

209759
ORIGINAL

LAW OFFICE
THOMAS F. McFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. McFARLAND

DID#01040102001001
December 31, 2003

By UPS overnight mail
(Monday delivery)

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

JAN 02 2004

Part of
Public Record



Re: Docket No. AB-55 (Sub-No. 640), *CSX Transportation, Inc. -- Abandonment -- in Atkinson and Ware Counties, GA*

Dear Mr. Williams:

Enclosed please find an original and 10 copies of Offer of Financial Assistance, for filing with the Board in the above referenced matter.

Also enclosed is a check for \$1,100 to cover the filing fee.

Kindly acknowledge receipt by date stamping the enclosed duplicate copy of this letter and return in the self-addressed stamped envelope.

FEE RECEIVED

JAN 02 2004

SURFACE
TRANSPORTATION BOARD

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for St. Marys Railroad Company

TMcf:kl:enc:wp11\974\lrrstb1

cc: Louis E. Gitomer
Natalie S. Rosenberg

FILED

JAN 02 2004

SURFACE
TRANSPORTATION BOARD

209159

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings

JAN 02 2004

CSX TRANSPORTATION, INC. --) DOCKET NO. AB-55
ABANDONMENT -- IN ATKINSON) (SUB-NO. 640)
AND WARE COUNTIES, GA)

Part of
Public Record

OFFER OF FINANCIAL ASSISTANCE



ST. MARYS RAILROAD COMPANY
P.O. Box 520
St. Marys, GA 31558

Offeror

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Offeror

DATE FILED: January 5, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX TRANSPORTATION, INC. --	)	DOCKET NO. AB-55
ABANDONMENT -- IN ATKINSON	)	(SUB-NO. 640)
AND WARE COUNTIES, GA	)	

OFFER OF FINANCIAL ASSISTANCE

Pursuant to 49 U.S.C. § 10904(c) and 49 C.F.R. § 1152.27(c)(2)(iii), ST. MARYS RAILROAD COMPANY (St. Marys), hereby offers financial assistance in the form of purchase of the entire rail line involved in the above proceeding, i.e., between Milepost 594.69 near Waresboro and Milepost 617.94 near Pearson, a distance of 23.25 miles in Atkinson and Ware Counties, GA. St. Marys offers to pay \$261,203 for the rail line. St. Marys submits the following in support of its offer.

**THERE IS NO DISPARITY BETWEEN THE AMOUNT OFFERED AND
THE OWNER'S VALUATION OF THE RAIL LINE**

The amount offered by St. Marys for purchase of the rail line is the same as the amount stated by CSX Transportation, Inc. (CSXT) as the net liquidation value of the rail line. (Application filed Sept. 5, 2003, Ex. 1, line 12c). Thus, there is no disparity between the amount offered and CSXT's valuation of the rail line.

ST. MARYS IS FINANCIALLY RESPONSIBLE

Attached to this Offer as Appendix 1 is a copy of St. Marys' balance sheet as of November 30, 2003. St. Marys has current assets and retained earnings both of which exceed the probable purchase price of the rail line. The balance sheet demonstrates that St. Marys is

financially capable of paying the probable purchase price for the rail line and of maintaining the line for at least two years as required by 49 U.S.C. § 10904(f)(4)(A).

THE OFFER IS FOR CONTINUED RAIL SERVICE

Upon acquisition of the rail line, St. Marys intends to provide rail service to shippers and receivers located or to be located along the rail line. The offer thus contemplates continued rail service on the rail line.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, the Board should find that St. Marys is a financially responsible person who has offered financial assistance to permit rail service to be continued on the rail line. Based on that finding, the Board should postpone the effectiveness of the exemption for abandonment of that rail line pending further proceedings under 49 U.S.C. § 10904.

Respectfully submitted,

ST. MARYS RAILROAD COMPANY
P.O. Box 520
St. Marys, GA 31558

Offeror

Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1194
(312) 236-0204

Attorney for Offeror

Date Filed: January 5, 2004

3:20 PM

12/30/03

Accrual Basis

St. Marys Railroad Company
Balance Sheet
 As of November 30, 2003

Appendix 1

	Nov 30, 03
ASSETS	
Current Assets	
Checking/Savings	
1100000 · Current Assets	
1101000 · Cash	
1001018 · Bank of America Taxes	59.82
1001015 · Bank of America Depository	106,836.63
1001016 · Bank of America Payroll	5.18
1001017 · Bank of America Accounts Payabl	-23,704.43
1101010 · Petty Cash	2,000.00
3044 · FNB Depository 0-013-3	682.22
1101021 · FNB Payroll	192.64
1101023 · FNB Taxes	201.21
Total 1101000 · Cash	86,273.27
Total 1100000 · Current Assets	86,273.27
Total Checking/Savings	86,273.27
Accounts Receivable	
1200 · Accounts Receivable	336,953.73
Total Accounts Receivable	336,953.73
Other Current Assets	
1103000 · Due from Durango Paper Co	6,223.58
1101099 · Payroll Clearing Account	577.95
1102000 · Other Current Assets	
1104000 · Misc Receivables	-6,421.58
1105000 · Allowance for Doubtful Accounts	418,678.41
1107000 · Inventories	
1107002 · Parts & Supplies	71,236.39
1107003 · Inventory Track Maintenance	7,619.71
Total 1107000 · Inventories	78,856.10
1108000 · Prepays	
1108001 · Insurance	50,885.45
1108003 · Prepaid Legal Fees	-20,000.00
1108099 · Other Prepays	2,971.55
Total 1108000 · Prepays	33,857.00
1102000 · Other Current Assets - Other	1,870.08
Total 1102000 · Other Current Assets	526,840.01
Total Other Current Assets	533,641.54
Total Current Assets	956,868.54
Fixed Assets	
1200000 · Fixed Assets	
1200003 · Locomotives & Cars	62,424.26
1200004 · Tracks	5,954.00
1200005 · Heavy Equipment	2,806.00
1200007 · Furniture & Fixtures	746.17
1200008 · Computer Equipment	3,473.44
1200009 · Communication Equipment	6,002.29
1200000 · Fixed Assets - Other	3,963,554.00
Total 1200000 · Fixed Assets	4,044,960.16
1400000 · Depreciation	-1,372,363.54
Total Fixed Assets	2,672,596.62
TOTAL ASSETS	3,629,465.16

3:20 PM

12/30/03

Accrual Basis

St. Marys Railroad Company
Balance Sheet
As of November 30, 2003

	Nov 30, 03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	-18,321.48
2001 · Trade Payables	734,181.42
2002 · Legal Payables	99,550.26
2003 · Car Hire Payables	188,761.04
Total Accounts Payable	1,004,171.24
Other Current Liabilities	
2103210 · Tier_1 ER	713.92
2000000 · Liabilities	
2100000 · Current Liabilities	
2101000 · Trade Payables	
2101001 · Third Party	31,762.00
Total 2101000 · Trade Payables	31,762.00
2102000 · Accrued Payables	
2102001 · Accrued Property Taxes	-47,912.88
2102000 · Accrued Payables - Other	-6,926.16
Total 2102000 · Accrued Payables	-54,839.04
2103000 · Accrued Payroll	
2103200 · Taxes	
2103211 · Withheld Tier 1	1,811.56
2103212 · Employer Tier 1	3,052.61
2103213 · Withheld Tier 2	1,952.68
2103214 · Employer Tier 2	6,991.30
2103221 · Withheld State Income Tax	2,934.60
2103222 · Withheld Federal Income Tax	-683.08
2103230 · Railroad Retirement	250.82
2103241 · Withheld Other P/R Taxes	129.46
Total 2103200 · Taxes	16,439.95
2103401 · Employee Union Dues	1,260.22
2103600 · Health Insurance	399.80
2103800 · Other	413.48
Total 2103000 · Accrued Payroll	18,513.45
2104500 · Accrued Taxes	-28,719.32
Total 2100000 · Current Liabilities	-33,282.91
Total 2000000 · Liabilities	-33,282.91
Total Other Current Liabilities	-32,568.99
Total Current Liabilities	971,602.25
Total Liabilities	971,602.25
Equity	
3000009 · Opening Bal Equity	2,901,024.19
3000004 · Retained Earnings	279,271.79
Net Income	-522,433.07
Total Equity	2,657,862.91
TOTAL LIABILITIES & EQUITY	3,629,465.16

CERTIFICATE OF SERVICE

I hereby certify that on December 31, 2003, I served the foregoing document, Offer of Financial Assistance, by overnight mail, Monday delivery, on Louis E. Gitomer, Ball Janik, 1455 F Street, N.W., Suite 225, Washington, DC 20005, and Natalie S. Rosenberg, CSX Transportation, Inc., 500 Water Street, Jacksonville, FL 32202.

Thomas F. McFarland

Thomas F. McFarland