

**BEFORE THE
SURFACE TRANSPORTATION BOARD
Washington, D.C.**

217803



CSX Transportation, Inc. -- Abandonment
Exemption -- In Vigo County, IN

AB-55 (Sub-No. 674X)

ENTERED
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OCT 12 2006
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**THE INDIANA RAIL ROAD COMPANY'S OFFER OF
FINANCIAL ASSISTANCE (PURCHASE)**

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Dated: October 12, 2006

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Pursuant to 49 CFR 1152.27(c)(2)(ii) this is The Indiana Rail Road Company's ("INRD") offer of financial assistance to purchase the Riley Spur which was the subject of this notice of exemption proceeding.

The Board's regulations at 49 CFR 1152.27(c)(2)(iii) require that in a notice of exemption proceeding an offer of financial assistance must comply with the requirements of 49 CFR 1152.27(c)(1)(ii). This offer of financial assistance is organized to follow the requirements of that section of the regulations.

A. Identify the line, or the portion of the line, in question.

The line INRD is offering to purchase and to operate pursuant to the requirements of 49 U.S.C. 10904 is the entire Riley Spur which was the subject of the notice of abandonment in this proceeding. As described by CSXT in its Notice of Exemption, the line is 7.4 miles in length and extends from milepost OZD 5.0 (near Terre Haute, IN) to the end of track at milepost OZF 12.4 (near Riley, IN) in Vigo County, IN.

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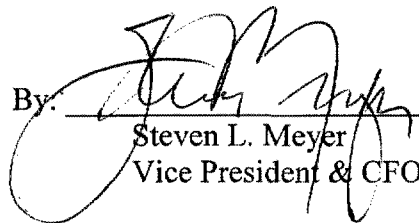
Attached to this offer of financial assistance is the Declaration of Steven L. Meyer, INRD's Chief Financial Officer. In his declaration, Mr. Meyer states that INRD will pay the purchase price from working capital and that no new financing arrangements will be required. Mr. Meyer further states that INRD has a line of credit agreement with Wachovia Bank under which INRD has the right to draw up to \$15 million, and that currently, INRD has drawn \$7.75 million against that line of credit, leaving a borrowing capacity of \$7.25 million available. Mr. Meyer has attached to his declaration a letter from Wachovia Bank confirming the existence and amount of the line of credit and the extent of INRD's current borrowing against it.

The availability to INRD of \$7.25 million under its line of credit agreement with Wachovia Bank establishes that INRD will be able to fulfill its contractual obligations if it enters into a purchase agreement with CSXT for the Riley Spur for a purchase price of \$307,220.00. INRD is, therefore, a financially responsible person within the meaning of the regulations.

- C. Explain the disparity between the offeror's purchase price or subsidy if it is less than the carrier's estimate under paragraph (a)(1) of this section, and explain how the offer of subsidy or purchase is calculated.

INRD will pay the full purchase price proposed by CSXT in response to paragraph (a)(1), \$307,220.00. CSXT computed the proposed purchase price based upon the net liquidation value of the track and track materials in the line. Because the line is located on a rail use easement, CSXT assigned no value for net liquidation purposes to the right-of-way.

THE INDIANA RAIL ROAD COMPANY

By: 
Steven L. Meyer
Vice President & CFO

Respectfully submitted,

THE INDIANA RAIL ROAD COMPANY

By: John Broadley
One of its attorneys

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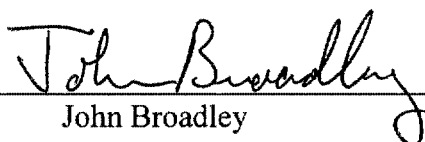
Dated: October 12, 2006

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of October 2006 I caused the foregoing THE INDIANA RAIL ROAD COMPANY'S OFFER OF FINANCIAL ASSISTANCE (PURCHASE) to be served upon the parties to this proceeding by depositing a copy thereof in the United States mails, postage prepaid, addressed to counsel listed below:

Steven C. Armbrust
Law Department
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street NW, 8th Floor
Washington, D.C. 20036-1601


John Broadley

Dated: October 12, 2006

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DECLARATION OF STEVEN L. MEYER

I am Steven L. Meyer, the Chief Financial Officer of The Indiana Rail Road Company ("INRD"). INRD is submitting an offer of financial assistance to acquire the Riley Spur of CSX Transportation, Inc. ("CSXT") for \$307,220.00, the net liquidation value placed on that property by CSXT.

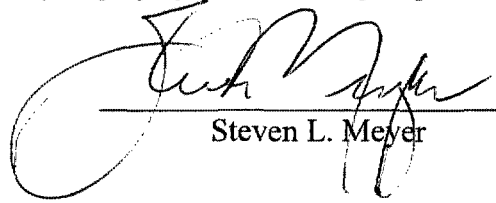
If CSXT enters into a contract to sell the Riley Spur to INRD for that price, INRD will pay the purchase price in cash. INRD has sufficient working capital to make this payment without any new financing. INRD has a line of credit agreement with Wachovia Bank, N.A. under which it can draw up to \$15 million. As of the date of this declaration, INRD has drawn \$7.75 million against that line of credit and has available \$7.25 million of additional borrowing capacity under that line.

I have attached to this declaration a letter dated October 10, 2006, from Wachovia Bank, N.A. which confirms the amount of INRD's line of credit and the available borrowing capacity under that line as of that date.

Declaration Under 28 U.S.C. 1746

I, Steven L. Meyer, declare under penalty of perjury that the foregoing is true and correct.

Executed on October 12, 2006



Steven L. Meyer

Wachovia Bank, N.A.
Commercial Banking
FLO074
225 Water Street, 2nd Floor
Jacksonville, FL 32202

Tel 904 489-3816
Fax 904 489-5441

**WACHOVIA**

October 10, 2006

Mr. Steven L. Meyer
Vice President and CFO
The Indiana Rail Road Company
101 West Ohio Street, Suite 1600
Indianapolis, IN 46250

Dear Mr. Meyer:

You have requested that we confirm the amount of your company's line of credit established with our bank as of this date and the available capacity remaining under the line.

The Indiana Rail Road Company currently has a \$15 million line of credit with Wachovia Bank of which approximately \$7.75 million is outstanding, leaving an amount available to borrow of approximately \$7.25 million.

Sincerely,

Charles Kauffman
Senior Vice President