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BEFORE THE
SURFACE TRANSPORTATION BOARD

INDIANA SOUTHWESTERN RAILWAY)
CO. -- ABANDONMENT EXEMPTION --) DOCKET NO. AB-1065X
IN POSEY AND VANDERBURGH)
COUNTIES, IN)

ENTERED
Office of Proceedings

FEB 18 2011

Part of
Public Record

RESPONSE TO REQUESTS FOR DISCOVERY

THE TOWN OF POSEYVILLE, INDIANA
20 South Cale Street
P.O. Box 194
Poseyville, IN 47633

Offeror

WILLIAM H. BENDER
Town of Poseyville Attorney
20 South Cale Street
P.O. Box 194
Poseyville, IN 47633

Attorney for Offeror

DATE FILED: February 18, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

INDIANA SOUTHWESTERN RAILWAY)
CO. -- ABANDONMENT EXEMPTION --) DOCKET NO. AB-1065X
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RESPONSE TO REQUESTS FOR DISCOVERY

Pursuant to the Board's decision served February 11, 2011, THE TOWN OF POSEYVILLE, INDIANA (the Town) hereby files this Response to Discovery Requests submitted by Indiana Southwestern Railway Co. (ISW). The Town's Responses have been verified by an authorized representative of the Town. See Appendix 1.

RESPONSES

Request No.1. Produce the Town's annual budgets and balance sheets for 2009, 2010, and 2011, and any other records for 2009, 2010, 2011 identifying combined annual Town income, expenses, and disbursements.

See attached copy of the Town of Poseyville Statement of Receipts, Disbursements, Cash, and Investment Balances for 2009. Said report for 2010 is not yet completed, but will be provided upon completion that is expected to be within the next thirty (30) days. The Town does not yet have a finalized budget for 2011, and when one is available will be provided. There are no significant variances in revenue and expenses for 2009, 2010, and 2011.

Request No.2. Does the Town possess in its accounts sufficient discretionary funds to purchase the Lines at the price postulated in the Town's OFA? If the Town does not currently possess such funds, identify the source(s) of funds that the Town would seek to obtain to pay the Lines' purchase price.

No. The Town intends to work with local and state economic development groups such as the Posey County Economic Development Partnership, the Economic Development Coalition of Southwest Indiana, and the Indiana Economic Development Corporation (IEDC) to identify grant and loan programs available for critical infrastructure projects tied to economic development once the purchase price has been established through the OFA process. The Town may consider formation of a port authority allowed under state law in order to qualify for additional grant and financing programs including the Industrial Rail Service Fund (IRSF) administered by the Indiana Department of Transportation (INDOT). ISW should be familiar

with the IRSF since it has received nearly \$411,000 over the last ten years in spite of providing no discernable benefits in new job creation or investment. Other communities in the state of Indiana have approached preservation of rail service in a similar manner and the Town anticipates leveraging that experience as a guide to preserve rail service to Poseyville.

Request No.7. Has any third party contacted the Town proposing to supply all or any of the funds necessary to purchase the Lines and/or to pursue the OFA process? If yes, identify-
(a) the third party(ies);
(b) the amount of money that party has proposed or committed to supply; and
(c) the terms upon which such purchase price and/or funding for the OFA process has been offered.

The Town has received informal inquiries from around the U.S. but has not entertained any formal written offers. In order to consider any possible relationship, the town would have to issue a Request for Proposals (RFP) and advertise publicly in order to solicit third parties to participate in either funding and/or operating the railroad. Once an RFP is advertised, any qualified operator could submit a proposal including ISW. The Town has not taken any action to release an RFP at this time.

Request No.8. Provide all documents responsive to Request No.7, including, but not limited to, written proposals, meeting minutes, term sheets, proposal summaries, and all written communications with any third parties seeking to cooperate with the Town in the proposed purchase of the Lines through the OFA process.

The Town has received no formal written proposals since no RFP has been issued. See response to Request No.7.

Request No.9. Does the Town plan to borrow money to purchase the Lines?

The Town has no current plan to borrow money to purchase the Lines. The Town would likely seek funding through grants (See response to Request No. 1) and/or participation from qualified private operators (see response to Request No. 7).

Request No.10. If the answer to Request No.9 is anything other than in the negative, identify the lending source(s) from which the Town would draw the necessary funds, and produce any and all documents establishing the Town's ability to draw from such lending source(s) (including, but not limited to, loan agreements and/or lines of credit), and showing the amounts available to the Town from such lending source(s).

Not applicable.

Request No. 23. Has the Town discussed with a third party(ies) the possible future disposition of any or all portions of the Lines in the event that the Town were to acquire the Lines through the OFA process, including any plans to salvage any of the rail and other track material along the Lines? Ifso, identify the third party(ies), the Town and/or third party plans for future disposition and salvage, and provide all documents between the Town and such third party(ies) relating to any such future disposition plans.

Not applicable. The Town has not developed any formal plans or solicited proposals through a public bidding process.

Request No. 28. Identify all shippers that the Town or any third parties assisting the Town with the subject OFA have contacted concerning possible future service on the Lines, and, in so doing, provide the commodities all such shippers would plan to ship over the Lines and the projected annual carloads each such shipper would tender for shipment over any portion of the Lines.

Not applicable. There are no active shippers on the line segment subject to this filing.

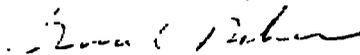
Request No. 30. Has the town prepared, or has any third party provided the Town with, a plan for the operation of the Lines and/or the provision of service over the Lines in the event that the Town were to acquire the Lines? If so, provide a copy of each such plan.

Not applicable. The Town has not developed a formal plan for operation.

Request No. 31. Identify each company that engages in the business of track salvage and/or track component resale (such as rails, ties, tie plates, scrap steel, and fasteners, etc.) that has contacted or has made any proposal to the Town in connection with the subject rail line abandonment proceeding and/or the Town's OFA.

Not applicable. The Town has not solicited proposals for track salvage. Any written proposal would have to be solicited through a public bidding process.

Respectfully submitted,



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Offeror



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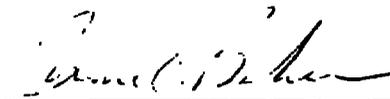
Attorney for Offeror

DATE FILED: February 18, 2011

VERIFICATION

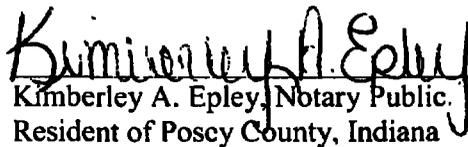
STATE OF INDIANA)
)
COUNTY OF POSEY)

Bruce C. Baker, being duly sworn, states that he has knowledge of the foregoing responses to discovery requests, and that those responses are true and correct.



**Bruce C. Baker, Authorized Representative of
the Town of Poseyville, Indiana**

SUBSCRIBED and SWORN to before me this 18th day of February, 2011.



**Kimberley A. Epley, Notary Public.
Resident of Posey County, Indiana
Commission Expiration: September 11th, 2016**



CERTIFICATE OF SERVICE

I hereby certify that on February 18, 2011, I served the foregoing document, Response to Requests For Discovery, by electronic mail, on the attorneys for Indiana Southwestern Railway Co., William A. Mullins and Robert A. Wimbish, Baker & Miller, 2401 Pennsylvania Avenue, Suite 300, Washington, DC 20037, and on Ms. Venetta Keefe, Senior Rail Planner, Indiana Department of Transportation, 100 North Senate Avenue, Room N955, Indianapolis, IN 46204.



William H. Bender
Town of Poseyville Attorney

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PART 1 - TRANSACTION REPORT
FOR ANNUAL CITY/TOWN FINANCIAL REPORT
STATEMENT OF RECEIPTS, DISBURSEMENTS, CASH BALANCES, AND
INVESTMENTS BALANCES (INCLUDES UTILITIES)

REC NO TAX BD CODE # FUND NAME FUND # FUND TYPE FUND CODE BEG. BALANCE JANUARY 1 RECEIPTS DISBURSEMENTS END BALANCE DECEMBER 31 INVESTMENTS DECEMBER 31

FUND

REC NO	TAX BD	CODE #	FUND NAME	FUND #	FUND TYPE	FUND CODE	BEG. BALANCE JANUARY 1	RECEIPTS	DISBURSEMENTS	END BALANCE DECEMBER 31	INVESTMENTS DECEMBER 31	TOTAL CASH & INVESTMENTS DECEMBER 31	
2	6	0101	RIVERBOAT TAX SHARING	242			22798.31	19065.97	21278.94	20585.34	0.00	20585.34	
3	0210	0210	LAW ENFORCEMENT GRANT	101			1846.18	27437.97	409633.11	-133308.95	0.00	-133308.95	
4	0212	0212	COIT/COUNTY OPTION TAX	210			256.95	0.00	0.00	256.95	0.00	256.95	
5	0280	0280	ST RESURFACING DEBT SERV	103			21213.91	19784.13	0.00	40998.04	0.00	40998.04	
6	0300	0300	PAYROLL	307			12186.51	31645.61	43846.25	-14.13	0.00	-14.13	
7	0300	0300	PAYROLL MEDICAL DED	701			0.00	265942.77	265942.77	0.00	0.00	0.00	
8	0302	0302	PAYROLL EMPLOYEE DED	702			5.70	2.17	0.00	7.87	0.00	7.87	
9	0302	0302	PAYROLL FEDERAL WITHHOL	708			11.78	20523.64	20583.44	-48.02	0.00	-48.02	
10	0302	0302	PAYROLL FICA WITHHOLDIN	708			0.00	35470.47	35470.47	0.00	0.00	0.00	
11	0302	0302	PAYROLL MEDICARE WITHHO	731			0.00	46966.45	46966.45	0.00	0.00	0.00	
12	0302	0302	PAYROLL STATE WITHHOLDI	732			0.00	10899.62	10899.62	0.00	0.00	0.00	
13	0302	0302	PAYROLL STATE WITHHOLDI	733			0.00	15521.78	15099.80	0.00	0.00	0.00	
14	0302	0302	PAYROLL STATE WITHHOLDI	734			1247.67	6596.93	32122.36	1669.85	0.00	1669.85	
15	0650	0650	EDC ECONOMIC DEV. COM	736			18777.90	0.00	0.00	18777.90	0.00	18777.90	
16	0706	0706	L R S	650			18777.90	0.00	0.00	18777.90	0.00	18777.90	
17	0708	0708	MVH	202			18181.61	5066.56	11000.00	12268.19	0.00	12268.19	
18	1453	1453	LAW ENFORCE CONT. ED.	201			439.30	84915.79	76704.32	18650.77	0.00	18650.77	
19	1490	1490	CUMULATIVE FIRE	208			2717.38	650.00	0.00	3367.38	0.00	3367.38	
20	1490	1490	RAINY DAY	208			1623.44	1350.00	0.00	2973.44	0.00	2973.44	
21	1301	1301	PARK	402			0.00	7801.35	7801.35	0.00	0.00	7801.35	
22	2120	2120	CEMETERY	448			0.00	3073.49	2671.43	1191.08	0.00	1191.08	
23	2120	2120	CEMETERY PERM MAINT FUND	204			213.41	4386.96	4950.10	-369.73	0.00	-369.73	
24	2378	2378	CUM CAP IMPROVE	205			825.00	850.00	38.60	1636.40	0.00	1636.40	
25	2391	2391	CUM CAP DEVELOPMENT	206			13771.79	3639.74	0.00	17411.53	0.00	17411.53	
26	4000	4000	FIRE FIGHTING GRANT	401			7647.42	40748.26	9615.60	38780.08	0.00	38780.08	
27	5103	5103	COMMUNITY CENTER	435			0.01	0.00	0.00	0.01	0.00	0.01	
** Subtotal **							3257.39	35115.00	1826.00	36547.39	0.00	36547.39	
** Subtotal **							136792.26	970243.83	1010430.69	96605.42	0.00	96605.42	
** UTILITIES **													
31	6002	6002	GAS OPERATING	615			22783.76	483358.60	486168.72	19972.64	10000.00	28972.64	
32	6010	6010	GAS CASH RESERVE	619			31571.21	3000.00	0.00	34571.21	0.00	34571.21	
33	6011	6011	GAS METER DEPOSIT	617			8740.00	2760.00	1850.00	10840.00	0.00	10840.00	
34	6201	6201	SEWAGE OPERATING	606			150959.70	363761.47	393021.75	111699.42	0.00	111699.42	
35	6202	6202	SEWAGE DEPRECIATION	608			16276.58	10500.00	0.00	26776.58	0.00	26776.58	
36	6209	6209	SEWAGE DEBT SER. RES.	608			121493.71	8850.41	60.00	130284.12	0.00	130284.12	
37	6281	6281	SEWAGE BOND & INT	607			48535.04	134848.86	128629.54	53854.36	0.00	53854.36	

CTAR-1
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REC NO TAX BD CODE # FUND NAME FUND # FUND TYPE CODE BEG. BALANCE JANUARY 1 RECEIPTS DISBURSEMENTS END. BALANCE DECEMBER 31 INVESTMENTS TOTAL CASH & INVESTMENTS DECEMBER 31

UTILITIES

38	6503	WATER OPERATING	601	35421.52	293024.45	328352.39	93.58	0.00	93.58
39	6504	WATER CONSTRUCTION FUND	611	0.00	593880.00	168750.00	425130.00	0.00	425130.00
40	6508	WATER DEPRECIATION	603	11801.03	24600.00	4154.50	32246.53	25000.00	57246.53
41	6509	WATER METER DEPOSIT	604	7740.00	2000.00	1850.00	7890.00	0.00	7890.00
42	6513	WATER DEBT SER. RES.	612	3875.70	0.00	0.00	3875.70	50000.00	53875.70
43	6580	WATER BOND & INT.	602	4504.94	50470.00	6120.00	49854.94	0.00	49854.94

Subtotal

664703.19	1961143.69	1518957.90	906888.98	85000.00	991888.98
601495.47	2931367.52	2528386.59	1003494.40	85000.00	1088494.40

LESS:

1	OTHER	999	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	5206 TRANSFERS IN	999	0.00	-66613.06	0.00	0.00	0.00	0.00	0.00
29	5500 INVESTMENT SALES	999	0.00	-16608.85	0.00	0.00	0.00	0.00	0.00
30	6000 TRANSFERS OUT	999	0.00	0.00	-409281.15	0.00	0.00	0.00	0.00
44	7000 INVESTMENT PURCHASES	999	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Subtotal

601495.47	-683219.93	-409281.15	0.00	0.00	0.00
601495.47	-683219.93	-409281.15	0.00	0.00	0.00

Total

601495.47	2246167.59	2120107.44	1003494.40	85000.00	1088494.40
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