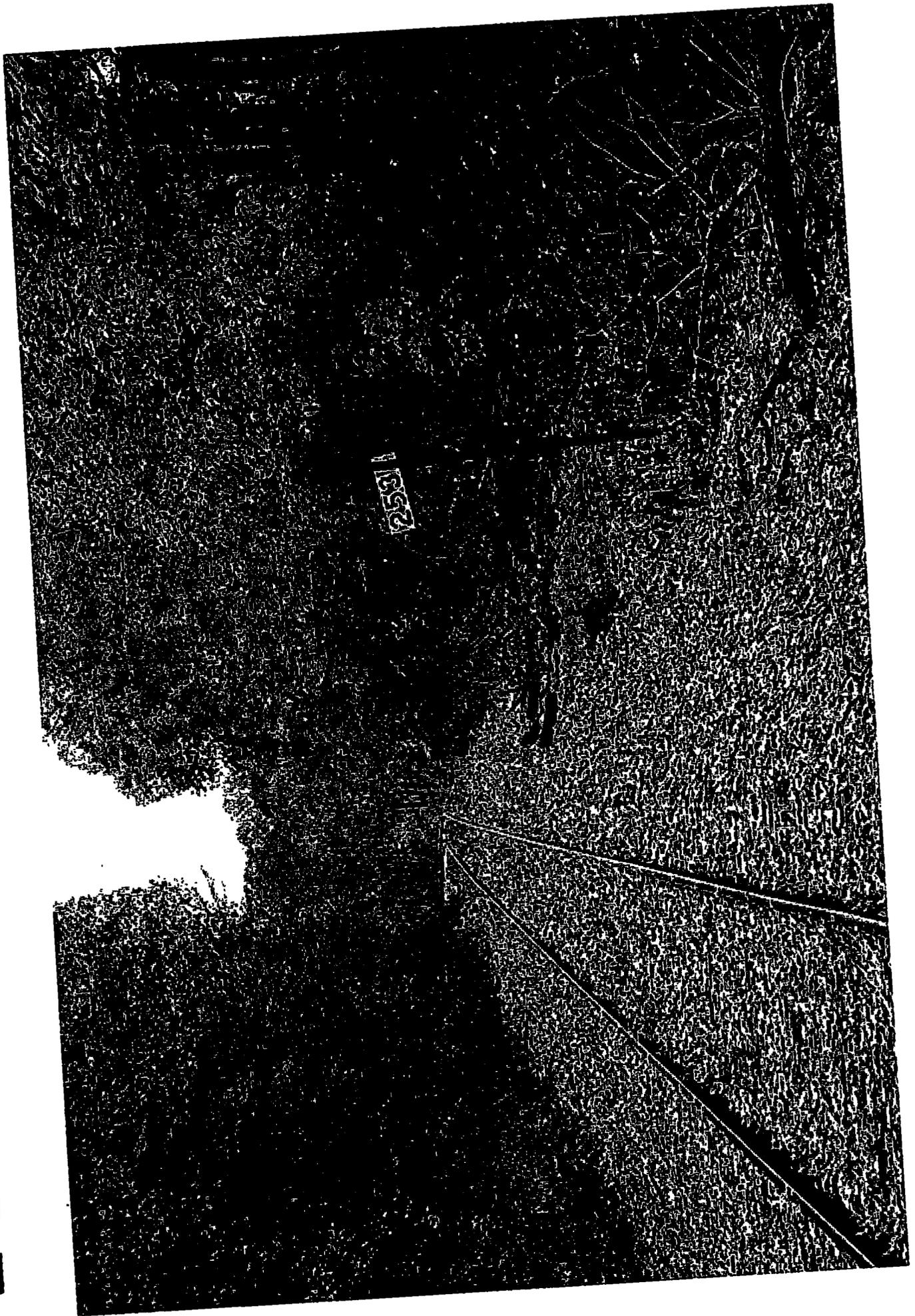




2501







2531

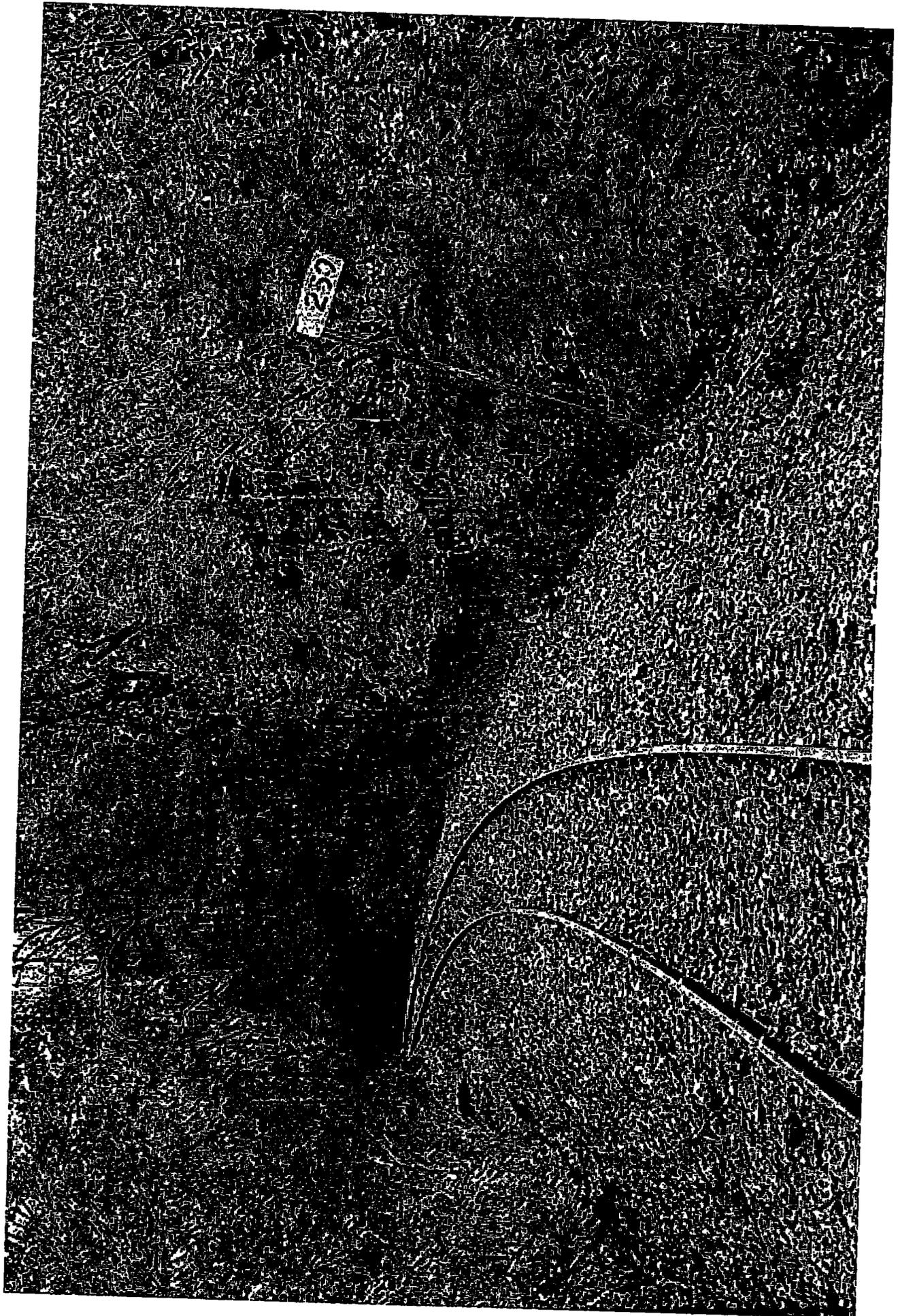


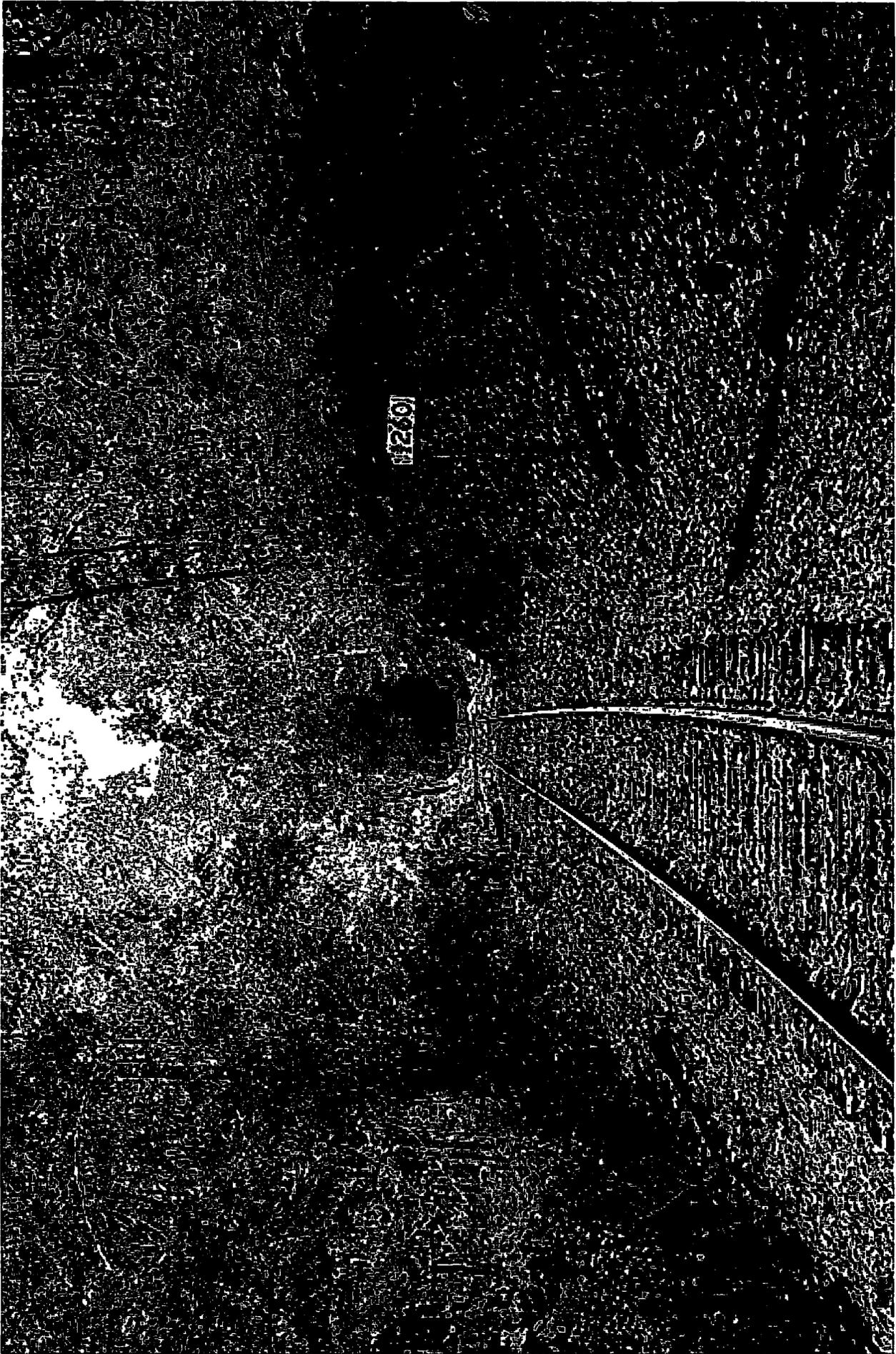
254

123





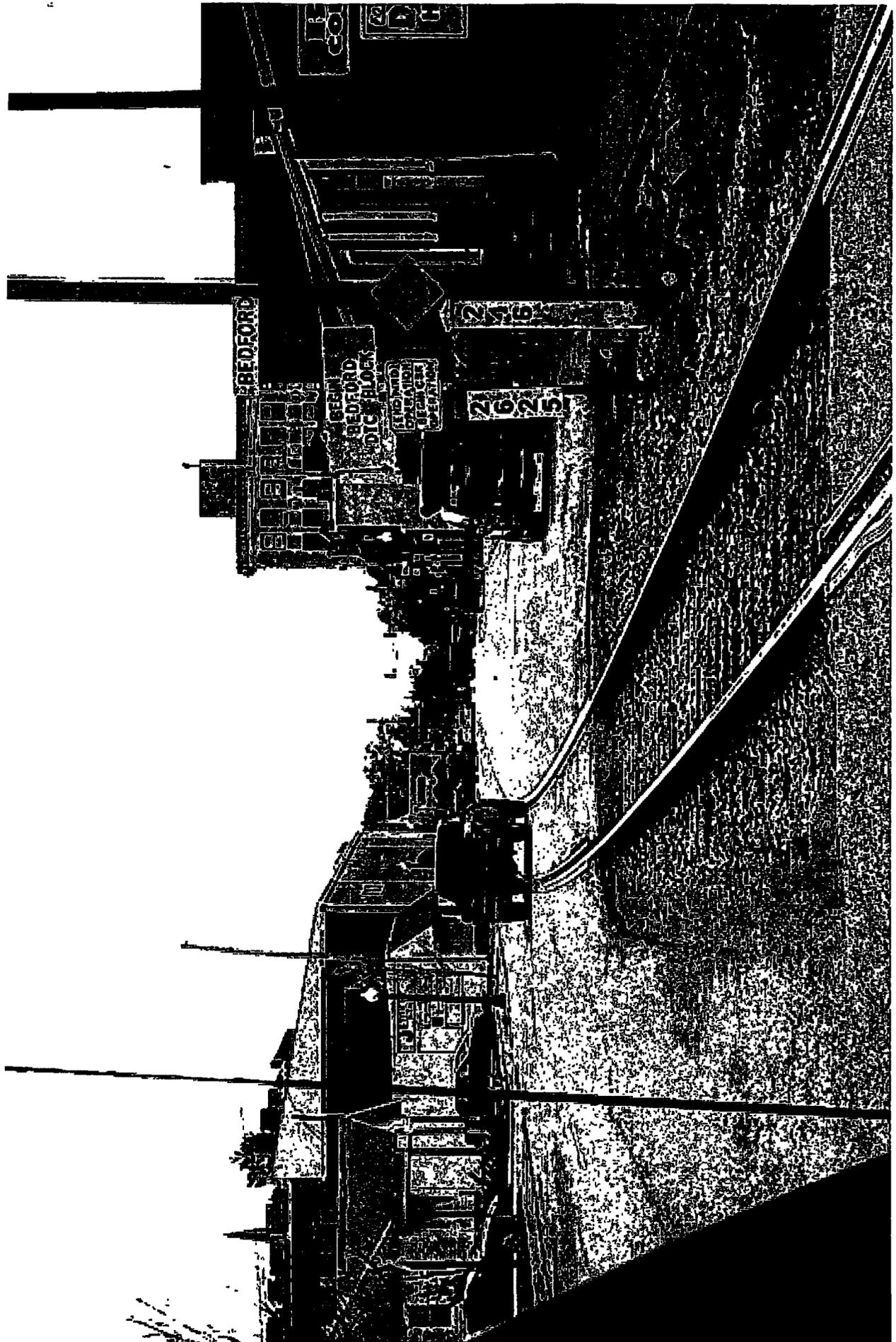




1260







# **Exhibit G**

**(Photographs of the Bedford Industrial Track and adjacent structures)**

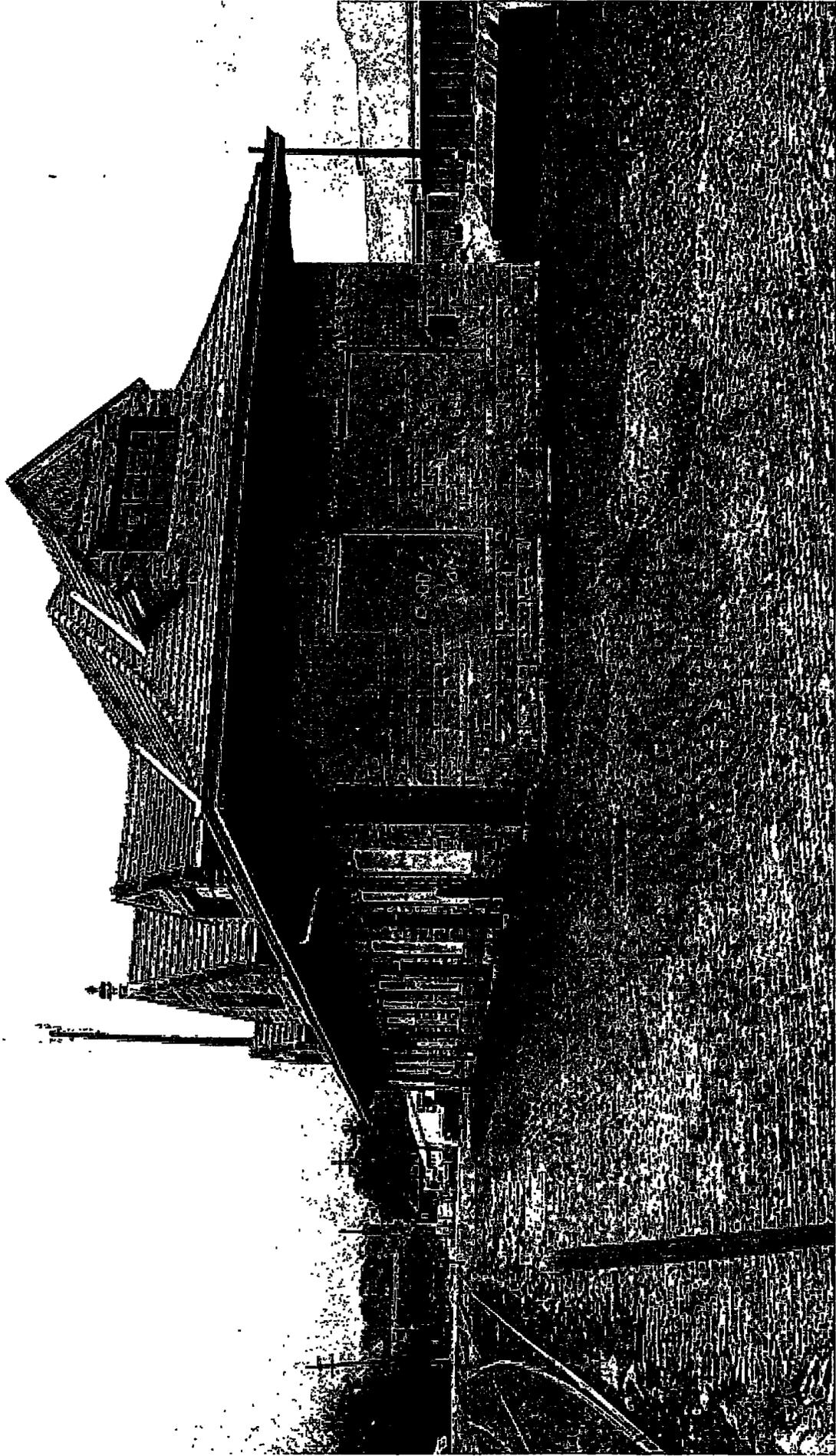


BEGINNING OF BEDFORD  
INDUSTRIAL TRACK  
VIEW: EAST



BEDFORD INDUSTRIAL TRACK TO LEFT  
FORMER MILW MAIN LINE TO SEYMOUE (CENTER) (ABANDONED)  
FORMER MILW STATION (RIGHT)

107



FORMER MIL-W STATION (BEDFORD, IN)



BEDFORD INDUSTRIAL TRUCK APPROX. MPO. 41  
(EAST SIDE) (VIEW: NORTH)

BEDFORD INDUSTRIAL TRUCK APPROX. MPO. 41  
(WEST SIDE) (VIEW: SOUTH) GENERAL MOTORS ON RIGHT



BEDFORD INDUSTRIAL TRACK (EAST SIDE)(VIEW: NORTH)