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August 28, 2004

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

ENTERED
Office of Proceedings

AUG 30 2004

Part of
Public Record



Re: **Docket No. AB-303 (Sub-No. 27)**
Wisconsin Central Ltd. -- Abandonment --
In Ozaukee, Sheboygan and Manitowoc Counties, WI

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Reply of Wisconsin Central Ltd. to Protest and Comments**, dated August 28, 2004. A computer diskette containing the text of Reply and the accompanying verified statements in MS Word 2000 format also is enclosed.

One extra copy of the Reply and this letter are enclosed as well. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,

Thomas J. Litwiler
Attorney for Wisconsin Central Ltd.

TJL:tl

Enclosures

cc: Parties on Certificate of Service

211902 ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-303 (SUB-NO. 27)

WISCONSIN CENTRAL LTD.
-- ABANDONMENT --
IN OZAUKEE, SHEBOYGAN AND MANITOWOC COUNTIES, WI



**REPLY OF WISCONSIN CENTRAL LTD.
TO PROTEST AND COMMENTS**

ENTERED
Office of Proceedings

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Part of
Public Record

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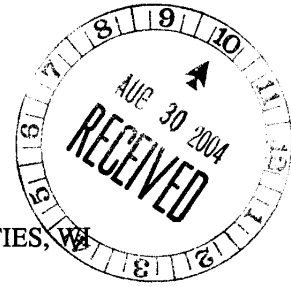
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**ATTORNEYS FOR
WISCONSIN CENTRAL LTD.**

Dated: August 28, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

WISCONSIN CENTRAL LTD.
-- ABANDONMENT --
IN OZAUKEE, SHEBOYGAN AND MANITOWOC COUNTIES, WI



**REPLY OF WISCONSIN CENTRAL LTD.
TO PROTEST AND COMMENTS**

Applicant Wisconsin Central Ltd. ("WCL") hereby replies to the joint protest of five shippers¹ and the comments of the Wisconsin Department of Transportation ("WisDOT") regarding the abandonment of WCL's rail line between Saukville and Kiel, Wisconsin (the "Plymouth Line"). The abandonment of the northern portion of the Plymouth Line, between Waldo and Kiel, is unopposed. With respect to the active, southern portion of the Plymouth Line between Waldo and Saukville (the "Southern Segment"), Protestants and WisDOT present little or no actual evidence to justify a denial of abandonment. Even when considered on its own, continued operation of the Southern Segment would entail significant operating losses, opportunity costs and rehabilitation expenses for WCL. Abandonment of that segment clearly is warranted under the applicable regulatory standards.

As shown at the public meeting held by the Board in August 13, 2004 in Random Lake, Wisconsin, there may be potential local interest in alternative arrangements for future rail service on some or all of the Plymouth Line. Such arrangements could apparently involve a combination of state funding and operations by a short-line rail carrier. Indeed, a notice of intent to file an offer of financial assistance for the entire Plymouth Line has been submitted. See

¹ Adell Cooperative, Kettle Lakes Cooperative, Neuens Fredonia Lumber Company, Lakeside Foods, Inc. and Glacier Transit & Storage, Inc. (collectively, "Protestants"). The protest is designated as a "Statement in Partial Opposition to Abandonment Application."

Decatur Junction Railway Co. Notice of Intent to File Offer of Financial Assistance, dated August 16, 2004. WCL reiterates that it remains committed to working with any party seriously interested in acquiring the Plymouth Line for continued rail service. In the meantime, however, operation of the line is a substantial burden on WCL and on interstate commerce, and abandonment should be granted.

**I. ABANDONMENT OF THE SOUTHERN SEGMENT
IS REQUIRED UNDER ALL RELEVANT CRITERIA**

Protestants specifically do not oppose abandonment of the Waldo-Kiel segment of the Plymouth Line, Protest at 1, but argue that the Southern Segment should be considered separately and abandonment denied as to that segment. Relying on Indiana Sugars, Inc. v. ICC, 694 F.2d 1098 (7th Cir. 1982), Protestants claim that WCL has the burden of proof to show that abandonment of this smaller segment of the Plymouth Line is warranted. Protest at 2-3.

Initially, we note that which party bears the burden of proof on a partial abandonment claim is less clear than the Protestants would claim. State of Maine Dept. of Transp. v. ICC, 587 F.2d 541, 543 (1st Cir. 1978); Union Pacific Railroad Company -- Abandonment -- In Lancaster and Gage Counties, NE and Marshall County, KS, Docket No. AB-33 (Sub-No. 140) (STB served December 17, 1999) at 10 ("SNC's protest is directed toward continuation of rail service over the southern segment. Where a protestant claims that an abandonment applicant should be required to continue service over a portion of a line, that protestant bears the burden of proving the viability of the segment to be retained."); Conrail -- Aban. -- Bet. Warsaw & Valparaiso, IN, 9 I.C.C.2d 1299, 1319 (1993) ("Although protestants have the burden of proof to establish the viability of a partial abandonment, they have made no effort to demonstrate that the bifurcated segment between Warsaw and Hamlet would be profitable.").

We also note that, while the Protestants essentially contend that the limits of the line to be abandoned are too long, other parties complain that the line as defined by WCL is too short. Thus, WisDOT repeats claims that WCL is engaged in "cherry picking" -- that "CN has a reasonable customer base to north and south of the endpoints of this abandonment." WisDOT Comments at 6; see also Transcript of August 13, 2004 Public Meeting ("Public Meeting Transcript") at 14-15, 78-79. Presumably similar claims would have been made if WCL had sought only to abandon the Waldo-Kiel segment of the Plymouth Line, excluding the Southern Segment which has active customers and some existing traffic. WCL believes that inclusion of the entire Saukville-Kiel line in the proposed abandonment was reasonable and appropriate in the circumstances here.

Nonetheless, WCL does not object to a stand-alone consideration of the Southern Segment for abandonment purposes. The restatement of forecast year revenues and expenses to reflect operations on the Southern Segment only are discussed in the attached Rebuttal Verified Statement of Diane R. Monnich attached hereto as Tab A ("Monnich R.V.S.") and are reflected in the revised Exhibit 1 included with that statement. Because the remainder of the Plymouth Line from Waldo to Kiel does not have rail traffic and is currently inactive, the adjustments necessary to the data originally submitted by WCL for the entire Plymouth Line relate only to normalized maintenance, rehabilitation costs, and net liquidation value/opportunity costs. See Monnich R.V.S. at 10-11.

The forecast year restatement for the Southern Segment also includes three other technical corrections made by WCL in response to matters raised by the Protestants. With respect to eight cars of fertilizer delivered to Adell Cooperative in Adell in 2003 and shown as originating on Canadian National Railway Company ("CN") in Manitoba, Protest at 7-8, WCL

has confirmed that those shipments originated in Saskatchewan and had a prior movement to Manitoba before the movement to Adell. That extra movement increased the total revenue generated by that traffic, and thus the portion of the revenue attributable to the handling of that traffic in the United States by WCL and its U.S. affiliates. That adjustment results in an increase in base year revenues for the Southern Segment of \$8,178 and an increase in forecast year revenues for the Southern Segment of \$8,328. Monnich R.V.S. at 5 and Appendix 2.

Protestants also assert that data provided by WCL shows only 100 train trips on the Plymouth Line during the base year of 2003, and argues that WCL's use of 102 annual train trips on the line in the forecast year is unsupported. As WCL explained in its application, while work orders were available for 100 trains on the line in the base year, traffic records made clear that there were at least two and perhaps as many as six trips on the Plymouth Line during 2003 for which work orders were not found. Application, Vol. 1 at 218; see Monnich R.V.S. at 9. In order to be as conservative as possible, WCL included only the minimum of two additional trains in its calculation of base year trips on the line. These additional trips were based on known, actual car movements, and thus were not hypothetical or apportioned. WCL believes use of 102 train trips in the base year is fully supported and reasonable.

Nonetheless, to remain as conservative as possible and reflect the admitted fact that paper work orders were not found for these additional movements, the forecast year restatement for the Southern Segment is based on 100 rather than 102 annual trips. Monnich R.V.S. at 9. This minor change addresses a number of specific items raised by the Protestants. See Protest at 13-14 (maintenance of equipment), 14 (crew wages), 15 (locomotive fuel) and 16 (taxi expenses and return on value - locomotives).

Finally, WCL's calculation of taxi costs for the Plymouth Line included taxi expenses on six days for which there was no work order showing a train movement on the line.² These expenses may relate to the additional trains discussed above that actually moved on the Plymouth Line in 2003 but were not reflected on a specific work order. WCL has, however, excluded these six days from the restatement of taxi expenses for the Southern Segment. Monnich R.V.S. at 7-8.

As revised Exhibit 1 shows, incorporating these changes and accepting Protestants' arguments for a partial abandonment analysis still results in a base year operating loss on the Southern Segment of \$28,672, a forecast year operating loss on the Southern Segment of \$91,662, opportunity costs of \$111,549, rehabilitation costs of \$913,369, and total subsidy costs of \$1,116,579. Whether considered in pieces or as a whole, the Plymouth Line is a significant burden on WCL and interstate commerce and abandonment is warranted.

II. THE REMAINDER OF PROTESTANTS' ARGUMENTS ARE UNSUPPORTED AND INCORRECT

Protestants make a number of additional claims regarding WCL's forecast year revenue and cost data. We note, however, that with minor exceptions Protestants have submitted no evidence to support their arguments and positions on these items. While it is true that an applicant bears the burden of proof in an abandonment proceeding, that does not mean that protestants are not required to support their arguments against abandonment with relevant and persuasive evidence. Here, the best evidence of record -- and, indeed, in many instances the only evidence of record -- plainly demonstrates that Protestants' arguments are unfounded and that abandonment is warranted.

² As discussed further below, Protestants' argument that there were sixteen such days, Protest at 15-16, is incorrect.

A. Revenue

1. Inclusion of Canadian Operations

Protestants argue that WCL has inappropriately failed to include CN "system" revenues in the total revenue attributable to the Plymouth Line. Initially, we note that WCL plainly did include "system" revenues with respect to CN's U.S. rail carriers -- i.e., the various railroads that report to the STB on a consolidated basis under the name of Grand Trunk Corporation ("GTC").³ To the extent that Plymouth Line traffic moved over the rail lines of other GTC carriers in the United States besides WCL, all of that revenue was included in base and forecast year revenue totals for the line. See Application, Vol. 1 at 54-55; Monnich R.V.S. at 2-3.

Protestants assert, however, that WCL also was required to include revenue associated with the movement in Canada by Canadian National Railway Company of traffic that was eventually delivered to customers on the Plymouth Line. Protestants cite no authority that supports that kind of extra-territorial reach in the Board's abandonment oversight, which would be inconsistent with the limits of the Board's statutory authority in any event. 49 U.S.C. § 10501(a)(2)(F) ("Jurisdiction [of the Board] under paragraph (1) applies only to transportation in the United States between a place in . . . the United States and a place in a foreign country." (emphasis added)).

³ These carriers are Grand Trunk Western Railroad, Inc., Illinois Central Railroad Company, Chicago, Central & Pacific Railroad Company, Cedar River Railroad Company, Sault Ste. Marie Bridge Company, Duluth, Winnipeg & Pacific Railway Company, St. Clair Tunnel Company, Waterloo Railway Company and Wisconsin Chicago Link Ltd. As WCL noted in its application, on May 10, 2004, CN (through GTC) acquired control of three additional rail carriers owned by Great Lakes Transportation LLC. See Canadian National Railway Company and Grand Trunk Corporation -- Control -- Duluth, Missabe and Iron Range Railway Company, Bessemer & Lake Erie Railroad Company and The Pittsburgh & Conneaut Dock Company, Finance Docket No. 34424 (STB served April 9, 2004). Protestants raise no issues regarding these recently-acquired carriers.

Just as importantly, there would be no feasible or reliable way to generate the costing data for rail movements in Canada that are otherwise required by the Board in abandonment proceedings. Canada does not utilize the Uniform Rail Costing System ("URCS"), and Canadian regulatory costing systems are not compatible with URCS. Monnich R.V.S. at 2-3. Pursuant to and in accordance with the Board's regulations, CN's U.S. subsidiaries report to the Board on a consolidated basis under the name of GTC. The GTC R-1 annual report, in turn, is the basis for developing the URCS data used to calculate off-branch costs. CN, which itself has only incidental operations in the United States, is not included in GTC's consolidated reporting and does not maintain URCS data on its Canadian operations. Given the significantly different national regulatory, labor, safety and other legal regimes in the United States and Canada, there also is no reliable or even reasonable basis to believe that U.S. costing data could simply be applied to Canadian operations.

Protestants' purported "answer" to this issue demonstrates the problematic nature of their position. According to Protestants, "[o]ff-branch costs in Canada can be reasonably estimated in any number of ways, including in the same proportion as off-branch costs are to attributable revenues on shipments in the United States, or based on CN's operating ratio." Protest at 5 (emphasis added). Yet Protestants make no effort to demonstrate that these makeshift formulas could or would reliably track URCS or accurately reflect costs on rail lines outside of the Board's jurisdiction. Given the Board's highly detailed and rigorous requirements for calculating and presenting costing data in rail line abandonment proceedings, pursuing ad hoc costing methodologies for foreign traffic movements not essential to the Board's abandonment determinations under 49 U.S.C. § 10903 would be inconsistent and counter-productive.

WCL specifically stated in its application that base and forecast year revenues for the Plymouth Line included GTC "system" revenues in the United States, and outlined the market-based rules for allocating revenue on international movements between CN in Canada and the GTC carriers in the United States. Application, Vol. 1 at 54-55. Protestants do not challenge or otherwise dispute the reasonable and accurate nature of those allocation rules. In response to discovery requests from the Protestants, WCL indicated the amount of revenue on Plymouth Line traffic derived from CN's Canadian operations. See Responses of Wisconsin Central Ltd. To Shipper Protestants' Discovery, August 9, 2004 (attached hereto at Tab D) at 3 (Canadian revenue was U.S. \$90,925).⁴ WCL has never had anything to hide on this subject. WCL's approach to the Canadian traffic issue -- exclude both revenue and expenses under market-based rules -- is appropriate and justified as a matter of both law and policy.⁵

2. Understatement of Canadian Revenues

While the foregoing discussion moots the Protestants' claims that WCL has understated Canadian revenue on traffic eventually destined to the Plymouth Line, we note that those claims are demonstrably wrong in any event.

Protestants and WCL agree on the total traffic volumes during 2003 to Adell Cooperative and Kettle Lakes Cooperative. Protest, Tab 1 at 1 (Adell "received a total of 92 carloads by rail in 2003."); Protest, Tab 2 at 1 ("In 2003, Kettle Lakes received 86 carloads of fertilizer by rail at Random Lake."); Application, Vol. 1 at 29 (same). Protestants claim,

⁴ As Ms. Monnich explains, this number has increased slightly -- by \$6,079 -- as a result of the revenue restatement discussed above involving eight Manitoba fertilizer shipments. Monnich R.V.S. at 5.

⁵ Protestants apparently believe that, if it was somehow possible to credibly calculate revenues and expenses in Canada, inclusion of those revenues and expenses here would weaken WCL's abandonment case. It is far from clear, however, that such is the case. If overall labor and other costs were higher in Canada than in the U.S., for example, inclusion of Canadian data could likely strengthen the case for abandonment.

however, that 43 more of those cars originated on CN in Canada than WCL indicated in its application. Protest at 7. That is wrong, for a simple reason: while that traffic may have originated at points in Canada, it was not handled by CN from the origination point. Instead, Canadian Pacific Railway Company ("CP") handled those cars from Saskatchewan to Minneapolis, Minnesota, where they were delivered to WCL for movement between Minneapolis and stations on the Plymouth Line. Monnich R.V.S. at 4; Reply Verified Statement of Gary L. Kolbe, attached hereto at Tab C ("Kolbe R.V.S.") 1-2. CN thus had no role in handling those cars in Canada.

Protestants also claim that, on the potash and urea traffic that CN/WC does handle in single-system service between Saskatchewan and the Plymouth Line, the rates are \$40 to \$43 per ton. Protest at 6.⁶ Adell Cooperative and Kettle Lakes Cooperative, who do not pay the freight charges for the inbound fertilizer traffic, apparently relied on conversations with their suppliers as the basis for these rates. The hearsay nature of this evidence is demonstrated by the fact that the actual rates on this traffic are in the range of \$34 to \$36 per ton. Kolbe R.V.S. at 2; Monnich R.V.S. at 4-5. Adell/Kettle Lakes and their suppliers may have confused the rates as expressed in Canadian rather than U.S. dollars, Monnich R.V.S. at 4, but in any event the Protestants' claims regarding the rate and revenue levels on this traffic are simply incorrect.

3. Forecast Year Traffic Volumes

Lastly on the revenue side, Protestants claim that slight increases in traffic to date in 2004 for two shippers on the Plymouth Line -- Lakeside Foods and Glacier Transit & Storage -- over 2003 levels should be included in revenue projections for the forecast year. Protest at 9-10. As Mr. Kolbe discusses, however, minor year-to-year fluctuations in a particular

⁶ Protestants use these inflated rates to again argue that CN's Canadian system revenues on the traffic must be significantly higher than WCL has indicated.

shipper's traffic is to be expected. Indeed, traffic for Adell Cooperative and Kettle Lakes Cooperative -- as well as total traffic on the Plymouth Line -- is down for the first seven months of 2004 compared to the corresponding period in 2003. Kolbe R.V.S. at 2-3. And while Protestants claim that Lakeside's traffic should double as a result of a recent transaction, in reality Lakeside has received no traffic in the last three months. Kolbe R.V.S. at 3. Protestants provide no legitimate reason for selectively using 2004 traffic data for some shippers and 2003 data for other shippers in determining forecast year traffic levels.

B. Costs

In the narrative of their Protest, the Protestants challenge a number of the on-branch costs for the Plymouth Line identified in WCL's Application. The Protestants provide no evidentiary support for any of these claims.

1. Maintenance of Way

Protestants assert that WCL may not include normalized maintenance of any kind on the southern 3.9 miles of the Plymouth Line, which is equipped with continuous welded rail and has previously been classified as FRA Class 3 track. Protest at 10 (citing Union Pacific R. Co. -- Aban. -- Wallace Branch, ID, 9 I.C.C.2d 325 (1992)).⁷ The Board has noted, however, that in UP/Wallace Branch "the evidence indicated that it would take approximately 12 years for the track to deteriorate to FRA Class 1 safety status," and has declined to exclude normalized maintenance when "there is no evidence [] to support a conclusion that historical maintenance cost would be adequate to maintain this line either at its current condition or at FRA Class 1 safety standards." Union Pacific Railroad Company -- Abandonment -- In Lancaster and Gage

⁷ If normalized maintenance for this 3.9-mile segment was excluded, depreciation expense should be substituted for maintenance costs. UP/Wallace Branch, 9 I.C.C.2d at 345, 374. Protestants, however, provide no evidence or suggestion regarding suitable replacement depreciation expenses.

Counties, NE and Marshall County, KS, Docket No. AB-33 (Sub-No. 140 (STB served January 28, 2000) at 5 & n.12.

Here, as explained in the Reply Verified Statement of Gregory J. Guthrie attached hereto at Tab B ("Guthrie R.V.S."), the southern 3.9 miles of the Plymouth Line is in the FRA Class 3 category primarily because of its continuous welded rail. No new ties have been programmatically installed on the segment for twenty-five years, and no surfacing has been done on the segment for nearly fifteen years. Guthrie R.V.S. at 4. As Mr. Guthrie's physical inspection showed, there are numerous defective ties on the segment today. Application, Guthrie V.S., Attachment F. In the absence of some form of normalized maintenance, the condition of this segment could be expected to deteriorate rapidly. Guthrie R.V.S. at 4. Protestants, who did no physical inspection of any kind of the Plymouth Line, provide no credible evidence to the contrary.

Protestants also challenge WCL's five-year normalized surfacing cycle for the Plymouth Line, but offer no proposed alternative. WCL's surfacing cycle, however, is consistent with industry standards, appropriate for the particular characteristics of the Plymouth Line, and well within the range the Board has found reasonable. Guthrie R.V.S. at 4; see, e.g., Idaho Northern & Pacific Railroad Company -- Abandonment Exemption -- In Wallowa and Union Counties, OR, Docket No. AB-433X (STB served March 12, 1997) at 7, n.19 (surfacing work and cost "are spread over 6 years, the minimum cycle we would expect for a line such as the subject line.").

The routine maintenance costs for the Plymouth Line provided by WCL in its application were based on the actual wages, material costs and related expenses of the track gang assigned to the territory of which the Plymouth Line is a part, with an extremely conservative

proration of those expenses to the Plymouth Line itself. Application, Guthrie V.S. at 8-9; Guthrie R.V.S. at 2-3. The Protestants' response to this is to claim that no "appreciable" routine maintenance is performed on line. Protest at 12. Protestants again offer no evidentiary support of any kind for this contention. As Mr. Guthrie explains, there is in fact significant routine maintenance that must be performed simply to keep the Southern Segment of the Plymouth Line in service, as well as other numerous items (such as required weekly track inspections, fence repair or patching crossing surfaces) that must be performed regardless of the condition of the line or traffic levels. Guthrie R.V.S. at 2. Inclusion of the minimal routine maintenance costs identified by WCL in the Application is necessary and warranted.

Protestants claim that WCL's calculation of grade crossing signal maintenance on the Plymouth Line based on signal "work units" is "unsupported and unexplained." Protest at 13. Protestants provide no alternate cost estimates for such work -- which is required by federal regulations and is plainly a significant actual expense on any rail line. Signal work units, the equivalent of "AAR signal units," are widely understood and accepted in the railroad industry and at the Board as the basis for allocating the time and cost involved in maintaining particular railroad signals. Guthrie R.V.S. at 3-4; see, e.g., McCarthy Farms, et al. v. Burlington Northern, Inc., 2 S.T.B. 460, 498-499 & n.69 (1997). Their use here was entirely justified and supportive of WCL's signal maintenance expenses.

WCL's total forecast year maintenance expenses for the Plymouth Line equal approximately \$4,300 per route mile -- well within the range of normalized maintenance costs that the STB has found appropriate and necessary to maintain a line in FRA Class 1 status in prior abandonment proceedings. E.g., Union Pacific Railroad Company -- Abandonment -- In Lancaster and Gage Counties, NE and Marshall County, KS, Docket No. AB-33 (Sub-No. 140)

(STB served December 17, 1999) at 6 ("UP's unit cost of \$6,877 per route-mile is within the range of maintenance costs we expect to see for FRA Class 1 track based on other recent abandonments."); Conrail -- Aban. -- Bet. Warsaw & Valparaiso, IN, 9 I.C.C.2d 1299, 1304 (1993) ("Overall, Conrail's normalized maintenance costs, approximately \$6,500 per track-mile, appear to be reasonable compared to other recent abandonments.").

2. Crew Expenses

Protestants claim that overtime expenses for train crews on the Plymouth Line are overstated because 10 of the 30 train trips used to calculate those expenses occurred on days that trains did not operate on the Plymouth Line. Protest at 15. This is a mistaken claim, apparently arising from Protestants' cursory review of a black-and-white copy of the color chart provided as Appendix F to the initial Verified Statement of Diane R. Monnich, Application, Vol. 1 at 113. In fact, as WCL's evidence clearly shows, train movements on the Plymouth Line occurred on each of the days cited by the Protestants (September 2, 3 and 11, November 12 and December 2, 5, 8, 9 and 23, shown in yellow on Appendix F).⁸ The same is true for 10 of the 16 days used in calculating taxi costs that Protestants claim do not correspond to train movements on the Plymouth Line. Monnich R.V.S. at 8.⁹

Protestants claim that overtime and taxi costs for the train crew serving the Plymouth Line should be allocated over the entire territory served by that crew. But where, as here, such overtime and taxi costs are incurred solely to serve the subject rail line and will in fact

⁸ The days of train operation on the Plymouth Line were reflected in numerous other places in WCL's abandonment application. See, e.g., Application at 209-222. The Appendix F color chart itself provides trip totals for each month, which would immediately reveal a discrepancy if the reader was unable to discern the "Spot" dates shown in yellow on the monthly calendar display. And WCL provided Protestants with copies of all work orders for train movements on the Plymouth Line in 2003. See Discovery Responses attached at Tab D.

⁹ Adjustments for the other six days of taxi expenses are included in the restatement of revenues and expenses for the Southern Segment presented above in Section I.

be eliminated upon abandonment of that line, allocation of those costs to the line is appropriate. Monnich R.V.S. at 6-8; e.g., Chicago and North Western Transportation Company -- Abandonment -- Between Ingaltion and Carol Stream, In DuPage County, IL, Docket No. AB-1 (Sub-No. 218) (ICC served March 20, 1991) at 5. Protestants are similarly wrong in their assertion, Protest at 14, that vacation/holiday/leave should be treated differently than other fringe benefits and excluded from avoidable costs in rail line abandonments. E.g., Idaho Northern & Pacific Railroad Company -- Abandonment Exemption -- In Wallowa and Union Counties, OR, Docket No. AB-433X (STB served March 12, 1997) at 8 (transportation costs "include payroll (crew wages, vacation and holiday pay, and other fringe benefits) . . .").

3. Return on Value - Freight Cars

Protestants argue that WCL cannot include freight car ownership costs on foreign-line railcars, citing Seaboard System Railroad, Inc. -- Abandonment -- In Lawrence County, TN and Lauderdale County, AL, Docket No. AB-55 (Sub-No. 121) (ICC served March 12, 1985). That is no longer good law, if it ever was. Southern Pacific Transportation Company -- Abandonment -- In Houston, Harris County, TX, Docket No. AB-12 (Sub-No. 106) (ICC served December 12, 1986) at 4-5; CSX Transportation, Inc. -- Abandonment -- In Thomas and Colquitt County, GA, Docket No. AB-55 (Sub-No. 181) (ICC served June 8, 1987) at 4 (reviewing cases); Consolidated Rail Corporation -- Abandonment -- Between North Warren and Kent, in Trumbull and Portage Counties, OH, Docket No. AB-167 (Sub-No. 1143) (ICC served April 12, 1995) at 5 (rejecting argument that "Conrail erred in charging the line with on-branch and off-branch costs for return on investment in freight cars without a showing that Conrail owned the cars used in the transportation."). Under these decisions, exclusion of an ROI for foreign-line freight cars would be appropriate only if the abandoning carrier never used its own cars to serve

customers on the line to be abandoned. That is not the case here. See, e.g., Application, Vol. 1 at 209-211.

4. Rehabilitation

As WCL explained in its application, estimates of the costs to rehabilitate the Plymouth Line to FRA Class 1 status were based on a thorough, multi-day physical inspection of the line by Mr. Guthrie. Application, Guthrie V.S. at 2-8. Since that time, representatives of WisDOT have made their own independent, physical inspection and evaluation of the condition of the Plymouth Line. Guthrie R.V.S. at 1-2. Their conclusion is that, if anything, WCL's rehabilitation cost estimate is likely too low:

Regarding track conditions, our engineers did take a look at the track recently, and basically, we pretty much concur with CN's analysis. The track is in poor shape; it needs a lot of tie replacement and surfacing work.

Even if it's brought up to Class 1 standards, our feeling is that that's probably not adequate to maintain service over the longer period. So, in some respects, CN's analysis may have [sic] been conservative, if you are really talking about operating the line. There also needs to be some bridge work done; if it's needed, if it's going to be operated for a longer period of time.

Public Hearing Transcript at 8 (Frank Huntington, Chief, WisDOT Railroad Projects and Property Management Section).

Protestants, on the other hand, have not done an inspection of the Plymouth Line and submit no evidence regarding the condition and rehabilitation of the Plymouth Line. Their arguments on rehabilitation are entitled to little weight, and the best evidence of record here is plainly that resulting from actual inspections of the line by both WCL and WisDOT.

Protestants' principal complaint about WCL's tie replacement estimate is that "[t]here is no requirement under FRA Class I track standards that at least 1,054 ties per mile be

nondefective." Protest at 19. But that is not what WCL has proposed. WCL's tie placement program would result in at least 1,054 ties per mile prior to resurfacing of the line -- which will result in the disturbance and degradation of many of the marginally nondefective ties currently in place on the line.¹⁰ This is a well-established and accepted procedure at the Board. E.g., Consolidated Rail Corporation -- Abandonment -- Between North Warren and Kent, in Trumbull and Portage Counties, OH, Docket No. AB-167 (Sub-No. 1143) (ICC served April 12, 1995) at 6 ("Moreover, a line may require inclusion of additional ties above the FRA class 1 minimum when the track structure needs to be lifted to accommodate reballasting because old ties will fall during this procedure."); Union Pacific Railroad Company -- Abandonment -- In Lancaster and Gage Counties, NE and Marshall County, KS, Docket No. AB-33 (Sub-No. 140 (STB served December 17, 1999) at 6 n.12 ("Landscape grade ties can be classified nondefective as long as they are left in place, even though they would be rendered inappropriate for relay purposes due to damage during removal.").

Similarly, the Protestants' assertion that surfacing of the Plymouth Line is unnecessary, Protest at 20, rings hollow when Protestants performed no inspection of the line themselves; when both parties that did inspect the line -- WCL and WisDOT -- concluded that surfacing was necessary; and when it is undisputed that no surfacing has been performed on the line for nearly fifteen years. See Guthrie R.V.S. at 6. And replacement of known defective rails on a line is appropriate as part of rehabilitation of the line to meet minimal safety and operational standards. Guthrie R.V.S. at 6-7.

¹⁰ As Mr. Guthrie described previously, 94% of the ties on the line are of scrap value, while only 6% are classified as relay quality. Application, Guthrie V.S. at 4. Protestants do not challenge these conclusions. And contrary to Protestants' claim, Protest at 18-19, Mr. Guthrie specifically addressed the condition of joint ties on the Plymouth Line. Guthrie V.S. at 5.

Finally, Protestants fail in their unsubstantiated effort to dismiss necessary rehabilitation costs for road crossing surface replacement on the Plymouth Line. Protest at 21. Wisconsin law requires railroads to maintain the surfaces of public rail/highway crossings at the railroad's expense, Wis. Stat. § 86.12, as do deed covenants applicable to most or all of the private (farm) crossings on the Plymouth Line. Guthrie R.V.S. at 7. Mr. Guthrie's estimate of grade crossing rehabilitation expenses was based on a physical inspection of each individual crossing, and is clearly the best evidence of record on that subject.

* * * *

Thus, apart from the three technical items addressed in Section I above, none of Protestants' claims regarding revenue and expenses has any merit. If forced to retain the Southern Segment of the Plymouth Line, WCL faces forecast year operating losses of nearly \$100,000, additional opportunity costs exceeding \$100,000, and rehabilitation costs approaching \$1,000,000.

III. COMMUNITY INTERESTS DO NOT OUTWEIGH THE BURDEN OF THE PLYMOUTH LINE ON WCL AND INTERSTATE COMMERCE

WCL appreciates the community's concerns, expressed in the written comments and at the STB's public meeting at Random Lake on August 13, regarding the potential loss of rail service should the Board grant abandonment authority for the Plymouth Line. For that reason, before and during the course of this proceeding, WCL has encouraged reasonable offers to acquire the 37-mile line to preserve rail service in the corridor. In the event, however, that such offers do not materialize during the Board's consideration of this matter (or in the offer of financial assistance ("OFA") process thereafter), WCL respectfully submits that the claimed harm to affected shippers and communities from abandonment does not outweigh the above-

established harm to WCL of continued operations over this light-density line, or otherwise warrant denial of the abandonment.

The shippers assert that abandonment would increase their costs and in turn lower profits. Protest at 23-25. In particular, the largest shippers on the line, Kettle Lakes Cooperative and Adell Cooperative, claim added trucking costs of \$6 and \$7 per ton -- amounting to increased annual costs of \$51,600 and \$56,000, respectively -- for transloading in-bound fertilizer from an alternative facility located on the Union Pacific Railroad Company at Sheboygan Falls, Wisconsin and then trucking it back to their respective locations at Random Lake and Adell. Protest, Leick V.S. at 2-3; Protest, Schleicher V.S. at 2.

The fact that shippers may incur added transportation costs is not a basis to deny abandonment. Chicago & North Western Transp. Co. -- Abandonment, 354 I.C.C. 1, 7 (1977). Moreover, the claimed costs here appear less than meets the eye. Adell and Kettle Lakes are cooperatives with 375 and 700 farmer-members, respectively (Public Meeting Transcript at 31, 34), so, even if true, the increased costs asserted would amount on average to about \$150 per Adell member, and \$74 per Kettle Lakes member. Further, it is not evident that even these limited added costs would be incurred. Rather than first trucking fertilizer from the Sheboygan Falls railhead to the elevators at Random Lakes and Adell and then trucking it again for distribution to the co-op members, it could be expected that many co-op members would choose to have fertilizer and other product delivered directly from the nearby Sheboygan Falls site (about 15-20 miles away by highway). Kolbe R.V.S. at 3-4. This would especially appear to be the case for members of the Kettle Lakes Cooperative, which owns the transloading facility at that location. Protest, Schleicher V.S. at 2.

Certain shippers and members of the public also stated at the public meeting that it would be inappropriate to permit abandonment because WCL has not adequately served or marketed the line to develop added rail traffic, or made a long-term commitment that would prompt shippers to make infrastructure investments on their properties for receiving or shipping such traffic. E.g., Public Meeting Transcript at 13, 32-33, 52-53; see also WisDOT Comments at 4. But it is not disputed here that the Plymouth Line has carried a consistently low volume of traffic for many years, including during the pre-CN ownership era and despite aggressive WCL marketing efforts during that era. Application, Kolbe V.S. at 2, 4. And despite visits and discussions with CN marketing more recently, and despite the assertion that added traffic could be developed on the line -- including outbound grain and processed food traffic that has with minor exceptions always moved exclusively by truck -- there have been no indications by shippers on this record of specific initiatives that are underway, or that are committed to be undertaken, that would lead WCL to expect meaningful increases in traffic that could sustain the Plymouth Line.¹¹ Id. at 3, 6-7. Given, as we have described, that shippers will continue to have other reasonable rail and motor transportation options in the area, id. at 5-6, that current and forecasted losses over the line are substantial, and that there is no reasonable expectation of significant additional traffic, WCL cannot justify, nor should the Board force it to expend, more than \$2 million in scarce capital resources to rehabilitate a line that cannot be reasonably predicted to warrant that investment.

Some parties suggest that, even if abandonment of the 37-mile Plymouth Line is otherwise justified, WCL should not be permitted to abandon in a way that would permit it to "cherry-pick" and retain its more profitable operations over the northern (Kiel to Hilbert) and

¹¹ As pointed out in the attached Reply Verified Statement of Gary L. Kolbe, several of the community's claims are more hopeful than real, belie longstanding patterns, or are otherwise incomplete.

southern (Saukville to North Milwaukee) ends of the broader Plymouth Subdivision, thereby dooming a potential short-line operation by creating an "orphan" segment between Saukville and Kiel with insufficient, unprofitable business to sustain it. E.g., Public Meeting Transcript at 14, 78-79; WisDOT Comments at 6. Such parties fail to provide any evidence that operation of Saukville-Kiel by a lower-cost or subsidized short line could not be successful. As WisDOT notes, short-line rail operators "have been able to significantly increase traffic in many similar situations" because they "tend to cater to smaller shippers that are located on many of these lines, and can provide better service geared to their needs." Statement of L. Frank Huntington, WisDOT, submitted at August 13 public meeting, at 1; see also Public Meeting Transcript at 6. Moreover, CN stands ready to negotiate reasonable arrangements with a potential acquirer, if necessary, for access to the Plymouth Line.

More troubling, however, the logic of the "cherry-picking" argument would ultimately lead to one of two unsupportable outcomes: either a rail carrier, to gain abandonment of a particular line, must relinquish adjacent lines supporting profitable traffic to ensure the success of a potential short-line operation over the abandoned line; or it otherwise must not undertake abandonment and require that off-line traffic subsidize operations and rehabilitation expenses on a portion of the rail system that businesses on the adjacent lines do not use or require. The former would essentially nullify a railroad's reason for existence -- to haul and retain traffic at sufficiently profitable levels that would support the reinvestment in the plant and equipment necessary to continue such service -- and the latter would result in cross-subsidization contrary to Board policy in abandonment and virtually all other contexts. See, e.g., Chicago and North Western Transportation Company -- Abandonment -- In Marshall, Tama, Grundy and

Blackhawk Counties, IA, Docket No. AB-1 (Sub-No. 211) (ICC served January 13, 1989) at 4.

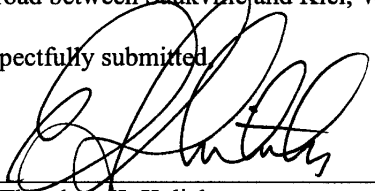
Neither result should be sanctioned by the Board in the circumstances here.

Finally, WisDOT suggests that, to buy time to reach arrangements for a potential new operator on the Plymouth Line, and also to allow the State to complete analyses that could allow it to provide grants or loans to the operator, CN or even the Board should somehow "slow" the abandonment process. Public Meeting Transcript at 11; WisDOT Comments at 7. Once an abandonment application is filed, however, the Board is precluded from considering any offer of financial assistance ("OFA") for the line submitted more than 120 after days after such filing. 49 U.S.C. § 10904(c). In carrying out this and the other abandonment statutes through its regulations, the Board has acknowledged that it must necessarily act on an application in sufficient time to allow for the receipt of an OFA within that period. Thus, the Board's rules provide for a merits decision on an application by the 110th day after filing. 49 C.F.R. § 1152.26(a); see Aban. and Discon. of R. Lines and Transp. Under 49 U.S.C. 10903, 1 S.T.B. 894, 896-897 (1996).¹² Not only do these requirements suggest that Congress intended for interested parties to have a set amount of time to prepare and present an OFA, they also, WCL suggests, reflect Congress' intent that railroads should not bear extra time and expense to provide service and maintain lines beyond what is required for the Board's consideration of the proposed abandonment. Any discretion to delay the disposition of lines authorized for abandonment, outside of the statutorily-prescribed OFA process, should be retained by the abandoning carrier.

¹² Moreover, WisDOT's request (WisDOT Comments at 6-7), made for similar reasons, that the Board impose a public use condition under 49 U.S.C. § 10905 that would preclude WCL from disposing of the line for 180 days after the STB's authorization of any abandonment applies only for non-rail public uses and would be similarly unavailable.

WHEREFORE, Wisconsin Central Ltd. respectfully requests that the Board
authorize the abandonment of WCL's line of railroad between Saukville and Kiel, Wisconsin.

Respectfully submitted,

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**ATTORNEYS FOR
WISCONSIN CENTRAL LTD.**

Dated: August 28, 2004

TAB A

REPLY VERIFIED STATEMENT
OF
DIANE R. MONNICH

My name is Diane R. Monnich. I am Vice President at L.E. Peabody & Associates, Inc. and manage the Firm's Chicago office located at 5901 North Cicero Avenue, Suite 504, Chicago, IL 60646. I previously submitted a statement in this proceeding in connection with the proposed abandonment of the Wisconsin Central's Plymouth, WI subdivision between Saukville, WI and Kiel, WI (the "Line").

I have reviewed the Protest filed on behalf of Protestants Adell Cooperative, Kettle Lakes Cooperative, Lakeside Foods, Inc., Neuens Fredonia Lumber Company, and Glacier Transit & Storage. The protest raises a number of issues and contains various misunderstandings that must be addressed. The chief areas of disagreement relate to alleged revenue understatement and inclusion of capital and operating expenses for maintenance of way and structures on the entire Plymouth Line, Saukville, WI to Kiel, WI, rather than that portion solely of the line south of Milepost 135. The combination of these two major issues, along with a number of smaller issues, led the Protestants to conclude that the WC has failed to prove a forecast year operating loss.

As discussed below, certain issues raised by Protestants are blatantly in error. A review of the remaining issues raised by Protestants and a "what if" restatement of results that assumes the Protestants' position on those issues continues to prove a significant forecast year operating loss for WC on the Line.

Recap of Exhibit 1 in WC's Abandonment Application

The starting point for measurement of the impact of the changes that Protestants would have the WC perform is the WC's Exhibit 1 – Revenue and Cost Data from the Abandonment Application, Volume 1 at page 76. The following is a recap of the revenue and cost data from Exhibit 1 as filed in the WC's Application:

	<u>Base Year</u>	<u>Forecast Year</u>	<u>Projected Subsidy Year</u>
Total Attributable Revenues	\$ 237,165	\$ 241,530	\$ 241,530
Avoidable Costs for:			
On Branch	\$ 143,020	\$ 251,621	\$ 251,621
Off Branch	<u>154,027</u>	<u>160,997</u>	<u>160,997</u>
Total	<u>\$ 297,047</u>	<u>\$ 412,617</u>	<u>\$ 412,618</u>
Avoidable Loss from Operations	\$ 59,883	\$ 171,089	\$ 171,089
Total Subsidy Costs	-	-	\$ 2,035,146
Total Return on Value	-	<u>\$ 194,912</u>	<u>\$ 194,912</u>
Estimated Forecast Yr Avoidable Loss		\$ 366,001	
Estimated Subsidy			\$ 2,401,147

Attributable Revenues

A number of issues are raised in the Protest with respect to the revenues generated by the customers on the Line. First, Protestants argue at page 4 that the WC has "...failed to sustain its burden to prove the existence of any form of harm from continued operation."

Further, they claim there was a "Failure to credit the line with CN system revenues."

Also at page four the Protestants state "Off-branch costs in Canada can be reasonably estimated in a number of ways, including in the same proportion as off-branch costs are to attributable revenues on shipments in the United States, or based on CN's operating ratio."

First, there should be no question that WC in its application has included system revenues for all CN affiliate operations in the United States. To the extent that CN's Illinois Central unit or any other CN-controlled U.S. railroad (which are grouped together as

"Grand Trunk Corporation" for reporting purposes) participated in the movement, those revenues and related costs have been included in the filing. It must also be recognized that the Applicant cannot calculate the CN's unit costs for Canadian operations on a Uniform Railroad Costing System (URCS) basis, the cost system utilized by the STB to calculate off branch costs in abandonments. CN, a Canadian corporation, is not required to file data in the U.S. regarding its Canadian operations. The Canadian regulatory filing requirements are not the same as those in the U.S. and thus cannot be utilized to generate URCS costs.

Second, at page five, Protestants propose that Canadian costs be estimated "in the same proportion as off-branch costs are to attributable revenues on shipments in the United States..." The average "off branch" operating statistics for the 206 carloads received on or delivered off branch are not the same as those for the 51 carloads that are handled beyond the United States by CN's Canadian operation; thus one cannot proportionally estimate CN's Canadian operations costs. That proportionate result would not produce accurate costs for the movements while in Canada even if the unit costs were identical to those of Grand Trunk Corporation. The 51 cars do not have the same composite operating parameters (for example: car type, equipment ownership, type of service, etc.) as that of the 206 cars.

Third, as discussed below, Protestants apparently are of the opinion that significant errors of omission have taken place. This statement is based on a number of erroneous premises:

1. As a result of not reviewing the route of movement for fertilizer traffic received on the Line from Saskatchewan, Protestants place CN in the Canadian portion of the route on traffic that CN did not handle in Canada. At page seven of their filing, Protestants state that Adell Cooperative and Kettle Lakes purchased 80 carloads of fertilizer from points on CN in Saskatchewan in 2003. While these shippers may have purchased 80 carloads from Saskatchewan, they did not purchase 80 carloads originating on CN in Saskatchewan. There is more than one railroad in Saskatchewan, and the Canadian Pacific Railway originated more than half of these 80 Saskatchewan carloads whose revenues Protestants would attribute fully to CN. That traffic moved to Adell Cooperative and Kettle Lakes via an interchange between CPR and WC at Minneapolis, Minnesota. The routes of these carloads have been reviewed by CN staff; the CN routes shown in the Application for these cars (Minneapolis origin to destination on the Line) are accurate. Thus CN Canadian revenue has not been omitted. A detailed discussion of the process utilized to identify the cars in question is included in Appendix 1 to this statement.

2. Protestants are misinformed regarding rate levels for fertilizer and lumber traffic on the Line. Specifically they state, at page six, that Adell Cooperative and Kettle Lakes asked their Canadian fertilizer suppliers for rate quotes to the Line from Saskatchewan and were told the rates ranged from \$40 - \$43 per ton. Protestants then extrapolate that revenues range from \$4,000 - \$4,300 per carload. A review of the rates with the CN staff leads us to conclude one of three things, either: a) that this information was been provided to Adell and Kettle Lakes in Canadian rather than U.S. dollars, b) that the shippers chose to mask the rates paid, or c) additional accessorial charges were paid

for some extra service. Likewise, the rates on lumber which Protestants say are \$55 per 1,000 board feet (120,000 board feet per load), averaging \$6,600 per car, are significantly higher than those shown in the Railroad's traffic database.

3. In review of the revenues and routes of the traffic that Protestants questioned, it has been determined that eight cars of fertilizer that moved from Manitoba (page 7) in fact did originate initially on the CN in Saskatchewan, and that the GTC portion of the revenue on these eight carloads was understated. Rather than \$5,600 in revenue, these carloads generated \$13,778 in U.S. revenue. Thus Revenue in Exhibit 1, line 1, Freight Originated and/or Terminated On Branch should be increased by \$8,178. In response to Interrogatory No. 1 of the Protestants' prior discovery requests to WC, the related increase in the CN family-carrier Canadian revenue is \$6,079.¹

Thus, all Grand Trunk Corporation revenue was accounted for in WC's Abandonment Application, other than the error in the 8 carloads referred to above. That correction, an increase in revenue of \$8,178, increases the freight revenue in the Base Year by 3.49% to \$242,274; the Forecast Year revenue increases \$8,328 to \$246,715. Revenues have not been "massively understated." Also, as a result of this correction, the CN revenue for transportation in Canada reported in response to Protestants' Interrogatory No. 1 should be re-stated to \$97,004.

Crew Wages

The methodology utilized in the Abandonment Application to apply additives to crew wages is that prescribed in the STB's abandonment regulations. Protestants challenge

¹ See Appendix 2, "Revenue Restatement of 8 loads.xls", attached to this statement.

these regulations (at page fourteen of their protest). Also at page fourteen, Protestants state that “WC has improperly charged the Waldo Segment with the full amount of the train crew’s costs for overtime. The train crew incurred overtime as a result of the totality of its daily assignment, not solely because it served the Waldo Segment. The crew provides extensive service south of the Waldo Segment on days that it serves the Segment.” We have in fact properly accounted for train crew wages. If anything, they are understated as explained further below.

Abandonment regulations provide for the calculation of “Avoidable Costs.” While it is true that each crew serving the Line provides service south of Saukville as well, the amount of time spent on the Line by each of these trains is greater than the amount of overtime paid to the crews that serve the Line. On average, this was 1.9 hours of overtime. Thus, since these crews spent approximately 4 hours on branch, if they had not worked on the Line this very specific overtime Protestants refer to would not have been incurred. (See Application, Volume 1 at pages 104-112 .)

Finally, Protestants are mistaken when claiming (Protest at 15) that the train did not serve the Line on 10 of the 30 trips used in our overtime sample. (Note that the sheet Protestants referred to as “Applic., Vol.1 ...at 130” should be sheet 113.) That sheet is a calendar, color coded, and each of the trains that Protestants refer to was colored yellow, indicating cars were spotted. It is likely the color coding did not appear in the copy Protestants’ representative referenced when drawing his conclusion, however the number of trips is shown numerically under each month. This verifying data provided an easy basis for Protestants to determine that their erroneous review of the colored dates did not

agree with the trip count shown for the month, and to call into doubt the conclusion that crew wages were overstated for trains whose count was actually shown.

It should also be noted that WC's operating witness has previously explained that because the crews that provide service to the Line frequently reach their hours of service before they are able to return to their home terminal, another crew must be taxied to pick up the train to complete the work of the first crew serving the Line before commencing their own work (on WC's West Bend Sub). As a result, this second crew also frequently incurs overtime pay. This second crew's overtime pay has conservatively not been attributed to the branch in this abandonment.

Taxis

Similar to the argument regarding crew overtime, Protestants argue that the cost for taxis "...should be equitably allocated over all of the trackage served by the train crew. That is required because the taxi costs are incurred as a result of the totality of the work provided on all of the trackage served by the crew, not solely as a result of the service performed on the Waldo Segment." WC's Abandonment Application includes taxi expense in the category for On Branch Avoidable costs because, in fact, this taxi expense is incurred as a result of the work on the Line. It would not be incurred had not the crews exceeded their hours of service as a result of the approximately four hours they spend, on average, in performing work on the Line (see Exhibit F in the Application, Volume 1 at pages 104 to 106). If this on branch work were not performed, the crew would not exceed its hours and require being taxied to its home location. Thus the taxi cost should not be allocated over all the trackage served by the crew. Without service to the Line, there would have

been no taxi expense; it would have been avoided. In fact, not only is taxi expense incurred as a result of crews serving the Line requiring return to their terminal, the excess time incurred by the subsequent crews and the taxi expense incurred by that second crew could arguably be attributed to the Plymouth Line.

At page 15, Protestants state that WC's claimed taxi expenses occurred in part on 16 dates when the train did not provide service to the Line. A review of the data shows that, in part, the same color coding of train dates discussed above under the topic Crew Wages is the culprit in Protestants' erroneous conclusion that taxi expense was overstated. We have, however, identified six of the dates referred to as potentially unrelated to service to the Plymouth Line. These dates are August 25, September 4 (although either of these could be the date for one of the missing work orders discussed below under the topic Train Count), November 11, 13 and 20, and December 16. The train did serve the branch on the other trips cited by Protestants. As a result of our review, taxi expense has been restated with data developed in restated Exhibit T attached to this statement. The change results in a decrease in on-branch expense of approximately \$1,000 per year.

Train Count

Maintenance of Equipment

In their discussion of Maintenance of Equipment, Protest at page 13, Protestants question the use of 102 trains to serve the branch rather than the 100 whose work orders have been documented. In fact, WC continues to be convinced, as indicated in the note at the bottom of Appendix F of our initial filing (Application, Volume 1 at page 218), that "...based on traffic data and car numbers, there are at a minimum 2 work orders missing

one either the end of March, beginning of April, the other the end of August, beginning of September, plus perhaps another two or four more. We conservatively will use 102, rather than 104 trains.”

During preparation of the Application, WC furnished us work orders for more trains than just those that served the Plymouth Line. A list of car initials, numbers and waybill dates was prepared for the 206 cars delivered to or received from the Line. Each of the work orders provided was reviewed to find these 206 cars. In the end this effort produced work orders for 100 trains and most, though not all, of the 206 cars were found on those work orders. It was apparent that a few work orders were missing. We conservatively estimated that two work orders were missing, though it could have been more, and based the abandonment analysis on 102 trains serving the Plymouth Line.

WC has nonetheless calculated the reduction in expense that would result from inclusion of avoidable costs for 100, rather than 102, trains. That restatement results in a reduction in On-Branch Cost of \$1,550 in the Base Year, and of \$1,591 in the Forecast Year. Including the adjustment to taxi expense (discussed above) and the expenses discussed in the next section, total restated On-Branch Costs are \$140,494 in the Base Year and \$249,026 in the Forecast Year. These On-Branch Costs are \$2,526 and \$2,595, respectively, below those reported in Exhibit 1 of WC’s Application, Volume 1 at page 19.

Locomotive Fuel, Return on Value Locomotives and Other Expenses

As part of the process of analyzing the scenario of 100 rather than 102 trains on the Line in the Forecast Year, the WC has also adjusted all On Branch Costs affected by train

count. The cost elements reflected in Exhibit 1 that have been adjusted include:

Maintenance of Equipment, Transportation (including fuel), Deadhead, Taxi and Hotel, and Return on Value Locomotives. All underlying worksheets and input were adjusted to reflect the costs for 100 trains.

Maintenance of Way, Normalized Maintenance, Rehabilitation and Opportunity Cost

Protestants claim that the WC's Abandonment Application should not have included maintenance of way and structure expense in the base year, normalized maintenance expense in the forecast year and subsidy years, rehabilitation costs in the subsidy year, and net liquidation value/opportunity costs for the entire Plymouth Line, but rather only for that portion of the Line south of milepost 135. WC has calculated the impact on the abandonment if indeed consideration were given only to the Line south of milepost 135.

To provide that restatement, we have gone through the files provided in the Application and re-calculated the on-branch Maintenance of Way, Normalized Maintenance, Rehabilitation Cost, Net Liquidation Value, Book Value, and Return to include only expenses south of MP 135. As can be expected, there was a significant reduction in related expenses. But even then, the Line south of MP 135 continues to generate a substantial loss in the forecast and subsidy periods.

In the Base Year, On-Branch Maintenance of Way and Structures Expense becomes \$38,329 rather than \$58,835. In the Forecast and Subsidy Years, the Maintenance of Way number becomes \$96,683 rather than \$165,188. Rehabilitation cost in the Subsidy Year drops from \$2,032,731 to \$910,870 and there are related impacts on the Valuation

of Road Properties and Return on Value. A description of the process used for these calculations and the calculations themselves are shown in Appendix 3 to this statement. Also attached are restated versions of Exhibits C, E, F, J, L, M, N, O, Q and T and Appendix F to my initial verified statement.

The Avoidable Loss from Operations

Based on the Protestants' filing, we have corrected revenue for eight carloads of traffic and eliminated taxi expense on six of the dates included in the sample period. In addition, we have verified: 1) that a change in the number of trains providing service to the Line from 102 to 100 trains per year has a minor but favorable impact; and 2) that a change to include only the portion of the Line south of milepost 135 (thus affecting base year expense, forecast year normalized maintenance, subsidy year rehabilitation cost, net liquidation value and return on valuation of road properties, etc.) has a favorable impact but does not eliminate a substantial loss in the forecast year and the need for subsidy in excess of one million dollars. The following table recaps the results of this analysis. Details are shown in Exhibit 1 and the related work papers attached.

	<u>Base Year</u>	<u>Forecast Year</u>	<u>Subsidy Year</u>
Total Attributable Revenues	\$ 245,343	\$ 249,715	\$ 249,715
Avoidable Costs for:			
On Branch	\$ 119,988	\$ 180,522	\$ 180,522
Off Branch	<u>154,027</u>	<u>160,997</u>	<u>160,997</u>
Total	<u>\$ 274,015</u>	<u>\$ 341,519</u>	<u>\$ 341,519</u>
Avoidable Loss from Operations	\$ 28,672	\$ 91,662	\$ 91,662
Total Subsidy Costs	-	-	\$ 913,369
Total Return on Value	-	\$ 111,549	\$ 111,549
Estimated Forecast Yr Avoidable Loss		\$ 203,210	
Estimated Subsidy			\$ 1,116,579

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Revenue and Cost Data
For the Base Year, Forecast Year, and Projected Subsidy Year

Exhibit 1
100 Trains
Restatement of Revenue
Restatement of Taxi
South of MP 135

Includes Restatement of Revenue for 8 Carloads Showing MB Origin whose Origin was SK
Includes Restatement of Taxi Expense to Eliminate Expense on 6 Dates

Based on 100 Trains/Year			
	Base Year - 2003 1/	Forecast Year 2/	Projected Subsidy Year
Revenues Attributable for:			
1. Freight Orig. and/or Term. on Branch 3/	\$242,274	\$246,715	\$246,715
2. Bridge Traffic	0	0	0
3. All Other Revenue and Income 4/	<u>3,069</u>	<u>3,142</u>	<u>3,142</u>
4. Total Attributable Revenues (li 1 thru 3)	<u>\$245,343</u>	<u>\$249,857</u>	<u>\$249,857</u>
Avoidable Costs for:			
5. On-Branch Costs (li 5a thru 5k) 5/			
a. Maintenance of Way and Structures	\$38,329	\$96,683	\$96,683
b. Maintenance of Equipment	4,206	4,375	4,375
c. Transportation	63,902	65,508	65,508
d. General Administrative	0	0	0
e. Deadhead, Taxi and Hotel	4,985	5,127	5,127
f. Overhead Movement	0	0	0
g. Freight Car Costs (other than Return on Frt. Cars)	2,850	2,937	2,937
h. Return on Value - Locomotives (Net)	3,959	4,081	4,081
i. Return on Value - Freight Cars (Net)	1,757	1,811	1,811
j. Revenue Taxes	0	0	0
k. Property Taxes	0	0	0
Total On-Branch Costs (li 5a thru 5k)	<u>\$119,988</u>	<u>\$180,522</u>	<u>\$180,522</u>
6. Off-Branch Costs (li 6a thru 6b) 6/			
a. Off-Branch Costs (Other than Return on Frt. Cars)	\$148,526	\$155,241	\$155,241
b. Off-Branch Costs Freight Car ROI Costs (Net)	<u>5,501</u>	<u>5,756</u>	<u>5,756</u>
Total Off-Branch Costs (li 6a thru 6b)	<u>\$154,027</u>	<u>\$160,997</u>	<u>\$160,997</u>
7. Total Avoidable Costs (li 5 plus li 6)	<u>\$274,015</u>	<u>\$341,519</u>	<u>\$341,519</u>
Subsidization Costs for:			
8. Rehabilitation 7/	xxx	xxx	\$910,870
9. Administrative Costs (Subsidy Year Only)	xxx	xxx	2,499
10. Causality Reserve Account 8/	xxx	xxx	0
11. Total Subsidization Costs (li 8 thru 10)	<u>xxx</u>	<u>xxx</u>	<u>\$913,369</u>
Return on Value for:			
12. Valuation of Road Properties (li 12a thru 12c)			
a. Working Capital 9/	xxx	\$7,105	\$7,105
b. Income Tax Consequences 9/	xxx	(266,908)	(266,908)
c. Net Liquidation Value 9/	xxx	<u>1,216,286</u>	<u>1,216,286</u>
Total Valuation of Road Properties (li 12a thru 12c)	<u>xxx</u>	<u>\$956,482</u>	<u>\$956,482</u>
13. Nominal Rate of Return	xxx	13.32%	13.32%
14. Nominal Return on Value (li 12 * li 13) 9/	xxx	127,403	127,403
15. Holding Gain (Loss) 9/	xxx	<u>15,855</u>	<u>15,855</u>
16. Total Return on Value (li 14 minus li 15)	xxx	<u>111,549</u>	<u>111,549</u>
17. Avoidable Loss from Operations (li 4 minus li 7)	<u>\$28,672</u>	<u>\$91,662</u>	<u>\$91,662</u>
18. Estimated Forecast Year Total Avoidable Loss (li 4-li 7-li 16)		<u>\$203,210</u>	
19. Estimated Subsidy (li 4-li 7-li 11-li 16)			<u>\$1,116,579</u>

1/ Base Year data reflects actual operation for twelve month ended December 31, 2003.

2/ Forecast Year reflects the period between June 1, 2004 to May 31, 2005.

3/ Source: File "Revenue Base Yr & Forecast Yr.xls" from Application of \$234,096 in Base Year and \$237,387 in Forecast Year plus Restatement of Revenue for 8 loads, source "Revenue Restatement on 8 loads.xls".

4/ Source: File "Miscellaneous Revenue.xls", TAB "Recap Accessorial Revenues" from Application.

5/ Source: Rebuttal File "On Branch Avoidable Costs.xls", TABs "Base" and "Forecast".

6/ Source: File "Off Branch Avoidable Costs.xls", TAB "Summary" from Application.

7/ Source: File "M o W, Rehab, NLV So. Of MP 135.xls", TAB "Rehabilitation".

8/ The subsidizer shall be required to hold the RR harmless from any damage, injury or death resulting from operation of this line, and shall be required to obtain insurance for an amount equal to RR's uninsured liability, and must pay its proportionate share of the RR's system insurance costs. This expense has not been estimated.

9/ Source: Rebuttal File "Opportunity Cost & Working Capital.xls".

C:\CN Aband Rebuttal-100 train-restate rev and taxi-bifurcate\Abandonment Summary.xls
Summary

8/25/2004

Exhibit C
100 Trains
Restate Taxi
South of MP 135

Plymouth Subdivision, From Saukville, WI to Kiel, WI
On-Branch Avoidable Costs
For the Base Year 2003

Based on 100 Trains/Year

	Salaries and Wages	Materials, Tools, Supplies, Fuels and Lubricants	Purchased Services	General	Total
Maintenance of Way and Structures					
Repair and Maintenance:					
Roadway - running 1/	\$13,896	\$0	\$0	\$0	\$13,896
Roadway - switching	0	0	0	0	0
Tunnels & subways - running	0	0	0	0	0
Tunnels & subways - switching	0	0	0	0	0
Bridges & culverts - running	0	0	0	0	0
Bridges & culverts - switching	0	0	0	0	0
Ties - running 1/	0	415	n/a	n/a	415
Ties - switching	0	0	n/a	n/a	0
Rail and Other Track Material - running 1/	0	548	n/a	n/a	548
Rail and Other Track Material - switching	0	0	n/a	n/a	0
Ballast - running 1/	0	159	n/a	n/a	159
Ballast - switching	0	0	n/a	n/a	0
Track Laying and Surfacing - running	0	0	0	0	0
Track Laying and Surfacing - switching	0	0	0	0	0
Road property damaged - running	0	0	0	0	0
Road property damaged - switching	0	0	0	0	0
Road property damaged - other	0	0	0	0	0
Signals & interlockers - running	0	0	0	0	0
Signals & interlockers - switching	0	0	0	0	0
Communications systems	0	0	0	0	0
Highway grade crossings - running 1/	10,335	3,276	0	0	13,611
Highway grade crossings - switching	0	0	0	0	0
Station & office buildings	0	0	0	0	0
Miscellaneous buildings & structures	0	0	0	0	0
Roadway machines	0	0	0	0	0
Small tools & supplies	0	0	0	0	0
Snow removal	0	0	0	0	0
Fringe benefits - running 1/	n/a	n/a	n/a	9,700	9,700
Fringe benefits - switching	n/a	n/a	n/a	0	0
Fringe benefits - other	n/a	n/a	n/a	0	0
Casualties & insurance - running	n/a	n/a	n/a	0	0
Casualties & insurance - switching	n/a	n/a	n/a	0	0
Casualties & insurance - other	n/a	n/a	n/a	0	0
Joint facility rent - debit - running	0	0	0	0	0
Joint facility rent - debit - switching	0	0	0	0	0
Joint facility rent - debit - other	0	0	0	0	0
Joint facility rent - (credit) - running	0	0	0	0	0
Joint facility rent - (credit) - switching	0	0	0	0	0
Joint facility rent - (credit) - other	0	0	0	0	0
Depreciation - running	0	0	0	0	0
Depreciation - switching	0	0	0	0	0
Depreciation - other	0	0	0	0	0
Joint facility - debit - running	0	0	0	0	0
Joint facility - debit - switching	0	0	0	0	0
Joint facility - debit - other	0	0	0	0	0

Exhibit C
100 Trains
Restate Taxi
South of MP 135

Plymouth Subdivision, From Saukville, WI to Kiel, WI
On-Branch Avoidable Costs
For the Base Year 2003

Based on 100 Trains/Year

	Salaries and Wages	Materials, Tools, Supplies, Fuels and Lubricants	Purchased Services	General	Total
Joint facility - (credit) - running	0	0	0	0	0
Joint facility - (credit) - switching	0	0	0	0	0
Joint facility - (credit) - other	0	0	0	0	0
Other - running	0	0	0	0	0
Other - switching	0	0	0	0	0
Other - other	0	0	0	0	0
Total Maintenance of Way and Structures	\$24,231	\$4,398	\$0	\$9,700	\$38,329
Maintenance of Equipment					
Locomotives					
Repair & maintenance 2/	\$876	\$998	\$284	(\$36)	\$2,124
Equipment damaged	0	0	0	0	0
Fringe benefits 3/	n/a	n/a	n/a	384	384
Depreciation 4/	n/a	n/a	n/a	1,698	1,698
Freight Cars					
Equipment damaged	0	0	0	0	0
Total Maintenance of Equipment	\$876	\$998	\$284	\$2,047	\$4,206
Transportation					
Train Operations					
Engine crews 5/	\$17,444	\$0	\$0	\$0	\$17,444
Train crews 5/	16,277	0	0	0	16,277
Operating signals & interlockers	0	0	0	0	0
Highway crossing protection	0	0	0	0	0
Train inspection & lubrication 6/	517	43	0	0	560
Locomotive fuel 7/	0	13,881	0	0	13,881
Servicing locomotives 8/	691	311	46	7	1,054
Freight lost or damaged - solely related	n/a	n/a	n/a	0	0
Clearing wrecks	0	0	0	0	0
Fringe benefits 9/	n/a	n/a	n/a	14,686	14,686
Other casualties & insurance	n/a	n/a	n/a	0	0
Joint facility - debit	n/a	n/a	0	n/a	0
Joint facility - (credit)	n/a	n/a	0	n/a	0
Other	0	0	0	0	0
Yard Operations					
Switch crews	0	0	0	0	0
Locomotive fuel	0	0	0	0	0
Servicing locomotives	0	0	0	0	0
Fringe benefits	n/a	n/a	n/a	0	0
Train and Yard Operations - Common					
Adjusting & transferring loads	0	0	0	0	0
Fringe benefits	n/a	n/a	n/a	0	0
Specialized Service Operations					
Other	0	0	0	0	0
Administrative Support Operations					
Employees performing clerical & acctg. functions	0	0	0	0	0
Communication systems operations	0	0	0	0	0

Exhibit C
100 Trains
Restate Taxi
South of MP 135

Plymouth Subdivision, From Saukville, WI to Kiel, WI
On-Branch Avoidable Costs
For the Base Year 2003

Based on 100 Trains/Year

	Salaries and Wages	Materials, Tools, Supplies, Fuels and Lubricants	Purchased Services	General	Total
Fringe benefits	n/a	n/a	n/a	0	0
Other	0	0	0	0	0
Total Transportation	\$34,929	\$14,234	\$46	\$14,693	\$63,902
Deadheading, Taxi and Hotel					
Deadheading	\$0	\$0	\$0	\$0	\$0
Taxi 10/	0	0	4,985	0	4,985
Hotel	0	0	0	0	0
Total Deadheading, Taxi and Hotel	\$0	\$0	\$4,985	\$0	\$4,985
Overhead Movement	\$0	\$0	\$0	\$0	\$0
Freight Car Costs 11/	n/a	n/a	n/a	\$2,850	\$2,850
Return on Value					
Locomotives 12/	n/a	n/a	n/a	\$3,959	\$3,959
Freight Cars 13/	n/a	n/a	n/a	1,757	1,757
Total On-Branch Avoidable Costs	\$60,036	\$19,631	\$5,315	\$35,006	\$119,988

- 1/ Source: File "M of W, Rehab, NLV So. of MP 135.xls", TAB "MoW 2003, Forecast, Normalized".
- 2/ Source: Rebuttal File "Loco Repairs.xls", TAB "Repairs".
- 3/ Fringe Benefits calculated in Rebuttal File "Fringe Benefits.xls", Tab "MoE Loco".
- 4/ Source: Rebuttal File "Loco Depreciation.xls", TAB "Loco".
- 5/ Source: Rebuttal File "Crew wages.xls", TAB "Recap".
- 6/ Source: Application File "Train Inspection.xls".
- 7/ Source: Rebuttal File "Locomotive Fuel.xls", TAB "Fuel Expense".
- 8/ Source: Rebuttal File "Servicing Locomotives.xls".
- 9/ Fringe Benefits calculated in Rebuttal File "Fringe Benefits.xls", Tab "Trn Ops".
- 10/ Source: Rebuttal File "Taxi.xls", TAB "Taxi Expense".
- 11/ Source: Application File "Replacement Car Costs.xls", TAB "Base".
- 12/ Source: Rebuttal File "Locomotive ROI.xls", TAB "Loco".
- 13/ Source: Application File "Freight Car ROI.xls".

Shaded areas indicate formula linked from another work sheet.

Exhibit C
100 Trains
Restate Taxi
South of MP 135

Plymouth Subdivision, From Saukville, WI to Kiel, WI
On-Branch Avoidable Costs
For the Forecast Year

Based on 100 Trains/Year

Routine Maintenance, Normalized Separately Shown	Salaries and Wages	Materials, Tools, Supplies, Fuels and Lubricants	Purchased Services	General	Total
Maintenance of Way and Structures 1/					
Repair and Maintenance:					
Roadway - running	\$14,560	\$0	\$0	\$0	\$14,560
Roadway - switching	0	0	0	0	\$0
Tunnels & subways - running	0	0	0	0	0
Tunnels & subways - switching	0	0	0	0	0
Bridges & culverts - running	0	0	0	0	0
Bridges & culverts - switching	0	0	0	0	0
Ties - running	0	426	0	0	426
Ties - switching	0	0	0	0	0
Rail and Other Track Material - running	0	562	0	0	562
Rail and Other Track Material - switching	0	0	0	0	0
Ballast - running	0	163	0	0	163
Ballast - switching	0	0	0	0	0
Track Laying and Surfacing - running	0	0	0	0	0
Track Laying and Surfacing - switching	0	0	0	0	0
Road property damaged - running	0	0	0	0	0
Road property damaged - switching	0	0	0	0	0
Road property damaged - other	0	0	0	0	0
Signals & interlockers - running	0	0	0	0	0
Signals & interlockers - switching	0	0	0	0	0
Communications systems	0	0	0	0	0
Highway grade crossings - running	10,829	3,359	0	0	14,188
Highway grade crossings - switching	0	0	0	0	0
Station & office buildings	0	0	0	0	0
Miscellaneous buildings & structures	0	0	0	0	0
Roadway machines	0	0	0	0	0
Small tools & supplies	0	0	0	0	0
Snow removal	0	0	0	0	0
Fringe benefits - running	0	0	0	10,163	10,163
Fringe benefits - switching	0	0	0	0	0
Fringe benefits - other	0	0	0	0	0
Casualties & insurance - running	0	0	0	0	0
Casualties & insurance - switching	0	0	0	0	0
Casualties & insurance - other	0	0	0	0	0
Joint facility rent - debit - running	0	0	0	0	0
Joint facility rent - debit - switching	0	0	0	0	0
Joint facility rent - debit - other	0	0	0	0	0
Joint facility rent - (credit) - running	0	0	0	0	0
Joint facility rent - (credit) - switching	0	0	0	0	0
Joint facility rent - (credit) - other	0	0	0	0	0
Depreciation - running	0	0	0	0	0
Depreciation - switching	0	0	0	0	0
Depreciation - other	0	0	0	0	0
Joint facility - debit - running	0	0	0	0	0
Joint facility - debit - switching	0	0	0	0	0
Joint facility - debit - other	0	0	0	0	0
Joint facility - (credit) - running	0	0	0	0	0

Exhibit C
100 Trains
Restate Taxi
South of MP 135

Plymouth Subdivision, From Saukville, WI to Kiel, WI
On-Branch Avoidable Costs
For the Forecast Year

Based on 100 Trains/Year

Routine Maintenance, Normalized Separately Shown	Salaries and Wages	Materials, Tools, Supplies, Fuels and Lubricants	Purchased Services	General	Total
Joint facility - (credit) - switching	0	0	0	0	0
Joint facility - (credit) - other	0	0	0	0	0
Other - running	0	0	0	0	0
Other - switching	0	0	0	0	0
Other - other	0	0	0	0	0
Sub Total Maintenance of Way and Structures	\$25,389	\$4,509	\$0	\$10,163	\$40,061
Normalized Maintenance 2/					
Tie Replacement Program					\$39,769
Surfacing Program					\$16,853
Subtotal Normalized Maintenance					\$56,622
Total Maintenance of Way	\$25,389	\$4,509	\$0	\$10,163	\$96,683
Maintenance of Equipment					
Locomotives					
Repair & maintenance 3/	\$917	\$1,045	\$298	\$37	\$2,222
Equipment damaged	0	0	0	0	0
Fringe benefits 4/	n/a	n/a	n/a	402	402
Depreciation 5/	n/a	n/a	n/a	1,750	1,750
Freight Cars					
Equipment damaged	0	0	0	0	0
Total Maintenance of Equipment	\$917	\$1,045	\$298	\$2,115	\$4,375
Transportation					
Train Operations					
Engine crews 6/	\$17,444	\$0	\$0	\$0	\$17,444
Train crews 6/	16,277	0	0	0	16,277
Operating signals & interlockers	0	0	0	0	0
Highway crossing protection	0	0	0	0	0
Train inspection & lubrication 7/	540	45	0	0	585
Locomotive fuel 8/	0	15,389	0	0	15,389
Servicing locomotives 9/	724	325	48	7	1,103
Freight lost or damaged - solely related	n/a	n/a	n/a	0	0
Clearing wrecks	0	0	0	0	0
Fringe benefits 10/	n/a	n/a	n/a	14,710	14,710
Other casualties & insurance	n/a	n/a	n/a	0	0
Joint facility - debit	n/a	n/a	0	n/a	0
Joint facility - (credit)	n/a	n/a	0	n/a	0
Other	0	0	0	0	0
Yard Operations					
Switch crews	0	0	0	0	0
Locomotive fuel	0	0	0	0	0
Servicing locomotives	0	0	0	0	0
Fringe benefits	n/a	n/a	n/a	0	0
Train and Yard Operations - Common					
Adjusting & transferring loads	0	0	0	0	0
Fringe benefits	n/a	n/a	n/a	0	0
Specialized Service Operations					
Other	0	0	0	0	0

Exhibit C
100 Trains
Restate Taxi
South of MP 135

Plymouth Subdivision, From Saukville, WI to Kiel, WI
On-Branch Avoidable Costs
For the Forecast Year

Based on 100 Trains/Year

Routine Maintenance, Normalized Separately Shown	Salaries and Wages	Materials, Tools, Supplies, Fuels and Lubricants	Purchased Services	General	Total
Administrative Support Operations					
Employees performing clerical & acctg. functions	0	0	0	0	0
Communication systems operations	0	0	0	0	0
Fringe benefits	n/a	n/a	n/a	0	0
Other	0	0	0	0	0
Total Transportation	\$34,985	\$15,759	\$48	\$14,717	\$65,508
Deadheading, Taxi and Hotel					
Deadheading	\$0	\$0	\$0	\$0	\$0
Taxi 11/	0	0	5,127	0	5,127
Hotel	0	0	0	0	0
Total Deadheading, Taxi and Hotel	\$0	\$0	\$5,127	\$0	\$5,127
Overhead Movement	\$0	\$0	\$0	\$0	\$0
Freight Car Costs 12/	n/a	n/a	n/a	\$2,937	\$2,937
Return on Value					
Locomotives 13/	n/a	n/a	n/a	\$4,081	\$4,081
Freight Cars 14/	n/a	n/a	n/a	1,811	1,811
Total On-Branch Avoidable Costs	\$61,290	\$21,313	\$5,472	\$35,824	\$180,522

- 1/ MoW forecast year data source tab "Base" escalated by Application File "Indices.xls" various columns, Other Expenses shown on Page
Forecast values were developed on the pages from which they are linked.
- 2/ Source: File "M of W, Rehab, NLV So. of MP 135.xls", TAB "Rehabilitation".
- 3/ Source: Rebuttal File "Loco Repairs.xls", TAB "Repairs".
- 4/ Fringe Benefits calculated in Rebuttal File "Fringe Benefits.xls", Tab "MoE Loco".
- 5/ Source: Rebuttal File "Loco Depreciation.xls", TAB "Loco".
- 6/ Source: Rebuttal File "Crew wages.xls", TAB "Recap".
- 7/ Source: Rebuttal File "Train Inspection.xls".
- 8/ Source: Rebuttal File "Locomotive Fuel.xls", TAB "Fuel Expense".
- 9/ Source: Rebuttal File "Servicing Locomotives.xls".
- 10/ Fringe Benefits calculated in Rebuttal File "Fringe Benefits.xls", Tab "Trn Ops".
- 11/ Source: Rebuttal File "Taxi.xls", TAB "Taxi Expense".
- 12/ Source: Application File "Replacement Car Costs.xls", TAB "Forecast".
- 13/ Source: Rebuttal File "Locomotive ROI.xls", TAB "Loco".
- 14/ Source: Application File "Freight Car ROI.xls".

Plymouth Subdivision, From Saukville, WI to Kiel, WI

**Exhibit E
100 Trains
Restatement of Revenue
Restatement of Tax
South of MP 135**

**Opportunity Cost as a result of Operating the Line
Based on 100 Trains/Year**

1.	Market Value of Merchantable Land 1/	\$440,085
2.	Value of Salvageable Scrap and Usable Material 1/	1,148,207
3.	Cost of Disposing of Land (included in Market Value L 1)	0
4.	Cost of Track Removal 1/	(372,006)
5.	Net Liquidation Value (Sum L1 through L4)	\$1,216,286
6.	Working Capital (L 28)	7,105
7.	Income Tax Consequences (L15 below)	(266,908)
8.	Total Valuation For Road Property (Sum L5 through L7)	\$956,482
9.	Current Nominal Cost Of Capital	13.32%
10.	Opportunity cost (L8*L9)	<u>\$127,403</u>

Calculation of Income Tax Consequences

11	Net Liquidation Value	\$1,216,286
12	Book Value - Land 1/	594,122
13	Gain on Sale (L11 - L12)	\$622,164
14	Income Tax Rate 2/	42.9%
15	Income Tax Consequences (L13*L14)	<u>\$266,908</u>

Calculation of Holding Gains

16	Net Liquidation Value	\$1,216,286
17	Holding Gain %	1.67%
18	Holding Gain Before Taxes (L16*L17)	\$20,312
19	Income Taxes on Holding Gains 3/	4,457
20	Holding Gains (Net) (L18-L19)	<u>\$15,855</u>

Working Capital 4/

21	Maintenance of Way	\$96,683
22	Maintenance of Equipment Excl. Depreciation	2,624
23	Transportation	65,508
24	Deadheading, Taxi and Hotel	5,127
25	Freight Car Costs Other Than ROI	<u>2,937</u>
26	Subtotal	\$172,879

On-Branch Cash Avoidable Costs

27	15 Days / 365 days	0.04109589
28	Total Working Capital	<u>\$7,105</u>

- 1/ Source: "M o W, Rehab, NLV So. Of MP 135.xls", tab "NLV".
2/ The Income Tax Rate of 42.9% is that of the Wisconsin Central.
If the NLV of this line increases 1.67% over the next year, the gain on the sale of the line one year hence increases by \$20,311 (\$1,216,286 * 1.67%) and therefore our income taxes increase by \$4,457, from \$266,908 to \$271,365.
3/ \$266,908 to \$271,365.
4/ Source: Rebuttal File "On Branch Avoidable Costs.xls", TAB "Forecast".

Exhibit F
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Crew Wages for Crew Serving the Plymouth Sub Saukville to Kiel

Based on 100 Trains/Year

	Straight	Overtime	Avg crew	Hours	Hours @		Trains/	Wages	Additives,	Wages
	1/ time rate	rate	size/train	@ OT	Straight time	Wages	Year	before additives	non fringe benefits 2/	(Col b R 1 Sch 410 format)
Base Year										
Engineer	28	42	1.03	1.87	2.63	\$157.29	100	\$15,729	10.9%	\$17,444
Trainman	26	39	1.03	1.92	2.58	\$146.77	100	\$14,677	10.9%	\$16,277
								\$30,407		\$33,721
Forecast Year 3/										
Engineer	28	42	1.03	1.87	2.63	\$157.29	100	\$15,729	10.9%	\$17,444
Trainman	26	39	1.03	1.92	2.58	\$146.77	100	\$14,677	10.9%	\$16,277
								\$30,407		\$33,721

1/ Wage hours and dollars data in this worksheet is linked from tab "Wages by Train Engine" in the "Crew wages.xls" workbook in the Original Application Filing.

2/ Fringe benefits percents for Crews provided by CN Staff, see Appendix O in Original Application Filing.

3/ Wage rates in effective during 2003 through June 2004, at this time no forecast of salaries is available.

Thus crew wages in the forecast year may be understated.

Exhibit J
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of Transportation
Fringe Benefit Expense - Train Operations
Pursuant to 49CFR 1152.33(c)(4)(i)

Based on 100 Trains/Year

	Base Year - 2003	Forecast Year	
System Fringe Benefits - Train Operations (12-31-00) (000 omitted) 1/	\$63,716	n/a	
System Salaries & Wages - Train Operations (000 omitted) 2/			
11-31-01 Administration	\$5,965		
11-31-56 Engine Crews	55,352		
11-31-57 Train Crews	56,584		
11-31-58 Dispatching Trains	10,076		
11-31-59 Operating Signals and Interlockers	0		
11-31-60 Operating Drawbridges	0		
11-31-61 Highway Crossing Protection	2		
11-31-62 Train Inspections and Lubrication	16,504		
11-31-67 Locomotive Fuel	2		
11-31-68 Electric Power Purchased	0		
11-31-69 Servicing Locomotives	6,921		
11-31-63 Clearing Wrecks	131		
11-31-99 Other	4		
Total	<u>\$151,541</u>	<u>n/a</u>	
Ratio of System Fringe Benefits to System Salaries & Wages - Running	<u>0.42045</u>	<u>0.42045</u>	
On-Branch Salaries & Wages - Running			
11-31-01 Administration	\$0	0	
11-31-56 Engine Crews	17,444	17,444	3/
11-31-57 Train Crews	16,277	16,277	3/
11-31-58 Dispatching Trains	0	0	
11-31-59 Operating Signals and Interlockers	0	0	
11-31-60 Operating Drawbridges	0	0	
11-31-61 Highway Crossing Protection	0	0	
11-31-62 Train Inspections and Lubrication	517	540	4/
11-31-67 Locomotive Fuel	0	0	
11-31-68 Electric Power Purchased	0	0	
11-31-69 Servicing Locomotives	691	724	5/
11-31-63 Clearing Wrecks	0	0	
11-31-99 Other	0	0	
Total	<u>\$34,929</u>	<u>\$34,985</u>	
Total On-Branch Fringes - Other	<u>\$14,686</u>	<u>\$14,710</u>	

- 1/ Form R-1, Schedule 410, Line 414, Column F.
2/ Form R-1, Schedule 410, Column B, Lines 401 through 411, and 413 and 418.
3/ Source: Rebuttal File "On Branch Avoidable Costs.xls", TABs "Base" and "Forecast".
4/ Source: Application File "Train Inspection.xls".
5/ Source: Rebuttal File "Servicing Locomotives.xls".

Exhibit J
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of Maintenance of Equipment
Fringe Benefit Expense - Locomotives
Pursuant to 49CFR 1152.33(b)(3)(i)

Based on 100 Trains/Year

	Base Year - 2003	Forecast Year
System Fringe Benefits - Locomotives (12-21-00) (000 omitted) 1/	\$6,931	n/a
System Salaries & Wages - Locomotives (000 omitted) 2/		
11-21-01 Administration	\$1,676	
11-21-41 Repairs and Maintenance	14,057	
11-21-40 Machinery Repair	0	
11-21-48 Equipment Damaged	0	
11-21-39 Dismantling Property	0	
11-21-99 Other	67	
Total	<u>\$15,800</u>	<u>n/a</u>
Ratio of System Fringe Benefits to System Salaries & Wages - Running	<u>0.43867</u>	<u>0.43867</u>
On-Branch Salaries & Wages - Locomotives		
11-21-01 Administration	0	0
11-21-41 Repairs and Maintenance	876	917 3/
11-21-40 Machinery Repair	0	0
11-21-48 Equipment Damaged	0	0
11-21-39 Dismantling Property	0	0
11-21-99 Other	0	0
Total	<u>\$876</u>	<u>\$917</u>
Total On-Branch Fringes - Other	<u>\$384</u>	<u>\$402</u>

1/ Form R-1, Schedule 410, Line 205, Column F.

2/ Form R-1, Schedule 410, Column B, Lines 201, 202, 203, 204, 217 and 218.

3/ Source: Rebuttal File "Loco Repairs.xls", TAB "Repairs".

Exhibit L
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of Locomotive Depreciation
Pursuant to 49CFR 1152.32(a)

Based on 100 Trains per Year

	Base Year - 2003	Forecast Year
1. System Locomotive Unit Hours Road Diesel 1/	3,352,378	n/a
2. Average Number of units in Service 2/	<u>562</u>	<u>n/a</u>
3. System Average Hours per Unit (L1/L2)	5,970	5,970
4. On-Branch Locomotive Unit Hours 3/	<u>398</u>	<u>398</u>
5. Ratio of On-Branch Locomotive Unit Hours to System Average Hours per Unit (L4/L3)	<u>0.06665</u>	<u>0.06665</u>
6. Replacement Cost of 2000 Horsepower Unit Locomotives Used On-Branch 4/	\$715,563	6/ \$737,629
7. Yearly Depreciation rate 5/	<u>0.0356</u>	<u>0.0356</u>
8. Yearly Depreciation of 2000 Horsepower Locomotives (L6*L7)	<u>\$25,474</u>	<u>\$26,260</u>
9. On Branch 2000 Horsepower Locomotive Depreciation Expense (L8*L5)	<u>\$1,698</u>	<u>\$1,750</u>

1/ CN STAFF COMPUTATION WORKSHEET

2/ Form R-1, Schedule 710, ((Line 1, Col. B + Col. J) + (Line 3, Col. B + Col. J))/2.

3/ Source: Rebuttal File "On Branch Train Activity.xls", TAB "On Branch LUMs & days ca

4/ CN Staff Computation Worksheet valued 1Q 04 at \$725,000 -1.302%

5/ Form R-1, Schedule 332, Column D, Line 31.

6/ See Application File "Indices.xls" Replacement Cost escalated by Forecast
for PPI - RR Equipment 3.084%

Exhibit M
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of Locomotive Repair and Maintenance Expense
Pursuant to 49CFR 1152.33(b)(1)

Based on 100 Trains/Year

	Base Year - 2003	Forecast Year
On Branch Locomotive Gross Ton Miles		
Road Service (Tare 125 tons, LUMs 3479) 1/	434,875	434,875
System Locomotive gross Ton Miles		
Road Service (000 omitted) 2/	6,290,527	
Ratio of On-Branch Locomotive Gross Ton Miles to System Locomotive Gross Ton miles	0.0000691	0.0000691
System Diesel Locomotive Repairs and Maintenance Expense		
Road Service (000 omitted) 3/		
Salaries and Wages	\$12,677	
Materials	14,441	
Purchases	4,114	
General	(514)	
Total	<u>\$30,719</u>	
On-Branch Diesel Locomotive Repairs and Maintenance Expense		
Road Service (000 omitted) 4/		
Salaries and Wages	\$876	\$917
Materials	998	\$1,045
Purchases	284	\$298
General	(36)	(\$37)
Total	<u>\$2,124</u>	<u>\$2,222</u>

- 1/ Tare from CN Data, LUMs from Rebuttal File "On Branch Train Activity.xls" tab "On Branch LUMs & days calc".
2/ Form R-1, Schedule 755, Line 98.
3/ Form R-1, Schedule 410, Line 202 (\$14,057,\$16,013,\$4,562, and (\$570), respectively times the
Ratio of road repairs to total repairs - Schedule 415, Lines 2 and 5, \$30,719 and \$34,062, respectively
4/ Continue to Utilize Form R-1 Base Year Data for Forecast Year, include Escalation to determine unit costs
See Application File "Indices.xls" Material Wages & Supplements Factor 4.636%
excluding Fuels.

Exhibit N
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of Locomotive Fuel Expense
Pursuant to 49CFR 1152.33(c)(1)(ii)

1. Locomotive Horsepower Classification
- e. 2000 H.P. through 2499 H.P
2. Total Locomotive Fuel Cost Running

Based on 100 Trains/Year					
Locomotive Fuel Cost Running					
Base Year - 2003			Forecast Year		
Fuel Cost per Locomotive Hour ^{1/}	On-Branch Locomotive Hours ^{2/}	On-Branch Locomotive Fuel Cost	Fuel Cost per Locomotive Hour ^{3/}	On-Branch Locomotive Hours	On-Branch Locomotive Fuel Cost

\$34.26	398	<u>\$13,633</u>	\$37.98	398	<u>\$15,114</u>
		<u>\$13,633</u>			<u>\$15,114</u>

3. Cost of Fuel for Idling

Locomotive Fuel Cost Idling					
Base Year 2003			Forecast		
Price/ Gallon ^{4/}	Gallons ^{5/}	Cost for Idling	Price/ Gallon ^{3/}	Gallons	Cost for Idling

\$0.825	300	\$247	0.91	300	\$274
---------	-----	-------	------	-----	-------

4. Total On-Branch Locomotive Fuel Cost (L2+L3)

<u>\$13,881</u>	<u>\$15,389</u>
-----------------	-----------------

- 1/ GMA Rate indexed to current year. See TAB "Historic Fuel Index" in Original Application File "Locomotive Fuel.xls".
- 2/ Source: Rebuttal File "On Branch Train Activity.xls" See tab "On branch LUMs and days calc".
- 3/ See Application File "Indices.xls" Forecast Fuel Index Column 10.863%
- 4/ Form R-1, Sch. 750, Line 5 * 1000 / Line 4.
- 5/ Locomotive Unit Hours Idling 0.5
* 6 gallons per hour 3
* Trips per year 100
Total Locomotive Idling Gallons 300

Exhibit O
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of On-Branch Return on Investment
On Branch 2000 HP Locomotives

Based on 100 Trains/Year

	Base Year - 2003	Forecast Year
1. System Locomotive Unit Hours Road Diesel 1/	3,352,378	n/a
2. Average Number of units in Service 2/	<u>562</u>	<u>n/a</u>
3. System Average Hours per Unit (L1/L2)	5,970	5,970
4. On-Branch Locomotive Unit Hours 3/	<u>398</u>	<u>398</u>
5. Ratio of On-Branch Horsepower Locomotive Unit Hours to System Average Hours per Unit (L4/L3)	<u>0.06665</u>	<u>0.06665</u>
6. Replacement Cost of 2000 Horsepower Locomotives Used On-Branch 4/ 5/	\$715,563	\$737,629
7. Less Accumulated Depreciation		
a. Accumulated Depreciation Rate 6/	28.74%	28.74%
b. Accumulated Depreciation (L7a * L6)	<u>205,662</u>	<u>212,004</u>
8. Depreciated Replacement Value (L6-L7b)	\$509,901	\$525,625
9. Real Cost of Capital 7/	<u>11.65%</u>	<u>11.65%</u>
10. Yearly Return on Investment - 2000 Horsepower Locomotives (L8*L9)	<u>\$59,403</u>	<u>\$61,235</u>
11. On Branch 2000 Horsepower Locomotive Return on Investment, Net of Holding Gains (L10*L5)	<u>\$3,959</u>	<u>\$4,081</u>

1/ CN Staff computation Worksheet. See Rebuttal File "Loco Depreciation.xls", Tab "Loco".

2/ Form R-1, Schedule 710, ((Line 1, Col. B + Col. J) + (Line 3, Col. B + Col. J))/2.

3/ Source: Rebuttal File "On Branch Train Activity.xls", TAB "On Branch LUMs & days calc".

4/ CN Staff Computation Worksheet valued 1Q 04 at \$725,000 -1.302%

5/ See Application File "Indices.xls" Replacement Cost escalated by Forecast
for PPI - RR Equipment. 3.084%

6/ Form R-1, Schedule 415, Line 5, Columns (I + J)/(G + H).

7/ RAILROAD COST OF CAPITAL - 2003, STB Ex Parte No. 558 (Sub-No. 7), decided June 22, 2004 found the after-tax cost of capital rate to be 9.4%. The Real Cost of Capital is the pre-tax nominal C of C of 13.32% adjusted for 1.67% holding gain based on GDP-IDP, or 11.65%, see Application File "Cost of Capital.xls".

Exhibit Q
100 Trains

Plymouth Subdivision, From Saukville, WI to Kiel, WI
Computation of Servicing Locomotives Expense
Pursuant to 49CFR 1152.32(c)(1)(iv)

Based on 100 Trains/Year

Line		Base Year - 2003	Forecast Year 4/
1.	On Branch Locomotive Unit Miles Road Service 1/	3,479	3,479
2.	System Locomotive Unit Miles Road Service 2/	34,824,533	34,824,533
3.	Ratio of On-Branch Locomotive Unit Miles to System Locomotive Unit Miles	0.000100	0.000100
4.	System Servicing Train Locomotives Expense (000 omitted) 3/		
	a. Salaries and Wages	\$6,921	
	b. Materials	3,108	
	c. Purchases	458	
	d. General	66	
5.	Total	<u>\$10,553</u>	
6.	On-Branch Servicing Train Locomotives Expense		
	a. Salaries and Wages (L3*L4a)	\$691	\$724
	b. Materials (L3*L4b)	311	325
	c. Purchases (L3*L4c)	46	48
	d. General (L3*L4d)	7	7
7.	Total	<u>\$1,054</u>	<u>\$1,103</u>
1/	Source: Rebuttal File "On Branch Train Activity.xls", TAB "On Branch LUMs & days calc".		
2/	Form R-1, Schedule 755, Line 11.		
3/	Form R-1, Schedule 410, Line 411.		
4/	Continue to Utilize Form R-1 Data for Forecast Year plus Escalation to Forecast costs		
	See Applicatio File "Indices.xls" Material Wages & Supplements Factor excluding Fuels.		<u>4.636%</u>

Plymouth Subdivision, From Saukville, WI to Kiel, WI

Calculation of Taxi Expense related to Train Service to the Plymouth Sub

Revision from Application Based on Eliminating Expense on Six Dates that are not identified by specific Work Order Report

A portion of the zeroed out expenses may nonetheless have been incurred for work related to serving the Plymouth Subdivision

Based on 100 Trains per Year

Plymouth Subdivision Taxi Expense --- August to December 2003

Ticket Date	Company Name	Origin	Destination	Ticket Train	Ticket Crew	Ticket Pickup	Ticket	Total Charge
2003/08/05	RAILROAD CREW TRANSP	dbj junction	dbj junction	L50781	Becker	1815	157167	\$101.35
2003/08/07	RAILROAD CREW TRANSP	Plymouth Sub	DBR	I50781	Becker	1830	149365	60.10
2003/08/07	RAILROAD CREW TRANSP	Saukville Hwy 33	DBR Jct	I50381	White	0735	164744	126.60
2003/08/19	RAILROAD CREW TRANSP	waldo	dbj jct	507	Werner	1812	108803	113.90
2003/08/21	CREW TRANSPORT	dbj mequan	dbj germantown	I50381	Robl	1830	149375	61.50
2003/08/25	RAILROAD CREW TRANSP	Fond du lac	DBR Jct	zi5038	Willis		157190	0.00 1/
2003/08/25	RAILROAD CREW TRANSP	Fond du lac	DBR Jct	I503r	Norris	1345	157191	0.00 1/
2003/08/25	RAILROAD CREW TRANSP	dbj jct	fdi yard	I503r	Norris	2035	149214	0.00 1/
2003/08/27	CREW TRANSPORT	dungessbayroad	dbj	I50781	McGregor	1830	149381	65.65
2003/09/02	CREW TRANSPORT	Saukville	DBR Jct. then return back to Sauk-	I50781	Becker	1845	140704	149.70
2003/09/04	CREW TRANSPORT	S. end of Ackerville	Dbj Junction	I50781	Becker	1850	185152	0.00 1/
2003/09/09	RAILROAD CREW TRANSP	Saukville	DBR Jct & Back to Sukville	I50781	Becker	1815	149388	101.25
2003/09/11	CREW TRANSPORT	saukville	dbj	L50781	Barry Becker	1800	149392	105.00
2003/09/11	RAILROAD CREW TRANSP	Ackerville	DBR Junction	L50381	Robl/White	02:30	2742671	110.50
2003/09/11	RAILROAD CREW TRANSP	DBR Jct.	Ackerville	L50781	Barry Becker	0705	149391	64.75
2003/09/23	CREW TRANSPORT	Saukville Cold Spring Rd.	DBR. Junct. w/return	L507	Barry Becker	1840	149255	101.00
2003/09/30	CREW TRANSPORT	Saukville	DBR w/return	I50781	Becker	1830	164515	81.90
2003/10/07	CREW TRANSPORT	donges bay rd	dbj jct	I50781	Becker	1810	173972	112.01
2003/10/09	CREW TRANSPORT	Mequan	Dbj junction	I50781	Becker	1900	140752	113.65
2003/10/14	R/C TRANSPORT	dongess bay road	dbj jct	I50781	Becker	1805	108812	43.04
2003/10/21	CREW TRANSPORT	Donges Bay Rd.	DBR Junction	I50781	Becker	1900	21030892	20.25
2003/10/28	CREW TRANSPORT	daryas bay rd	dbj jct and return	I50781	Becker	0630	147577	22.50
2003/11/04	RAILROAD CREW TRANSP	Milwaukee	DBR Jct	L50781	Becker	1915	147585	43.75
2003/11/06	R/C TRANSPORT	dongess bay rd	dbj jct w/return	L50781	Becker	1750	147589	41.25
2003/11/11	R/C TRANSPORT	n. milw glendale yd fairmont ave	dbj jct	L50381	White	0615	147597	0.00 1/
2003/11/13	RAILROAD CREW TRANSP	HWY 167 WSOR Main Track	DBR Jct.	L50381	White	0735	108810	0.00 1/
2003/11/18	R/C TRANSPORT	hwy 33 saukville	dbj jct w/return	L50781	Becker	1800	2771006	57.00
2003/11/20	CREW TRANSPORT	hwy c cedarburg	dbj jct/ return	L50781	Becker	1800	175439	0.00 1/
2003/12/02	RAILROAD CREW TRANSP	DBR Jct	Milwaukee	L50781	Becker	0750	141070	20.25
2003/12/04	RAILROAD CREW TRANSP	Fairmount Ave N. Milwaukee	DBR Jct.	L50381	White	0215	2771075	27.00
2003/12/04	RAILROAD CREW TRANSP	dbj jct	milwaukee	L50781	Becker	0755	141073	22.50
2003/12/09	CREW TRANSPORT	dongess bay rd mequawn	dbj jct and return	L50781	Becker	1805	2840321	35.50
2003/12/11	RAILROAD CREW TRANSP	dbj jct	north milwaukee	L50781	Becker	0745	2771076	30.75
2003/12/16	RAILROAD CREW TRANSP	dbj jct	milwaukee--wsor yard	L50781	Becker	0750	2840330	0.00 1/
2003/12/23	CREW TRANSPORT	36th & cameron	dbj jct	L50781	Becker	1815	164709	42.75
2003/12/30	RAILROAD CREW TRANSP	N. Milwaukee	DBR Jct Fond du Lac	L50781	Becker	1815	2840339	99.00
2003/12/30	RAILROAD CREW TRANSP	DBR Jct	N. Milwaukee	I503	Reupert	1927	141087	19.50
								\$1,993.90

According to Train Work Orders in the Period August - December 2003 there were 40 trains to the Branch

Counting the number of days on which taxis were paid for the days on which the train served the Plymouth Branch, 30 of the 40 trains incurred taxi/transport expense.

Therefore \$1,993.90 expense for 40 days of trains to branch

extrapolating to the full year since records prior to August were not kept and yet the service remained the same yields

\$4,984.75 taxi expense for the 100 trains that served the branch in 2003

Forecast Year Taxi

See Application File "Indices.xls" column CPI-U.

2.845%

Forecast Exper

\$5,126.59

1/ Adjusted in rebuttal to exclude payments made on dates without a corresponding work-order showing activity north of Saukville.

**Recap of the Information from the Work Orders with On Branch Miles for the Cars and Locomotives Added
and Calculation of Locomotive Unit Hours on Branch**

Note that the Data Shown Below is Identical to that Filed in the Abandonment Application in Volume 1 Appendix F at pages 212 to 217.
The only change is to page 218 with Total Locomotive Hours and Total Locomotive Miles shown for 100 rather than 102 trains.
This calculation is shown to demonstrate the minor change to costs that would have resulted. As noted, however, on the last page of this spreadsheet
in "footnote a" the WC remains convinced that 102 trains is a conservative number.

Note that the Locomotives turn at either Adell or Waldo depending on the locations of the stations being
served on the particular trip.
The Car Initials and Numbers are included here to be able to track Traffic Data to Work Orders

Source: INPUT FILE: M12030.COSTYTD.CL2003.DETAIL
and Work Orders

Trips	Work Date	CAR INIT	CAR NO	ORIG STATION NAME	DEST STATION NAME	On Branch Miles	Location of Locomotive Turn	On-Branch Locomotive Miles One Way	Elapsed Days	
1	1/7/2003	IMRL	45013	CHICAGO B	RANLAKE	12.0	ADELL	16.9		
1	1/9/2003	IMRL	45013	CHICAGO B	RANLAKE	12.0			2	On Branch Miles from Saukville
1	1/9/2003	CNW	612781	CHICAGO B	WALDO	20.8	WALDO	20.8		ADELL 16.9
1	1/13/2003	SIRX	475744	CHICAGO B	ADELL	16.9	ADELL	16.9		ELKH LAKE 32.7
1	1/15/2003	SIRX	475744	CHICAGO B	ADELL	16.9	ADELL	16.9	2	FREDONIA 6.2
1	1/20/2003	CSXT	251842	CHICAGO B	ADELL	16.9	ADELL	16.9		KIEL 38.6
1	1/20/2003	GCCX	72137	MINNEAPOL	ADELL	16.9				PLYMOUTH 25.9
1	1/20/2003	IMCX	12231	MINNEAPOL	ADELL	16.9				RANLAKE 12.0
1	1/20/2003	GCCX	173702	MINNEAPOL	ADELL	16.9				WALDO 20.8
1	1/20/2003	GCCX	174681	MINNEAPOL	ADELL	16.9				
1	1/22/2003	CSXT	247619	CHICAGO B	ADELL	16.9	ADELL	16.9		car initials and numbers with only set out or or pick up shown within time frame a/
1	1/22/2003	CSXT	251842	CHICAGO B	ADELL	16.9			2	bci 871406
1	1/22/2003	IMCX	12231	CHICAGO B	ADELL	16.9			2	cagx 1156
1	1/22/2003	GCCX	173702	CHICAGO B	ADELL	16.9			2	cgix 1571
1	1/22/2003	GCCX	174681	CHICAGO B	ADELL	16.9			2	cn 3019
1	1/22/2003	GCCX	72137	MINNEAPOL	ADELL	16.9			2	cn 10900
1	1/28/2003	CSXT	247619	CHICAGO B	ADELL	16.9	ADELL	16.9	6	cn 369365
1	1/28/2003	CNA	385889	DUVCO	RANLAKE	12.0				cn 371680
1	1/28/2003	CNLX	10900	DUVCO	RANLAKE	12.0				cnlx 5118
1	1/28/2003	CNA	385899	DUVCO	RANLAKE	12.0				cnlx 383199
1	1/30/2003	FURX	829772	CHICAGO B	ADELL	16.9	ADELL	16.9		cnw 460926
1	1/30/2003	CNW	170379	CHICAGO B	ADELL	16.9				cnw 612781
1	1/30/2003	CNA	385889	DUVCO	RANLAKE	12.0			2	cnwx 10062
1	1/30/2003	CNA	385899	DUVCO	RANLAKE	12.0			2	csxt 255268
1	1/31/2003	CN	377052	DUVCO	RANLAKE	12.0	ADELL	16.9		drwg 50638
1	1/31/2003	CNLX	8187	DUVCO	RANLAKE	12.0				gccx 174507
1	1/31/2003	CNLX	7392	DUVCO	RANLAKE	12.0				gccx 174679
1	2/4/2003	FURX	829772	CHICAGO B	ADELL	16.9	ADELL	16.9	5	gccx 174692
1	2/4/2003	CNW	170379	CHICAGO B	ADELL	16.9				natx 75500
1	2/4/2003	CNLX	7461	DUVCO	RANLAKE	12.0				ttzx 85358
1	2/4/2003	CNLX	8187	DUVCO	RANLAKE	12.0			4	up 273064
1	2/4/2003	CNLX	7392	DUVCO	RANLAKE	12.0			4	utlx 59468
1	2/6/2003	CN	377052	DUVCO	RANLAKE	12.0	ADELL	16.9	6	utlx 59487
1	2/6/2003	CNLX	7461	DUVCO	RANLAKE	12.0			2	
1	2/11/2003	CSXT	260658	CHICAGO B	ADELL	16.9	ADELL	16.9		
1	2/14/2003	CSXT	260658	CHICAGO B	ADELL	16.9	ADELL	16.9	3	
1	3/10/2003	RBOX	32425	CHICAGO B	WALDO	20.8	WALDO	20.8		
1	3/10/2003	ABOX	50131	CHICAGO B	WALDO	20.8				
1	3/12/2003	RBOX	36015	CHICAGO B	WALDO	20.8	WALDO	20.8		
1	3/18/2003	CN	383199	DUVCO	RANLAKE	12.0	WALDO	20.8		
1	3/18/2003	RBOX	32425	CHICAGO B	WALDO	20.8			8	
1	3/18/2003	ABOX	50131	CHICAGO B	WALDO	20.8			8	
1	3/18/2003	RBOX	36015	CHICAGO B	WALDO	20.8			6	
1	3/19/2003	BN	734073	MINNEAPOL	RANLAKE	12.0	ADELL	16.9		
1	3/24/2003	NOKL	730396	CHICAGO B	FREDONIA	6.2	ADELL	16.9		
1	3/24/2003	BN	734073	MINNEAPOL	RANLAKE	12.0			5	
1	3/26/2003	NOKL	730396	CHICAGO B	FREDONIA	6.2	ADELL	16.9	2	
1	4/3/2003	TTZX	85358	HOUSTON	FREDONIA	6.2	ADELL	16.9		
1	4/3/2003	DRGW	50638	CHICAGO B	RANLAKE	12.0		12.0		

Appendix F
100 Trains

served on the particular trip.
The Car Initials and Numbers are included here to be able to track Traffic Data to Work Orders

Source: INPUT FILE: M12030.COSTYTD.CL2003.DETAIL
and Work Orders

Trips	Work Date	CAR INIT	CAR NO	ORIG STATION NAME	DEST STATION NAME	On Branch Miles	Location of Locomotive Turn	On-Branch Locomotive Miles One Way	Elapsed Days
1	4/7/2003	GVSR	750100	CHICAGO B	RANLAKE	12.0	ADELL	16.9	
	4/7/2003	MP	267752	CHICAGO B	RANLAKE	12.0			
1	4/10/2003	MP	267752	CHICAGO B	RANLAKE	12.0	ADELL	16.9	3
	4/10/2003	GVSR	750100	CHICAGO B	RANLAKE	12.0			3
1	4/14/2003	CNLX	5102	DUVCO	RANLAKE	12.0	ADELL	16.9	
	4/14/2003	CN	383440	DUVCO	RANLAKE	12.0			
	4/14/2003	ICG	766382	DUVCO	RANLAKE	12.0			
1	4/17/2003	CNLX	5102	DUVCO	RANLAKE	12.0	ADELL	16.9	3
	4/17/2003	CN	383440	DUVCO	RANLAKE	12.0			3
	4/17/2003	ICG	766382	DUVCO	RANLAKE	12.0			3
1	4/22/2003	MP	267526	CHICAGO B	RANLAKE	12.0	ADELL	16.9	
1	4/24/2003	MP	267526	CHICAGO B	RANLAKE	12.0	ADELL	16.9	2
1	5/1/2003	CN	371680	WINSYMYAR	ADELL	16.9	ADELL	16.9	
	5/1/2003	CN	369365	WINSYMYAR	ADELL	16.9			
	5/1/2003	CC	3019	WINSYMYAR	ADELL	16.9			
	5/1/2003	CN	384590	DUVCO	RANLAKE	12.0			
	5/1/2003	CNIS	376168	DUVCO	RANLAKE	12.0			
1	5/5/2003	CN	625660	HOUSTON	FREDONIA	6.2	ADELL	16.9	
	5/5/2003	CC	481177	WINSYMYAR	ADELL	16.9			
	5/5/2003	CSXT	248493	CHICAGO B	ADELL	16.9			
	5/5/2003	CSXT	248493	CHICAGO B	ADELL	16.9			
	5/5/2003	NYC	889811	CHICAGO B	RANLAKE	12.0			
	5/5/2003	UP	273064	CHICAGO B	FREDONIA	6.2			
1	5/6/2003	NATX	75495	GEISMAR	ADELL	16.9	ADELL	16.9	
1	5/8/2003	CN	384590	DUVCO	RANLAKE	12.0	ADELL	16.9	7
	5/8/2003	CNIS	376168	DUVCO	RANLAKE	12.0			7
	5/8/2003	CC	481177	WINSYMYAR	ADELL	16.9			3
	5/8/2003	CSXT	248493	CHICAGO B	ADELL	16.9			3
	5/8/2003	CSXT	248493	CHICAGO B	ADELL	16.9			3
	5/8/2003	CN	382478	WINSYMYAR	ADELL	16.9			
	5/8/2003	CNLX	5183	WINSYMYAR	ADELL	16.9			
	5/8/2003	CNLX	5094	WINSYMYAR	ADELL	16.9			
	5/8/2003	CN	377381	WINSYMYAR	ADELL	16.9			
	5/8/2003	CSXT	251849	CHICAGO B	ADELL	16.9			
	5/8/2003	CNWX	100062	DUVCO	RANLAKE	12.0			
	5/8/2003	NATX	75495	GEISMAR	ADELL	16.9			2
	5/8/2003	CN	625660	HOUSTON	FREDONIA	6.2			3
	5/8/2003	NYC	889811	CHICAGO B	RANLAKE	12.0			3
1	5/12/2003	CSXT	255819	CHICAGO B	ADELL	16.9	WALDO	20.8	
	5/12/2003	CSXT	248120	CHICAGO B	ADELL	16.9			
	5/12/2003	CNLX	5183	WINSYMYAR	ADELL	16.9			4
	5/12/2003	CNLX	5094	WINSYMYAR	ADELL	16.9			4
	5/12/2003	CN	377381	WINSYMYAR	ADELL	16.9			4
	5/12/2003	CSXT	251849	CHICAGO B	ADELL	16.9			4
	5/12/2003	CSXT	250381	CHICAGO B	RANLAKE	12.0			
	5/12/2003	CSXT	247504	CHICAGO B	RANLAKE	12.0			
	5/12/2003	CSXT	250259	CHICAGO B	RANLAKE	12.0			
	5/12/2003	IMRL	50651	CHICAGO B	RANLAKE	12.0			
	5/12/2003	CNWX	100062	DUVCO	RANLAKE	12.0			
	5/12/2003	MP	357540	APPLETON	WALDO	20.8			
1	5/13/2003	NATX	75500	GEISMAR	ADELL	16.9	ADELL	16.9	
1	5/14/2003	IMRL	45049	CHICAGO B	RANLAKE	12.0	WALDO	20.8	
	5/14/2003	IMRL	50615	CHICAGO B	RANLAKE	12.0			
	5/14/2003	IMRL	50621	CHICAGO B	RANLAKE	12.0			2
	5/14/2003	CSXT	248120	CHICAGO B	ADELL	16.9			2
	5/14/2003	CSXT	250381	CHICAGO B	RANLAKE	12.0			2
	5/14/2003	CSXT	247504	CHICAGO B	RANLAKE	12.0			2
	5/14/2003	MP	357540	APPLETON	WALDO	20.8			2
1	5/16/2003	IMRL	50651	CHICAGO B	RANLAKE	12.0	ADELL	16.9	4
	5/16/2003	CN	378249	SASYARD	RANLAKE	12.0			
	5/16/2003	CGLX	1536	WISRAPIDS	RANLAKE	12.0			
	5/16/2003	IMRL	45049	CHICAGO B	RANLAKE	12.0			2
	5/16/2003	IMRL	50615	CHICAGO B	RANLAKE	12.0			2
	5/16/2003	IMRL	50621	CHICAGO B	RANLAKE	12.0			2

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1	5/19/2003	CN	382478	WINSYMYAR	ADELL	16.9	ADELL	16.9	11
	5/19/2003	CSXT	255819	CHICAGO B	ADELL	16.9			7
	5/19/2003	CN	378249	SASYARD	RANLAKE	12.0			3
	5/19/2003	CGLX	1536	WISRAPIDS	RANLAKE	12.0			3
	5/19/2003	CNLX	5118	SASYARD	RANLAKE	12.0			
	5/19/2003	NATX	75500	GEISMAR	ADELL	16.9			6
1	5/22/2003	CNA	385807	SASYARD	RANLAKE	12.0	ADELL	16.9	
1	5/27/2003	CNA	385807	SASYARD	RANLAKE	12.0	ADELL	16.9	5
	5/27/2003	CRDX	8024	CHICAGO B	ADELL	16.9			
1	5/28/2003	UTLX	59487	ARCCO	ADELL	16.9	ADELL	16.9	
	5/28/2003	BN	467328	CHICAGO B	RANLAKE	12.0			
1	5/29/2003	UTLX	59487	ARCCO	ADELL	16.9	ADELL	16.9	1
	5/29/2003	BN	467328	CHICAGO B	RANLAKE	12.0			
	5/29/2003	CRDX	8024	CHICAGO B	ADELL	16.9			2
	5/29/2003	IMRL	45043	CHICAGO B	RANLAKE	12.0			
	5/29/2003	CN	378195	DUVCO	RANLAKE	12.0			
	5/29/2003	CNLX	7326	DUVCO	RANLAKE	12.0			
1	6/2/2003	IMCX	12363	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	6/2/2003	UTLX	59487	ARCCO	ADELL	16.9			5
	6/2/2003	IMRL	45043	CHICAGO B	RANLAKE	12.0			4
	6/2/2003	CNLX	7326	DUVCO	RANLAKE	12.0			4
	6/2/2003	BN	467328	CHICAGO B	RANLAKE	12.0			4
1	6/3/2003	IMCX	12363	MINNEAPOL	ADELL	16.9	ADELL	16.9	1
	6/3/2003	CN	378195	DUVCO	RANLAKE	12.0			5
1	6/5/2003	IMCX	12109	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	6/5/2003	WCFX	4547	STPAUL	RANLAKE	12.0			
	6/5/2003	ACFX	48191	STPAUL	RANLAKE	12.0			
1	6/9/2003	CGLX	1571	DUVCO	RANLAKE	12.0	ADELL	16.9	
	6/9/2003	IMCX	12109	MINNEAPOL	ADELL	16.9			4
	6/9/2003	WCFX	4547	STPAUL	RANLAKE	12.0			4
	6/9/2003	ACFX	48191	STPAUL	RANLAKE	12.0			4
1	6/11/2003	SSW	74690	MINNEAPOL	ADELL	16.9	ADELL	16.9	
1	6/12/2003	CGLX	1370	DUVCO	RANLAKE	12.0	ADELL	16.9	
1	6/16/2003	SSW	74690	MINNEAPOL	ADELL	16.9	ADELL	16.9	5
	6/16/2003	IMRL	50638	CHICAGO B	RANLAKE	12.0			
1	6/17/2003	GCCX	71605	MINNEAPOL	ADELL	16.9	ADELL	16.9	
1	6/19/2003	IMCX	12102	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	6/19/2003	GCCX	71605	MINNEAPOL	ADELL	16.9			2
	6/19/2003	CGLX	1370	DUVCO	RANLAKE	12.0			7
	6/19/2003	IMRL	50638	CHICAGO B	RANLAKE	12.0			3
1	6/20/2003	CN	625911	HOUSTON	FREDONIA	6.2	ADELL	16.9	
1	6/23/2003	GCCX	174507	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	6/23/2003	GCCX	174679	MINNEAPOL	ADELL	16.9			
	6/23/2003	GCCX	174692	MINNEAPOL	ADELL	16.9			
1	6/24/2003	GCCX	174507	MINNEAPOL	ADELL	16.9	ADELL	16.9	1
	6/24/2003	GCCX	174679	MINNEAPOL	ADELL	16.9			1
	6/24/2003	GCCX	174692	MINNEAPOL	ADELL	16.9			1
	6/24/2003	IMCX	12575	MINNEAPOL	ADELL	16.9			
	6/24/2003	IMCX	12484	MINNEAPOL	ADELL	16.9			
	6/24/2003	GCCX	13125	MINNEAPOL	ADELL	16.9			
	6/24/2003	UP	90210	MINNEAPOL	ADELL	16.9			
	6/24/2003	IMCX	12102	MINNEAPOL	ADELL	16.9			5
	6/24/2003	CN	625911	HOUSTON	FREDONIA	6.2			4
	6/24/2003	SIRX	470090	CHICAGO B	RANLAKE	12.0			
	6/24/2003	CSXT	249968	CHICAGO B	RANLAKE	12.0			
	6/24/2003	CSXT	255268	CHICAGO B	RANLAKE	12.0			
	6/24/2003	RFP	9074	CHICAGO B	RANLAKE	12.0			
1	6/26/2003	GCCX	13125	MINNEAPOL	ADELL	16.9	ADELL	16.9	2
	6/26/2003	IMCX	12575	MINNEAPOL	ADELL	16.9			2
	6/26/2003	IMCX	12484	MINNEAPOL	ADELL	16.9			2
	6/26/2003	SIRX	470090	CHICAGO B	RANLAKE	12.0			2

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	6/26/2003	RFP	9074	CHICAGO B	RANLAKE	12.0			2
1	6/30/2003	NAHX	478489	CHICAGO B	ADELL	16.9	ADELL	16.9	
	6/30/2003	CSXT	250746	CHICAGO B	ADELL	16.9			
	6/30/2003	CSXT	255731	CHICAGO B	RANLAKE	12.0			
	6/30/2003	IMCX	10200	MINNEAPOL	RANLAKE	12.0			
	6/30/2003	IMCX	12115	MINNEAPOL	RANLAKE	12.0			
	6/30/2003	NAHX	479571	MINNEAPOL	RANLAKE	12.0			
	6/30/2003	CSXT	249968	CHICAGO B	RANLAKE	12.0			6
1	7/3/2003	WREX	3020	CHICAGO B	ADELL	16.9	ADELL	16.9	
	7/3/2003	FURX	823987	MINNEAPOL	RANLAKE	12.0			
	7/3/2003	UP	90210	MINNEAPOL	ADELL	16.9			9
	7/3/2003	CSXT	255731	CHICAGO B	RANLAKE	12.0			3
	7/3/2003	IMCX	12115	MINNEAPOL	RANLAKE	12.0			3
	7/3/2003	NAHX	478489	CHICAGO B	ADELL	16.9			15
	7/3/2003	NAHX	479571	MINNEAPOL	RANLAKE	12.0			3
	7/3/2003	CSXT	250746	CHICAGO B	ADELL	16.9			3
1	7/8/2003	IMCX	10200	MINNEAPOL	RANLAKE	12.0	ADELL	16.9	8
	7/8/2003	FURX	823987	MINNEAPOL	RANLAKE	12.0			5
1	7/14/2003	CSXT	252384	CHICAGO B	ADELL	16.9	ADELL	16.9	
	7/14/2003	CSXT	252023	CHICAGO B	ADELL	16.9			
	7/14/2003	CSXT	256285	CHICAGO B	ADELL	16.9			
1	7/15/2003	MWCX	550004	CHICAGO B	ADELL	16.9	ADELL	16.9	
1	7/17/2003	MWCX	550004	CHICAGO B	ADELL	16.9	ADELL	16.9	2
	7/17/2003	UP	74954	MINNEAPOL	ADELL	16.9			
	7/17/2003	CSXT	252384	CHICAGO B	ADELL	16.9			3
	7/17/2003	CSXT	252023	CHICAGO B	ADELL	16.9			3
	7/17/2003	CSXT	256285	CHICAGO B	ADELL	16.9			3
	7/17/2003	WREX	3020	CHICAGO B	ADELL	16.9			14
1	7/22/2003	WREX	3010	CHICAGO B	ADELL	16.9	ADELL	16.9	
1	7/29/2003	WREX	3010	CHICAGO B	ADELL	16.9	ADELL	16.9	7
	7/29/2003	MWCX	550004	CHICAGO B	ADELL	16.9			12
1	8/1/2003	AEX	7002	MINNEAPOL	ADELL	16.9	ADELL	16.9	
1	8/5/2003	AEX	7002	MINNEAPOL	ADELL	16.9	WALDO	20.8	4
	8/5/2003	GATX	22971	CHICAGO B	ADELL	16.9			
	8/5/2003	CSXT	124785	CHICAGO B	WALDO	20.8			
	8/5/2003	CUOH	7159	CHICAGO B	WALDO	20.8			
1	8/7/2003	CUOH	7159	CHICAGO B	WALDO	20.8	WALDO	20.8	
	8/7/2003	AEX	7002	MINNEAPOL	ADELL	16.9			2
	8/7/2003	CSXT	124785	CHICAGO B	WALDO	20.8			2
1	8/11/2003	DWC	605286	HINTON	FREDONIA	6.2	WALDO	20.8	
	8/11/2003	RBOX	33225	CHICAGO B	WALDO	20.8			
	8/11/2003	CUOH	7159	CHICAGO B	WALDO	20.8			6
1	8/13/2003	DWC	605286	HINTON	FREDONIA	6.2	WALDO	20.8	2
	8/13/2003	RBOX	33225	CHICAGO B	WALDO	20.8			2
1	8/19/2003	CGCX	20456	MINNEAPOL	ADELL	16.9	ADELL	16.9	
1	8/21/2003	CGCX	20456	MINNEAPOL	ADELL	16.9	WALDO	20.8	2
	8/21/2003	DWC	605027	HINTON	FREDONIA	6.2			
	8/21/2003	RBOX	34176	CHICAGO B	WALDO	20.8			
1	8/27/2003	DWC	605027	HINTON	FREDONIA	6.2	WALDO	20.8	6
	8/27/2003	RBOX	34176	CHICAGO B	WALDO	20.8			6
1	8/29/2003	UTLX	59468	CHICAGO B	ADELL	16.9	ADELL	16.9	
1	9/2/2003	CAGX	1156	MINNEAPOL	ADELL	16.9	ADELL	16.9	
1	9/3/2003	ITC	1834	CHICAGO B	RANLAKE	12.0	ADELL	16.9	
	9/3/2003	NAHX	510196	CHICAGO B	RANLAKE	12.0			
1	9/9/2003	UP	88185	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	9/9/2003	ITC	1834	CHICAGO B	RANLAKE	12.0			6
	9/9/2003	NAHX	510196	CHICAGO B	RANLAKE	12.0			6

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								Miles One Way	Elapsed Days
1	9/11/2003	SOU	88691	CHICAGO B	RANLAKE	12.0	ADELL	16.9	
1	9/16/2003	UP	88185	MINNEAPOL	ADELL	16.9	ADELL	16.9	7
	9/16/2003	NW	177701	CHICAGO B	RANLAKE	12.0			
	9/16/2003	NAHX	2328	CHICAGO B	RANLAKE	12.0			
	9/16/2003	SOU	88691	CHICAGO B	RANLAKE	12.0			5
1	9/18/2003	IC	766224	SAFERCOSC	ADELL	16.9	ADELL	16.9	
	9/18/2003	IC	769091	SAFERCOSC	ADELL	16.9			
	9/18/2003	CNLX	7572	SAFERCOSC	ADELL	16.9			
	9/18/2003	IC	769395	SAFERCOSC	ADELL	16.9			
	9/18/2003	NW	177701	CHICAGO B	RANLAKE	12.0			2
	9/18/2003	NAHX	2328	CHICAGO B	RANLAKE	12.0			2
1	9/23/2003	CSXT	251593	CHICAGO B	ADELL	16.9	WALDO	20.8	
	9/23/2003	CN	379230	SAFERCOSC	ADELL	16.9			
	9/23/2003	IC	766224	SAFERCOSC	ADELL	16.9			5
	9/23/2003	IC	769091	SAFERCOSC	ADELL	16.9			5
	9/23/2003	CNLX	7572	SAFERCOSC	ADELL	16.9			5
	9/23/2003	IC	769395	SAFERCOSC	ADELL	16.9			5
	9/23/2003	NS	641103	RANLAKE	CHICAGO B	12.0			
	9/23/2003	NS	252239	RANLAKE	CHICAGO B	12.0			
	9/23/2003	CSXT	136126	APPLETON	WALDO	20.8			
1	9/25/2003	CNLX	10837	SAFERCOSC	ADELL	16.9	WALDO	20.8	
	9/25/2003	CC	3012	SAFERCOSC	ADELL	16.9			
	9/25/2003	CN	382050	SAFERCOSC	ADELL	16.9			
	9/25/2003	ICG	766641	SAFERCOSC	ADELL	16.9			
	9/25/2003	CN	382142	SAFERCOSC	ADELL	16.9			
	9/25/2003	CSXT	251593	CHICAGO B	ADELL	16.9			2
	9/25/2003	CN	379230	SAFERCOSC	ADELL	16.9			2
	9/25/2003	CSXT	136126	APPLETON	WALDO	20.8			2
1	9/30/2003	CN	384681	SAFERCOSC	ADELL	16.9	ADELL	16.9	
	9/30/2003	IC	767640	SAFERCOSC	ADELL	16.9			
	9/30/2003	IC	767561	SAFERCOSC	ADELL	16.9			
	9/30/2003	IC	767527	SAFERCOSC	ADELL	16.9			
	9/30/2003	CSXT	250912	CHICAGO B	ADELL	16.9			
	9/30/2003	GCCX	72173	MINNEAPOL	ADELL	16.9			
	9/30/2003	GCCX	NA	MINNEAPOL	ADELL	16.9			
	9/30/2003	GCCX	NA	MINNEAPOL	ADELL	16.9			
	9/30/2003	GCCX	NA	MINNEAPOL	ADELL	16.9			
	9/30/2003	CNLX	10837	SAFERCOSC	ADELL	16.9			5
	9/30/2003	CC	3012	SAFERCOSC	ADELL	16.9			5
	9/30/2003	CN	382050	SAFERCOSC	ADELL	16.9			5
	9/30/2003	ICG	766641	SAFERCOSC	ADELL	16.9			5
	9/30/2003	CN	382142	SAFERCOSC	ADELL	16.9			5
	9/30/2003	NW	173897	RANLAKE	CHICAGO B	12.0			
	9/30/2003	NAHX	510429	RANLAKE	CHICAGO B	12.0			
	9/30/2003	CRDX	7728	RANLAKE	CHICAGO B	12.0			
1	10/2/2003	UP	91265	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	10/2/2003	NW	178184	CHICAGO B	ADELL	16.9			
	10/2/2003	CN	384681	SAFERCOSC	ADELL	16.9			
	10/2/2003	IC	767640	SAFERCOSC	ADELL	16.9			2
	10/2/2003	IC	767561	SAFERCOSC	ADELL	16.9			2
	10/2/2003	IC	767527	SAFERCOSC	ADELL	16.9			2
	10/2/2003	CSXT	250912	CHICAGO B	ADELL	16.9			2
	10/2/2003	GCCX	72173	MINNEAPOL	ADELL	16.9			2
	10/2/2003	GCCX	NA	MINNEAPOL	ADELL	16.9			2
	10/2/2003	GCCX	NA	MINNEAPOL	ADELL	16.9			2
	10/2/2003	GCCX	NA	MINNEAPOL	ADELL	16.9			2
	10/2/2003	NS	641103	RANLAKE	CHICAGO B	12.0			9
	10/2/2003	NS	252239	RANLAKE	CHICAGO B	12.0			9
	10/2/2003	NW	173897	RANLAKE	CHICAGO B	12.0			2
	10/2/2003	NAHX	510429	RANLAKE	CHICAGO B	12.0			2
	10/2/2003	CRDX	7728	RANLAKE	CHICAGO B	12.0			2
1	10/7/2003	GCCX	173587	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	10/7/2003	NAHX	2355	CHICAGO B	ADELL	16.9			
	10/7/2003	FLIX	94113	CHICAGO B	ADELL	16.9			
	10/7/2003	UP	91265	MINNEAPOL	ADELL	16.9			5
	10/7/2003	NW	178184	CHICAGO B	ADELL	16.9			5
	10/7/2003	FLIX	94092	CHICAGO B	RANLAKE	12.0			
	10/7/2003	FURX	815154	MINNEAPOL	RANLAKE	12.0			
	10/7/2003	IMCX	11354	MINNEAPOL	RANLAKE	12.0			
	10/7/2003	HPJX	12180	MINNEAPOL	RANLAKE	12.0			

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1	10/9/2003	GCCX	173587	MINNEAPOL	ADELL	16.9	ADELL	16.9	2
	10/9/2003	NAHX	2355	CHICAGO B	ADELL	16.9			2
	10/9/2003	IC	767587	SAFERCOSC	ADELL	16.9			
	10/9/2003	AEX	1062	CHICAGO B	RANLAKE	12.0			
	10/9/2003	CRDX	7902	CHICAGO B	RANLAKE	12.0			
	10/9/2003	FURX	829630	CHICAGO B	RANLAKE	12.0			
	10/9/2003	FLIX	94092	CHICAGO B	RANLAKE	12.0			2
	10/9/2003	FURX	815154	MINNEAPOL	RANLAKE	12.0			2
	10/9/2003	IMCX	11354	MINNEAPOL	RANLAKE	12.0			2
	10/9/2003	HPJX	12180	MINNEAPOL	RANLAKE	12.0			2
1	10/14/2003	MP	723377	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	10/14/2003	FLIX	94113	CHICAGO B	ADELL	16.9			7
	10/14/2003	FURX	815069	MINNEAPOL	RANLAKE	12.0			
	10/14/2003	FURX	818752	MINNEAPOL	RANLAKE	12.0			
	10/14/2003	IMCX	10301	MINNEAPOL	RANLAKE	12.0			
	10/14/2003	FURX	824710	MINNEAPOL	RANLAKE	12.0			
	10/14/2003	IMCX	11121	MINNEAPOL	RANLAKE	12.0			
	10/14/2003	IMCX	11331	MINNEAPOL	RANLAKE	12.0			
	10/14/2003	NAHX	488549	CHICAGO B	RANLAKE	12.0			
	10/14/2003	XTRX	811	CHICAGO B	RANLAKE	12.0			
	10/14/2003	AEX	4137	CHICAGO B	RANLAKE	12.0			
	10/14/2003	IMRL	45124	CHICAGO B	RANLAKE	12.0			
	10/14/2003	AEX	1062	CHICAGO B	RANLAKE	12.0			5
	10/14/2003	CRDX	7902	CHICAGO B	RANLAKE	12.0			5
	10/14/2003	FURX	829630	CHICAGO B	RANLAKE	12.0			5
1	10/16/2003	MP	723377	MINNEAPOL	ADELL	16.9	ADELL	16.9	2
	10/16/2003	FURX	815069	MINNEAPOL	RANLAKE	12.0			2
	10/16/2003	FURX	818752	MINNEAPOL	RANLAKE	12.0			2
	10/16/2003	IMCX	10301	MINNEAPOL	RANLAKE	12.0			2
1	10/21/2003	IC	767675	SAFERCOSC	ADELL	16.9	ADELL	16.9	12
	10/21/2003	CRDX	7114	CHICAGO B	RANLAKE	12.0			
	10/21/2003	GROX	60701	CHICAGO B	RANLAKE	12.0			
	10/21/2003	FURX	824079	CHICAGO B	RANLAKE	12.0			
	10/21/2003	NAHX	487392	CHICAGO B	RANLAKE	12.0			
	10/21/2003	XTRX	75141	CHICAGO B	RANLAKE	12.0			
	10/21/2003	NAHX	63371	CHICAGO B	RANLAKE	12.0			
	10/21/2003	XTRX	75891	CHICAGO B	RANLAKE	12.0			
	10/21/2003	FURX	824710	MINNEAPOL	RANLAKE	12.0			7
	10/21/2003	IMCX	11121	MINNEAPOL	RANLAKE	12.0			7
	10/21/2003	IMCX	11331	MINNEAPOL	RANLAKE	12.0			7
1	10/23/2003	IC	767675	SAFERCOSC	ADELL	16.9	ADELL	16.9	2
	10/23/2003	ICE	45032	CHICAGO B	RANLAKE	12.0			
	10/23/2003	NAHX	488549	CHICAGO B	RANLAKE	12.0			9
	10/23/2003	XTRX	811	CHICAGO B	RANLAKE	12.0			9
	10/23/2003	AEX	4137	CHICAGO B	RANLAKE	12.0			9
1	10/28/2003	NRLX	47630	CHICAGO B	RANLAKE	12.0	ADELL	16.9	
	10/28/2003	NAHX	53014	CHICAGO B	RANLAKE	12.0			
	10/28/2003	IMRL	45124	CHICAGO B	RANLAKE	12.0			14
	10/28/2003	CRDX	7114	CHICAGO B	RANLAKE	12.0			7
	10/28/2003	GROX	60701	CHICAGO B	RANLAKE	12.0			7
1	10/30/2003	FURX	824079	CHICAGO B	RANLAKE	12.0	ADELL	16.9	9
	10/30/2003	NAHX	487392	CHICAGO B	RANLAKE	12.0			9
	10/30/2003	XTRX	75141	CHICAGO B	RANLAKE	12.0			9
1	11/4/2003	NAHX	63371	CHICAGO B	RANLAKE	12.0	ADELL	16.9	14
	11/4/2003	XTRX	75891	CHICAGO B	RANLAKE	12.0			14
	11/4/2003	ICE	45032	CHICAGO B	RANLAKE	12.0			12
1	11/6/2003	NRLX	47630	CHICAGO B	RANLAKE	12.0	ADELL	16.9	9
	11/6/2003	NAHX	53014	CHICAGO B	RANLAKE	12.0			9
1	11/12/2003	RVPR	1096	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	11/12/2003	CRLE	20368	HINTON	FREDONIA	6.2			
	11/12/2003	FLIX	973220	CHICAGO B	RANLAKE	12.0			
1	11/18/2003	RVPR	1096	MINNEAPOL	ADELL	16.9	ADELL	16.9	6
	11/18/2003	CRLE	20368	HINTON	FREDONIA	6.2			6
	11/18/2003	FLIX	973220	CHICAGO B	RANLAKE	12.0			6
1	12/2/2003	PTLX	33971	CHICAGO B	ADELL	16.9	ADELL	16.9	
1	12/4/2003	PTLX	33971	CHICAGO B	ADELL	16.9	ADELL	16.9	2

served on the particular trip.
The Car Initials and Numbers are included here to be able to track Traffic Data to Work Orders

Source: INPUT FILE: M12030.COSTYTD.CL2003.DETAIL
and Work Orders

Trips	Work Date	CAR INIT	CAR NO	ORIG STATION NAME	DEST STATION NAME	On Branch Miles	Location of Locomotive Turn	On-Branch Locomotive Miles One Way	Elapsed Days
1	12/5/2003	CNW	460926	MINNEAPOL	ADELL	16.9	ADELL	16.9	
1	12/8/2003	BCIT	871406	STPAUL	FREDONIA	6.2	ADELL	16.9	
1	12/9/2003	CNW	460926	MINNEAPOL	ADELL	16.9	ADELL	16.9	4
1	12/11/2003	BCIT	871406	STPAUL	FREDONIA	6.2	ADELL	16.9	3
1	12/23/2003	NW	177474	CHICAGO B	ADELL	16.9	ADELL	16.9	
1	12/30/2003	ADMX	52405	MINNEAPOL	ADELL	16.9	ADELL	16.9	
	12/30/2003	NW	177474	CHICAGO B	ADELL	16.9			7
	12/30/2003	IMCX	11364	MINNEAPOL	RANLAKE	12.0			
	12/30/2003	IMCX	11169	MINNEAPOL	RANLAKE	12.0			
100	376 number of records above a/					Total one way LUM's		1739.7	789.0 Total elapsed days for complete records
						Avg one way LUM's/train		17.4	

100 trains

	LUM's On Branch	at 10 MPH on branch
one way miles	1739.7	174 one-way hours
round trip	3479.4	347.9 round trip hours
		time at industries
		50 for 100 trains, at minimum
		397.9 total LUH on Branch

In addition to the 3 1/2 hours traveling on branch per trip there is a minimum 1/2 hour to serve (spot and pull) from industries on branch. Therefore the time on branch is as shown on the right:

a/ It should be noted that not every carload to/from the branch was found on a work order, therefore a number of the work orders for the year appear to be missing.

Explanation of the Process Used to Determine that Protestants Erred in Concluding Omitted Revenue for Movement of 80 Carloads of Fertilizer from CN Points in Saskatchewan.

At page 7 of their Opposition statement, the protestants claim that Adell Cooperative and Kettle Lakes, together, purchased 80 carloads of fertilizer from CN points in Saskatchewan (45 by Adell Cooperative and 35 by Kettle Lakes). Further, they claim that CN revenues on 43 of these carloads have been excluded from this filing.

To support their assertion, they attach pages from a "Receivings Report – Detail by Vendor" as Appendix JL-1. This appendix appears to be a listing of all fertilizer received by rail at Adell for the calendar year 2003.

From this report, we were able to identify the 45 carloads of fertilizer Adell Cooperative received from origins in Saskatchewan and match these to CN carloads listed in Applicant's filing Appendix A, electronic file "Plymouth Sub Kiel to Saukville Traffic Data 2003.xls". The 45 carloads of fertilizer received by Adell are identified as follows:

8	carloads show and origin of WINSYMYAR, SK
16	carloads show an origin of SAFERCOSK, SK
<u>21</u>	carloads show and origin of MINNEAPOL, MN
45	

The 21 carloads reported by CN as originating at Minneapolis were more closely examined and identified as carloads originating on the CP for movement to Minneapolis. These cars were then picked up by the CN's GTC for movement from Minneapolis. These cars, although they originated in Saskatchewan, moved under proportionate rates requiring each railroad to generate separate waybills. For this reason the traffic shows a Minneapolis origin in the Railroad's traffic database.

In addition to the 45 carloads shown above, CN's carload data includes another 5 carloads, also showing a Minneapolis origin, with a waybill date of 12/30/03. Because these carloads shipped in 2003, we have included them in our Base Year, however because Adell Cooperative's report is based on date of receipt, these cars are not included in their total.

Although protestants did not provide documentation related to fertilizer shipments received by Kettle Lakes at Random Lake, we were able to identify the 35 carloads of fertilizer received by Kettle Lakes in 2003 in the CN traffic data noted above as follows:

18	carloads show and origin of DUVCO, SK
3	carloads show an origin of SASYARD, SK
<u>14</u>	carloads show an origin of MINNEAPOL, MN
35	

Once again, the cars showing a Minneapolis origin were more closely examined and determined to have originated on the CP, billed by CN at Minneapolis because they move under a proportionate rate. Also, CN's carload data includes an additional 2 carloads waybilled on 12/23/03 showing a Minneapolis origin.

It is on these carloads showing a Minneapolis origin which protestants claim CN is excluding revenues:

21	carloads to Adell
5	carloads to Adell (12/30/03 waybill)
14	carloads to Random Lake
<u>2</u>	carloads to Random Lake (12/23/03 waybill)
42	

CN did not exclude any revenues from the Saskatchewan origin to Minneapolis, because CN did not earn any revenues from movement in Canada.

Plymouth Subdivision, From Saukville, WI to Kiel, WI

Identification of 42 out of the 43 cars of potash originating in Saskatchewan allegedly "missing" revenue
Traffic moved under proportionate rates on separate bills, cars brought into Minneapolis by CP.
The Grand Trunk Corp route of movement is shown below.

CAR	CAR NO	ORIG STATION	ORIG	DEST	DEST	PROV/STATION	PROV/STATION	CDNIUS	WAYBILL	DAY	WAYBILL #	SHIPPER NAME	CONSIGNEE NAME	COM NAME	TRAFFIC	CAR	Estimated car
INIT		NAME	STATE	NAME	NAME	STATE	STATE	BORDER	YEAR	MONTH					TYPE	LDS	initial/ number
IMCX	12363	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	5	28	524128	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	72137	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	1	16	477334	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	GCCX 173702 1/
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	1	16	477334	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	GCCX 174681 1/
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	1	16	477334	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	IMCX 12231 1/
GCCX	13125	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	18	532193	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	18	532193	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	IMCX 12484 1/
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	18	532193	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	IMCX 12575 1/
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	12	530277	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	NAHX 479571 1/
GCCX	71605	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	9	25	240867	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	72173	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	9	25	240867	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	12313	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	2	297077	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	173587	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	9	25	240867	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	173699	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	9	25	240867	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	174507	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	18	532185	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	GCCX 174679 1/
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	18	532185	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	GCCX 174692 1/
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	18	532185	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	IMCX 12115 1/
GCCX	174544	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	9	25	240867	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
IMCX	12102	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	12	530278	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	
IMCX	12109	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	5	28	524128	IMC CANADA LTD	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	71789	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	30	247321	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	72337	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	30	247321	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
IMCX	12558	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	30	247321	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	13083	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	30	247321	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
GCCX	71789	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	30	247321	IMC USA INC	ADELL COOPERATIVE	POTASH	CN - CN	1	
IMCX	10200	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	24	534026	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	24	534026	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	24	534026	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
-	-	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	6	25	534373	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
FURX	823987	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	2	274163	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
FURX	815154	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	2	274163	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
IMCX	11354	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	336114	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
HPJX	12180	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	336119	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
FURX	815069	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	336120	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
FURX	818752	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	336120	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
IMCX	10301	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	348409	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
FURX	824710	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	348413	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
IMCX	11121	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	348417	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
IMCX	11331	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	10	10	348417	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
IMCX	11364	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	23	222390	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
IMCX	11169	MINNEAPOL	MIN	ADELL	WI	WI	WI	-	12	23	222398	IMC USA INC	KETTLE LAKES COOPEI POTASH	CN - CN	1		
																42	

SOURCE: Plymouth Sub excl Kiel&Saukville, Orig & Term Traffic - 2003+AAR car type, in US\$ v2.xls

1/ In CN's traffic database, multiple cars moving on a single waybill only show the car initial and number for the first car on the waybill. Estimated car initial/number shown in column Q drawn from protestants' Opposition statement, Appendix JL-1, matching the receipt date for the identified car in the shipment and selecting the other cars received on the same date. For example, Appendix JL-1 show a receipt date of 1/21/03 for car GCCX 72137. Since 4 cars moved on that waybill the remaining cars must be GCCX 173702, GCCX 174681 AND IMCX 12231, all of which were also received by Adell Coop on 1/21/03.

C:\CN Aband Rebuttal-100 train-estate rev and taxi-biturcate\adell kettle lakes cars.xls
detail

Appendix JL-1 Page 1 of 2						
Receipts Report- Detail by Vendor						
d by: Vendor Name, Location, Item Number, Item Description, Document Type, Type (Inc/Dec), Document Number,						
Number	Item Description	Document #	Date	Quantity	Unit Cost	Adjust
43301	28-00-00 UAN SOLUTIO	3400	04/24/03	25.3200 TON	\$ 120.0000	\$
43301	28-00-00 UAN SOLUTIO	3518	05/02/03	25.0900 TON	\$ 120.0000	\$
43302	10-34-00 LIQUID PHOS	3767	05/06/03	24.6100 TON	\$ 215.0000	\$
43302	10-34-00 LIQUID PHOS	3767	05/06/03	24.6100 TON	\$ 215.0000	\$
43302	10-34-00 LIQUID PHOS	072999	05/27/03	25.6100 TON	\$ 215.0000	\$
43305	32-00-00 UAN SOLUTIO	NATX75495	05/07/03	101.4000 TON	\$ 132.2000	\$
43305	32-00-00 UAN SOLUTIO	NATX75500	05/10/03	101.8500 TON	\$ 132.2000	\$
43307	12-00-00-265 AM. THI	3591	05/12/03	11.0700 TON	\$ 136.0000	\$
43307	12-00-00-265 AM. THI	003682	04/24/03	25.1100 TON	\$ 143.0000	\$
4 DUPLI-TRADE, INC						
11 COOP ASSOCIATION						
43005	18-46-00 DIAMMONIUM	NHXA78489	07/01/03	96.7000 TON	\$ 193.0012	\$
43009	21-00-00-24S AMMONIU	CRDX0024	05/28/03	99.0000 TON	\$ 95.0000	\$
5 UPP GREAT LAKES						
11 COOP ASSOCIATION						
43022	ACR	4818409	04/25/03	60.0000 GALLON	\$ 56.0000	\$
43050	FERTILIZER- MISC.	4822880	07/28/03	0.0130 TON	\$ 4000.0000	\$
13 UNITED SUPPLIERS, INC.						
1 COOP ASSOCIATION						
43004	00-00-60 COURSE RED	CC003019	05/02/03	101.5230 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	CC481177	05/06/03	100.9970 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	CN369365	05/02/03	100.9200 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	CN371680	05/02/03	101.4570 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	CN377381	05/06/03	100.2220 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	CN380470	05/17/03	99.9020 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	IMCX12363	06/02/03	99.5250 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	P339-7145	06/19/03	25.2600 TON	\$ 120.0000	\$
43004	00-00-60 COURSE RED	CNLX005094	05/08/03	99.9360 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	CNLX005183	05/08/03	99.7930 TON	\$ 117.0000	\$
43004	00-00-60 COURSE RED	GCCX013125	06/26/03	100.6500 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	GCCX071605	06/18/03	104.7750 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	GCCX072137	01/21/03	104.5000 TON	\$ 113.0000	\$
43004	00-00-60 COURSE RED	GCCX072173	10/01/03	104.1750 TON	\$ 123.0000	\$
43004	00-00-60 COURSE RED	GCCX112313	10/01/03	99.5250 TON	\$ 123.0000	\$
43004	00-00-60 COURSE RED	GCCX173587	10/08/03	100.8000 TON	\$ 123.0000	\$
43004	00-00-60 COURSE RED	GCCX173699	10/04/03	100.0000 TON	\$ 123.0000	\$
43004	00-00-60 COURSE RED	GCCX173702	01/21/03	100.5300 TON	\$ 113.0000	\$
43004	00-00-60 COURSE RED	GCCX174507	06/25/03	100.8250 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	GCCX174544	10/04/03	100.0000 TON	\$ 123.0000	\$
43004	00-00-60 COURSE RED	GCCX174679	06/25/03	101.1500 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	GCCX174681	01/21/03	100.9200 TON	\$ 113.0000	\$
43004	00-00-60 COURSE RED	GCCX174692	06/25/03	100.3500 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	IMCX012102	06/20/03	100.0750 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	IMCX012109	06/06/03	99.6750 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	IMCX012115	07/01/03	100.0750 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	IMCX012231	01/21/03	99.7000 TON	\$ 113.0000	\$
43004	00-00-60 COURSE RED	IMCX012484	06/26/03	99.8500 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	IMCX012575	06/26/03	99.9500 TON	\$ 115.0000	\$
43004	00-00-60 COURSE RED	NHXA79571	07/01/03	101.1500 TON	\$ 115.0000	\$
43005	18-46-00 DIAMMONIUM	NH177474	12/24/03	97.5000 TON	\$ 192.0000	\$
43005	18-46-00 DIAMMONIUM	CSXT247619	01/24/03	99.8500 TON	\$ 164.0000	\$
43005	18-46-00 DIAMMONIUM	CSXT250746	07/01/03	101.1000 TON	\$ 194.0000	\$
43005	18-46-00 DIAMMONIUM	CSXT251993	09/24/03	101.2000 TON	\$ 196.0000	\$
43005	18-46-00 DIAMMONIUM	CSXT251842	01/21/03	101.0500 TON	\$ 166.0000	\$
43005	18-46-00 DIAMMONIUM	CSXT252023	07/16/03	100.2500 TON	\$ 166.0000	\$

Page 1

Jan 1 thru Dec 31 2003

July

Appendix JL-1
Page 2 of 2

Remainings Report- Detail by Vendor

Printed by: Vendor Name, Location, Item Number, Item Description, Document Type, Type (Inc/Dec), Document Number

Item Number	Item Description	Document #	Date	Quantity	Unit Cost	Price
2 AGRILANCE						
ADILL CROP NUTRITION						
43004	00-00-60 COURSE RED	1347297	06/20/03	24.0500 TON	\$	117.0000
43004	00-00-60 COURSE RED	1347335	06/20/03	25.9400 TON	\$	117.0000
43004	00-00-60 COURSE RED	1347966	06/21/03	25.5300 TON	\$	117.0000
43004	00-00-60 COURSE RED	1347993	06/23/03	22.7300 TON	\$	117.0000
43004	00-00-60 COURSE RED	1348163	06/23/03	22.4900 TON	\$	117.0000
43004	00-00-60 COURSE RED	1348048	06/24/03	22.5500 TON	\$	117.0000
43006	46-00-00 GRANULAR UR	15481	06/25/03	17.4400 TON	\$	193.0000
43012	SULFUR 30%	43684004	11/26/03	22.0000 TON	\$	211.0000
43013	COPPER SULFATE	568002080	05/02/03	0.0500 TON	\$	1361.0000
43021	CROP BOOSTER	43617584	06/16/03	1000.0000 GALLON	\$	6.9013
43021	CROP BOOSTER	568002070	04/28/03	125.0000 GALLON	\$	5.5158
43021	CROP BOOSTER	5680022614	07/01/03	50.0000 GALLON	\$	7.5852
43021	CROP BOOSTER	5680022609	07/09/03	50.0000 GALLON	\$	7.5852
43021	CROP BOOSTER	5680023196	08/01/03	5.0000 GALLON	\$	11.0000
43021	CROP BOOSTER	5680023318	08/13/03	10.0000 GALLON	\$	7.5050
43021	CROP BOOSTER	5680023360	08/15/03	15.0000 GALLON	\$	7.5050
43023	15-5-0-0-19% CALCIU	5680019639	01/13/03	0.3500 TON	\$	521.0000
43023	00-00-50-175 POTASSI	5680020665	04/25/03	0.4000 TON	\$	221.0000
43030	FERTILIZER- MISC.	15516	07/01/03	5.4000 TON	\$	291.0000
43050	FERTILIZER- MISC.	5680019989	02/21/03	0.0250 TON	\$	521.0000
43050	FERTILIZER- MISC.	5680020813	04/30/03	0.0750 TON	\$	1061.0666
43301	20-00-00 UREA SOLUTIO	6ATX022971	07/31/03	111.4050 TON	\$	128.9050
43303	00-00-62 SOLUBLE PO	NA510330-01	01/30/03	26.0000 TON	\$	123.0000
6 CARGILL CROP NUTRITION						
ADILL CROP NUTRITION						
43005	18-46-00 DIAMMONIUM	CSXT240493	05/06/03	97.1000 TON	\$	171.3200
43005	18-46-00 DIAMMONIUM	CSXT251849	05/09/03	97.1000 TON	\$	171.3200
43005	18-46-00 DIAMMONIUM	CSXT255819	05/18/03	97.1000 TON	\$	171.3200
43005	18-46-00 DIAMMONIUM	CSXT260190	05/06/03	97.1000 TON	\$	171.3200
43006	46-00-00 GRANULAR UR	CC 3012	09/27/03	100.1220 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	CH379230	09/24/03	55.8010 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	CH382050	09/25/03	98.4450 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	CH202142	09/27/03	99.0680 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	CH304681	10/02/03	94.1780 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	CNLX7572	09/19/03	83.3710 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC766224	09/19/03	100.7700 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC767567	10/01/03	94.3040 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC767561	10/02/03	93.6670 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC767597	10/08/03	94.0150 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC767640	10/01/03	93.7130 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC767675	10/22/03	25.5700 TON	\$	226.0000
43006	46-00-00 GRANULAR UR	IC767675	10/22/03	70.9920 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC769891	09/19/03	100.1710 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC769395	09/19/03	99.9190 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	CNLX10837	09/27/03	82.6460 TON	\$	188.0000
43006	46-00-00 GRANULAR UR	IC676641	09/26/03	98.8190 TON	\$	188.0000
43017	11-52-00 NONDIAMMONIU	CSXT246120	05/13/03	97.3000 TON	\$	177.3200
25 COOPERATIVE SERVICE OIL CO.						
ADILL CROP NUTRITION						
43201	02-00-00 ANHYDRUS A	07441	08/01/03	21.7900 TON	\$	205.0000

PLYMOUTH SUBDIVISION, FROM SAUKVILLE, WI TO KIEL, WI

RESTATEMENT OF REVENUE FOR THE MOVEMENT OF POTASH SHOWN IN APPLICATION AS ORIGIN IN MANITOBA
COUNTRY ORIGIN FOUND TO BE SASKATCHEWAN WITH MOVEMENT TO MANITOBA, THENCE TO ADELL, WI

2003 WINNIPEG-ADELL (\$US) DETAIL OF REVENUE INCLUDED IN APPLICATION

DEST STATION	DEST PROV/ST	ORIG STATION	ORIG PROV/ST	CAR NO	CAR INIT	WAYBILL MONTH	WAYBILL DAY	SHIPPER NAME	CONSIGNEE NAME	TRAFFIC TYPE	CARL DS	TONS	REVENUE IN U.S. DOLLARS	CN's U.S. FAMILY REVENUE	CN's CANADA FAMILY REVENUE
ADELL	WI	WINSYMYAR	MB	3019	CC	4	25	807082 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	102	\$1,844	\$550	\$1,094
ADELL	WI	WINSYMYAR	MB	481177	CC	4	28	811462 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	101	2778	1688	1090
ADELL	WI	WINSYMYAR	MB	369365	CN	4	25	806843 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	101	1649	551	1098
ADELL	WI	WINSYMYAR	MB	371680	CN	4	25	806842 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	101	1645	550	1095
ADELL	WI	WINSYMYAR	MB	377381	CN	5	2	822369 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	1689	565	1124
ADELL	WI	WINSYMYAR	MB	382478	CN	5	2	822368 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	1689	565	1125
ADELL	WI	WINSYMYAR	MB	5094	CNIX	5	2	822368 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	1695	567	1128
ADELL	WI	WINSYMYAR	MB	5183	CNIX	5	2	822367 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	1697	564	1123
SUBTOTAL													\$14,476	\$5,600	\$3,876

PRIOR MOVES OF 2003 WINNIPEG-ADELL, SASKATOON-WINNIPEG (\$US)

DEST STATION	DEST PROV/ST	ORIG STATION	ORIG PROV/ST	CAR NO	CAR INIT	WAYBILL MONTH	WAYBILL DAY	SHIPPER NAME	CONSIGNEE NAME	TRAFFIC TYPE	CARL OADS	TONS	GROSS REVENUE	CN's U.S. FAMILY REVENUE	CN's CANADA FAMILY REVENUE
WINSYMY MB	SK	SASYARD	SK	3019	CC	4	22	520369 AGRUM INC	AGRUM INC	CN - CN	1	102	\$1,950	0	\$1,950
WINSYMY MB	SK	SASYARD	SK	481177	CC	4	22	521609 AGRUM INC	AGRUM INC	CN - CN	1	101	729	0	729
WINSYMY MB	SK	SASYARD	SK	369365	CN	4	22	520367 AGRUM INC	AGRUM INC	CN - CN	1	101	1942	0	1942
WINSYMY MB	SK	SASYARD	SK	371680	CN	4	22	520371 AGRUM INC	AGRUM INC	CN - CN	1	101	1946	0	1946
WINSYMY MB	SK	SASYARD	SK	377381	CN	4	30	571822 AGRUM INC	AGRUM INC	CN - CN	1	100	1923	0	1923
WINSYMY MB	SK	SASYARD	SK	382478	CN	4	30	571819 AGRUM INC	AGRUM INC	CN - CN	1	100	1921	0	1921
WINSYMY MB	SK	SASYARD	SK	5094	CNIX	4	30	571821 AGRUM INC	AGRUM INC	CN - CN	1	100	1923	0	1923
WINSYMY MB	SK	SASYARD	SK	5183	CNIX	4	30	571820 AGRUM INC	AGRUM INC	CN - CN	1	100	1924	0	1924
SUBTOTAL													\$14,257	0	\$14,257

JOINING WAYBILLS OF 2003 POTASH MOVES TO ADELL FROM SASKATOON (\$US)

DEST STATION	DEST PROV/ST	ORIG STATION	ORIG PROV/ST	CAR NO	CAR INIT	WAYBILL MONTH	WAYBILL DAY	SHIPPER NAME	CONSIGNEE NAME	TRAFFIC TYPE	CARL OADS	TONS	GROSS REVENUE	CN's U.S. FAMILY REVENUE	CN's CANADA FAMILY REVENUE
ADELL	WI	SASYARD	SK	3019	CC	4	25	807082 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	102	\$3,593	\$1,723	\$1,870
ADELL	WI	SASYARD	SK	481177	CC	4	28	811462 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	101	3508	1682	1826
ADELL	WI	SASYARD	SK	369365	CN	4	25	806843 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	101	3591	1722	1869
ADELL	WI	SASYARD	SK	371680	CN	4	25	806842 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	101	3591	1722	1869
ADELL	WI	SASYARD	SK	377381	CN	5	2	822369 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	3611	1732	1880
ADELL	WI	SASYARD	SK	382478	CN	5	2	822368 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	3611	1731	1879
ADELL	WI	SASYARD	SK	5094	CNIX	5	2	822368 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	3618	1735	1883
ADELL	WI	SASYARD	SK	5183	CNIX	5	2	822367 AGRUM INC	UNITED SUPPLIERS INC	CN - CN	1	100	3611	1731	1879
TOTAL													\$28,733	\$13,778	\$14,955

INCREASE IN REVENUE AS A RESULT OF RESTATEMENT IN 2003

\$6,178

\$6,079

CN Staff has forecast a two per cent rate increase July 1, 2004 over base
year revenues 11/12 times 2% FORECAST YEAR

\$6,328

\$6,191

Plymouth Subdivision From Saukville, WI to Kiel, WI

Maintenance of Way

On Branch Avoidable Cost Calculation for Line South of MP 135

Source Monnich Verified Statement in Application Appendix J Maintenance Expense in 2003

Track Maintenance for 2 Trackmen per Appendix J is all related to the section between MP 135.0 and 114.8.

These costs are recapped in Exhibit C On Branch Expense in the Application and no change is required to separately measure the line north of MP 135.0.

The cost in 2003 dollars were:	salaries	\$13,896
	fringes	\$5,563
	material	\$1,123
	total	<u>\$20,582</u>

Grade Crossing Expense

Is separately shown for MP 114.8 to MP 138.0 and 138.0 to 151.8.

The cost for work from 114.8 to 138 in 2003 dollars for wages: \$11,866

Utilizing a mileage prorate to get to MP 135: 138-114.8 = 23.2 miles

MP 135 -114.8 = 20.2 miles

20.2/23.2 = % of miles to MP 135 87.1%

\$11,866 x 87.1% = salaries \$10,335

fringes at 40.03% = fringes \$4,137

total \$14,473

Signal Material cost for entire line in 2003 dollars/year \$6,000

MP 151.8 -114.8 = 37 miles 37 miles

MP 135 -114.8 = 20.2 miles

20.2 miles south/37 miles total = 54.6%

\$6,000 x 54.6% = \$3,276

Total M o W in 2003 South of MP 135 \$38,330

To increase these values to forecast year apply indices from Exhibit K in Application:

4.777% to wages and fringes; 2.531% to materials:

Total M o W for Forecast Year \$40,062

Source Monnich Verified Statement in Application Appendix I Normalized M o W

Normalized tie replacement cost \$70,270 for 37 miles in 2003 dollars

To calculate portion south of MP 135 apply prorate of miles from above

MP 135-114.8 is 54.6%

\$70,270 x 54.6% = \$38,367 \$38,367

To increase these values to forecast year apply indices from Exhibit K in Application:

RCAF per cent increase from 2003 to forecast year: 3.652% \$39,769

Surfacing program cost \$29,778 for 37 miles in 2003 dollars

MP 135-114.8 is 54.6%

\$29,778 x 54.6% = \$16,259 \$16,259

To increase these values to forecast year apply indices from Exhibit K in Application:

RCAF per cent increase from 2003 to forecast year: 3.652% \$16,853

Total Normalized M o W south of MP 135 in 2003 \$56,621

Total Forecast Year Maintenance of Way \$96,683

M of W, Rehab, NLV So. of MP 135.xls
MoW 2003, Forecast, Normalized

8/25/2004

Plymouth Subdivision From Saukville, WI to Kiel, WI

Rehabilitation

Source: Guthrie Statement in Abandonment Application

At Grade Crossings - Attachment E pages 1-3

Total	14 public renewals - 708' @ \$900/ft = \$637,200	
	12 private renewals - 192' @ \$500/ft = \$96,000	
	Total	<u>\$733,200</u>

South of MP 135 recapped from this data
feet

Public	320	\$900		\$288,000
Private	112	\$500		\$56,000
subtotal				<u>\$344,000</u>

Ties and Surfacing - Attachment C pages 1-3

Ties	15,373 ties @ \$70.34	<u>\$1,081,337</u>
South of MP 135 recapped from this data		
jt ties	5086	
dist ties	1513	
total	6599	\$70.34 <u>\$464,174</u>

Surfacing	33.1 miles @ \$4,024	\$133,194
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South of MP 135 recapped from this data

The 33.1 miles was from MP 118.7 to MP151.8

MP 135 - 118.7 = 16.3 miles of the 33.1 miles or 49.2%

Surfacing	\$133,194.00	49.20%	\$65,531
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Total Ties and Surfacing south of MP 135	<u>\$529,705</u>
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Rail - At page 7 & 8 of narrative state 478 rails require replacement.

Attachment D pages 1-34 shows rail test report results

total cost	<u>\$85,000</u>
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There are 209 rails requiring replacement South of MP 135

209 ties South/478 ties total x \$85,000	<u>\$37,165</u>
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Saukville - Kiel Line Rehab Cost Summary

	Total	South of MP 135
Grade Xings	\$733,200	\$344,000
Ties	1,081,337	464,174
Surfacing	133,194	65,531
Rail	85,000	37,165
Total	<u>\$2,032,731</u>	<u>\$910,870</u>

Plymouth Subdivision From Saukville, WI to Kiel, WI

Net Liquidation Value

Source Kenneth Young and Associates Verified Statement in Application at pages 193 through 196 and 174.

Market Value of Merchantable Land - total distance \$820,000
 This calculation was arrived at by parcel and thus the valuation for the south end to MP 135
 can be calculated as follows:
 Page 193 subtotal of parcels 1 through 21 143.13 acre \$615,654
 Note MP 135 is in parcel 22.
 Total acreage for parcel 22 is 33.4.
 To estimate acreage to MP 135, take the miles to MP 135 of .62 compared to total miles of 3.88.
 To estimate the value of the acreage take the value of parcel 22 - \$87,174 times the ratio of miles:

$$\$87,174 \times .62/3.88 = \underline{\$13,930}$$

 Total value of the land South of MP 135 \$629,584
 At page 194 total of all parcels on the line \$1,173,090
 Therefore % of value related to South of MP 135 is 53.67%
 Kenneth Young and Associates explains the process used to adjust their across the fence value
 for sales expense and their adjustment in present value for the distribution of sales
 over a five year period at page 195.
 The total Net Liquidation Value of \$820,000 (page 196) can therefore be calculated
 for that portion of the line South of MP 135
 as follows: $\$820,000 \times 53.67\%$ \$440,085

Source Diane Monnich's Verified Statement in Application

Value of Scrap and Usable Material from Exhibit E	\$1,933,000
Portion South of MP 135 Appendix L	<u>\$1,148,207</u>
Portion North of MP 135	<u>\$784,793</u>
Cost of Track Removal from Exhibit E	\$684,478
Portion South of MP 135 Appendix L	<u>\$372,006</u>
Portion North of MP 135	<u>\$312,472</u>

The Book Value of the Land.

Value was provided by CN staff. It was based on the same 279 acres discussed by the Kenneth Young Report.
 To determine the book value for the land south of MP 135, take the ratio of the acreage south of MP 135 to total acreage.
 Book Value of Land from Exhibit E \$1,120,000
 Portion South of MP 135
 Acreage: 148.47 round to 148
 Therefore book value of land South of MP 135:
 $\$1,120,000 \times 148 \text{ acres south} / 279 \text{ acres total} = \underline{\underline{\$594,122}}$

VERIFICATION

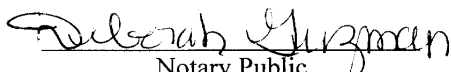
State of Illinois)
) SS:
County of Cook)

Diane R. Monnich, being duly sworn, deposes and says that she is Vice President of L.E. Peabody & Associates, Inc., that she has read the foregoing statement and knows the facts asserted therein, and that the same are true as stated.



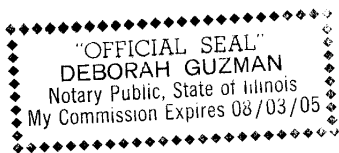
Diane R. Monnich

SUBSCRIBED AND SWORN TO
before me this 26th day
of August, 2004.



Notary Public

My Commission expires:



TAB B

**REPLY VERIFIED STATEMENT
OF
GREGORY J. GUTHRIE**

My name is Gregory J. Guthrie. I am Senior Manager Technical Services - United States Region for Canadian National Railway Company ("CN") and its U.S. rail carrier subsidiaries, including Wisconsin Central Ltd. ("WCL"). I am based at CN's U.S. Region headquarters in Homewood, Illinois. I previously submitted a statement in this abandonment proceeding addressing various engineering matters with respect to the WCL's rail line between Saukville and Kiel, Wisconsin (the "Plymouth Line"). The purpose of this further statement is to respond to several of the assertions made by a group of shipper protestants ("Protestants") in opposition to abandonment of the Plymouth Line. As discussed below, those assertions have no merit.

As I explained in my earlier statement, I did a thorough physical inspection of the entire Plymouth Line over a two-day period in early May 2004. I hi-railed the line and did a walking inspection and tie counts at two locations in each mile. My findings from that inspection were detailed at length in my earlier statement, which also included my inspection notes.

Since that time, a physical inspection of the Plymouth Line also has been conducted by representatives of the Wisconsin Department of Transportation ("WisDOT"). On August 5, 2004, I accompanied Jim Bolitho and Jim Tracy, both of WisDOT's Bureau of Rails and Harbors, and Bob Wedam of CN on a hi-rail trip over the line. I understand that Mr. Tracy is responsible for track inspections on behalf of WisDOT on the various state-owned rail lines in Wisconsin, and has significant background and expertise in the area. At various intervals we stopped and the WisDOT representatives did a walking inspection of the line, performed tie

counts, inspected bridges and reviewed the general condition of the line. The WisDOT representatives selected the locations of these walking segments, and otherwise controlled the inspection. We did not discuss during the trip their thoughts or findings regarding the condition of the line (nor, for that matter, did we discuss mine). I understand that WisDOT has since indicated that it concurs in our assessment of the poor condition of the Plymouth Line and the need for significant tie replacement and surfacing work, and indeed believes that our estimates may be conservative.

In contrast, the Protestants have performed no physical inspection of any kind on the Plymouth Line, and they appear to have little if any actual knowledge of the conditions on the line. That is reflected in the unsupported nature of many of their claims.

Routine Maintenance

The Protestants claim that, given the Plymouth Line's extremely poor condition and extensive deferred maintenance, it is unlikely that track crews spend any appreciable time doing routine maintenance on the line. That is simply an incorrect hypothesis. Besides the normal weekly inspections required by the Federal Railroad Administration required by 49 C.F.R. 213.4(c), the section gang on the Plymouth Line has to perform numerous activities throughout the year just to keep this line in service. The poor condition of the line can increase the number and extent of these basic maintenance items that must be attended to. Because of poor tie support and track dynamics, missing track bolts and broken angle bars are a frequent problem. The deteriorated crossings on the line often require patching, and we have to salt them heavily in the winter to keep the flangeways open and the crossings passable. Broken rails have to be changed out, and other tasks that don't vary with the number of trains operating on the line -- like fencing repair and snow removal -- have to be performed. Maintaining operational

track geometry in the springtime, when the frost goes out, can be especially difficult, particularly on a line like the Plymouth Sub laid with relatively inferior pit run gravel ballast rather than crushed rock ballast.

There is less traffic on the Plymouth Line than on the other line segments (the remaining southern portion of the Plymouth Subdivision and the West Bend Subdivision) maintained by the two-man section gang assigned to those lines, and to that extent maintenance costs would be comparatively lower on the Plymouth Line. WCL more than took this into account, however, by reducing the normal allocation of the section gang's expense to the Plymouth Line by half. Those expenses are extremely conservative and more than justified here.

Material costs for routine maintenance of just \$1,123 in the base year are similarly extremely conservative. I note that the Protestants have challenged these costs because "the Waldo Segment has not seen crosstie replacement or ballast application in surfacing in 15 to 20 years." Protest at 12. The Protestants are confusing routine maintenance with program or normalized maintenance. It is absolutely true that no programmatic tie or surfacing work has been done on the Plymouth Line in many years, but that is entirely separate from spot repairs and maintenance that have to be done on this line (and any other line) in the ordinary course. \$1100 in materials for such repairs per year is plainly reasonable.

The signal maintenance "work units" referred to in my prior statement are equivalent to AAR signal units and are well-accepted in the railroad industry as the basic measure of time and cost for maintaining (in this instance) grade crossing warning signals. I do not believe that reference to such signal work units is confusing or ambiguous to the Board or others with experience in the engineering field, and my prior statement included (at Attachment F, page 9) specific documentation of the work units involved on the Plymouth Line. A general

explanation of how work units are assigned to specific signal components is attached to this statement as Attachment A. Signal material expenses on the Plymouth Line were based on an in-field estimate of actual expenses on the line and are far from excessive. Protestants do not claim otherwise.

Normalized Maintenance

Protestants complain about a 5-year track surfacing cycle on the Plymouth Line, but provide no indication of what they believe a proper surfacing cycle should be. As I explained in my prior statement, a 5-year cycle is consistent with the range of normal industry practice. It will accommodate the fact the Plymouth Line is laid mostly with low-quality pit run gravel ballast, which does not drain as well as crushed rock ballast and is not as effective at holding track surface geometry. While normalized track surfacing cycles certainly can range up to 7 or 8 years in some cases, certainly a 5-year cycle here is appropriate for this line and not excessive.

Protestants also are wrong in their claim that no normalized maintenance of any kind is appropriate on the southern 3.9 miles of the Plymouth Line. That line is today FRA Class 3 principally by virtue of its 112-pound continuous welded rail, which has few rail joints and which holds gage and maintains surface better than other rail because of its heavier weight, wider and stronger beam and reduced flexing. Even so, there have been no programmatic tie installations on this section of the Plymouth Line since at least 1985, and likely none since the welded rail was laid on this segment in 1979. No surfacing has taken place on the line for nearly fifteen years. My inspection indicated a significant number of defective ties on this segment (see Attachment C, page 1 of my prior statement). Even with welded rail, the line segment could still be expected to deteriorate rapidly without a basic program of normalized maintenance.

I note that Protestants do not challenge WCL's normalized tie replacement costs, and I would reiterate that WCL's overall normalized maintenance expenses are conservative in that they include no costs for a variety of other items such as bridge maintenance/replacement, grade crossing maintenance/replacement and rail replacement.

Rehabilitation

Based on my personal, physical inspection of the Plymouth Line, my prior statement indicated that the line has "chronic gage, alignment and surfacing problems," that "in many instances there are currently no FRA 'good' ties within the required proximity of rail joints [and] in many other instances joints are supported by marginal ties which may or may not satisfy FRA requirements once surfacing is completed," and that just 6% of the ties on the line are of reusable quality. I am thus puzzled by the Protestants' claim that WCL did not submit any evidence on these issues and that no rehabilitation is needed. This is particularly true given that Protestants themselves did not elect to submit any evidence on these issues, and that WisDOT reached essentially the same conclusions as WCL on necessary rehabilitation after conducting its own inspection of the line. I also am puzzled by the Protestants' claim that "WC did not state the FRA standard to be obtained by virtue of the rehabilitation that it claims to be required." Protest at 17. My statement was replete with references to FRA Class 1 status; my discussion of rehabilitation began by saying, "Remedying this situation and returning the line to a minimum FRA Class 1 condition will require" and ended by saying, "The total rehabilitation cost for restoring the Plymouth Line to FRA Class 1 status is"

The Protestants complain that "there is no requirement under FRA Class 1 track standards that at least 1,054 ties per mile be nondefective," Protest at 19, but that is not what WCL proposed in its rehabilitation estimate. We proposed a tie replacement program that would

result in at least 1,054 nondefective ties per mile before surfacing was performed on the line -- with the knowledge that surfacing will disturb and degrade many of the marginally "nondefective" ties currently in place. As discussed above and in my first verified statement, and as is reflected in the net liquidation value calculated by WCL for the Plymouth Line, fully 96% of the ties on the line are of scrap value -- meaning that after they are disturbed and removed from the line they will have no remaining integrity or usefulness. A similar process occurs during surfacing, and was properly accounted for in WCL's rehabilitation costs for tie replacement.

The Protestants also are incorrect in their unsupported assertion that no surfacing is needed on the Plymouth Line. Initially, I note that the Protestants incorrectly link surfacing with "excessively wide gage." Protest at 20. Those two items have nothing to do with each other. Gage is the distance between the rails, and is a function of tie integrity and condition. Surfacing addresses problems of vertical and horizontal alinement of the track structure itself. That such surfacing is required here is clear from my own inspection of the line, WisDOT's inspection of the line, the fact that no surfacing has been performed on the line for nearly fifteen years, and the need to perform surfacing in conjunction with the installation of new ties.

While the Protestants argue against rail replacement as part of a track rehabilitation of the Plymouth Line, the undisputed evidence submitted with my earlier statement shows a large number of rail lengths with known, existing rail defects. Such defects have undoubtedly expanded since the last ultrasonic rail test on the Plymouth Line in 1999, and will require temporary suspensions or restrictions of operations and replacement when they "break out" of the railhead and violate FRA rules, as they will inevitably do. Replacing those rails on a piecemeal basis is inefficient and potentially unsafe, and should be performed in conjunction

with the rehabilitation of the remainder of the Plymouth Line. I would note that, if replacement of these rails was not included in rehabilitation expenses for the line, they would have to be addressed in the normalized maintenance program, thus increasing that cost category by potentially significant amounts.

Finally, Protestants have provided no basis for eliminating necessary grade crossing renewals from rehabilitation expenses for the Plymouth Line. The need for grade crossing renewals was based on my personal inspection of each individual crossing, and the renewal costs reflect CN's actual experience in performing such renewals. Wisconsin statutory law requires all railroads to maintain grade crossing surfaces (from the centerline to four feet beyond each rail) at the railroad's own expense. A copy of the Wisconsin statute imposing that obligation on the state's railroads is attached as Attachment B. Governmental funding for crossing replacements is generally only available when, for example, a local highway department wants to upgrade a crossing with a rubberized surface. That is not the case here, and WCL would be required by law to pay the full expense of renewing deteriorated public grade crossing surfaces on the Plymouth Line. Similarly, all or nearly all of the private crossings on the Plymouth Line are "farm" or "agricultural" crossings subject to deed covenants -- arising from the initial grant of right-of-way property or easements to WCL's predecessor -- that require WCL to provide and maintain such crossings. Example of two such deed covenants on the Plymouth Line are attached as Attachment C. As this evidence establishes, it is entirely appropriate to include grade crossing renewal expenses in the rehabilitation costs for the Plymouth Line.

NEW SIMPLIFIED FAR INVENTORY

The three digits numbers in brackets are the new FAR codes
The time in minutes corresponds to one year of preventive maintenance

Base System:	(1000) Crossing Protection Basic	2,200 min.
	Based on signal track (3 track circuit) locations, including end feeds. Includes housing(s), hydro feed, relays, batteries, chargers, recorders, mast, flashing lights (8), test switch, push buttons, strobes, etc.	
Extras:	(1001) CWD/MS (normal, stand by)	540 min./box
	(1002) Flashing light units (above 8 lights)	60 min./unit
	(1003) Gates (includes mechanism and gate arm)	120 min./gate
	(1004) Cantilevers, per structure over 6'	45 min.
	(.....) Concrete tie territory, each steady energy track circuit	240 min./locat.
	(1005) Additional main tracks	300 min./addit. main track
Base System:	(1006) Interlocking Basic	720 min.
	Based on single track railway crossing at grade, includes housing(s), hydro feed, relays, batteries, chargers, recorders, signal masts, knife switch, push buttons, etc. Note: it does not include advance/approach signals	
Extras:	(1007) Mechanisms/color light unit	120 min./unit
	(1008) Drawbridge open & close	2,880 min.
	(574) Power switch (with or without helper)	626 min.
	(581) Electric lock	
	(587) Power derail	746 min.
	Signal Location	480 min.
	Additional main tracks	300 min./track
Base System:	001 CTC Controlled Location	720 min.
Extras:	(142) Hot air blower - oil	1440 min.
	(143) Hot air blower - natural gas	720 min.
	(144) Hot air blower - propane, melter	2,400 min.
	(150) Blower	480 min.
	(563) Signal unit (color or search)	120 min./unit
	(574) Power switch (with or without helper)	626 min.
	(578) Spring switch	480 min./year
	() Junction box	72 min.
	(584) Derail	180 min.
	Additional main tracks	300 min./track
Base System:	002 Signal Location	480 min.
Extra:	Concrete	240 min./locat.
	(563) Signal unit	120 min.
	Additional main tracks	300 min./track
Base System:	003 Cut Case	120 min.
Extra:	Concrete	240 min./locat.

Base System:	004 Switch Location	120 min.
Extras:	(581) Electric Lock	180 min.
	(584) Derail	180 min.
Base System:	() Generator	720 min.
Base System:	(077) Hot Box Detector	1,440 min.
	Includes bungalow, DED, radio (antenna, transmission line), HW, HBD, modem, communications circuits	
Extras:	Number of tracks (HBD, DED, HW)	1,300 min.
	(137) Propane heater tank	120 min.
	(081) Blower	60 min.
Base System:	(714) Radio	120 min.
	Includes bungalow, communications circuits, battery, charger, radio site, antenna, transmission line, BSCE	
Extras:	Additional bases in the same building (radio and controllers)	60 min.
	(137) Propane heater tank	120 min.
Base System:	(067) Fiber	720 min.
	Includes bungalow, drop and insert, battery, charger, modems, communications circuits	
	(611) Cable - low activity	80 min./mile
	(612) Cable - medium activity	300 min./mile
	(613) Cable - high activity	600 min./mile
Base System:	(731) AEI	240 min.
	Includes bungalow, AEI, modem, communications circuits, wheel sensor, antenna	
Extras:	Additional readers (wheel sensors, antenna, AEI controller)	180 min.
Base System:	(075) WILD	120 min.
	Includes bungalow, communications circuits, modem, WILD	
Extras:	Additional WILD (controller)	60 min.
Base System:	(543, 544) Poleline (forest and non forest)	5 min./pole (or 20 min./mile)
Base System:	(610) Signal Cable (non aerial)	80 min./mile

WI ST 86.12
W.S.A. 86.12

▷

WEST'S WISCONSIN STATUTES ANNOTATED
HIGHWAYS

CHAPTER 86. MISCELLANEOUS HIGHWAY PROVISIONS

86.12. Highway railroad grade crossings; construction and repair

(1) All railroad companies owning or operating tracks crossing streets or highways at grade shall keep the surface of the crossings between the tracks and rails and extending 4 feet on either side of the outside rails, in good condition and repair for highway travel. The county board or the common council, village board or town board of the municipality in which the crossing is located may, by resolution, require any such railroad company to pave, plank, repair, change or otherwise improve the crossings, as the needs require. The clerk of the county, city, village or town shall serve a copy of the resolution upon the local agent of the railroad company.

(2) If a railroad company fails to comply with the resolution in sub. (1) within 30 days after service of the resolution, the county board, common council, village board or town board may file a complaint with the office alleging the failure. The office shall investigate and determine the matter in controversy as provided in ch. 195. An order issued by the office under this subsection has the same effect as an order in a proceeding brought under ch. 195.

Map 6 198
⑦
No. 28255

C., M. & ST. P. R'y Co.

Ozaukee County Wisconsin
John Schominer's Wife

TO
Milwaukee & Northern
Railway Company

Warranty DEED.

Consideration \$100.00

Date Executed Aug 23rd 1871

CONVEYS right of way 4 rods
wide across N to S.E. of
Sec. 23 T. 11 R. 21 East.

By C. to put in crossings and culverts.

	NT 55. 198 DEED. <i>John Schommer & Catherine his wife</i> — TO — The Milwaukee and Northern RAILWAY COMPANY. <i>E.</i> <i>X</i> RE 38265 DEED No. 208 <i>2-1</i> <i>#116</i> <i>Registers Office Dane County Received for Record April 26th 1872 at P.O. of Mr. Records in Vol 26 of Deeds on page 62 <i>Chas. Meyer Register</i> <i>100 Chas. Meyer</i></i>	
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RE 38265

File 801
160

This Indenture, Made the twenty third day of August
in the year of our Lord One Thousand Eight Hundred and Seventy one between I John Schommers and Catherine his wife of the town of Saukville in the County of Ozaukee & State of Wisconsin parties of the first part, and the Milwaukee and Northern Railway Company, party of the second part, **WITNESSETH**, that the said parties of the first part, for and in consideration of the sum of Five Hundred Dollars, to them in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, have given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these Presents do give, grant, bargain, sell, remise, release, alien, convey and confirm unto the said party of the second part, and their Successors and Assigns forever, the following Real Estate, situate in the County of Ozaukee in the State of Wisconsin, being a strip of land four rods in width, along the line of the Railroad of said party of the second part, to-wit:
across the farm of the said party of the first part, being the North East quarter of the South East quarter of Section No. twenty three (23) Town No. Eleven (11) North, of Range No. twenty one (21) East. said strip four rods wide being of the uniform width of two rods on each side of the center line of said railway as the same has lately been located and staked out by said Company's Engineers.
Said center line crosses the south line of said tract of land 292 feet east of the south west corner thereof, and the cross the north line of said tract of land 266 feet east of the North West corner thereof - this conveyance being made subject to the duty of said Company to fence said railway on each side through said tract, and keep said fence in repair, to make suitable crossings and to avoid damming or running water by the building of ditches or drains, the right to make other improvements at my own expense by my platy
Together with all and singular the hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and all the estate, right, title, interest, claim or demand whatsoever of the said parties of the first part, either in law or equity, in possession or expectancy of, in and to the above bargained premises, and their hereditaments and appurtenances.
TO HAVE AND TO HOLD the said Premises, as above described, with the hereditaments and appurtenances, unto the said party of the second part, and to their Successors and Assigns forever.
And the said John Schommers one of said parties of the first part, for himself, his heirs, executors and administrators, do as covenant, grant, bargain and agree to and with the said party of the second part, and their successors and assigns, that at the time of the enrolling and delivery of these presents, he is well seized of the Premises above described, as of a good, sure, perfect, absolute and indefeasible estate of inheritance in the Law in fee simple, and that the same are free and clear from all incumbrances whatever, and that the above bargained Premises, in the quiet and peaceable possession of the said party of the second part, and their Successors and Assigns, against all and every person or persons lawfully claiming the whole or any part thereof he will forever **WARRANT AND DEFEND**.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Sealed and Delivered in the Presence of

Frank Tancos
George Albrecht
STATE OF WISCONSIN,

COUNTY OF Ozaukee } SS

John Schommers [L.S.]
Catherine Schommers [L.S.]

BE IT REMEMBERED, That on the 23 day of April A. D. 1872, personally came before me the above named John Schommers & Catherine Schommers by myself to me known to be the person who executed the above Deed, and acknowledged the same to be their free act and deed for the uses and purposes therein mentioned.

Joseph Albrecht
County Clerk
RE 38265

LINE CODE	ST.	VAL SEC.	MAP NO.	PAR. NO.	CUSTODIAN NO.	TRANS DATE
GB	W1	5	6	7		8-23- 1871

007192

Map 7.
22

53

No. 28345

C., M. & ST. P. R'y Co.

Ozaukee County Wisconsin.
Joseph Smith & wife.

TO

Milwaukee & Northern
Railway Company

Warranty

DEED.

Consideration \$ 150.⁰⁰

Date Executed Sept. 12th 1871.

CONVEYS right of way 4 rods
wide across the $6\frac{1}{2}$ S.W.^{1/4}
of Sec. 23. T. 12 R. 21 East.

Ry Co to put in farm Crossing.

DEED.

Joseph Smith & wife
and John Smith

The Milwaukee and Northern

RAILWAY COMPANY.
23-12-21

Register office?
Sunderland County }
Received for record. This
3^d day of October 1881, at
9 o'clock A. M. & recorded in
Vol 24 of Deeds on page
492

92. *Ch. lat.*
Paid by E.B. *Regly*

DEED No.

235

DEPT. OF JUSTICE
38345

RE 38345

This Indenture, Made the twelfth day of September in the year of our Lord One Thousand Eight Hundred and Seventy one between Joseph Smith, and Anna Mary Smith and John Smith of the town of Freedom, in Jefferson County, in the State of Wisconsin parties of the first part, and the Milwaukee and Northern Railway Company, party of the second part, **WITNESSETH**, that the said parties of the first part, for and in consideration of the sum of One hundred and fifty Dollars, to them in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, have given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these Presents do give, grant, bargain, sell, remise, release, alien, convey and confirm unto the said party of the second part, and their Successors and Assigns forever, the following Real Estate, situate in the County of Jefferson in the State of Wisconsin, being a strip of land four Rods in width, along the line of the center of said party of the second part, to-wit: thence and across the farm of said parties of the first part in the East half of the South West Quarter of Section Number twenty three (23) in Town number twelve (12) North of Range Number twenty one (21) East - said strip four rods wide here, conveyed lying and being two rods in width on each side of the center line of said railway, as lately surveyed and staked out by the said company's engineers - said center line crosses the south line of said farm about 666 feet from the South East corner of said half section and crosses the north line about 666 590 feet from the North East corner thereof. Said company accepts this deed subject to the duty of fencing said railway, on both sides across said farm, and up providing a usual farm crossing for the use of the owner of said farm -

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and all the estate, right, title, interest, claim or demand whatsoever of the said parties of the first part, either in law or equity, either in possession or expectancy of, in and to the above bargained premises, and their hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Premises, as above described, with the hereditaments and appurtenances, unto the said party of the second part, and to their Successors and Assigns forever.

And the said Joseph Smith, John Smith and Anna Mary Smith parties of the first part, for themselves, their heirs, executors and administrators, do - covenant, grant, bargain and agree to and with the said party of the second part, and their successors and assigns, that at the time of the enrolling and delivery of these presents, they are well seized of the Premises above described, as of a good, sure, perfect, absolute and indefeasible estate of inheritance in the Law in fee simple, and that the same are free and clear from all incumbrances whatever, and that the above bargained Premises, in the quiet and peaceable possession of the said party of the second part, and their Successors and Assigns, against all and every person or persons lawfully claiming the whole or any part thereof they will will forever **WARRANT AND DEFEND**.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hand & seal the day and year first above written.

Sealed and Delivered in the Presence of
Chas. E. Chamberlain



Joseph Smith
Anna Mary Smith
John Smith

STATE OF WISCONSIN,
COUNTY OF Jefferson } SS.

BE IT REMEMBERED, That on the twelfth day of September, A.D. 1871, personally came before me the above named Joseph Smith, Anna Mary Smith and John Smith to me known to be the persons who executed the above Deed, and acknowledged the same to be their free act and deed for the uses and purposes therein mentioned.

R. S. Cassel
Justice of the Peace

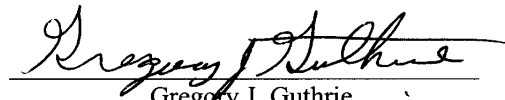
RE 38345

LINE CODE	ST.	VAL SEC.	MAP NO.	PAR. NO.	CUSTODIAN NO.	TRANS. DATE
GB	W1	5	7	22		8-12- 1871

007225

VERIFICATION

Gregory J. Guthrie, under penalty of perjury, declares and verifies that he is Senior Manager Technical Services - United States Region for Canadian National Railway Company, that he has read the foregoing statement and knows the facts asserted therein, and that the same are true as stated.


Gregory J. Guthrie

Dated: August 26, 2004

TAB C

**REPLY VERIFIED STATEMENT
OF
GARY L. KOLBE**

My name is Gary L. Kolbe. I am Assistant Vice President, Midwest Region Sales, for Canadian National Railway Company ("CN"), and am based at CN's U.S. Region headquarters in Homewood, Illinois. I previously submitted a statement in this proceeding in support of the abandonment of the Wisconsin Central Ltd. ("WCL") rail line between Saukville and Kiel, Wisconsin (the "Plymouth Line"). The purpose of this further statement is to briefly address three specific traffic issues raised by several shippers on the Plymouth Line (the "Protestants"), as well as comments regarding community impacts made by the Protestants and at the public meeting on this abandonment held by the STB on August 13, 2004 in Random Lake, Wisconsin.

Traffic Routings, Revenues and Volume

While not disagreeing with WCL regarding the total number of cars handled to customers on the Plymouth Line in 2003, the Protestants contend that certain shipments of fertilizer (potash and urea) to Adell Cooperative in Adell, Wisconsin and to Kettle Lakes Cooperative in Random Lake, Wisconsin originated at CN points in Saskatchewan, Canada and were not accurately shown as such in WCL's abandonment application. The Protestants rely on this contention to argue that WCL excluded CN-family revenue for the Canadian portion of these movements. That contention is wrong, because CN never handled the cars in question in Canada. Instead, those cars were moved by Canadian Pacific Railway from their Saskatchewan origins to Minneapolis, Minnesota, and then by WCL from Minneapolis to the destinations on the Plymouth Line. I have attached two sample bills of lading from 2003 that reflect CN/WCL's handling of these cars only from Minneapolis to destination. (The car numbers and dates on

these bills correspond to cars that are shown in the Verified Statement of Jerry Leick, Appendix JL-1, page 1, that was included with the Protestants' filing.) At the bottom of each bill of lading is a notation that "when car is empty, return via reverse route to Norco, Saskatchewan." Norco is a CPR station just east of Saskatoon, Saskatchewan. It is not served by CN.

Protestants also incorrectly claim that CN receives freight revenue of \$40-43 per ton for shipments of potash and urea from Saskatchewan to Adell Cooperative and Kettle Lakes Cooperative on the Plymouth Line. Of course, to the extent that Protestants are referring to the "Minneapolis" traffic discussed in the preceding paragraph, CN/WCL handles that traffic over only a portion of its route and is not generally in a position to know what CPR's revenues (and therefore total revenues) are for those movements. For CN/WCL single-line movements between Saskatchewan and the Plymouth Line, CN marketing staff has confirmed that such traffic moves at rates in the \$34-36 per ton range and that the revenues for that traffic shown in WCL's abandonment application are correct. (I note that this is prepaid traffic moving under confidential contract with the Canadian origin shipper. We have not pursued arrangements that would allow disclosure of those contracts here, but as indicated we have confirmed the rate ranges and actual U.S. revenue associated with these movements.)

Finally, I note Protestants' argument that forecast year traffic on the Plymouth Line should be increased because two shippers -- Lakeside Foods and Glacier Transit & Storage -- have received higher volumes of traffic thus far in 2004 than they received in 2003. Yet the precise amount of traffic to a particular shipper in any particular year would always be expected to move upward or downward to some degree. Adell Cooperative and Kettle Lakes Cooperative, the two biggest customers on Plymouth Line, each received more traffic in 2003 -- the year WCL used to determine forecast year traffic levels -- than in 2002. For the first seven

months of 2004 (January-July), traffic received by Adell Cooperative and Kettle Lakes was down from the comparable period in 2003 -- from 52 to 38 cars for Adell, and from 46 to 34 cars for Kettle Lakes. And while, as Protestants claim and WCL specifically showed in its application, Lakeside Foods received 14 carloads of traffic in the first quarter of 2004, it has received no additional traffic since then. Overall, received traffic volumes on the Plymouth Line during the first seven months of 2004 declined slightly to 104 cars from 113 cars during the same period in 2003. I thus continue to believe that WCL's use of 2003 traffic volumes for the forecast year was appropriate and reasonable.

Shipper and Community Impacts

While Protestants claim that they will be harmed by significant extra transportation costs as a result of abandonment, those claims are overstated in several important respects. Any extra cost of in-bound fertilizer to the end user -- the farmer-members of the Adell and Kettle Lakes Cooperatives -- would accrue only if the farmer chooses to add an extra trucking step by purchasing the product from the local co-ops, instead of a neighboring one. The local farmer will still have a choice of purchasing product from other nearby co-ops located on the Union Pacific Railroad (including one at Sheboygan Falls that can be transloaded from a facility there owned by the Kettle Lakes Cooperative) or WCL's line to West Bend, where we deliver a significant amount of this same product each year. Product can move out of the alternative elevator directly to the farmers' fields for application, bypassing an intermediate trucking movement to the local co-op and the claimed additional trucking cost. Thus, additional costs to the farmer, if any, will be minimal, and the same amount of product will move into the area, just not necessarily through the two specific co-op facilities that have handled this product in the past. Lumber similarly moves into reloads on the UP and at West Bend on WCL, as well

as other locations around Wisconsin. The end user should experience very little extra cost, as they have choices to purchase product from any of these locations. Thus, even if the local lumber company at Fredonia might incur the claimed extra costs if they wish to continue to stock the same amount of lumber, from the same sources, as they do today, the effects on local consumers of lumber should be minimal.

Other claims made at the public meeting regarding the relationship between the uncertainty of the Plymouth Line's future and the shippers' reluctance to invest in needed infrastructure (particularly with respect to moving grain outbound), inadequate service, and promises of future traffic disregard more relevant historic market patterns and are otherwise misplaced. Over the many years of my experience, most independent elevators or co-ops like Adell and Kettle Lakes would not commit to build a facility to load multiple cars (25 minimum), which would provide efficiencies to the railroad in handling a volume of cars at one time (reduced switching), because the grain market was not strong enough to utilize rail on a consistent basis. Truck transportation, particularly into the local markets where most Wisconsin grain has been historically consumed, was too inexpensive to allow for rail movement, and local options provided extremely difficult challenges to the railroad to compete against. While consumption patterns could hypothetically shift at some point and provide future opportunities for longer distance movements of out-of-state or export grain that would be more compatible with rail service, those prospects are far from clear and certainly not anything that could reasonably be relied upon now by WCL. It is more likely that the new construction of ethanol plants at various locations in Wisconsin will provide new and more attractive destinations for local grain that, like other grain for local consumption, would move primarily by truck.

A representative of Kettle Lakes Cooperative also commented briefly about the reduction of train service from three days per week to twice a week that allegedly resulted in bunched cars during peak planting season. Public Meeting Transcript at 22-23. This is not unusual, but rather a typical issue during those times no matter what the frequency of service. When the compressed fertilizer application season arrives, there is a rush of car orders, not just for Kettle Lakes and Adell, but everywhere on the rail system. Most elevators and co-ops in fact receive their cars in bunches during those times and have prepared for it, and congestion situations are often not solely the fault of the serving rail carrier. Even if that were not the case, the fact that there may have been some delays during this period must be balanced against the larger picture that the railroad is required maintain the roadbed, own locomotives and cars and wait for those few times a year that the customers on this line have arguably required increased service -- a large ownership cost for a relatively few days of service that cannot be justified further for the limited amount of total traffic that moves over the Plymouth Line.

Finally, claims of other added traffic selectively omit important factors. For example, the recitation by a local attorney at the public meeting (Transcript at 56-60) of two letters suggesting the use of the Plymouth Line, upon upgrading, to transport 286,000 pound cars to Glacier Transit & Storage at Waldo for the storage of bulk cheese and ultimate delivery by truck to Sargento, a cheese packing company at nearby Plymouth (10 miles away), fails to note that since January 2003 Sargento has already been receiving three heavy railcars per week through the West Bend Commercial Warehouse on WCL's nearby West Bend Subdivision (only 25 miles away). Sargento also will be able to receive such cars on our line in Oshkosh (43 miles away) at Oshkosh Gold Storage, which has just installed a track at its facility the hopes of handling Sargento's business, and it apparently does or may receive larger cars via the UP at

Cedar Grove (22 miles away). While it might be admirable or desirable for Sargento to try to gain additional business for Glacier Transit & Storage at Waldo -- which would require WCL to expend amounts even greater than the \$2 million rehabilitation costs already estimated for the Plymouth Line, which assumed rehab only to the current 263,000-pound car level -- Sargento certainly does not appear to require this service to obtain needed rail transportation or otherwise remain competitive.

KOLBE R.V.S.

Attachment A, Page 1 of 2

TO 800-616-3438

FROM IMC

11JUN03 1352EST 24052538 PAGE 2 OF 2

WISCONSIN CENTRAL
MINNEAPOLIS MN
ATTN: PENNY OLSZEWSKI

PAGE 1

SHIPPER: IMC USA INC.
SHIP DATE 06/11/2003

ORDER NO	NUMBER	DATE	MODE	RATE	AGENT	PPD BY	CUST FRT ACCT	LFVC
K0903764	00414607	06/11/2003	C-HOPPER	.000	WC	PPD IMC		
FROM.....	1528	IMC			MINNEAPOLIS			MN
SHIP TO..	ADELL CO-OPERATIVE							

ROUTE.... WC WC-3001 WI 53001

COMMODITY 2812534 ** TRIPLEASED **

RED COARSE MURIATE OF POTASH, GRADE 0-0-50
GUARANTEED ANALYSIS: SOLUBLE POTASH (K2O) 50.0%
DERIVED FROM MURIATE OF POTASH

IMC ORDER #	VEHICLE ID	GROSS WGT	CUSTOMER PO #	TARE WGT	NET WGT	PICKUP #	INV TONS	GRADE
	K090376401			339-7316				
	CCCX071605	262500		52950	209550	104.775		CSE
	K090376402			339-7317				
	IMCX012102	262850		62700	200150	100.075		CSE

FAX BARGE SHIPPING INFO TO DAVE LAUFENBERG @ 808-929-4619
FRT TO IMC KALIUM, 100 S SAUNDERS RD - SUITE 300 LAKE FOREST, IL 60045

NOTE: WHEN CAR IS EMPTY, RETURN VIA REVERSE ROUTE TO NORCO, SASKATCHEWAN

FOR HELP IN CHEMICAL EMERGENCIES INVOLVING SPILL, LEAK, FIRE OR EXPOSURE,
CALL CHEMTREC TOLL - FREE DAY OR NIGHT AT (800) 424-9300
EOT

9/24/2003 9:35

IMC GLOBAL -> WC WIP 7

KOLBE R.V.S.
Attachment A, Page 2 of 2

CANADIAN NATIONAL RAILWAYS
MINNEAPOLIS MN
ATTN: PENNY OLSZEWSKI

PAGE 1

SHIPPER: IMC USA INC.
SHIP DATE 09/24/2003

ORDER NO: BOL SHIPPING FREIGHT LFVC
K0903949 NUMBER 00433058 DATE 09/24/2003 MODE C-HOPPER RATE .000 CN AGENT PPD BY CUST FRT ACCT
FROM: 1528 IMC MINNEAPOLIS
SHIP TO: ADELL CO-OPERATIVE WI 53001
ROUTE: CN WC-3001
COMMODITY: 2812534 ** TRIPLEASED **
RED COARSE MURIATE OF POTASH, GRADE 0-0-60
GUARANTEED ANALYSIS: SOLUBLE POTASH (K2O) 60.0%
DERIVED FROM MURIATE OF POTASH

IMC ORDER #	GROSS WGT	CUSTOMER PO #	PICKUP #	GRADE
VEHICLE ID		TARE WGT	NET WGT	INV TONS
K090394901		339-08390		
GCCX072173	262050	53700	208350	104.175
K090394902		339-08391		
GCCX112313	262000	62950	199050	99.525
K090394903		339-08392		
GCCX173587	262050	60450	201600	100.800
K090394904		339-08393		
GCCX173699	262000	62000	200000	100.000
K090394905		339-08394		
GCCX174544	262050	60450	201600	100.800

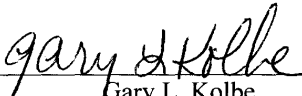
FAX BARGE SHIPPING INFO TO DAVE LAUFENBERG @ 608-929-4619
FRT TO IMC KALIUM; 100 S SAUNDERS RD - SUITE 300 LAKE FOREST, IL 60045

NOTE: WHEN CAR IS EMPTY, RETURN VIA REVERSE ROUTE TO NORCO, SASKATCHEWAN

FOR HELP IN CHEMICAL EMERGENCIES INVOLVING SPILL, LEAK, FIRE OR EXPOSURE,
CALL CHEMTREC TOLL - FREE DAY OR NIGHT AT (800) 424-9300

VERIFICATION

Gary L. Kolbe, under penalty of perjury, declares and verifies that he is Assistant Vice President, Division Sales for Canadian National Railway Company, that he has read the foregoing statement and knows the facts asserted therein, and that the same are true as stated.



Gary L. Kolbe

Dated: August 26, 2004

TAB D

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-303 (SUB-NO. 27)

WISCONSIN CENTRAL LTD.
-- ABANDONMENT --
IN OZAUKEE, SHEBOYGAN AND MANITOWOC COUNTIES, WI

**RESPONSES OF WISCONSIN CENTRAL LTD.
TO SHIPPER PROTESTANTS' DISCOVERY**

Theodore K. Kalick
Senior U.S. Regulatory Counsel
Canadian National Railway Company
601 Pennsylvania Avenue, N.W.
Suite 500 North Building
Washington, DC 20004
(202) 347-7196

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
WISCONSIN CENTRAL LTD.**

Dated: August 9, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-303 (SUB-NO. 27)

WISCONSIN CENTRAL LTD.
-- ABANDONMENT --
IN OZAUKEE, SHEBOYGAN AND MANITOWOC COUNTIES, WI

**RESPONSES OF WISCONSIN CENTRAL LTD.
TO SHIPPER PROTESTANTS' DISCOVERY**

Wisconsin Central Ltd. ("WCL") hereby responds as follows to the Discovery propounded by Adell Cooperative, Kettle Lakes Cooperative, Lakeside Foods, Inc. and Neuens Fredonia Lumber Company (collectively, the "Shipper Protestants") to WCL:

REQUESTS FOR PRODUCTION OF DOCUMENTS

REQUEST NO. 1:

The warranty and quitclaim deeds that allegedly support inclusion of acreage under the column headed "marketable title" in Exhibit B of the appraisal of Kenneth Young & Associates, which encompasses pages 222-237 of Volume 2 of the abandonment application.

RESPONSE:

Responsive documents are being produced at WC/Canadian National's general administrative building in Homewood, Illinois, and are available at that location for inspection and review during normal business hours.

REQUEST NO. 2:

Any notes, memoranda or other written records made by Mr. Gary L. Kolbe, and/or Mr. Dale Disher, and/or Mr. Rich Miller that relate to their hi-rail trip over the Plymouth line on June 17, 2003, and/or their discussions with customer representatives on that date, and/or their follow-up telephone conversations with customers on that line, as referred to at pages 6-7 of Mr. Kolbe's verified statement, which is Tab C of Volume 2 of the abandonment application at 27-28.

RESPONSE:

Responsive documents are being produced herewith, designated as WCL 2 xxxxxx.

REQUEST NO. 3:

Any notes, memoranda, or other written records made by Mr. Gregory J. Guthrie that relate to his physical inspection of the Plymouth line on May 5-6, 2004 (other than his Attachments C and E), as referred to at page 2 of his verified statement, which is Tab D of Volume 2 of the abandonment application at 36.

RESPONSE:

Other than the referenced attachments, WCL has no other responsive documents.

REQUEST NO. 4:

Work orders for the dates listed on the first two pages of Exhibit F of the verified statement of Ms. Diane R. Monnich, (application Volume 1 at 105-106) Note: work order for 10-7-03 was already provided in Mr. McIntyre's verified statement).

RESPONSE:

Responsive documents are being produced herewith, designated as WCL 4 xxxxxx. Certain shipper-specific data has been redacted from these documents, in the same manner such data was redacted from the 10-7-03 work order included with the application.

REQUEST NO. 5:

The following agreements listed on page 1 of Appendix O attached to the verified statement of Ms. Diane R. Monnich, which is Tab A of Volume 1 of the abandonment application at 285:

- (a) Document No. WCSA 2073S
- (b) Document No. WCSA 3965S
- (c) Document No. 25896
- (d) Document No. 906-W
- (e) Document No. WCSA 6269S

RESPONSE:

Responsive documents with respect to Agreement Nos. WCSA 2073S, WCSA 3965S, 25896 and WCSA 6269S are being produced herewith, designated as WCL 5 xxxxxx. WCL is unable to locate a copy of Agreement No. 906-W in its files.

INTERROGATORIES

INTERROGATORY NO. 1:

What amount of CN family-carrier revenues (and corresponding off-branch costs, if any) were omitted from base year revenues on line 1 of Exhibit 1 of the verified statement of Ms. Diane R. Monnich (application Volume 1 at 76) as a result of exclusion of revenues attributable to operations in Canada, as referred to at page 4 of Ms. Monnich's statement (application Volume 1 at 55)?

RESPONSE:

\$90,925 (US). No off-branch costs were calculated or included with respect to rail operations in Canada.

INTERROGATORY NO. 2:

With respect to overhead traffic over the Plymouth line:

- (a) was such traffic ever moved over the line?
- (b) if so,
 - (i) when was such traffic rerouted?
 - (ii) what was the approximate volume of such traffic in carloads during the year prior to the rerouting?
 - (iii) what was the primary route or routes to which such traffic was diverted?
 - (iv) what was the reason or reasons for rerouting of such traffic?

RESPONSE:

WCL states that, while Milwaukee-Green Bay overhead traffic was handled on the Plymouth Line in the past and particularly by prior owners of the line, overhead traffic has not been handled on the line for several if not many years, and the line has not served as part of

WCL's principal Milwaukee-Green Bay route at any time since WCL's start-up in 1987. The Plymouth Line has not been part of a physical WCL through route since the abandonment of WCL's Greenleaf-Green Bay line (north of the Plymouth Line) in 1994. Any non-originating or terminating traffic handled on all or a portion of the Plymouth Line since that time would have been incidental to handling local traffic on the line north of Kiel. WCL is unaware of any specific instances of such traffic, which normally moves via Hilbert and Neenah.

INTERROGATORY NO. 3:

When Train 507 operates north only as far as Adell, where is the locomotive turned around for the southbound operation? -- please identify the trackage on which the locomotive is turned around and the milepost-number location of that trackage (if the locomotive is not turned around for the southbound operation, please so state).

RESPONSE:

WCL states that, when Train 507 operates north only as far as Adell, the locomotive is moved to the south end of the train for the return movement via a "drop" operation utilizing side tracks to the east of the main line at Adell, milepost 130.2. The locomotive is not turned.

INTERROGATORY NO. 4:

Identify the crossing or crossings at which \$23,034 in labor and \$6,000 in materials was expended in the base year. (If more than one crossing, please provide a breakdown of such costs). Please identify the crossing work that was accomplished by means of those expenditures (i.e., renewal, repair, etc.) (application, Volume 1 at 90).

RESPONSE:

WCL states that the expenses referred to relate solely to required inspection and maintenance of grade crossing warning signal devices on the Plymouth Line. The crossings at which such warning signal device inspection and maintenance are conducted are as follows:

<u>Name</u>	<u>Milepost</u>	<u>DOT Number</u>
Meadowlark Road	MP 118.51	387 141E
Fredonia Avenue/CTH "H"	MP 119.52	387 140X
1 st Street/CTH "K"	MP 125.19	387 133M
2 nd Street	MP 125.25	387 132F
5 th Street	MP 125.46	387 131Y
CTH "I"	MP 129.83	387 121T
Edgewood Avenue/CTH "A"	MP 129.95	387 120L
CTH "F"	MP 132.00	387 115P
State Highway 28/First Street	MP 134.01	387 113B
CTH "N"	MP 135.06	387 112U
Blueberry Lane/CTH "AC"	MP 135.36	387 110F
CTH "U"	MP 136.26	387 108E
Sumac Road	MP 137.25	387 106R
CTH "PP"	MP 138.26	387 104C
Clifford Street	MP 138.91	387 101G
Reed Street	MP 139.14	387 099H
Thayer Street	MP 139.27	387 097U
Main/Milwaukee	MP 139.51	387 094Y
Elizabeth Street	MP 139.59	387 093S
Grove Street	MP 139.98	387 092K
Woodland Road	MP 141.58	387 091D
CTH "J"	MP 142.58	387 089C
Washington Street	MP 145.97	693 818J
Rhine Street	MP 146.08	387 083L
Lake Street	MP 146.10	387 082E

INTERROGATORY NO. 5:

Identify the crossing or crossings at which at total of \$30,286 in maintenance would be expended in the forecast year. (If more than one crossing, please provide a breakdown of such costs). Please identify the crossing work that would be accomplished by means of those expenditures. (application, Volume 1 at 90).

RESPONSE:

See response to Interrogatory No. 4.

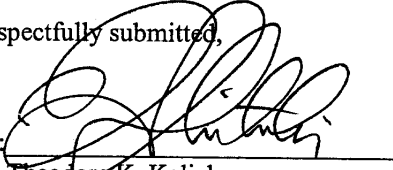
INTERROGATORY NO. 6:

Do the "additives, non fringe benefits" shown in Exhibit F of Ms. Monnich's verified statement (application, Volume 1 at 104) correspond to "vacation/statutory holidays" and "personal days" shown in Ms. Monnich's Appendix O (*id.* at 281)?; if so, what do the percentages opposite those entries represent, and how were those percentages determined?

RESPONSE:

Yes. The referenced percentages represent the cost of accrued vacation/holiday/ personal leave time, expressed as a proportion of the actual hourly wages for the corresponding time period. The percentages are calculated annually for U.S. train crews, based on U.S. data.

Respectfully submitted,

By: 

Theodore K. Kalick
Senior U.S. Regulatory Counsel
Canadian National Railway Company
601 Pennsylvania Avenue, N.W.
Suite 500 North Building
Washington, DC 20004
(202) 347-7196

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
WISCONSIN CENTRAL LTD.**

Dated: August 9, 2004

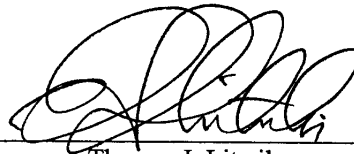
CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of August, 2004, the original version of the foregoing **Responses of Wisconsin Central Ltd. to Shipper Protestants' Discovery**, with produced documents, was served by messenger upon:

Thomas F. McFarland, Esq.
Thomas F. McFarland, P.C.
208 South LaSalle Street
Suite 1890
Chicago, Illinois 60604-1112

and a copy of the foregoing Responses, without produced documents, was served by first class mail, postage prepaid, upon:

Edward J. Ritger, Esq.
Ritger Law Office
675 Wolf Road
P.O. Box 371
Random Lake, WI 53075

A handwritten signature in black ink, appearing to read 'T. Litwiler', is written over a horizontal line.

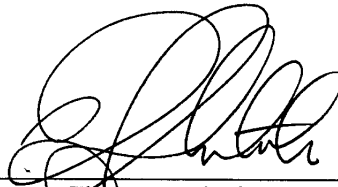
Thomas J. Litwiler

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of August, 2004, a copy of the foregoing
Reply of Wisconsin Central Ltd. to Protest and Comments was served by overnight delivery
upon:

Thomas F. McFarland, Esq.
Thomas F. McFarland, P.C.
208 South LaSalle Street
Suite 1890
Chicago, Illinois 60604-1194

Allyn J. Lepeska, Esq.
Office of General Counsel
Wisconsin Department of Transportation
4802 Sheboygan Avenue, Room 115-B
Madison, Wisconsin 53707

A handwritten signature in black ink, appearing to read 'T. Litwiler', is written over a horizontal line.

Thomas J. Litwiler