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Office of Proceedings
February 13, 2018
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February 11, 2018

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

Re: **Docket No. AB-55 (Sub-No. 775X), CSX Transportation, Inc.-
Abandonment-in Clark, Floyd, Lawrence, Orange, and Washington
Counties, IN**

Dear Ms. Brown,

Please accept this letter response submitted in behalf of Offeror Paul Didelius ("Didelius") opposing the motion of CSXT to reject Offeror's notice of intent to file an OFA. Offeror has filed a timely Statement of Financial Responsibility including a Letter of Credit from a qualified financial institution as per the Board's January 26, 2018 Decision issued in this proceeding.

The revised Rules for OFA's set out in EP-729 do not specify, as CSXT would have it, that Offeror's Statement of Financial Responsibility address either side trackage or underlying real estate values (if any). Nor, for that matter, do the revised Rules address the abandoning carriers take up costs, transportation costs or any of the other components of net salvage value generally. All these issues are subject to negotiation once the abandoning carrier has provided to the Offeror the information specified in 49 C.F.R. § 1152.27(e). Rather, the preliminary financial responsibility calculation is intended to be a conservative estimate of what financial resources may be necessary for an OFA, not a valuation of the line. As the Board stated in the NPRM, the purpose of this calculation is not to attempt to estimate the eventual offer price of the line, but to discourage abuse of the OFA process by requiring a reasonable initial showing of financial capacity and interest. See NPRM, EP 729, slip op. at 18.

Upon request, the abandoning or discontinuing carrier must provide certain information required under 49 U.S.C. § 10904(b) and 49 C.F.R. § 1152.27(a) to a party that is considering making an OFA. A party that decides to make an OFA (the offeror) must submit the OFA to the Board, including the information specified in 49 C.F.R. § 1152.27(c)(1)(ii). If the Board determines that the OFA is made by a "financially responsible" person, the abandonment or

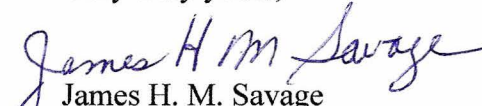
discontinuance authority is postponed to allow the parties to negotiate a sale or subsidy arrangement. 49 U.S.C. § 10904(d)(2); 49 C.F.R. § 1152.27(e).

Here, the parties are far closer to one other's negotiating positions than not. For example, CSXT accepts Offeror's projected \$275 per ton value for scrap steel. Offeror, in turn, accepts CSXT's recalculated value of \$1,430,980 for Offeror's preliminary financial responsibility. The parties are within 3/10's of one mile of each other's linear distance projections for the rail line. The 4.84 miles of side track were not disclosed in CSXT's exemption petition, so they should be rejected by the Board as untimely raised after Offeror's based his Notice of Intent upon the mileage stated by the abandoning carrier. The issue of side tracks can be addressed in the OFA. Nor were real estate values included in EP 729. Those values, if any, should be among the materials provided to the Offeror by the abandoning carrier pursuant to the Notice of Intent.

The Letter of Credit furnished by Offeror appropriately reflects the substantial nature of his ongoing, multifaceted railroad business operations, of which the acquisition of this rail line would constitute a relatively small part. Let us not lose sight of the fact that Mr. Didelius is an established short line railroad operator, with a record of revitalizing rail lines similar to the Hoosier Subdivision. Nor would Offeror's intervention here necessarily be incompatible with trail use, as he is amenable to exploring shared use of the rail corridor.

For the foregoing reasons Offeror requests the Board deny CSX's motion to reject the Notice of Intent and for such other and further relief as Offeror may be entitled under the law.

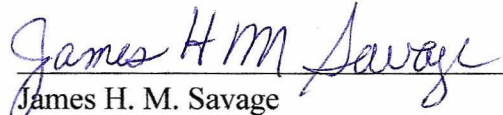
Very truly yours,


James H. M. Savage

cc: Service List

Certification of Service

I, James H. M. Savage, an attorney at law of the District of Columbia, hereby certify under penalty of perjury that I have this 13th day of **February, 2018** served by electronic mail copies of the within pleading in the matter bearing **STB Docket Number AB-55 (Sub-No. 775X), CSX Transportation, Inc. – Abandonment - in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN** upon all parties.


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