



NATALIE S. ROSENBERG
Counsel

Law Department
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Writer's direct telephone line:
(904) 359-1253

DID# 0102205003

208 244

June 27, 2003

Via Airborne Express
Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

JUL 01 2003

Part of
Public Record



RE: **STB Docket No. AB-55 (Sub-No. 634X)**
CSX Transportation, Inc.-Abandonment
Exemption in Monroe County, Indiana

Dear Mr. Williams:

Enclosed for filing are the original and ten copies of CSX Transportation, Inc.'s Petition for Exemption in the above-captioned proceeding. A check in the amount of \$4,700.00 to cover the filing fee is also enclosed. Finally, I am enclosing the original and ten copies of a draft Federal Register notice along with a computer diskette compatible with the Board's current word processing capabilities. I would appreciate your acknowledgment of receipt of these documents by stamping the extra enclosed copy of this letter and returning it to me in the enclosed self-addressed stamped envelope.

Very truly yours,

ENTERED
Office of Proceedings

JUL 01 2003

Part of
Public Record

Natalie S. Rosenberg

Natalie S. Rosenberg

Enclosures

FILED

JUL 1 2003

SURFACE
TRANSPORTATION BOARD

FEE RECEIVED

JUL 1 2003

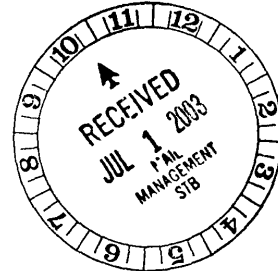
SURFACE
TRANSPORTATION BOARD

DID# 0102205003

208244

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-55 (SUB-NO. 634X)



ENTERED
Office of Proceedings

CSX TRANSPORTATION, INC.
ABANDONMENT EXEMPTION
IN MONROE COUNTY, INDIANA

JUL 01 2003

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P E T I T I O N F O R E X E M P T I O N

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JUL 1 2003

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TRANSPORTATION BOARD

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JUL 1 2003

SURFACE
TRANSPORTATION BOARD

NATALIE S. ROSENBERG
500 Water Street - J150
Jacksonville, Florida 32202
(904) 359-1253

Counsel for
CSX TRANSPORTATION, INC.

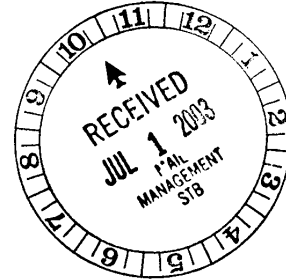
Dated: June 27, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-55 (SUB-NO. 634X)

CSX TRANSPORTATION, INC.
ABANDONMENT EXEMPTION
IN MONROE COUNTY, INDIANA

P E T I T I O N F O R E X E M P T I O N



CSX Transportation, Inc. ("CSXT") proposes to abandon a line of railroad in its Western Region, Great Lakes Division, Lafayette Subdivision, extending from Milepost 00Q-219.55 to Milepost 00Q-222.50, a total distance of approximately 2.95 miles, in Bloomington, Monroe County, Indiana (hereinafter referred to as "the line"). The line traverses through United States Postal Service ZIP Codes 47402 and 47404. Maps showing the trackage proposed for abandonment, as well as the location of the trackage in the State of Indiana, are attached to this petition as Exhibit A. CSXT files this petition under 49 U.S.C. 10502 for an exemption from the provisions of 49 U.S.C. 10903, with regard to

the proposed abandonment. In support of its petition, CSXT states the following:

1. CSXT proposes to abandon a 2.95 mile portion of its Western Region, Great Lakes Division, Lafayette Subdivision, extending from Milepost 00Q 219.55 to Milepost 00Q 222.50 in Bloomington, Monroe County, Indiana. The Redevelopment Commission of the City of Bloomington ("Redevelopment Commission") has an interest in converting this line to a trail for the benefit of the community. Abandonment of this line will also allow for the elimination of thirteen highway rail at-grade crossings.

a. Traffic

There are three rail patrons currently located on the line. The Herald Times, Black Lumber Company, Inc. ("Black") and Bender Lumber Company ("Bender") have all received shipments by rail during the past two years. See the Verified Traffic Statement which is attached hereto as Exhibit E.

At present, The Herald Times facility is exclusively served by rail. The Herald Times received 52 carloads in 2000; 61 carloads in 2001; and 67 carloads in 2002. The Herald Times, with assistance from the Redevelopment Commission, however, has agreed to convert its facility so that it may receive shipments by truck. The Herald Times has been informed of the abandonment and does not oppose this abandonment proceeding. See Herald Times letter of non-opposition attached hereto as Exhibit G.

Black is a relatively light user of inbound rail. Black received 31 carloads in 2000; 22 carloads in 2001; and 23 carloads

in 2002. CSXT understands that Black currently makes use of motor carrier transportation in addition to rail. Alternative transportation opportunities available to Black include continued use of motor carrier transportation as well as use of INRD's public team track facility in the area. Black has been made aware that this abandonment filing was forthcoming.

Bender is an extremely light user of inbound rail. Bender received 0 carloads in 2000; 0 carloads in 2001; and 8 carloads in 2002. CSXT understands that Bender currently makes use of motor carrier transportation in addition to rail. Alternative transportation opportunities available to Bender include continued use of motor carrier transportation as well as use of INRD's public team track facility in the area. Bender is not opposed to this abandonment proceeding. See letter of non-opposition attached hereto as Exhibit H.

b. Economic Analysis

Alicia Blong, an Economic Consultant in the Finance Department of CSXT prepared revenue and cost data for the line in conformity with 49 CFR §1152.36. This analysis (See Exhibit F) shows the following:

	Base Year	Forecast Year	Subsidy Year
Revenues Attributable	\$158,498	\$164,788	\$164,788
Avoidable Costs	\$120,358	\$125,048	\$125,048
Subsidization Costs	-	-	\$ -
Return on Value	\$ -	\$ 96,583	\$ 96,583
Avoidable Loss	\$(38,140)	\$(39,739)	\$(39,739)
Avoidable Loss/Opportunity Costs	-	\$ 56,844	-
Subsidy Year Loss	-	-	\$ 56,844

2. Under 49 U.S.C. 10903, a rail line cannot be abandoned without the prior approval of the Board. However, under 49 U.S.C. 10502, the Board must exempt a rail transaction from regulation when it finds that (1) application of the pertinent statutory provisions is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction is of limited scope or regulation is unnecessary to protect shippers from the abuse of market power. The proposed abandonment falls squarely within the statutory standards requiring exemption.

3. The rail transportation policy set forth in 49 U.S.C. 10101 requires, as relevant here, that in exercising its regulatory authority, the Board will minimize the need for Federal regulatory control over the rail transportation system and, when regulation is necessary, render fair and expeditious regulatory decisions; reduce barriers to exit from the industry; foster sound economic conditions and encourage efficient management; ensure the operation of transportation facilities and equipment without detriment to the public health and safety; and promote a sound transportation system meeting the needs of the public and the national defense.

Exemption of the proposed abandonment well serves all of these elements of the rail policy. Specifically, by minimizing the regulatory expense and time lag inherent in a full abandonment application, exemption will expedite regulatory decisions and

reduce regulatory barriers to exit. Exemption will also foster sound economic conditions and encourage efficient management. As earlier indicated, the rail patrons located on the line make minimal use of the line. Two of the patrons are already making use of another viable transportation alternative and all three patrons will have a transloading opportunity available to them. The patrons do not intend to oppose this abandonment in support of the Redevelopment Commission's efforts to convert this line to a trail. Finally, the proposed abandonment will relieve CSXT from the costs of owning and maintaining an under-utilized line of railroad.

The line does not serve a military facility. Given this fact, it seems very unlikely that the line proposed for abandonment is necessary for the national defense. Nevertheless, CSXT has served a copy of this petition on the Military Traffic Management Command, which shall advise the Board of any national defense concerns about the line.

In short, full abandonment proceedings are unnecessary to carry out any of the relevant rail transportation policy elements of 49 U.S.C. 10101. No vital interest of shippers, competitors or communities will be adversely affected, and the abandonment exemption CSXT seeks here will free it from the burdens associated with ownership and maintenance of the line.

4. The Environmental Report required by 49 C.F.R. Section 1105.7 and the Historic Report required by 49 C.F.R. 1105.8 are attached as Exhibits B and C, respectively, to this

petition for exemption. Attached as Exhibit D is a certificate showing CSXT's compliance with 49 C.F.R. 1105.11.

5. CSXT understands that the Board will impose labor protective conditions as stated in Oregon Short Line R. Co. -- Abandonment -- Goshen, 360 I.C.C. 91 (1979), to satisfy the requirements of 49 U.S.C. 10502(g).

6. The rail patrons located on the line have made minimal use of rail transportation in the past few years. Furthermore, these patrons have alternative transportation options available to them and two of the patrons already make use of motor carriers. It is therefore clear that the proposed abandonment presents no opportunity for an abuse of market power. Further, the proposed abandonment is of limited scope, because it involves only 2.95 miles of trackage.

7. All communications with respect to this petition should be directed to:

Natalie S. Rosenberg
Counsel
500 Water Street - J150
Jacksonville, Florida 32202
(904) 359-1253

8. Based on information in our possession, the line does not contain federally granted right-of-way. Any documentation in petitioner's possession will be made available promptly to those requesting it.

9. The newspaper notice required by 49 C.F.R. 1105.12 was published in the *Herald Times*, Bloomington, IN on June 26, 2003. An Affidavit of publication from the newspaper will be forwarded to the Board as soon as it is received by CSXT.

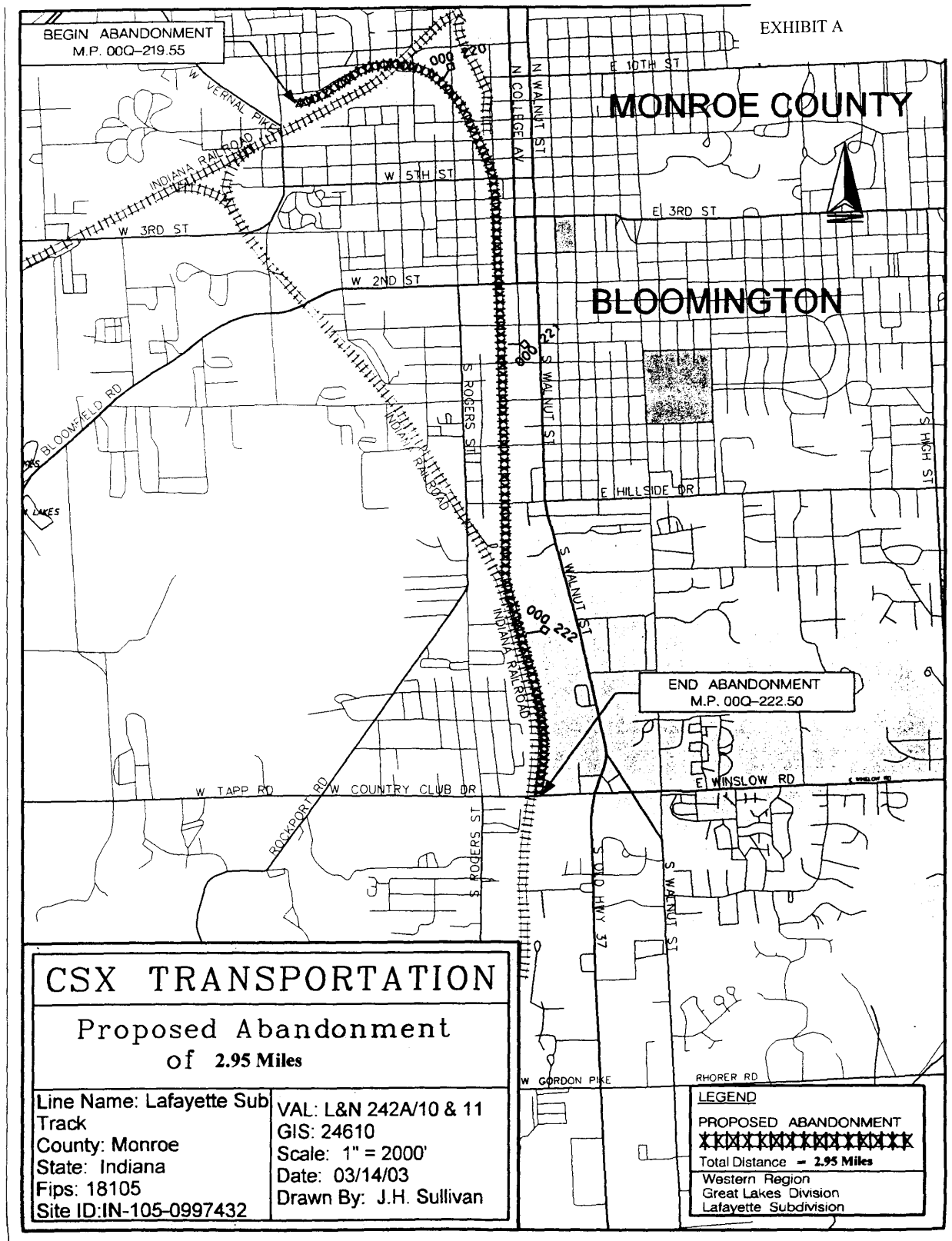
CSXT accordingly requests that the Board grant an exemption from the provisions of 49 U.S.C. 10903, with regard to the proposed abandonment of that portion of its Western Region, Great Lakes Division, Lafayette Subdivision, extending from Milepost 00Q-219.55 to Milepost 00Q-222.50 in Bloomington, Monroe County, Indiana.

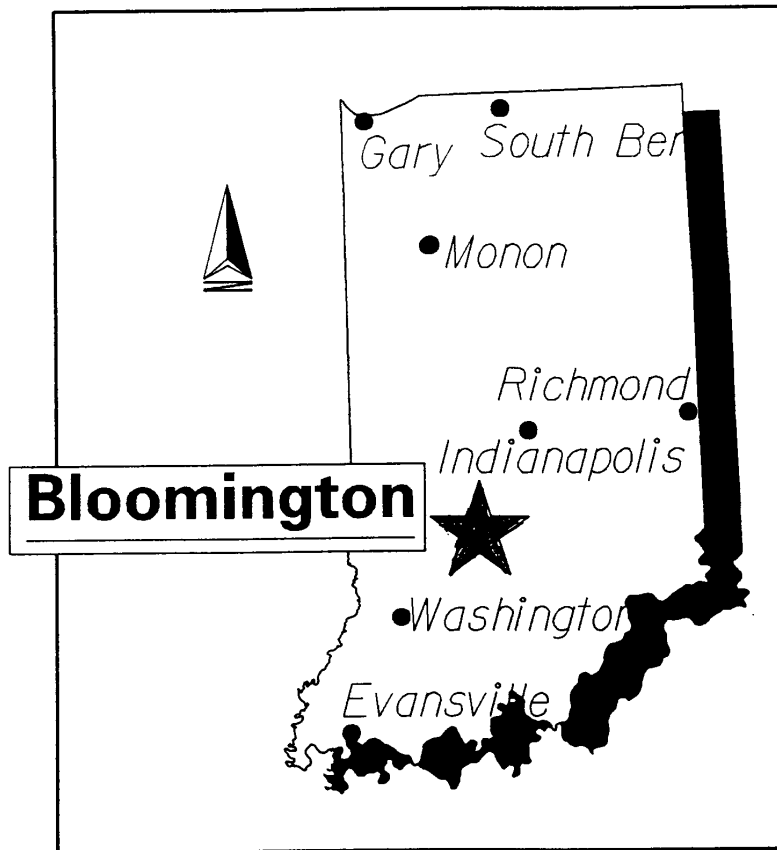
Respectfully submitted,


NATALIE S. ROSENBERG
500 Water Street
Jacksonville, Florida 32202

Counsel for
CSX Transportation, Inc.

Dated: June 27, 2003





**AREA MAP
STATE OF INDIANA**

**Proposed Abandonment - 2.95 Miles
Monroe County
Bloomington, Indiana**

WESTERN REGION - GREAT LAKES DIVISION - LAFAYETTE SUBDIVISION

ENVIRONMENTAL REPORT

CSX TRANSPORTATION, INC.
BLOOMINGTON, MONROE COUNTY, INDIANA
DOCKET AB-55 (SUB-NO. 634X)

The following information is provided in accordance with 49 C.F.R. Section 1105.7:

(1) PROPOSED ACTION AND ALTERNATIVES

Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

CSX Transportation, Inc. ("CSXT") proposes to abandon 2.95 miles of its rail line in Bloomington, Monroe County, Indiana. This line segment has generated minimal originating and terminating traffic during the past several years, and future prospects appear bleak. During the past several years, commodities transported over the line include produce, chemicals, lumber products, and appliances.

Abandonment of this line will result in the removal of the rail and cross-ties; subsequently, the operations and maintenance of this line will cease.

The only alternative would be not to abandon and to pass the operating loss and capital costs of retaining the line to all other CSXT customers. This would not be a prudent utilization of carrier resources.

Two maps which delineate the proposed project are attached. (See Attachments 1 and 2.)

(2) TRANSPORTATION

Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

There is no passenger traffic on this line. Transportation options available to the three patrons on this line segment include either a combination rail and motor carrier or motor carrier only.

(3) LAND USE

- (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.**

On April 8, 2003, the City of Bloomington supplied portions of two long-range comprehensive planning documents related to the City's plans for the rail corridor. (See Attachment 3.) Applicant has not received a response to its letter of March 27, 2003, to the Monroe County Planning Commission requesting information regarding this statement. (See Attachment 4.) Based on the fact that this is a light density line, Applicant believes that the proposed action is not inconsistent with regional and local land use plans.

- (ii) Based on consultation with the U. S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.**

On April 14, 2003, the State Conservationist, Natural Resources Conservation Service, Indianapolis, Indiana, advised that the proposed project will not cause a conversion of prime farmland. (See Attachment 5.)

- (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9.**

On March 31, 2003, Applicant received electronic mail from the Indiana Department of Natural Resources, Division of Soil Conservation, advising that "*Since the Coastal Zone Management Program does not include Monroe County in Indiana, we can safely say that your proposed rail removal will not impact our program.*" (See Attachment 6.)

- (iv) **If the proposed action is an abandonment, state whether or not the right of way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.**

The properties proposed to be abandoned may be suitable for other public purposes, but may be subject to reversionary interests that may affect transfer of title for other than rail purposes. Nevertheless, the City of Bloomington has expressed an interest in creating a trail along portions of the rail corridor proposed for abandonment.

(4) ENERGY

- (i) **Describe the effect of the proposed action on transportation of energy resources.**

The proposed action will have no effect on the transportation of energy resources.

- (ii) **Describe the effect of the proposed action on recyclable commodities.**

The proposed action will have no effect on the movement and/or recovery of recyclable commodities.

- (iii) **State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.**

The proposed action will not result in an increase or decrease in overall energy efficiency.

- (iv) **If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.**

There will be no diversion of rail traffic to motor carriage in excess of the above thresholds.

(5) AIR

- (i) **If the proposed action will result in either: (A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line**

affected by the proposal, or (B) an increase in rail yard activity of at least 100% (measured by carload activity), or (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions.

The above thresholds will not be exceeded.

- (ii) If the proposed action affects a class I or non-attainment area under the Clean Air Act; and will it result in either: (A) an increase in rail traffic of a least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or (B) an increase in rail yard activity of a least 20% (measured by carload activity), or (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan.

The above thresholds will not be exceeded.

- (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity, the frequency of service; safety practices (including any speed restriction); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Not applicable.

(6) NOISE

If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more, or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

The above thresholds will not be exceeded.

(7) SAFETY

- (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

The proposed abandonment will have no detrimental effects on public health and safety. The removal of 14 road crossings and the associated signs and structures will enhance public safety by eliminating distractions to vehicular traffic crossing the rail line.

- (ii) **If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.**

Not applicable.

- (iii) **If there are any known hazardous waste sites or sites where there have been known hazardous material spills on the right of way, identify the location of those sites and the types of hazardous materials involved.**

Applicant's records do not indicate any hazardous waste sites or sites where there have been hazardous material spills in this right-of-way.

(8) BIOLOGICAL RESOURCES

- (i) **Based on consultation with the U. S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.**

On April 8, 2003, the U. S. Department of the Interior, Fish and Wildlife Service, Bloomington, Indiana, advised that *"The proposed project will have no significant effect on wetlands and will not affect any Federally endangered species."* (See Attachment 7.)

- (ii) **State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.**

Based upon Applicant's review of the area, the line is not within any wildlife sanctuaries or refuges, National or State parks or forests.

(9) WATER

- (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.**

Applicant has not received a response to its inquiry of March 27, 2003, to the Indiana Department of Environmental Management, Indianapolis, Indiana, requesting information regarding this statement. (See Attachment 8.)

Applicant does not contemplate any action known to be inconsistent with federal, state and/or local water quality standards. Any necessary permits or applications will be obtained as well as compliance with conditions or procedures required by regulatory agencies.

- (ii) Based on consultation with the U. S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.**

On June 6, 2003, the U. S. Army Corps of Engineers, Louisville, Kentucky, advised that "*... it does not appear that a Department of the Army permit will be needed since the project consists of removing the metal track material, crossties and perhaps the upper layer of ballast*" (See Attachment 9.)

- (iii) State whether permits under Section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action. (Applicants should contact the U. S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required).**

Applicant has not received a response to its March 27, 2003, letter to the U. S. Environmental Protection Agency, Region 5, Chicago, Illinois and the Indiana Department of Environmental Management, Indianapolis, Indiana. (See Attachment 8.)

Upon receiving abandonment authority, removal of material will be accomplished by use of the right of way for access, along with existing public and private crossings, and no new access roads are contemplated. We do not intend to

disturb any of the underlying roadbed or perform any activities that would cause sedimentation or erosion of the soil, and do not anticipate any dredging or use of fill in the removal of the track material. The crossties and/or other debris will be transported away from the rail line and will not be discarded along the right of way nor be placed or left in streams or wetlands, or along the banks of such waterways. Also, during track removal, appropriate measures will be implemented to prevent or control spills from fuels, lubricants or any other pollutant materials from entering any waterways. Based upon this course of action, Applicant does not believe a permit under Section 402 of the Clean Water Act will be required.

10. MITIGATION

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

There will be no adverse environmental impacts in the project area as a result of this abandonment; therefore, mitigating action will not be necessary.



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, LOUISVILLE
CORPS OF ENGINEERS
P.O. BOX 59
LOUISVILLE, KENTUCKY 40201-0059
FAX: (502) 315-6677
<http://www.lrl.usace.army.mil>

**ATTACHMENT 9
TO
EXHIBIT B**

June 6, 2003

Operations Division
Regulatory Branch (North)
ID No. 200300430-pmh

Ms. Heidi Bash
CSX Transportation, Inc.
500 Water Street, J200
Jacksonville, Florida 32202

Dear Ms. Bash:

This is in regard to your letter dated March 27, 2003, concerning a proposal to abandon a 3.05-mile portion of the CSX rail line. The site is located in Sections 4, 9, and 32, Township 8 North, Range 1 West, Monroe County, Indiana.

Based on the information provided by you, it does not appear that a Department of the Army permit will be needed since the project consists of removing the metal track material, crossties and perhaps the upper layer of ballast and will not involve placing fill into "waters of the United States (U.S.)." Waters of the U.S. include all waters which are currently used, were used in the past, or may be susceptible to use in interstate or foreign commerce.

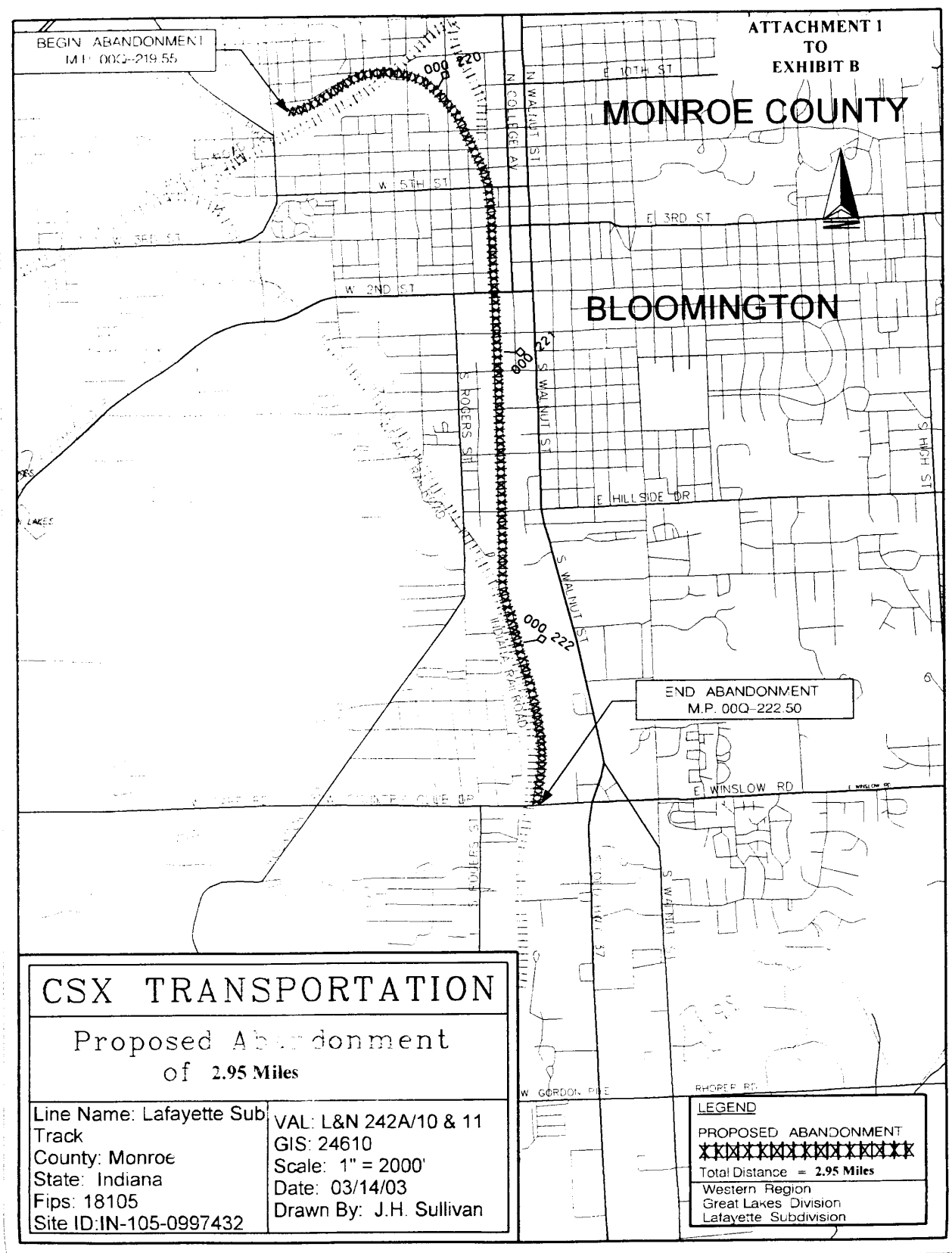
If the project would necessitate the discharge of dredged or fill material into "waters of the U.S.," including wetlands, plans should be submitted for our review.

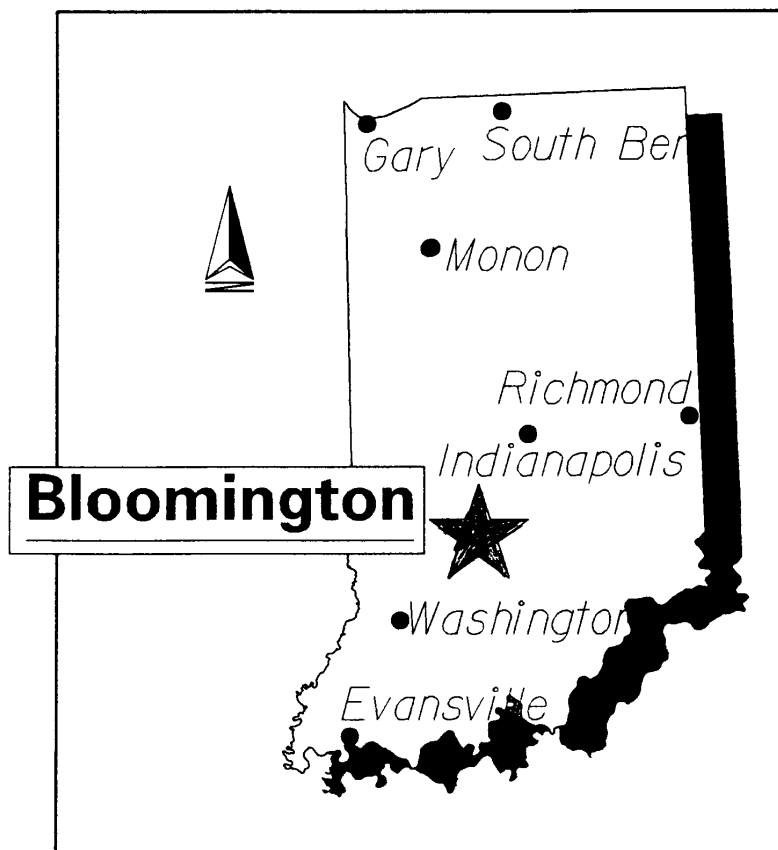
Our comments on this project are limited to only those effects which may fall within our area of jurisdiction and thus does not obviate the need to obtain other permits from State or local agencies. Lack of comments on other environmental aspects should not be construed as either concurrence or nonconcurrence with stated environmental effects.

If we can be of any further assistance, please contact us by writing to the above address, ATTN: CELRL-OP-FN, or call Ms. Phyllis Hockett at (317) 532-4197. Any correspondence on this matter should refer to our ID Number 200300430-pmh.

Sincerely,

Doug Shelton
Chief, North Section
Regulatory Branch





**AREA MAP
STATE OF INDIANA**

**Proposed Abandonment - 2.95 Miles
Monroe County
Bloomington, Indiana**

WESTERN REGION - GREAT LAKES DIVISION - LAFAYETTE SUBDIVISION



ATTACHMENT 3
TO
EXHIBIT B

**City of Bloomington
Office of the Mayor**

John Fernandez

April 8, 2003

Ms. Heidi Van Horn-Bash
Director—Asset Management
CSX Transportation
500 Water Street-J22
Jacksonville, FL 32202

Dear Ms. Van Horn-Bash:

In response to your letter dated March 27, 2003, I am supplying you with portions of two long-range comprehensive planning documents related to the City's plans for re-use of the McDoel Yard and rail corridor.

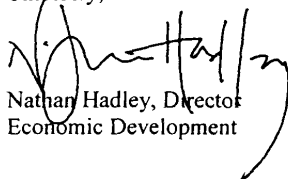
The City adopted a new Growth Policies Plan (GPP) in late 2002. Adoption of the GPP came after over two years of intense study and thousands of hours of public input. Exhibit 1 shows the McDoel Yard was categorized as one of several "Critical Subareas" which are designated as areas requiring further land-use study while recommending general principles to guide the redevelopment of the area.

Exhibit 2 shows the Master Thoroughfare Plan from the GPP and denotes the City's desire to extend Hillside Drive across the McDoel Yard, providing a new east/west connector for the south side of the City. There is currently no east/west connector located between Grimes lane (north end of the Yard) and Country Club Road (south end of the Yard). Extending Hillside will be a significant improvement to the overall transportation system in Bloomington.

Finally, Exhibit 3 is a map from the city of Bloomington Alternative Transportation & Greenways System Plan, adopted in 2002. This map shows that the development of a trail along the corridor and through the McDoel Yard is slated for development in 2004. Again, this plan was the result of an enormous amount of public input and staff planning.

If you would like copies of the entire GPP and Alternative Transportation & Greenways System Plan, I would be happy to supply them to you. Also, if you have any additional questions, don't hesitate to call me at 812/349-3534.

Sincerely,



Nathan Hadley, Director
Economic Development



Heidi VanHorn-Bash
Director - Asset Management

ATTACHMENT 4
TO
EXHIBIT B

Phone: (904) 359-2409
FAX: (904) 359-1111

E-Mail: Heidi_VanHorn-Bash@csx.com

March 27, 2003

Monroe County Planning Commission
County Courthouse
Bloomington, IN 47402-0547

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line in Bloomington, Monroe County, Indiana, as depicted on the attached map.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7(3)(i) require that we develop a response to the following statement:

"Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies."

I would appreciate your advice as to the existence of a long-range comprehensive planning map for Monroe County and the line's relationship to such planning.

Sincerely,

A handwritten signature in black ink that reads "Heidi Bash". The signature is written in a cursive, flowing style.

Attachment

United States Department of Agriculture

ATTACHMENT 5
TO
EXHIBIT B



Natural Resources Conservation Service
6013 Lakeside Blvd.
Indianapolis, IN 46268

April 14, 2003

Heidi VanHorn_Bash
Director-Asset Management
CSX Transportation
500 Water Street-J200
Jacksonville, FL 32202

Dear Ms. Bush:

The proposed project to abandon a portion of the rail line in the City of Bloomington, Monroe County, Indiana, as referred to in your letter dated March 27, 2003, will not cause a conversion of prime farmland.

If you need additional information, please contact Phil Bousman at 317-290-3200, extension 385.

Sincerely,

ACTING FOR
A handwritten signature in cursive script, appearing to read "Jane E. Hardisty".

JANE E. HARDISTY
State Conservationist

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

An Ec

**ATTACHMENT 6
TO
EXHIBIT B**

Van Horn-Bash, Heidi

From: Biberdorf, Gregory [gbiberdorf@dnr.state.in.us]
Sent: Monday, March 31, 2003 1:57 PM
To: Van Horn-Bash, Heidi
Cc: Nikides, Harry
Subject: Abandonment of rail line in Bloomington, Monroe County, Indiana
Heidi Bash
CSX Transportation
500 Water Street-J200
Jacksonville, FL 32202

Dear Ms. Bash

We received your letter to Laurie Rounds, dated March 27, in regards to abandonment of a portion of the CSX rail line in Bloomington, Monroe County, Indiana.
You asked for advice on whether the removal of the rail would have an effect on the Indiana Coastal Zone Management Program.

Laurie Rounds has left the employ of DNR as of March 28 and is in the process of assuming a new position with the Coastal Program of NOAA in Washington, D.C.
Her duties are temporarily being performed by Harry Nikides, Director of the Division of Soil Conservation, IDNR and others of our staff.

Since the Coastal Zone Management Program does not include Monroe County in Indiana, we can safely say that your proposed rail removal will not impact our program.

If you need a written hard copy of this memo, please let me know, otherwise I hope this e-memo is sufficient.

Feel free to contact us at the location/address/phone/fax below.

Thank you.

Sincerely,

Gregory L. Biberdorf

Gregory L. Biberdorf
Chief, Budget and Personnel
Division of Soil Conservation
Indiana Department of Natural Resources
402 W. Washington Street, W-205
Indianapolis, IN 46204
gbiberdorf@dnr.state.in.us
317-233-1484
Fax 317-233-3882

3/31/03



United States Department of the Interior

FISH AND WILDLIFE SERVICE
BLOOMINGTON FIELD OFFICE (ES)
620 South Walker Street
Bloomington, IN 47403-2121
(812) 334-4261 FAX (812) 334-4273

April 8, 2003

ATTACHMENT 7
TO
EXHIBIT B



Ms. Heidi Bash
CSX Transportation
500 Water Street - J200
Jacksonville, FL 32202

Project No: Abandonment of rail line in Bloomington
County(ies): Monroe

Dear Ms. Bash:

This responds to your letter dated March 27, 2003, requesting our comments on the aforementioned project.

These comments have been prepared under the authority of the Fish and Wildlife Coordination Act (16 U.S.C. 661 et. seq.) and are consistent with the intent of the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the U. S. Fish and Wildlife Service's Mitigation Policy.

The proposed project will have no significant effect on wetlands and will not affect any Federally endangered species. Other project impacts will be minor in nature. Based on a review of the information you provided, the U.S. Fish and Wildlife Service has no objections to the project as currently proposed.

We appreciate the opportunity to comment at this early stage of project planning. If project plans change such that fish and wildlife habitat may be affected, please recoordinate with our office as soon as possible. If you have any questions about our recommendations, please call (812)334-4261.

Sincerely yours,


Scott E. Pruitt,
Field Supervisor



Heidi VanHorn-Bash
Director - Asset Management

ATTACHMENT 8
TO
EXHIBIT B

Phone: (904) 359-2409
FAX: (904) 359-1111
E-Mail: Heidi_VanHorn-Bash@csx.com

March 27, 2003

U. S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3507

Indiana Dept. of Environmental Management
Indiana Government Center
100 North Senate Avenue - P. O. Box 6015
Indianapolis, IN 46204

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line between in Bloomington, Monroe County, Indiana, as depicted on the attached map

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7 (9) (i) and (iii) require that we develop a response to the following statements:

- (i) "Based on consultation with State Water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies."
- (iii) "State whether permits under Section 402 of the Clean Water Act 33 U.S.C. 1342 are required for the proposed action."

There are no refueling or maintenance areas within the project area. The removal of the rail material will be accomplished by use of the right of way for access, along with existing public and private crossings, and no new access roads are contemplated. We do not intend to disturb any of the underlying roadbeds and do not anticipate any dredging or use of fill in the removal of the track material. The crossties and/or other debris will be transported away from the rail line and will not be discarded along the right of way, nor be placed or left in streams or wetlands, or along the banks of such waterways. During track removal, appropriate measures will be implemented to prevent or control spills from fuels, lubricants or any other pollutant materials from entering any watercourses.

Based upon the above described actions, we would appreciate receiving your concurrence with CSXT's position that the proposed project is consistent with applicable Federal, State and local water quality standards, and that no permits under Section 402 are required at this time.

If you have any questions, please feel free to contact me.

Sincerely,

Attachment



Heidi VanHorn-Bash
Director - Asset Management

ATTACHMENT 9

TO

EXHIBIT B

Phone: (904) 359-2409

FAX: (904) 359-1111

E-Mail: Heidi_VanHorn-Bash@csx.com

March 27, 2003

U. S. Army Corps of Engineers
Louisville District
P.O. Box 59
Louisville, KY 40201-0059

Dear Sir or Madam:

Please be advised that CSX Transportation, Inc. ("CSXT") is considering abandonment of a portion of its rail line in Bloomington, Monroe County, Indiana, as depicted on the attached map.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7(9)(ii) require that we develop a response to the following statement:

"Based on consultation with the U. S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100 year flood plains will be affected. Describe the effects."

It is our opinion that there will be no impact on designated wetlands or 100-year flood plains because our intent at this time is to only remove the metal track material, crossties and perhaps the upper layer of ballast, and to preserve the existing routes of water flow and drainage. We do not intend to disturb any of the underlying roadbeds or perform any activities that would cause sedimentation or erosion of the soil, and we do not anticipate any dredging or use of fill in the removal of the track material. The track removal will be accomplished by use of the right of way for access, along with existing public and private crossings, and no new access roads are contemplated. The crossties and/or other debris will be transported away from the rail line and will not be discarded along the right of way, nor be placed or left in streams or wetlands, or along the banks of such waterways.

Based upon the above described actions, we would appreciate your concurrence in CSXT's position that there would be no adverse impact on wetlands or 100-year flood plains, and that no permits under Section 404 will be required.

We would appreciate your comments; and, if you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Heidi Bash", written in a cursive, flowing style.

Attachment

HISTORIC REPORT

CSX TRANSPORTATION, INC.
BLOOMINGTON, MONROE COUNTY, INDIANA

DOCKET AB-55 (SUB-NO. 634X)

1105.7(c)(1)

PROPOSED ACTION AND ALTERNATIVES. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable detailed map and drawings clearly delineating the project.

CSX Transportation, Inc. (CSXT) proposes to abandon 2.95 miles of its rail line in Bloomington, Monroe County, Indiana. This line segment has generated minimal originating and terminating traffic during the past several years, and future prospects appear bleak. During the past several years, commodities transported over the line include produce, chemicals, lumber products, and appliances.

Abandonment of this line will result in the removal of the rail, cross-ties, and upper layer of ballast; and operations and maintenance of this line will cease.

The only alternative would be not to abandon and to pass the operating loss and capital costs of retaining the line to all other CSXT customers. This would not be a prudent utilization of carrier resources.

Two maps which delineate the proposed project are attached. (See Attachments 1 and 2.)

1105.8(d)

- (1) **A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action.**

Attached is a copy of the 1966 (photorevised 1990) Bloomington, Indiana, quadrangle topographic map prepared by the U. S. Department of Interior Geological Survey. The line to be abandoned has been identified by a heavy black and white diagonal line. (See Attachment 3.)

There are no CSXT-owned structures that are 50 years old or older that are eligible for listing in the National Register that are part of the proposed action

- (2) **A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristic of the surrounding area:**

The right of way varies between 15 and 100 feet from the centerline of track traversing the city of Bloomington, Indiana. An aerial image delineating the project area with a heavy black and white diagonal line is included as Attachment 4.

- (3) **Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:**

Not applicable.

- (4) **The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known:**

Not applicable.

- (5) **A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action:**

This line was an extension of the New Albany and Salem Railroad's original line from New Albany to Salem with land which was acquired through charter. The extension was begun in 1850 and completed to Michigan City in July, 1854. The name of the company was changed to Louisville, New Albany & Chicago Railway

Company (LNA&C) on October 24, 1859. On March 31, 1897, the Chicago Indianapolis and Louisville Railway Company (CI&L) was organized by the purchasers of the property and franchises of the LNA&C which were sold under foreclosure and purchased in the interest of the bondholders. The CI&L took possession of the property on July 1, 1897. On May 20, 1902 the Louisville and Nashville Railroad Company (L&N) acquired 50% capital stock of the CI&L, otherwise known as the "Monon". The Monon was merged into the L&N in 1971.

In 1972 The Family Lines was adopted to identify the L&N and the Seaboard Coast Line Railroad. On November 1, 1980, Seaboard Coast Line Industries Inc. (which was formed in May, 1969), and Chessie System Inc. merged and became CSX Corporation. On January 1, 1983, the merger of the Family Lines' affiliates formed the Seaboard System Railroad Inc., which name was changed July 1, 1986 to CSX Transportation, Inc.

Upon receiving abandonment authority, Applicant's operations and maintenance over this line will cease.

- (6) **A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:**

Not applicable.

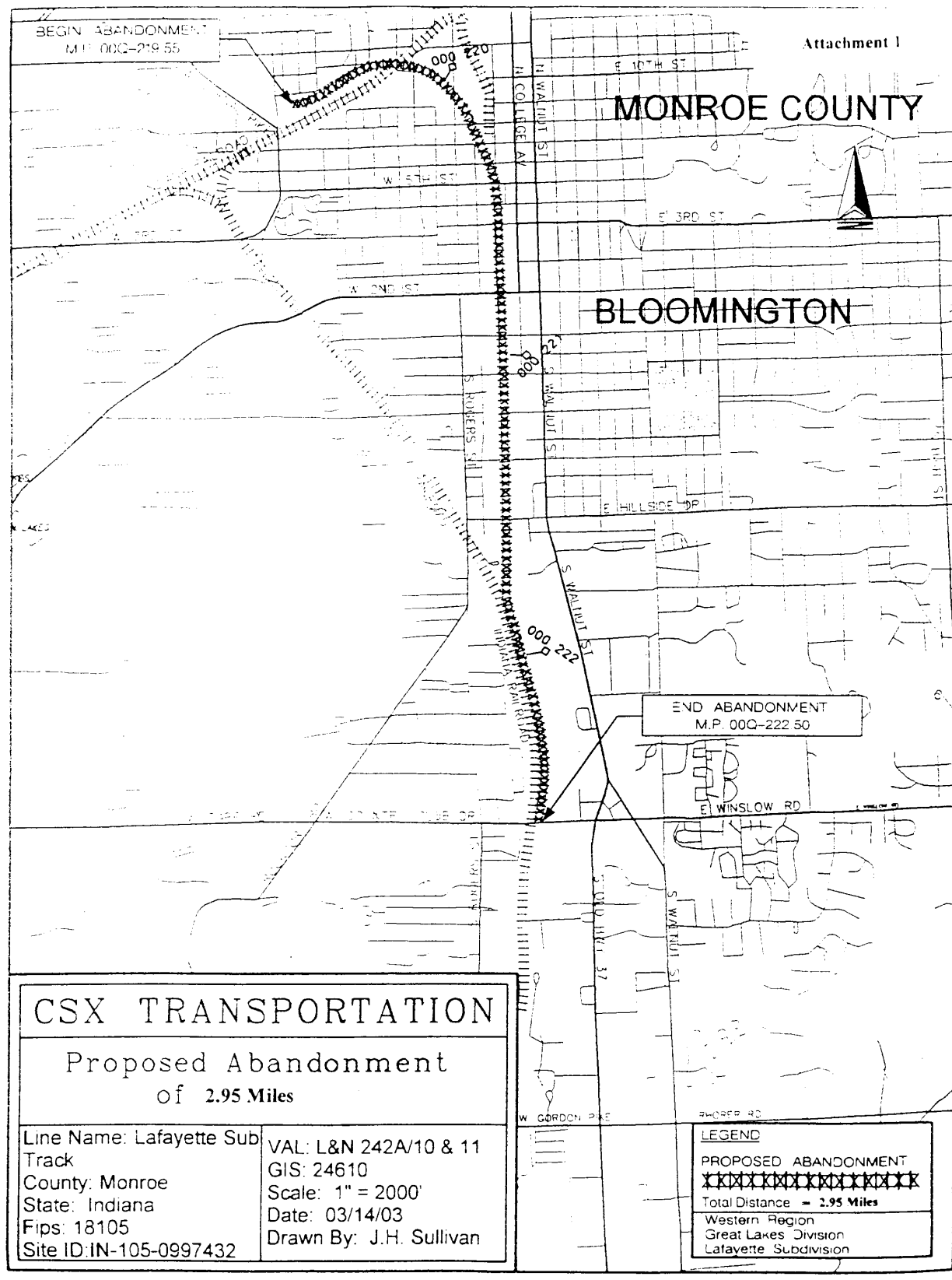
- (7) **An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):**

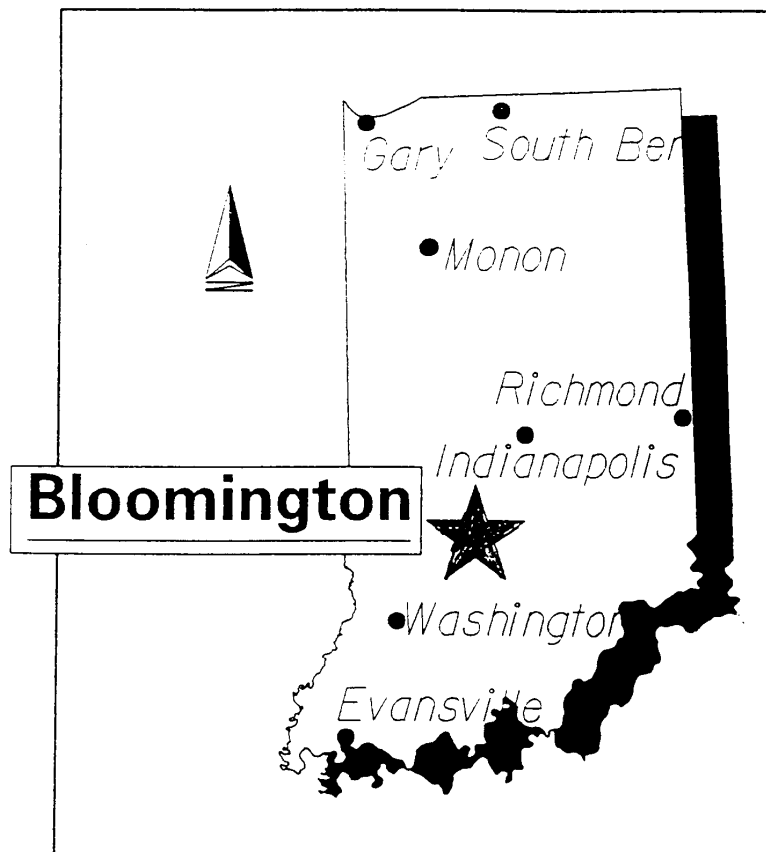
A review of our records indicates there are no CSXT-owned structures over 50 years old on this line segment that are eligible for listing in the National Register.

We do not know of any archeological resources or any other previously unknown historic properties in the project area.

- (8) **A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or man-made) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.**

The line was disturbed during construction by cuts and fill and any archeological resources that may have been located in the proposed project area would have been affected at that time versus during the proposed salvage operations associated with rail removal. Our records do not indicate that any swampy conditions exist, or that any hazardous material spills have occurred within the project area.





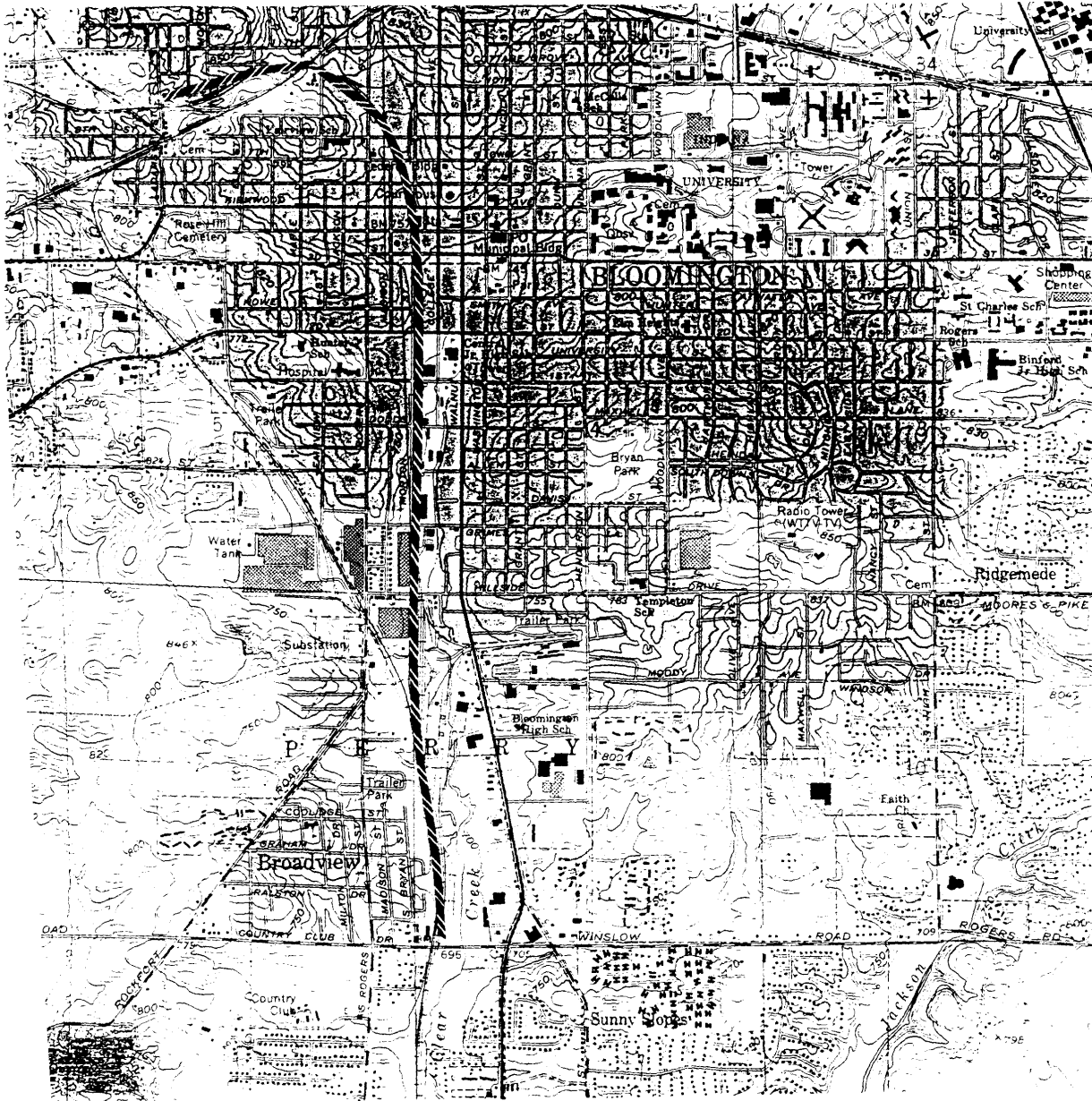
AREA MAP
STATE OF INDIANA

Proposed Abandonment - 2.95 Miles
Monroe County
Bloomington, Indiana

WESTERN REGION - GREAT LAKES DIVISION - LAFAYETTE SUBDIVISION

U. S. DEPT. OF THE INTERIOR
QUADRANGLE GEOLOGICAL SURVEY

Bloomington Quadrangle
Indiana - Monroe County
1966 (photorevised 1990)
Page 1 of 1



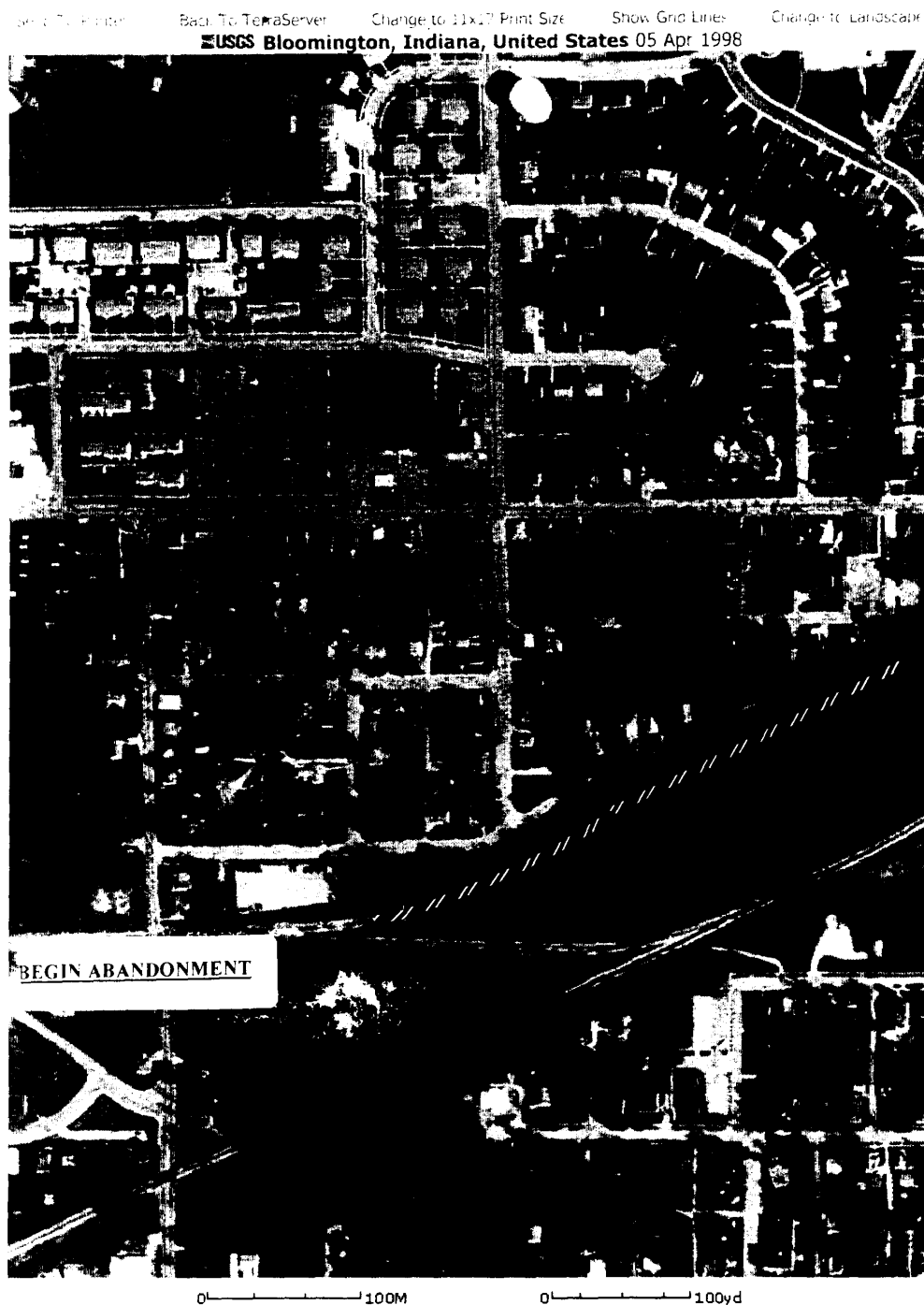


Image courtesy of the U.S. Geological Survey
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Image courtesy of the U.S. Geological Survey
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Image courtesy of the U.S. Geological Survey
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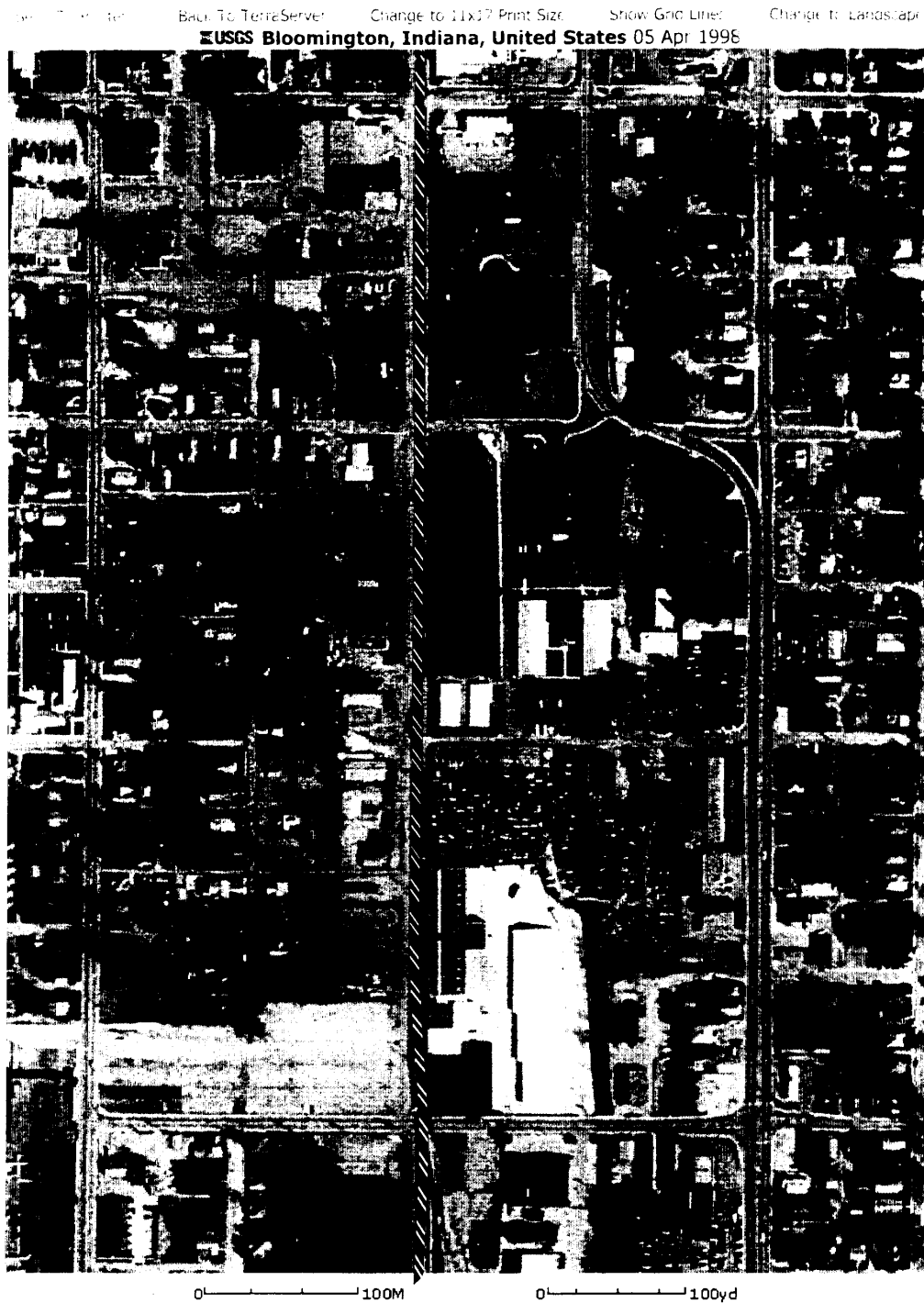


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Image courtesy of the U.S. Geological Survey
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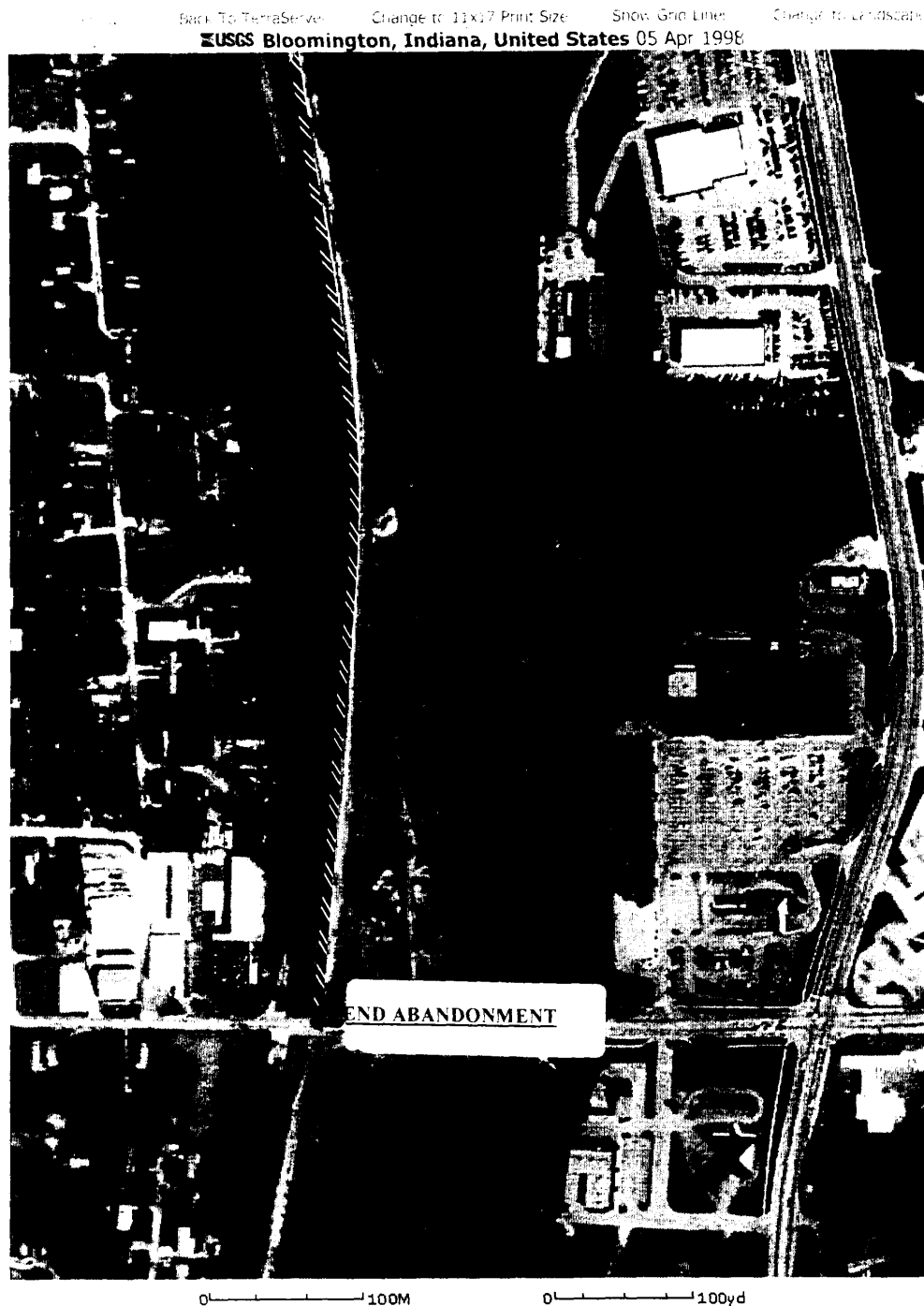


Image courtesy of the U.S. Geological Survey
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Heidi Van Horn-Bash
Director - Asset Management

500 Water Street
Jacksonville, FL 32202
Tel. (904) 359-2409
Fax (904) 359-1111
E-Mail: Heidi.Van.Horn-Bash@csx.com

April 7, 2003

Mr. Jon C. Smith
Deputy State Historic Preservation Officer
Indiana Department of Natural Resources
Division of Historic Preservation & Archaeology
402 W. Washington Street, Room W-274
Indianapolis, IN 46204-2739

RE: CSXT PROPOSED ABANDONMENT
BLOOMINGTON, MONROE COUNTY, INDIANA
DOCKET AB-55 (SUB-NO. 634X)

Dear Mr. Smith:

Please be advised that CSX Transportation, Inc., anticipates filing for abandonment of approximately 2.95 miles of its rail line in Bloomington as shown in the attached Historic Report.

In connection with rail lines that are to become the subject of applications for authority to abandon, Federal Regulations at 49 CFR 1105.8(d), require that a Historic Report be submitted to the State Historic Preservation Officer prior to filing with the Surface Transportation Board. In accordance with those Regulations, I am attaching a Historic Report covering the above proposed abandonment.

I would appreciate it if you could confirm in writing that this project will have no impact upon cultural resources. If you have questions, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Heidi Van Horn-Bash", written in a cursive style.

Attachments

Copy:
Surface Transportation Board
Section of Environmental Analysis
1925 "K" Street NW - Suite 534
Washington, DC 20423-0001

Ms. N. S. Rosenberg, Counsel, CSXT, 500 Water St.-J150, Jacksonville, FL 32202



Indiana Department of Natural Resources

Division of Historic Preservation & Archaeology • 402 W. Washington Street, W274 • Indianapolis, IN 46204-2739
Phone 317-232-1646 • Fax 317-232-0693 • dhpa@dnr.state.in.us

Frank O'Bannon, Governor
John Goss, Director



April 11, 2003

Heidi Van Horn-Bash
Director, Asset Management
CSX Transportation
500 Water Street
Jacksonville, Florida 32202

Federal Agency: Surface Transportation Board

Re: Abandonment of 2.95 miles of CSX Transportation railroad line, between M.P. 00Q-219.55 and M.P. 00Q-222.50

Dear Ms. Van Horn-Bash:

Pursuant to Section 106 of the National Historic Preservation Act (16 U.S.C. § 470f) and 36 C.F.R. Part 800, the Indiana State Historic Preservation Officer ("Indiana SHPO") is conducting an analysis of the materials dated April 7, 2003, and received by the Indiana SHPO on April 11, 2003, for the above indicated project in Bloomington, Bloomington and Perry townships, Monroe County, Indiana.

A complete analysis of the submitted project is not possible, as the information provided is incomplete. Please provide a letter or copy of a letter from the Federal agency indicating the authorized representatives who may act on behalf of the Federal agency.

Once the indicated information is received, the Indiana SHPO will resume identification and evaluation procedures for this project.

A copy of the revised 36 C.F.R. Part 800 that went into effect on January 11, 2001, may be found on the Internet at www.achp.gov for your reference. If you have questions, please contact Shana Kelso (317) 232-1646.

Very truly yours,

for: Jon C. Smith
Deputy State Historic Preservation Officer

JCS:SNK:snk

cc: Elaine K. Kaiser, Surface Transportation Board

EXHIBIT D

CERTIFICATE OF COMPLIANCE
WITH NOTICE REQUIREMENTS OF
49 C.F.R 1105.11

In accordance with 49 C.F.R. § 1105.7(b), I hereby certify that on April 18, 2003, a copy of the Environmental Report was served upon the below listed parties, by first-class mail, postage prepaid:

Monroe County Planning Commission
County Courthouse
Bloomington, IN 47402-0547

Mr. Nathan Hadley
Executive Asst. for Economic Development
City of Bloomington
401 N. Morton Street
Bloomington, IN 47404

District Conservationist
Natural Resources Conservation Service
Bloomington Service Center
1931 Liberty Drive
Bloomington, IN 47403-5146

Mr. Scott E. Pruitt, Field Supervisor
U.S. Department of the Interior
Fish & Wildlife Service
620 South Walker Street
Bloomington, IN 47403-2121

Regional Director - Midwest Region
National Park Service
1709 Jackson Street
Omaha, NE 68102

U.S. Environmental Protection Agency
Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3507

U.S. Army Corps of Engineers
Louisville District
P.O. Box 59
Louisville, KY 40201

Indiana Dept. of Environmental Management
Indiana Government Center
100 N. Senate Avenue - P.O. Box 6015
Indianapolis, IN 46204

Mr. Edward J. McKay
Chief Spatial Reference System Division
DOC/NOAA
National Geodetic Survey N/NGS2
1315 East West Highway, Room 8813
Silver Spring, MD 20910-3282

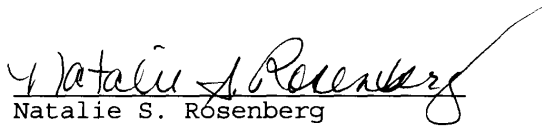
Mr. Michael Schime
Railroad Section Manager
Indiana Department of Transportation
Multimodal Division
100 N. Senate Avenue, Room N901
Indianapolis, IN 46204

Ms. Betty Cockrum, Budget Director
State Budget Agency
212 State House
Indianapolis, IN 47403

Mr. Harry Nikides,
Director of the Div. Of Soil Conservation
Indiana Dept. of Natural Resources
402 West Washington Street, Room W-265
Indianapolis, IN 46204

In accordance with 49 C.F.R. 1105.8(c), I hereby
certify that on April 7, 2003, a copy of the Historic Report was
served upon the below listed party, by first-class mail, postage
prepaid:

Mr. Jon C. Smith
Deputy State Historic Preservation Officer
and Director
Department of Natural Resources
402 W. Washington Street - Room W274
Indianapolis, IN 46204


Natalie S. Rosenberg

CERTIFICATE OF SERVICE

I certify that on June 27, 2003, I served by first-class mail, postage prepaid, a copy of the foregoing Petition for Exemption on the following:

MTMCTEA
Attn: Railroads for National Defense
720 Thimble Shoals Blvd., Suite 130
Newport News, VA 23606-2574

National Park Service
Recreation Resources Division
P. O. Box 37127
Washington, D.C. 20013

National Park Service
Land Resources Division
P. O. Box 37127
Washington, D.C. 20013

U. S. Department of Agriculture
Chief of the Forest Service
P. O. Box 96090
Washington, D.C. 20050

Mr. C.E. Taylor
Black Lumber Company
P.O. Box 576
Bloomington, IN 47402

Mr. Tony Walker
Bender Lumber Company
2051 West Vernal Pike - Building #1
Bloomington, IN 47401

Mr. E. Mayer Maloney, Jr.
The Herald Times
1900 South Walnut Street
P.O. Box 909
Bloomington, IN 47402

City of Bloomington
Office of the Mayor
401 N. Morton St.
Bloomington, IN 47402
Attn: Nathan Hadley

Natalie Rosenberg

Jacksonville, FL April 28, 2003

Ms. N. S. Rosenberg – J150

RE: IN-14F – CSXT Proposed Abandonment, Western Region, Great Lakes Division, Lafayette Subdivision, from Milepost 00Q-219.55 to Milepost 00Q-222.50, a distance of 2.95 miles in Bloomington, Monroe County, Indiana.
Docket AB-55 (Sub-No. 634X)

In preparation for filing a Petition for Exemption on the above line segment, listed below are the carloads handled over the line for the years 2000, 2001 and 2002:

<u>PATRON</u>	<u>STATION</u>	<u>COMMODITY</u>	<u>CARLOADS</u>		
			<u>2000</u>	<u>2001</u>	<u>2002</u>
Mr. E. Mayer Maloney, Jr. The Herald Times P.O. Box 909 Bloomington, Indiana 47402	Bloomington	Paper, Newsprint	52	61	67
Mr. C.E. Taylor Black Lumber Company, Inc. P.O. Box 576 Bloomington, Indiana 47402	Bloomington	Lumber, OSB	31	22	23
Mr. Mark Hershberger Bender Lumber Company 2051 West Vernal Pike Bloomington, Indiana 47401	Bloomington	Lumber	0	0	8

Both Black Lumber and Bender Lumber currently utilize motor carrier transportation for shipments in addition to rail service.

Transportation options available to these companies include the continued use of motor carriers that serve the area and INRD's public team track facility in Indianapolis.

There are no defense installations served by this line or in the immediate vicinity.



Heidi Bash
Director – Asset Management

cc: Ms. B. J. League – J200

EXHIBIT F

CSX Transportation, Inc.
Line Segment: Bloomington, IN

	Base Year 2002	Forecast Year beginning June 1, 2003	Subsidy Year ending May 31, 2004
	98 CL	98 CL	98 CL
<u>Revenues Attributable</u>			
1. Freight Originated &/or Terminated On Branch	\$157,238	\$163,528	\$163,528
2. Bridge Traffic	-0-	-0-	-0-
3. All Other Revenue and Income	1,260	1,260	1,260
4. Total Revenues Attributable (Lines 1 thru 3)	\$158,498	\$164,788	\$164,788
<u>Avoidable Costs</u>			
5. Total On-Branch Costs (Lines 5a thru 5k)	\$65,685	\$68,009	\$68,009
a. Maintenance of Way and Structures	15,000	15,000	15,000
b. Maintenance of Equipment - Locomotives	5,381	5,381	5,381
c. Transportation	26,331	28,448	28,448
d. Joint Facilities	11,858	11,858	11,858
e. Deadheading, Taxi and Hotel	-0-	-0-	-0-
f. Overhead Movement	-0-	-0-	-0-
g. Freight Car Costs (o/t Return on Freight Cars)	4,772	4,979	4,979
h. Return on Value - Locomotives	0	0	0
i. Return on Value - Freight Cars	2,343	2,343	2,343
j. Revenue Taxes	-0-	-0-	-0-
k. Property Taxes	-0-	-0-	-0-
6. Total Off-Branch Costs (Lines 6a and 6b)	\$54,673	\$57,039	\$57,039
a. Off-Branch Costs (o/t Return on Freight Cars)	51,693	54,059	54,059
b. Return on Value - Freight Cars	2,980	2,980	2,980
7. Total Avoidable Costs (Lines 5 and 6)	\$120,358	\$125,048	\$125,048
<u>Subsidization Costs</u>			
8. Rehabilitation	xxxx	xxxx	\$0
9. Administration Costs (1%)	xxxx	xxxx	0
10. Casualty Reserve Account	xxxx	xxxx	-0-
11. Total Subsidization Costs (Lines 8 thru 10)	xxxx	xxxx	\$0
<u>Return on Value</u>			
12. Valuation of Property (Lines 12a thru 12c)	xxxx	\$995,147	\$995,147
a. Working Capital	xxxx	2,699	2,699
b. Income Tax Consequences	xxxx	(498,583)	(498,583)
c. Net Liquidation Value	xxxx	1,491,031	1,491,031
13. Nominal Rate of Return	xxxx	14.5%	14.5%
14. Nominal Return on Value (Line 12 * Line 13)	xxxx	144,296	144,296
15. Holding Gain (Loss) 3.20%	xxxx	47,713	47,713
16. Total Return on Value (Line 14 less Line 15)	xxxx	\$96,583	\$96,583
17. Avoidable Loss from Operations (Line 7 less Line 4)	(\$38,140)	(\$39,739)	(\$39,739)
18. Estimated Forecast Year Loss from Operations (Lines 7 and 16 less Line 4)		\$56,844	
19. Estimated Subsidy Year Loss from Operations (Lines 7, 11, and 16 less Line 4)			\$56,844

CSX Transportation, Inc.
Line Segment: Bloomington, IN

Notes to Exhibit 1:

*	Base Year	Analysis covers three patrons located in Bloomington, IN. They are Bender Lumber, Black Lumber, and Herald Times.
	Carloads	All three periods reflect carloads actually moving in the base year period. The O/T carloads include traffic originated or terminated by CSXT for patrons included in study.
Line 1	Freight Revenues	Base year = total CSXT waybill revenues; Forecast year = Base year revenues with potential increase (4.0%) as identified by CSXT marketing personnel; Subsidy year = Forecast year
Line 3	All Other Revenue and Income	Switch revenue
Line 5	Avoidable On-branch Costs	Costs for base year are based on year 2002 unit costs. The forecast year and subsidy year costs reflect indexing adjustments.
Line 5a	Maintenance of Way & Structures	Maintenance expenses are estimated at \$5000 per mile per year.
Line 5b	Maintenance of Equipment - Locomotives	CSXT currently leases one engine from INRD for \$350 per day. This lease expense is pro-rated based on use for three patrons included in study.
Line 5d	Joint Facilities	INRD Haulage from Indianapolis to Bloomington is \$121 per loaded car.
Lines 5g & 5i	On-branch Car Costs	Standard on-branch car cost calculation using year 2002 unit costs for the base year and indexed for the forecast year and subsidy year periods.
Line 6	Off-branch Costs	CSXT 2001 URCS indexed to the base year, forecast year, and subsidy year periods.
Line 12	Valuation of Property	The net liquidation value is based on land value provided by CSXT Real Property (\$1,297,993) and net salvage value of track provided by CSXT Engineering Department (\$193,038). Income tax consequences are calculated at 37% of land and re-sale track values.

EXHIBIT G

The Herald-Times

June 20, 2003

Heidi Bash
Asset Management
CSX Transportation, Inc.
500 Water Street J200
Jacksonville, FL 32202

Re: Abandonment of CSX rail lines and McDoel Switchyard, Bloomington, Indiana

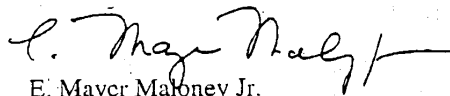
Dear Ms. Bash:

The Herald Times and its related entities have been advised that CSX Transportation intends to seek approval from the Surface Transportation Board to abandon a portion of its main line from 00Q219.45 to 00Q222.5 in Bloomington, Indiana, which serves our facility at 1900 S. Walnut Street, Bloomington, Indiana.

Because the Redevelopment Commission of the City of Bloomington is interested in purchasing this property for public use and trail use conditions, The Herald Times and its affiliates accordingly will not oppose the abandonment as described above.

We understand that you may submit this letter to the Surface Transportation Board as part of the proceedings on the proposed abandonment.

Sincerely,



E. Maycr Maloney Jr.
Publisher
Herald Times



BENDER LUMBER COMPANY

HOME OFFICE

2051 WEST VERNAL PIKE BUILDING 1, BLOOMINGTON, IN 47404
PHONE 812-339-9730 FAX 812-331-8867

April 14, 2003

Ms. Heidi Bash
Director – Asset Management
CSXT Transportation
500 Water Street, J200
Jacksonville, FL 32202

Dear Ms. Bash:

Bender Lumber Company, Inc. has been advised that CSX Transportation intends to seek approval from the Surface Transportation Board to abandon a portion of its line on the Lafayette Subdivision in Bloomington, Indiana, which serves our facility.

Since we understand that the Redevelopment Commission of the City of Bloomington is interested in purchasing this property for non-rail operations once abandonment authority is obtained, Bender Lumber Company, Inc. accordingly, will not oppose the abandonment as described above.

We understand that you may submit this letter to the Surface Transportation Board as part of the proceedings on the proposed abandonment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark Hershberger". The signature is fluid and cursive.

Mark Hershberger
President