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February 5, 2018

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

ENTERED
Office of Proceedings
February 5, 2018
Part of
Public Record

Via Federal Express

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

Dear Ms. Brown,

Pursuant to 49 C.F.R. § 1152.27(c)(2)(i) and the Acting Director's January 26, 2018 Decision, Paul Didelius, the potential Offeror ("Offeror") and a non-carrier, hereby submits the following information in support of his January 18, 2018 notice of intent to file an OFA in this proceeding. I am enclosing for filing an original and 10 copies of this submittal.

Offeror repeats and reiterates the information set forth in his notice of intent. To dispel any confusion, Offeror is expressing a *bona fide* interest in acquiring by purchase an approximately 32 mile segment of the rail line CSX Transportation, Inc. ("CSXT") seeks Board approval to abandon on its Northern Region, Louisville Division, Hoosier Subdivision between milepost OOQ251.7 near Bedford, IN, and approximately milepost OOQ284.0 near Salem, IN.¹

Offeror seeks to acquire the subject rail line in order to preserve access to the national rail system for communities on the line. Offeror is in communication with stakeholders regarding restoring freight service on the rail line. Those discussions are at a sensitive early stage and, from Offeror's standpoint, confidential. Offeror expects to be in a position to reveal details about these communications at the time of filing the OFA.

Offeror is an established and financially responsible Class 3 short line rail operator. Mr. Didelius holds a controlling interest in Frontier Rail Companies, and has a ten year history of

¹ No determination has been made regarding whether Mr. Didelius will operate the acquired rail line under one of his existing LLC's or whether a new LLC will be established specific to this transaction. In either event, Mr. Didelius will be the individual having controlling interest.

successfully obtaining STB licensing to acquire by purchase or lease, and operate a number of short line freight railroads both in the Pacific Northwest and elsewhere in the U.S. Mr. Didelius currently owns or operates 200 miles of rail line in four States. In 2014, the Board granted an exemption for CCET, LLC, Offeror's wholly owned limited liability company to lease and operate a 24-mile portion of Norfolk Southern Railway Company's ("NSR") CT Line between milepost CT 9.0 at Clare, Ohio, and milepost CT 32.83, west of Williamsburg, Ohio. See, CCET, LLC—Lease & Operation Exemption—Rail Line of Norfolk S. Ry., FD 35810 (STB served Apr. 4, 2014). In 2015, the same parties extended their lease agreement to add an additional 29 mile segment of NSR's CT Line, between milepost CT 32.83 and milepost CT 62.20, east of Seaman, Ohio. See, CCET, LLC—Lease & Operation Exemption—Rail Line of Norfolk S. Ry., FD 35900 (STB served Feb. 6, 2015).

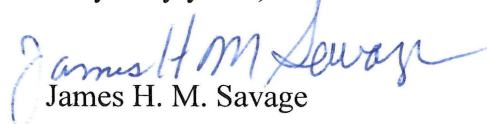
Based upon the foregoing, the Board should, with good reason, find Mr. Didelius to be a financially responsible operator. Moreover, in response to the Board's instructions, and in the spirit of cooperation, Mr. Didelius attaches as Exhibit A, a Letter of Credit from Key Bank, a duly licensed and bonded financial institution, dated August 17, 2016 in the amount of \$1,500,000.

This amount exceeds \$1,417,600, the amount calculated in accord with the revised Rule set forth in EP 729 (STB served June 29, 2017) as the sum of (a) the current rail steel scrap price per ton (\$275), multiplied by an assumed track weight of 132 tons-per-track-mile, multiplied by the total track length in miles (32), plus (b) the \$4,000 minimum maintenance cost per mile described above, multiplied by the total track length in miles, multiplied by two. The current rail steel scrap price was determined by reference to a quote from Fort Iron & Metal on February 2, 2018, a copy of which is attached as Exhibit B.

Also enclosed is a Certification of Service and a DVD+RW containing a pdf version of this Statement of Financial Responsibility and exhibits. Please time and date stamp the additional copy of this letter and return it to the undersigned in the accompanying self-addressed prepaid envelope.

Thank you for your attention to this matter. Should the Board have any questions, please contact me.

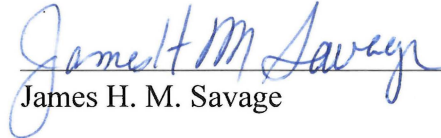
Very truly yours,


James H. M. Savage

cc: Service List

Certification of Service

I, James H. M. Savage, an attorney at law of the District of Columbia, hereby certify under penalty of perjury that I have this 4th day of **February, 2018** served by electronic mail copies of the within pleading in the matter bearing **STB Docket Number AB-55 (Sub-No. 775X), CSX Transportation, Inc. – Abandonment - in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN** upon all parties.


James H. M. Savage

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Frontier Rail Companies

SUMMARY OF TERMS AND CONDITIONS

August 17, 2016

Facility #1:	New \$1,500,000 Revolving Line of Credit.
Borrower:	Frontier Rail Companies ("Borrower")
Purpose:	To provide working capital support.
Guarantor:	Paul Didelius, Unlimited *Additional Guarantors as needed when borrowing entity ownership greater than 20%
Collateral:	Perfected first security interest in Accounts Receivable (A/R), together with a blanket security filing over all business assets.
Advance Rate:	The Revolving Line of Credit will be subject to a monthly borrowing base with the following advance rate: Maximum 80% of eligible A/R, aged to within 90 days of invoice. Standard ineligibles applicable.
Repayment:	Monthly interest payments, with outstanding principal and interest due at maturity; maximum 12 months from date of closing.
Interest Rate:	Floating rate equal to the Overnight LIBOR Rate rounded upwards to the nearest 1/16th plus 2.95 basis points. The current rate for Overnight LIBOR is 0.41722% as of 8/17/16, therein producing an indicative rate of 3.36722%.
Annual Loan Fee:	\$3,000 (.20 bps per annum)

Confidential – This document is for Management, Owners, Board Members, Guarantors, and Trusted Advisors, and is restricted from further distribution.

Ex - B

From: Jim Chimento <jchimento@fortiron.com>

Sent: Friday, February 2, 2018 2:27 PM

To: Jim Nobbe

Cc: Jim Chimento

Subject: Random Length Rail

Jim:

Per your request:

Fort Iron & Metal would own RLR (Random Length Rail) @ \$275/Net Ton Delivered to our facility in Detroit, MI on the CSXT.

Please advise.

Thank you,

Jim Chimento

Direct of Commercial Operations

Fort Iron and Metal

9607 Dearborn

Detroit MI 48209

312.622.5623 m