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Transportation Solutions for the 21st Century

2001 L Street NW, Suite 720
Washington, DC 20036

Crystal M. Zorbaugh
czorbaugh@mullinslawgroup.net
mullinslawgroup.net

Telephone: (202) 663-7850
Direct: (202) 663-7831
Facsimile: (202) 464-9123

December 19, 2024

VIA E-FILING

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: Ohio Rail Development Commission – Petition for Declaratory Order, FD
36822

Dear Ms. Brown:

On December 3, 2024, pursuant to 49 U.S.C. 1321 and 5 U.S.C. 554(e), the Ohio Rail Development Commission (“ORDC”) petitioned the Surface Transportation Board (the “Board”) to issue a declaratory order that a certain rail line owned by ORDC remains Board jurisdictional 49 U.S.C. § 10901 (“10901”) trackage (currently railbanked under federal law) and as such state law claims asserted by Charles Supplee, a private citizen, currently in the Court of Common Pleas, Franklin County, Ohio, of obtaining title to portions of the rail line by adverse possession are preempted.¹

The remedy² the plaintiff seeks in the Court of Appeals proceeding seeks would deprive the Board of jurisdiction over and interfere with ORDC’s railbanked line and future reactivation of rail service. As a result on December 5, 2024, ORDC filed a Notice of Filing and Request for Stay of Proceedings (“Request for Stay”) in the Court of Appeals proceeding. In its Request for

¹ See Charles Supplee v. Ohio Rail Transportation Authority, Et. AL, Case Number 23 CV-12-8741, In the Court of Common Pleas of Franklin County, Ohio Civil Division, Filed December 6, 2023. Plaintiff asserts that since 1996, he has openly, notoriously, and continuously utilized certain portions of property owned by ORDC in a manner sufficient to sustain a cause of action for adverse possession. On October 4, 2024, Judge Carl A. Aveni II, granted a motion by ORDC to issue judgment on the pleadings for failure to state a claim upon which relief can be granted. However, the Plaintiff, Mr. Supplee appealed the decision. See Charles Supplee v. Ohio Rail Transportation Authority, Et. AL, Case Number 24AP-670 (the “Appeal”) in the Court of Appeals of Ohio, Tenth Appellate District (“Court of Appeals”).

² See Richard D. Robey, Juniata Valley Railroad Company, et. al. – Petition for Declaratory Order – Allen J. Levin and Lewistown Central Railroad Company (“Robey”), FD 33420, slip op. at 3 (STB served June 17, 1998) (finding that remedies in state law causes of action against railroads are limited).

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December 18, 2024

Page 2

Stay (Exhibit A), ORDC requested that the Court of Appeals hold plaintiff's Appeal in abeyance and stay all further proceedings or other actions in the matter until the Board rules on ORDC's Petition for Declaratory Order. On December 17, 2024, the Court of Appeals issued a decision (Exhibit B) staying all further proceedings or other actions in the matter until the Board rules on ORDC's Petition for Declaratory Order.

In granting ORDC's Request for Stay, the Court of Appeals has given appropriate deference to the Board to address the jurisdictional status of the rail line and declare whether Mr. Supplee's effort under state law to establish ownership by adverse possession is preempted. Moreover, as stated in its Request for Stay, "ORDC strongly believes that the outcome of the declaratory order would provide additional clarity for the [Court of Appeals] and resolve issues related to the jurisdictional status of the trackage and what remedies are permissible against such trackage under state law." See Exhibit B, p. 3. To ensure that the Board has a complete record, the Board is submitting copies of Exhibit A and B.

Respectfully submitted,

/s/ Crystal M. Zorbaugh

**DAVE YOST
ATTORNEY GENERAL OF OHIO**

**Crystal M. Zorbaugh
John V. Edwards
Lauren L. Edwards
MULLINS LAW GROUP PLLC
2001 L St., N.W.
Suite 720
Washington, D.C. 20036
Tel.: (202) 663-7831**

December 19, 2024

**Special Counsel for the Ohio Rail Development
Commission**

cc: Parties of Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

**OHIO RAIL DEVELOPMENT COMMISSION –
PETITION FOR DECLARATORY ORDER**

EXHIBIT A

**ORDC's December 5, 2024, Notice of Filing
and Request for Stay of Proceedings**

**TENTH DISTRICT COURT OF APPEALS
FRANKLIN COUNTY, OHIO**

Charles Supplee	:	
	:	Case No. 24AP000670
Plaintiff,	:	
	:	Judge
v.	:	
	:	
Ohio Rail Development	:	
Commission, <i>et al.</i>	:	
	:	
Defendants.	:	
	:	
	:	

NOTICE OF FILING AND REQUEST FOR STAY OF PROCEEDINGS

The Attorney General serves as legal counsel to the Ohio Department of Transportation (“ODOT”) and the Ohio Rail Development Commission (“ORDC”), successor to the Ohio Rail Transportation Authority, including representation of said agencies in the above-stated matter.

Plaintiff/Appellant Charles Supplee, on December 6, 2023, filed a Complaint in the Franklin County Common Pleas Court seeking a ruling under state law that he has established ownership pursuant to state law based on the doctrine of adverse possession and is entitled to be deemed the owner of a parcel adjacent to his property. As stated in Mr. Supplee’s complaint, the parcel in question (Parcel Number 35-000-00-035-00) is owned by the ORDC. I am writing to apprise the court of a recent development related to the court case and Mr. Supplee’s appeal.

On July 18, 2024, ORDC filed a Motion for Judgment on the Pleadings, on the basis that the Plaintiff’s Complaint fails to state a claim upon which relief can be granted because under Ohio law adverse possession cannot be used to acquire state-owned land that is held for public purposes. In *Haynes v. Jones*, 91 Ohio St. 197, 200-201 (1915), the Supreme Court of Ohio held that state

property is immune from adverse possession claims, and this principle has been reaffirmed in subsequent decisions. See *New 52 Project, Inc. v. Proctor, Dir., Ohio DOT*, 122 Ohio St.3d 1, 2009-Ohio-1766, 907 N.E.2d 305. Judge Carl A. Aveni agreed and on October 4, 2024, a decision was entered holding because Plaintiff can prove no set of facts that would entitle him to relief on either the adverse possession or trespass claims, Defendants' Motions for Judgment on the Pleadings was well-taken. Accordingly, the court **GRANTED** and dismissed the Plaintiff's complaint **WITH PREJUDICE**. Mr. Supplee has filed the instant appeal of the court's October 4, 2024. The Plaintiff's brief in the appeal is due December 9, 2024.

In addition to the defenses raised by ORDC in the Court of Common Pleas of Franklin County, there are additional jurisdictional reasons why Mr. Supplee's cause of action must fail. The parcel Mr. Supplee seeks to acquire ownership of by adverse possession is part of a 10901-rail line, currently railbanked under federal law. Parcel Number 35-000-00-035-00 is located on ORDC's 43.2-mile rail line that comprises USRA Line No. 714 extends from North Warren (MP 81.1) to Ashtabula, Ohio (MP 124.3) in Ashtabula and Warren Counties, Ohio. Adverse Possession claims and related claims under based on state law are preempted by the provisions of the ICC Termination Act ("ICCTA"),¹ 49 U.S.C. § 10501(b), and the Supremacy Clause of the Constitution.

In light of Mr. Supplee's renewed effort under state law to establish ownership by adverse possession, on December 3, 2024, ORDC submitted the attached Petition for a Declaratory Order (Exhibit 1) to the STB, requesting that the STB issue a declaratory order confirming USRA Line No. 714 remains STB jurisdictional 10901 trackage and the state law claims asserted by Charles Supplee, a private citizen currently in the Court of Common Pleas, Franklin County, Ohio, of

¹ The 10901 trackage that comprises USRA Line No. 714 is subject to the exclusive jurisdiction of the Surface Transportation Board (the "STB" or "Board").

obtaining title to portions of the rail line by adverse possession are preempted. For over 40 years, the State of Ohio has diligently worked to preserve the corridor to support a future need for rail service, while allowing interim non-conflicting alternative public use (trails) expressly conditioned on terminating if and when rail service becomes necessary in the future. Allowing claims, such as Mr. Supplee's, would not only thwart such longstanding endeavors but is completely contrary to state and federal law. ORDC strongly believes that the outcome of the declaratory order would provide additional clarity for the court and resolve issues related to the jurisdictional status of the trackage and what remedies are permissible against such trackage under state law.

For these reasons, ORDC requests that this Court hold the above-stated proceeding in abeyance and stay all further proceedings or other actions in the matter until the STB rules on ORDC's Petition for Declaratory Order.

Respectfully submitted,

DAVE YOST
Attorney General of Ohio



Alan H. Klodell (0034577)
L. Scott Helkowski (0068622)
Assistant Attorneys General
Executive Agencies Section
Transportation Unit
30 East Broad Street, 26th Floor
Columbus, OH 43215
Phone: (614) 466-8146
Fax: (866) 771-4221
Alan.Klodell@OhioAGO.gov
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I certify that this document was emailed to Plaintiff's attorney, Arleesha Wilson, at justice@attorneyawilson.com and the Park District's counsel, Christopher M. Newcomb, Esq, at cris@newcombesq.com , on December 4, 2024.



Alan H. Klodell (0034577)

MULLINS LAW GROUP PLLC

Transportation Solutions for the 21st Century

2001 L Street NW, Suite 720
Washington, DC 20036

Crystal M. Zorbaugh
czorbaugh@mullinslawgroup.net
mullinslawgroup.net

Telephone: (202) 663-7850
Direct: (202) 663-7831
Facsimile: (202) 464-9123

December 3, 2024

308963

VIA E-FILING

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

ENTERED
Office of Proceedings
December 3, 2024
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Public Record

Re: Ohio Rail Development Commission – Petition for Declaratory Order, FD
36822

Pursuant to 49 U.S.C. §1321 and 5 U.S.C. §554(e), the Ohio Rail Development Commission, as successor to the Ohio Rail Transportation Authority/ Ohio Department of Transportation, submits a Petition for Declaratory Relief. The filing fee of \$1,400.00 has been paid via pay.gov. If there are any questions about this matter, don't hesitate to contact me directly, either by telephone: at 202-663-7831 or by e-mail: at czorbaugh@mullinslawgroup.net.

Sincerely,

/s/ **Crystal M. Zorbaugh**

Crystal M. Zorbaugh
Special Counsel for the Ohio Rail Development Commission

Enclosures

cc: Alan Klodell
Matt Dietrich

FILED
December 3, 2024
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
December 3, 2024
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

**DAVE YOST
ATTORNEY GENERAL OF OHIO**

**Crystal M. Zorbaugh
John V. Edwards
Lauren L. Edwards
MULLINS LAW GROUP PLLC
2001 L St., N.W.
Suite 720
Washington, D.C. 20036
Tel.: (202) 663-7831**

December 3, 2024

**Special Counsel for the Ohio Rail
Development Commission**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

INTRODUCTION

Pursuant to 49 U.S.C. §1321 and 5 U.S.C. §554(e), the Ohio Rail Development Commission (“ORDC”)¹ petitions the Surface Transportation Board (“STB” or “Board”) to issue a declaratory order that a certain rail line owned by ORDC remains STB jurisdictional 49 U.S.C. § 10901 (“10901”) trackage (currently railbanked under federal law)² and as such state law claims asserted by Charles Supplee, a private citizen currently in the Court of Common Pleas, Franklin County, Ohio, of obtaining title to portions of the rail line by adverse possession are preempted.³

¹ ORDC, an independent commission within the Ohio Department of Transportation (“ODOT”) that represents the state in non-regulatory interactions with the railroad industry, is the successor to the Ohio Rail Transportation Authority (“ORTA”). ORDC’s mission is to plan, promote, and implement the improved movement of goods and people faster and safer on a rail transportation network connecting Ohio to the nation and the world. The mission is to be accomplished through a coordinated freight and passenger rail system which is an integral part of a seamless, intermodal transportation network. See Mission Statement, available at <https://rail.ohio.gov/>.

² As explained herein, the rail line that is the subject of this declaratory order was railbanked under federal law consistent with the general requirements of the National Trails System Act, 16 U.S.C. § 1247(d) prior to the Interstate Commerce Commission (“ICC”) establishing its interim trail use regulations, which are currently set forth at 49 C.F.R. § 1152.29 (“Railbanking Regulations”).

³ See Charles Supplee v. Ohio Rail Transportation Authority, Et. AL, Case Number 23 CV-12-8741, In the Court of Common Pleas of Franklin County, Ohio Civil Division, Filed December 6, 2023. Plaintiff asserts that since 1996, he has openly, notoriously, and continuously utilized certain portions of property owned by ORDC in a manner sufficient to sustain a cause of action for adverse possession. On October 4, 2024, Judge Carl A. Aveni II, granted a motion by ORDC to issue judgment on the pleadings for failure to state a claim upon which relief can be granted. However, the Plaintiff, Mr. Supplee is appealing the decision and the case remains open for adjudication. The Plaintiff’s brief in the appeal is due December 9, 2024.

ORDC's predecessor, ORTA, began negotiations to acquire the rail line known as the P.Y. & A. Secondary Track⁴ from Penn Central Transportation Company ("Penn Central"), in 1980,⁵ to establish/explore high-speed rail trackage. The USRA Line No. 714 rail line, which was included in the FSP,⁶ was operated under a subsidy⁷ post-FSP, and was highly important to Ohio as explained in the background section below. For 40 years, ORDC has preserved the corridor to support a future need for rail service, while allowing interim non-conflicting alternative public use (trails) expressly conditioned on terminating if and when rail service becomes necessary in the future.⁸

As explained herein, USRA Line No. 714 was eligible for abandonment by its inclusion in the FSP; however, all available records, including STB and ICC microfilm and records, HeinOnline, and state records provide no conclusive evidence that Penn Central ever consummated abandonment authority per the consummation requirements for rail lines included in the FSP.⁹ While a few documents have at times referred to USRA Line No. 714 as being "abandoned," other documents including a grant related to the acquisition of the USRA Line No. 714 imposed requirements on ORDC to ensure that the rail corridor remains intact and available should a need for rail service arise in the future.¹⁰ As explained further herein, it is ORDC's position that (1) while USRA Line No. 714 was

⁴ See Railroads - 1975, Hearings before the Subcommittee on Surface Transportation of the Senate Commerce Committee, 94th Congress (1976), Ohio 714, pages 366-367. The P.Y. & A. Secondary Track is referred to in the Final System Plan ("FSP") and herein as "USRA Line No. 714"). See Exhibit A.

⁵ Neither ORDC nor its predecessors were subject to the ICC's jurisdiction because the USRA Line No. 714 was authorized for abandonment and open for subsidy from public entities as discussed in the FSP.

⁶ The FSP was submitted to Congress on July 26, 1975, and was approved in § 601(e) of the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. No. 94-210, 90 Stat 31 (1976) (referred to herein as "4R Act").

⁷ Subsidized operations over the Rock Creek to North Warren portion of USRA Line No. 714 continued for at least a year to accommodate shippers.

⁸ Records are unclear but it appears Penn Central removed and sold the track fixtures in the early 80s.

⁹ See §I - Argument *infra*.

¹⁰ One thing that is clear is that the term "abandoned" was used colloquially to refer not only to lines that had formally been abandoned via a proceeding before the ICC but also to lines over which the railroad had "abandoned" service. For example, USRA Line No. 531, in "RailOhio" – The Rail Plan for Ohio ("RailOhio")

eligible to be abandoned, abandonment authority was never explicitly sought nor consummated, and the corridor has been preserved and kept intact at all times to ensure its remains available, if and when freight service is needed in the future; (2) the line was railbanked, not only by state but also Federal law and, (3) as 10901 STB-jurisdictional trackage, state law actions that seek remedies under the exclusive jurisdiction of the STB (including adverse possession) are preempted. However, given some conflicting information as to whether the trackage remains STB jurisdictional 10901 track, ORDC requests that the STB issue a declaratory order and/or provide guidance to resolve the controversies related to the jurisdictional status of the trackage and what remedies can be ordered against such trackage under state law.

BOARD'S AUTHORITY & RELIEF SOUGHT

The Board has discretionary authority under 5 U.S.C. § 554(e) and 49 U.S.C. § 721 to issue a declaratory order to terminate a controversy or remove uncertainty. See Intercity Transp. Co. v. United States, 737 F.2d 103 (D.C. Cir. 1984); Delegation of Auth.—Declaratory Order Proceedings, 5 I.C.C. 2d 675 (1989). The Board has, on many occasions, used the declaratory order process to address issues involving the federal preemption provision contained in 49 U.S.C. § 10501(b). See, e.g., 14500 Ltd.—Pet. for Declaratory Order, FD 35788 (STB served June 5, 2014) (“14500 Ltd.”); CSX Transp., Inc.—Pet. for Declaratory Order, FD 34662 (STB served May 3, 2005).

ORDC seeks a declaratory order that (1) USRA Line No. 714 remains STB jurisdictional 10901 trackage, and (2) the state law claims asserted by Charles Supplee, a private citizen currently in the Court of Common Pleas, Franklin County, Ohio, of obtaining title to portions of the rail line by

was published by ORTA (attached as Exhibit B), is identified at one point in RailOhio as an intrastate line under the category of “Abandoned Lines with No Definite Local Interest in Restoring Rail Service,” even as it is described in the text as one that is “out of service”. See RailOhio at 231. See also, Id. at 224 (same as to USRA Line No. 1264) and 221 (same as to USRA Line No. 497). As used in RailOhio, the term “abandoned” refers to the status of lines under the 3R Act that are not abandoned pursuant to the normal ICC abandonment certificate program, but instead lines that “may be purchased for ‘rail banking’” to “preserve rail corridors which could be vital to the economic and transportation system in years to come.” Id. at 59.

adverse possession are preempted. ORDC further seeks clarification that lines railbanked pursuant to federal law prior to the ICC adopting Railbanking Regulations are grandfathered as railbanked pursuant to the National Trails System Act, and there was no need to seek authority to effect railbanking in 1986 upon the ICC passing Railbanking Regulations several years after the line was railbanked by the State of Ohio.

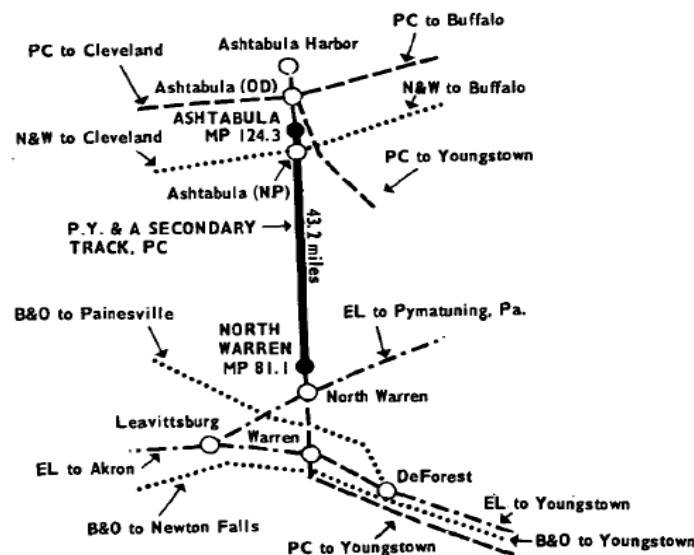
BACKGROUND

The Pennsylvania Railroad Company merged into Penn Central in 1968. Penn Central and six other northeastern railroads would declare bankruptcy in 1970. In response to these bankruptcies, Congress enacted the Regional Rail Reorganization Act of 1973 (“3R Act”), Pub. L. No. 93-236, 87 Stat. 985 (codified at 45 U.S.C. §§ 701-719), under which certain bankrupt railroads would be merged into a new entity: Consolidated Rail Corporation (“Conrail”). The United States Railway Association (“USRA”) was created by the 3R Act to examine bankrupt railroads' properties and identify those lines that would be included in the FSP, and pursuant to which the identified rail lines would be:

(1) transferred to Conrail; (2) offered for sale to a profitable railroad operating in the region; (3) acquired by the National Railroad Passenger Corporation [(“Amtrak”)]; (4) acquired by a State or local regional transportation authority for commuter service; and (5) suitable for other public purposes. For those lines that were not designated for continued rail service in the FSP, section 304 of the 3R Act, codified at 49 U.S.C. 744, permitted, with certain exceptions, the summary discontinuance of operations upon 60 days' notice to the ICC and certain parties. Abandonment of a line, with certain exceptions, was allowed 120 days after the discontinuance, upon giving 30 days' notice to the ICC and certain parties. ICC approval was not required for discontinuance and abandonment of rail properties that were not designated by the FSP for continued rail service.

See Victor Wheeler, Et AL. – Petition for Declaratory Order – Rail Line in Erie County, PA; Bessemer and Lake Erie Railroad Company – Abandonment Exemption – In Erie County, PA, FD 35082, slip op. at 7 (STB served August 27, 2008) (“Wheeler”).

One railroad identified in the FSP, the P.Y. & A. Secondary Track/ USRA Line No. 714¹¹ was formerly part of the Pennsylvania Railroad and extended from North Warren (MP 81.1) to Ashtabula, Ohio (MP 124.3), a distance of 43.2 miles in Ashtabula and Warren Counties, Ohio. *Id.* A map of USRA Line No. 714 is included below.



As noted in the FSP, USRA Line No. 714 was not designated for transfer to Conrail, but rather was to be open for subsidy pursuant to section 304 of the 3R Act. *Id.* Some public officials recommended that the rail rights-of-way be used for public purposes if rail service was discontinued.¹² *Id.* Portions of USRA Line No. 714 were recommended by the Western Reserve Economic Development Agency to preserve the corridor intact as a potential avenue for addressing steel transportation challenges in the

¹¹ See Railroads - 1975, Hearings before the Subcommittee on Surface Transportation of the Senate Commerce Committee, 94th Congress (1976), Ohio 714, pages 366-367.

¹² Under the FSP, rail service could either be discontinued or the rail line abandoned and permanently removed from the ICC's jurisdiction. Abandonment authorization could be obtained either through the certificate of abandonment from the ICC/STB or by utilizing the procedures under the 3R Act. See discussion in §I – Argument, *infra*.

Mahoning Valley economy. Id. The last known operator was Penn Central Transportation Company which subsidized the operation of the line for a period after the adoption of the FSP.

In 1978, “RailOhio” – The Rail Plan for Ohio was published by ORTA.¹³ Chapter 3 of RailOhio described new mainline projects as well as branch line pre-abandonment, subsidy, and acquisition programs. Some of the goals of RailOhio in acquiring lines such as USRA Line No. 714 included:

3. Ohio supports proposals (Operational, financial, etc.) that will retain high volume - low revenue, or low volume -high revenue freight. Ohio recognizes that certain types of transportation users need rail service and the state should strive to preserve service to those users on light-density lines.
5. Ohio will support and aid in the acquisition of line segments designated for abandonment, but considered essential or viable if acquired and rail service continued.
7. Ohio is concerned with rail passenger service, supports the improvements in rail passenger service, and will work to initiate, continue, or expand service in all essential areas.
8. Ohio will take all measures possible to preserve the Right-of-Way (ROW) of essential lines which are designated for abandonment. It would be difficult to reestablish such ROW subsequent to abandonment. Even if not needed for rail service, this ROW has other uses that could benefit the citizens of Ohio.

Id. at 3-4.

In designating light-density branch lines for acquisition, Ohio had three objectives in mind: (1) railbank right-of-way to preserve a corridor for future rail service or public use; (2) continue rail service, or (3) initiate new service. Id., Figure 11, at 42. As shown in Table 7, Ohio ranked USRA Line No. 714 as the 15th of its 26 priorities for acquisition.¹⁴ See Exhibit B. Ohio’s objectives were

¹³ This State Rail Plan, “RailOhio” was Ohio’s response to the 3R Act as amended by Section 803 of the 4R Act. It presented rail planning activities in which ORTA was involved as a prerequisite to the encumbrance of the Federal funds needed to implement programs. In 1975, Section 4981.03, the Ohio Revised Code, designated the Authority as the Ohio agency responsible for establishing the state rail plan for the development, administration, and operation of rail service throughout the State. Since 1975 the State of Ohio has produced three rail plans that were approved by the Federal Railroad Administration (“FRA”) under the regulations of the 3R Act. The State Rail Plan, “RailOhio” was the first submission under the new 4R Act regulations. The “Rail Ohio” plan is available in Exhibit B.

¹⁴ “RailOhio” included USRA Line No. 714 in its list of lines to be acquired, as opposed to “Lines Pending Abandonment”, which category was reserved for lines that could not be purchased until they were abandoned.

developed consistent with and in the furtherance of the National Trails System Act. See 16 U.S.C. 1241-1251).

The provisions concerning railroad rights-of-way were not officially added to the National Trails System Act until 1983 after the passage of 98 P.L. 11.¹⁵ However, efforts to railbank underutilized rail lines started in 1976, when the Secretary of Transportation, the Chairman of the ICC, and the Secretary of the Interior, in accordance with the 4R Act, began encouraging State and local agencies and private interests to establish appropriate trails using the provisions of such programs consistent with the purposes of the 4R Act. As is relevant here, the amendment did two important things. First, in furtherance of the national policy to preserve established railroad rights-of-way for future reactivation of rail services, to protect rail transportation corridors, and to encourage energy-efficient transportation use, it established that, in the case of interim use of any established railroad rights-of-way pursuant to donation, transfer, lease, sale or otherwise in a manner consistent with the National Trails System Act, such interim use shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of such rights-of-way for railroad purposes as long as such interim use is subject to restoration or reconstruction for railroad purposes.¹⁶ Second, it directed the ICC to impose such terms and conditions on a qualified right-of-way should a State, political subdivision, or qualified private organization be prepared to assume full responsibility for the management of such rights-of-way and any legal liability arising out of such transfer or use, and for the payment of any and all taxes that may be levied or assessed against such rights-of-way. If such preconditions were met,

¹⁵ 98 P.L. 11; 97 Stat. 42 -National Trails System Act Amendments of 1981. (“98 P.L. 11”), signed into law on March 28, 1983.

¹⁶ Section 208, amending Section 8 of the National Trails System Act (“Consistent with the purposes of that Act, and in furtherance of the national policy to preserve established railroad rights-of-way for future reactivation of rail service, to protect rail transportation corridors, and to encourage energy efficient transportation use, in the case of interim use of any established railroad rights-of-way pursuant to donation, transfer, lease, sale, or otherwise in a manner consistent with the National Trails Systems Act, if such interim use is subject to restoration or reconstruction for railroad purposes, such interim use shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of such rights-of-way for railroad purposes.”).

then the ICC (which necessarily had to develop implementing regulations) was charged with imposing such terms and conditions as a requirement of any future transfer or conveyance for interim use in a manner consistent with the 4R Act, and not to permit abandonment or discontinuance inconsistent or disruptive of such use.¹⁷ It took several years (until 1986) for the ICC to adopt formal Railbanking Regulations post-passage of 98 P.L. 11.¹⁸

As noted previously, ORTA had identified Line No. 714 as a priority for acquisition as early as the issuance of OhioRail, which was submitted to the FRA by transmission dated August 1, 1978. Penn Central and ORTA began negotiations in 1980, for ORTA to acquire USRA Line No. 714.¹⁹ Title searches and appraisals were conducted. The FRA quickly approved funding to cover ORTA's proposed offer to Penn Central to acquire USRA Line No. 714 to retain the corridor for future rail service. On October 31, 1981, a payment of \$150,000 was made to Penn Central to be credited towards the eventual purchase price. ORTA also took actual possession of USRA Line No. 714 on October 31, 1981.²⁰ Negotiations to set the final compensation to be paid to Penn Central, however, subsequently broke down, so to resolve the compensation amount to be paid ORTA filed a condemnation action to

¹⁷ Id. (“If a State, political subdivision, or qualified private organization is prepared to assume full responsibility for management of such rights-of-way and for any legal liability arising out of such transfer or use, and for the payment of any and all taxes that may be levied or assessed against such rights-of-way, then the ICC shall impose such terms and conditions as a requirement of any transfer or conveyance for interim use in a manner consistent with this Act, and shall not permit abandonment or discontinuance inconsistent or disruptive of such use.”).

¹⁸ The ICC adopted the final rules of Section 208 of the National Trails System Act Amendments of 1983 on April 16, 1986, with a Notice of Proposed Rule Making served on February 20, 1985. See Rail Abandonments – Use of Rights-Of-Way As Trails, 1986 ICC LEXIS 339 [Ex Parte No. 274 (Sub-No. 13)].

¹⁹ ORTA sought to acquire USRA Line No. 714 to establish a new High-Speed Rail Test Track and possibly rail bank the line for future rail service because of its geographical location in connecting the Port of Ashtabula to coal and steel industries in eastern, Ohio.

²⁰ While the “Date of Taking” was fixed at November 17, 1983, actual possession was taken on October 31, 1981, pursuant to an agreement between the parties. See The Ohio Rail Transportation Authority v. PennCentral et al., 171 page 894 (C.P. 1994).

acquire the rail line, at which time another \$250,000 payment was made.²¹ The parties eventually reached an agreement and the purchase price of \$725,000.00 was established on November 17, 1983. At the time that final determination of the value of the line was set, 49 C.F.R. §§ 1150.21-1150.24 (1983), set forth special rules, that applied to operations over abandoned rail lines that had been acquired (through purchase or lease) by a State [and which allowed the State to avoid incurring a common carrier obligation].

The acquisition by a State of a fully abandoned line is not subject to the jurisdiction of the Interstate Commerce Commission. The acquisition by a State of a line approved for abandonment and not yet fully abandoned is exempted from the Commission's jurisdiction. If the State intends to operate the line itself, it will be considered a common carrier. However, when a State acquires a rail line described under § 1150.21 and contracts with an operator to provide service over the line, only the operator incurs a common carrier obligation. The operators of these lines are exempted from 49 U.S.C. 10901 and 10903 which are the statutory requirements governing the start-up and termination of operations. See 49 C.F.R. §§ 1150.21-1150.22 (1983), included as Exhibit C.²²

ORTA, which acquired the Line to to retain the corridor for future rail service never intended to operate the Line itself, but rather intended to contract operations to an ICC-licensed rail common carrier, if and when, rail services were determined to be necessary. In the interim, ORTA decided to explore interim use by leasing the corridor for trails.

²¹ ORTA initially proposed a purchase price at the appraised value of \$400,000.00, but Penn Central Central countered, seeking \$1.5 million. The parties subsequently negotiated/litigated the purchase price of USRA Line No. 714.

²² 49 C.F.R. §§ 1150.23-1150.24 (1983) established criteria for operators to seek a Modified Certificate of Public Convenience and Necessity and provided a 60-day "notice process" for said operators to discontinue service, without applying for discontinuance authority from the Board.

Because FRA provided 90% of the funds to acquire USRA Line No. 714, ORTA/ODOT had to get FRA approval to lease the rail lines for interim trail use - a hiking/biking trail.²³ Since 1997, ORDC (or its predecessor) has had long-term leases with Ashtabula County Metropolitan Parks District and Trumbull County Metropolitan Park Board to allow for interim trail use over the former USRA Line No. 714.

ARGUMENT

As noted previously, based on the inclusion of USRA Line No. 714 in the FSP, the light-density rail line was not transferred to Conrail and was eligible for subsidy and/or abandonment. Penn Central never consummated abandonment authority, and ORTA/ORDC did not do so either because Ohio's interest was always to preserve the corridor for future rail service. For all of the reasons herein, ORDC believes that USRA Line No. 714 remains subject to the Board's jurisdiction. Additionally, as explained herein and while consistent with the 4R Act, ORTA's railbanking of the USRA Line No. 714 pursuant to federal law predated both the passage of 98 P.L. 11 and the STB's establishment of its railbanking provisions (see 49 CFR 1152.29 – Prospective use of rights-of-way for interim trail use and railbanking). On this basis, the Board should find that USRA Line No. 714 has been railbanked pursuant to federal law. For these reasons, state law cause of actions such as Mr. Supplee's must fail because the remedies sought infringe on the exclusive jurisdiction of the Board.

I. While the FSP identified USRA Line No. 714 as Eligible for Abandonment, such Authority was Never Consummated

To confirm the jurisdictional status of the USRA Line No. 714 rail line, ORDC searched all available state records, STB and ICC microfilm records, and HeinOnline, and could find no conclusive evidence that Penn Central ever consummated abandonment authority per the consummation

²³ See Exhibit D - 1990 letter from FRA, Associate Administrator for Passenger and Freight Services confirming because the corridor was purchased by the State with LRSA funds to be retained for future rail service, any alternative interim use such as a biking/hiking trail would only be permissible if the governing agreement between the parties included a continuing requirement to maintain the corridor's availability for future rail service, and provide for certain indemnifications.

requirements for rail lines included in the FSP as discussed below. While a few documents reviewed have referred to USRA Line No. 714 as being abandoned (for example a document referencing the history of the USRA Line No. 714 corridor prior to trail use being established), other documents including a grant related to the acquisition of the USRA Line No. 714 specifically imposed requirements on ORDC to ensure that the rail corridor remained intact and available should a need for rail service arise in the future: the grant provided by FRA, which allowed ORTA to acquire USRA Line No. 714 mandated that ORTA/Ohio would have to pay back the monies provided should the corridor fail to be preserved for rail service. See Exhibit D.

Under the FSP, for rail lines not transferred to Conrail, rail service could either be discontinued or the rail line abandoned and permanently removed from the ICC's jurisdiction. See RailAmerica, Inc., and the Delaware Valley Railway Company, Inc., Petition to Set Subsidy Terms Under 45 U.S.C. 744(c) and 49 CFR Part 1155, 1998 STB Lexis 166 (STB served June 24, 1998) (explaining [u]nder the FSP, for rail lines not designated for transfer to Conrail, such rail lines could have been abandoned and service discontinued pursuant to section 304 of the 3R Act, codified at 45 U.S.C. 744, unless an offer to purchase the line was made under section 304(f) or a rail service continuation payment [subsidy] was offered under section 304(c)). See also Murray v. Massachusetts Dept. of Conservation and Recreation, 475 Mass. 99, 104, 55 N.E.3d 421 (2016) ("Murray") (rejecting an argument that rail lines not designated for transfer to Conrail in the FSP were automatically abandoned as a matter of law and explaining that the Supreme Court clarified that while railroads in reorganization subject to the 3R Act were *free to abandon service and dispose as they wish of any rail properties not designated for transfer under the FSP*, to do so railroads still had to follow established procedures for consummating discontinuance or abandonment authority). Although USRA authorization was not required, trustees of a railroad in reorganization desiring to discontinue rail service not designated for transfer under the FSP were required to give notice in writing, not sooner than thirty days following the effective date of the FSP, of intent to discontinue such rail service on a date certain that was not less than sixty days

after the date of such notice. ORDC has searched its files and there is no evidence that Penn Central ever gave the required written notice to discontinue operations. Moreover, as noted previously, USRA Line No. 714 was operated under a subsidy post-FSP.²⁴ Additionally, until 2008, ORDC was under an obligation to preserve the corridor for reactivation of rail service as a condition to the grant that paid 90% of the monies paid to Penn Central to acquire USRA Line No. 714.

Under § 304(b) of the 1973 Act, rail properties over which rail service had been discontinued under § 304(a) could not be abandoned sooner than 120 days after the effective date of such discontinuance, with limited exceptions.²⁵ After the passage of 120 days, the trustees could abandon such rail properties by giving thirty days written notice to those persons and entities identified in § 304(a)(C).²⁶ See 1973 Act § 304(b). As applicable to this case, § 304(c) of the 1973 Act states: “[n]o rail service may be discontinued and no rail properties may be abandoned pursuant to this section ... after [two] years from the effective date of the final system plan.” ORDC has been unable to find any evidence that Penn Central ever gave the requisite notice under § 304(b) for abandonment of operations.

Because the Line was previously approved for abandonment, the focus of the Board in this proceeding should be on whether the Line has been fully abandoned and thus is outside the Board’s jurisdiction,²⁷ or whether it remains merely authorized for abandonment and therefore still within the Board’s reach. A line that has been authorized for abandonment remains within the Board’s

²⁴ See FN 7.

²⁵ See Murray, at 103-104.

²⁶ Notice was required to be sent by certified mail to the ICC; to the chief executive officer, the transportation agencies, and the government of each political subdivision of each State in which such rail properties are located, as well as to each shipper who has used such rail service during the previous 12 months. ORDC searched its records (including ORTA records) and ICC microfilm and could not locate any evidence that notice was ever given for discontinuance or abandonment of USRA Line No. 714 operations.

²⁷ It is well established that once an entity exercises (through active consummation) such abandonment authority, the rail line is removed from the national transportation system, in which case the line ceases to be within the Board’s jurisdiction. See Hayfield N. R.R. v. Chi. & N. W. Transp. Co., 467 U.S. 622, 633 (1984); Preseault v. ICC, 494 U.S. 1, 5 n.3 (1990); Becker v. STB, 132 F.3d 60, 62-63 (D.C. Cir. 1997).

jurisdiction because abandonment authority is permissive and not self-executing. See Beaufort R.R. – Modified Rail Certificate, FD 34943 (STB served July 21, 2009); Norfolk & W. Ry. – Aban. Exemption—Between Kokomo & Rochester In Howard, Miami, & Fulton Cntys., Ind., AB 290 (Sub-No. 168X) (STB served May 4, 2005). If an entity chooses not to exercise its permissive abandonment authority, the line remains subject to the Board’s jurisdiction.

In Maryland Transit Administration – Abandonment Exemption – Inc Somerset County, MD, AB-590 (Sub-No. 1X) (STB served May 13, 2015) (“MTA”), the Board examined whether another public entity similar to ORDC acquired a rail line for which abandonment authority was needed to permanently cease operations.²⁸ In that case, which is inapposite to the facts present here, the Board after evaluating the facts and circumstances²⁹ determined the rail line had been abandoned and was outside the Board’s jurisdiction.³⁰ The Board found that the Line owner’s actions, viewed in their entirety, were consistent with abandonment; and, there were numerous indications demonstrating that the rail line was no longer a rail line within the national rail system. Id.

While admittedly USRA Line No. 714’s physical assets were salvaged, since 1978 and the passage of State Rail Plan, RailOhio, ORDC/ORTA’s expressed intent and physical actions with respect to USRA Line No. 714 has been in furtherance of several critical objectives of acquiring line segments designated for abandonment, but considered essential or viable if acquired and rail service continued and taking all measures possible to preserve the Right-of-Way (“ROW”) of essential lines

²⁸ The involved rail line was similarly authorized for abandonment but MTA found no evidence that abandonment had ever been consummated.

²⁹ When considering whether abandonment authority was consummated on rail lines prior to the consummation requirement being imposed in 1997, the Board performs a case-by-case evaluation of all the facts and circumstances to determine the line owner’s intent. See Beaufort R.R. – Modified Rail Certificate, FD 34943 (STB served Mar. 19, 2008). The Board considers the owners’ actions in their entirety - both stated intentions and physical acts taken that might carry out that intent, including but not limited to the cessation of operations, cancellation of tariffs, the length of time there had been no rail service, efforts taken to maintain the line, salvage of the track and track materials, and relinquishment of control over the right of way. Id. See Becker, 132 F.3d at 62; Birt v. STB, 90 F.3d 580 (1996); Black v. ICC, 762 F.2d 106, 112-113 (D.C. Cir. 1985).

³⁰ See MTA.

which are designated for abandonment, particularly when it would be difficult to reestablish such ROW if abandoned. For 40 years, ORDC preserved the corridor to support a future need for rail service, while allowing interim non-conflicting alternative public use (trails) expressly conditioned on terminating if and when rail service becomes necessary in the future. As explained in the next section, ORDC/ORTA began efforts to railbank the rail line after the passage of the 4R Act, and these efforts predated both the passage of 98 P.L. 11 and the establishment of the Board's Railbanking Regulations.

II. The Railbanking of USRA Line No. 714 Pursuant to Federal Law Predated Both the Passage of 98 P.L. 11 and Establishment of the Board's Railbanking Regulations

As explained above, the National Trails System Act Amendments of 1981, 98 P.L. 11, was signed into law on March 28, 1983. In part, that public law instructed the ICC to set up a process to formalize future efforts to establish a railbanked line. However the administrative process takes time, and the National Trails System Act Amendments of 1981 recognized exactly that. It recognized an existing national policy to preserve established railroad rights-of-way for future reactivation. It recognized that there was interim use of such right-of-ways that was consistent with the then-existing National Trails Systems Act and that such interim use was often subject to the restoration of that line for future railroad purposes. In order to not lose any such existing railroad rights-of-way, the legislation stated, in unequivocal terms, that "such interim use shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of such rights-of-way for railroad purposes."³¹ It then directed the ICC to develop terms and conditions for such a transfer or conveyance, but in any case, it provided that the ICC should "not permit abandonment or discontinuance inconsistent or disruptive of such use." Id.

No abandonment had been filed and consummated for USRA Line No. 714 at the time of the passage of the National Trails System Act Amendments of 1983. Instead, by the time it was signed

³¹ Section 208, amending Section 8 of the National Trails System Act.

into law on March 28, 1983, ORTA, ORDC's predecessor, had actual possession of the line, with the expressed purpose of providing for interim trail use while preserving the right-of-way for potential restoration or reconstruction for railroad purposes. The purpose, intent, and effect of ORTA's actions were so clear that the FRA cleared the project for Federal subsidy, and, further, actually began funding the acquisition. At the time that the National Trails System Act Amendments of 1983 was signed into law in March of 1983, then, USRA Line No. 714 was railbanked. No abandonment application has been filed since that time, and certainly, no abandonment has been authorized either by the ICC or the STB as its successor. Therefore, USRA Line No. 714 remains a line of rail subject to the jurisdiction of the Board, but in a railbanked status.

Not all aspects of the Board's Railbanking Regulations passed subsequent to the initial railbanking of USRA Line No. 714, have been fully complied with. ORDC seeks the Board's guidance on how to resolve that ministerial oversight.³² But Congress, in the National Trails Systems Act Amendments of 1983, did not give the ICC, or its successor, the option to revoke an already-existing railbanked status.

III. ICCTA Preempts Adverse Possession and Trespass Claims Against Board Jurisdictional Trackage Including Rail Banked Lines.

Mr. Supplee in Charles Supplee v. Ohio Rail Transportation Authority, Et. Al. seeks a ruling under state law that he has established ownership pursuant to the state law based on the doctrine of adverse possession and is entitled to be deemed owner of the involved parcels.³³ Such a remedy under

³² ORDC is fully willing to formalize its railbanking, which occurred in 1983, three years before the ICC passed Railbanking Regulations if the Board believes it necessary to do so, by issuing a Certificate of Interim Trails Use. ORDC/ORTA/the State of Ohio has for decades expressed its intent and has taken actions to preserve the corridor for future reactivation of rail service, and has every intent to continue to do so.

³³ Mr. Supplee also alleges as the lawful owner the state of Ohio is trespassing and interfering with his quiet enjoyment of the property.

state law is preempted by the provisions of the ICC Termination Act (“ICCTA”), 49 U.S.C. § 10501(b).³⁴ In addition to declaring that the USRA Line No. 714 remains jurisdictional track, ORDC seeks a declaratory order because the remedy Mr. Supplee seeks if decided at the state court level without the Board’s guidance on preemption could adversely interfere with ORDC’s ability to reactivate rail service, if and when, it becomes necessary in the future.

1. ICCTA Preempts State Law Remedies That Directly or Indirectly Have The Effect of Regulating Rail Transportation.

The threshold question in determining whether preemption applies to a state statutory provision is whether the state law or a remedy sought conflicts facially or as applied with an act of Congress. “[T]he Constitution’s Supremacy Clause permits Congress to expressly displace state or local law in any given field.” Norfolk S. Ry. Co. v. City of Alexandria, 608 F.3d 150, 156 (4th Cir. 2010). The express intent of Congress in enacting ICCTA was to preempt remedies under state law that directly or indirectly regulate rail transportation pursuant to the United States Constitution’s Supremacy Clause. Section 10501(b) of ICCTA provides:

(b) The jurisdiction of the Board over—

(1) transportation by rail carriers, and the remedies provided in this part with respect to rates, classifications, rules (including car service, interchange, and other operating rules), practices, routes, services, and facilities of such carriers; and

(2) the construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one state,

is exclusive. Except as otherwise provided in this part, the remedies provided under this part with respect to regulation of rail transportation are exclusive and preempt the remedies provided under Federal or State law.

See 49 U.S.C. § 10501(b).

³⁴ A copy of Mr. Supplee’s complaint is attached as Exhibit E. A copy of Judge Carl A. Aveni II’s decision is attached as Exhibit F.

It is well-established that 49 U.S.C. § 10501(b) preempts state and local regulation of rail transportation. See Fayus Enterprises v. BNSF Ry. Co., 602 F.3d 444, 449-50 (3d Cir.), cert. denied, 131 S. Ct. 822 (2010); Friberg v. Kansas City S. Ry. Co., 267 F.3d 439, 443 (5th Cir. 2001) (stating “the regulation of railroad operations has long been traditionally a Federal endeavor, to better establish uniformity in such operations and expediency in commerce, and it appears manifest that Congress intended ICCTA to further that exclusively federal effort, at least in the economic realm.”) (Footnote Omitted). As noted by multiple United States Courts of Appeals, “[i]t is difficult to imagine a broader statement of Congress’s intent to preempt state regulatory authority over railroad operations.” See Green Mountain R.R. Corp. v. Vermont, 404 F.3d 638, 645 (2d Cir. 2005); see also City of Auburn v. United States, 154 F.3d 1025, 1030 (9th Cir. 1998); quoting CSX Transp., Inc. v. Ga. Pub. Serv. Comm’n, 944 F. Supp. 1573, 1581 (N.D. Ga. 1996).

Courts and the Board have consistently interpreted ICCTA to “preempt[] all state laws that may reasonably be said to have the effect of managing or governing rail transportation.” See New York Susquehanna & W. Ry. Copr. v. Jackson, 500 F.3d 238, 252 (quotations omitted); see also Elam v. Kansas City S. Ry. Co., 635 F.3d 796, 805 (5th Cir. 2011); PCS Phosphate Co., Inc. v. Norfolk S. Corp., 559 F.3d 212, 218 (4th Cir. 2009); Fla. E. Coast Ry. Co. v. City of W. Palm Beach, 266 F.3d 1324, 1331 (11th Cir. 2001).; City of Milwaukee – Petition for Declaratory Order, FD 35625, slip op. at 3-4 (STB served March 20, 2023). Likewise, “[t]o the extent remedies are provided under laws that have the effect of regulating [i.e., managing or governing] rail transportation,’ they too are expressly preempted.” Elam, 635 F.3d at 805 (alterations in original); quoting Franks Inv. Co. LLC v. Union Pac. R.R. Co., 593 F.3d 404, 410 (5th Cir. 2010). The Board made it clear that, regardless of the merits of the underlying state law claims, any application of state law or any remedy (which would include establishing ownership by adverse possession) sought in connection with a state law “that infringes

upon [the Board's] exclusive jurisdiction to regulate rail transportation is preempted by section 49 U.S.C. § 10501(b).").³⁵

As the Board stated in City of Milwaukee, "[i]t is well settled that states cannot take an action that would have the effect of foreclosing or unduly restricting a railroad's ability to conduct any part of its operations or otherwise unreasonably burden interstate commerce." City of Milwaukee, slip op. at 4.

In applying ICCTA preemption, adverse possession and trespass claims are either facially preempted or preempted as applied, or both. Courts and the Board have recognized "two broad categories of state and local actions to be preempted regardless of the context or rationale for the action," thus constituting a "*per se* unreasonable interference with interstate commerce":

(1) states and municipalities are prohibited from imposing requirements that, "by [their] nature, could be used to deny a railroad the ability to conduct some part of its operations or to proceed with activities that the Board has authorized;" and

(2) "there can be no state or local regulation of matters directly regulated by the [STB] – such as the construction, operation, and abandonment of rail lines; railroad mergers, line acquisitions, and other forms of consolidation; and railroad rates and services."

State or local actions not preempted on their face under these categories may be preempted "as applied," which "requires a factual assessment of whether [the state or local] action would have the effect of preventing or unreasonably interfering with railroad transportation." Id.; see also Union Pac. R.R. v. Chi. Transit Auth., 647 F.3d 675, 679 (7th Cir. 2011) (demonstrating that claims "may be preempted as applied" when the record shows that the particular action or remedy sought would have the effect of preventing or unreasonably interfering with railroad transportation).

2. Adverse Possession and Eviction Claims Against Rail Lines (Including Railbanked Lines) Are Preempted Because Such A Remedy Under State Law Could Interfere with Current and/or Future Reactivation and Rail Use.

³⁵ See Richard D. Robey, Juniata Valley Railroad Company, et. al. – Petition for Declaratory Order – Allen J. Levin and Lewistown Central Railroad Company ("Robey"), FD 33420, slip op. at 3 (STB served June 17, 1998).

State law actions that seek remedies against railroads and rail lines that would prevent or unreasonably interfere with current or future railroad transportation are preempted. In 2015, the Board in Pinelawn Cemetery³⁶ rejected Pinelawn Cemetery’s efforts to evict New York and Atlantic Railway Company and The Long Island Rail Road Company from 10906 rail lines (a portion of a rail yard) under state law. The Board held for regulated rail lines and tracks, even if used by a non-carrier lessee, such facilities remain subject to the Board’s jurisdiction and as such even if a state court were to determine an underlying lease had terminated, plaintiffs could not force the railroads (or lessees) off the property unless a ruling from the Board had concluded that the property is not needed as part of the national rail system. Id. at 2.

A year before Pinelawn Cemetery was decided, the Board in 14500 Ltd. addressed another Ohio case similar to Mr. Supplee’s adverse possession’s cause of action. In that case, similar to the October 4, 2024 decision by Judge Carl A. Aveni II,³⁷ the referring court concluded that the petitioner’s state common law adverse possession claims conflicted with federal law. The Board, in denying the petition for the declaratory order in that case, agreed that the petitioner’s claims could not proceed either before the Board or in another forum.³⁸ In that case, 14500, claimed for more than 21 years it had openly encroached upon a .44-acre parcel of a CSXT rail yard and that the use of CSXT’s property was open, hostile, and continuous, as demonstrated by the fact that one of 14500’s predecessors had erected a fence around the CSXT property. Id. at 1. In 14500 Ltd., the Board, while declining to issue a protective order, stated:

We agree with the District Court’s conclusion that 14500’s adverse possession claim is preempted by § 10501(b). In the March Decision, the District Court examined the

³⁶ Pinelawn Cemetery – Petition for Declaratory Order, FD 35468 (STB Served April 21, 2015) (“Pinelawn Cemetery”).

³⁷ See FN 3.

³⁸ See 14500 Ltd.

evidence offered by both parties, including a statement by CSXT’s Director of Network Planning. That statement described the importance of the Collinwood Rail Yard to CSXT’s network and the need to retain the land to accommodate projected traffic growth. The District Court concluded that CSXT needs the contested property to accommodate future rail transportation needs due to the potential for increased traffic at the Collinwood Rail Yard. The District Court discussed cases involving state law adverse possession claims against railroad property and held that the adverse possession claim was preempted by § 10501(b) because “the taking of [the parcel] would **affect railroad transportation in the future.**” Given the District Court’s finding that CSXT needs the property to accommodate growth and Board precedent concluding that adverse possession claims are preempted where they would affect future rail transportation, the District Court properly held that the adverse possession claim is preempted by § 10501(b). See Jie Ao & Xin Zhou – Pet. for Declaratory Order, FD 35539, slip op. at 4-7 (STB served June 6, 2012). (“AO-Zhou”). Id. at 4. (Emphasis Supplied).³⁹

The Board further explained that:

while a state or federal court is the proper forum to decide state common law property claims, in this case, 14500’s claims are preempted by 49 U.S.C. § 10501(b), and federal law does not provide 14500 with an alternative remedy that would allow it to possess CSXT’s property. This result is consistent with “the strong federal policy in favor of retaining rail property in the national rail network, where possible.” AO-Zhou, slip op. at

³⁹ The Board also agreed with the District Court’s conclusion that the exclusive prescriptive easement claim was preempted by § 10501(b) “because it seeks to deprive the railroad of its property” and the deprivation would affect rail transportation. Id. at 5.

7; see also 49 U.S.C. §§ 10904, 10907 and 16 U.S.C. § 1247(d). Therefore, the District Court should dismiss 14500’s claims. Id. at 6.⁴⁰

In AO-Zhou the Board likewise confirmed that state law adverse possession claims against rail-banked property were likewise preempted because such a seizure of railroad property could interfere with possible future reactivation and rail use. In that case, two landowners, Jie Ao and Xin Zhou, asked the Board to rule that federal preemption does not apply in a dispute over the ownership and use of certain property in King County, Wash. that was currently railbanked. See AO-Zhou at 1. The Board held:

Petitioners’ state law adverse possession claim is federally preempted, regardless of whether this case is analyzed as “categorical” preemption (preemption that occurs when a state or local regulation is preempted on its face), or as “as applied” preemption (based on the degree of interference that a particular action would have on railroad transportation). As discussed below, Petitioners here seek to gain exclusive control of a 35-foot by 135-foot strip of railroad ROW in the national rail network, over the objections of the entities that are maintaining the ROW, that hold the right to reactivate freight rail service over it, and that assert that continued access to the entire ROW is required for rail-related activities. Based on the record here, the proposed exercise of the state’s adverse possession laws to this property would unreasonably interfere with railroad transportation. Id. at 2.

⁴⁰ The Board’s decision in 14500 Ltd. is fully consistent with other agency precedent. See Fillmore & W. Freight Serv., LLC—Emergency Pet. for Declaratory Order, FD 35813, slip op. at 3 (STB served Mar. 12, 2015) (holding [i]t is well settled that, without abandonment or discontinuance authority from the Board, the enforcement of a state or local order that would prevent operation over a railroad line is precluded; see also Ingredon Incorporated – Pet. for Declaratory Order, FD 36014 (STB Served January 31, 2018) & Adrian & Blissfield Railroad Co. 00 Pet. for Declaratory Order, FD 36148 (STB Served Jan. 31, 2018) (holding Section 10501(b) thus shields railroad property and operations that are subject to the Board’s jurisdiction from state or local laws or regulations that would prevent or unreasonably interfere with those operations)).

Specifically, the petitioner's state court adverse possession action represents regulation that has the effect of preventing or unreasonably interfering with railroad transportation, and as such it is preempted. Id. at 6. The Board should likewise find that ORDC has demonstrated that it railbanked the entire corridor; that for decades (dating back to 1978) ORDC/ORTA's position and actions have consistently indicated an intent to maintain the corridor for future rail use out of recognition of how difficult it would be to reestablish the ROW if it were to be abandoned or severed. As noted previously, the leases ORDC entered into with Ashtabula County Metropolitan Parks District and Trumbull County Metropolitan Park Board were expressly conditioned on allowing interim trail use to the benefit of the citizens of Ohio, while ensuring that the corridor remains intact for future reactivation of rail service if and when it becomes necessary in the future.

An adverse possession decision in favor of Mr. Supplee by the Common Pleas of Franklin County, Ohio Civil Division would involve the state court granting a remedy (transfer of ownership under state law) that would foreclose ORDC's ability to restore rail service over the USRA Line No. 714 in the future, would prevent ORDC from proceeding with activities expressly authorized by the Board, would encroach upon matters directly regulated by the Board, and would otherwise have the effect of preventing or unreasonably interfering with rail transportation. See Union Pac., 647 F.3d at 679; City of Milwaukee, slip op. at 4; see also CSX Transp., Inc.—Pet. for Declaratory Order, FD 34662, slip op. at 3-4 (STB served May 3, 2005).

Succinctly put, a Declaratory Order (or at a minimum Board guidance interpreting preemption) is necessary because the remedy sought by Mr. Supplee in the Common Pleas of Franklin County, Ohio Civil Division, if successful on appeal, would interfere with ORDC's ability to conduct rail service in the future over USRA Line No. 714, and would infringe upon matters directly regulated by the Board. Mr. Essentially, Mr. Supplee seeks to transfer responsibility for managing and governing rail transportation from the Board to the courts of the Ohio, contrary to 49 U.S.C §10501(b), and irrespective of the impact such changes would have on rail operations, contrary to the Supremacy

Clause. As the Board has previously held, adverse possession claims brought at state law are either facially preempted or preempted as applied, or both under 49 U.S.C. § 10501(b).

CONCLUSION

For the reasons explained herein, ORDC seeks a declaratory order that USRA Line No. 714 remains STB jurisdictional 10901 trackage, and the state law claims asserted by Charles Supplee, a private citizen currently in the Court of Common Pleas, Franklin County, Ohio, of obtaining title to portions of the rail line by adverse possession are preempted. ORDC further seeks clarification that lines railbanked pursuant to federal law prior to the ICC adopting Railbanking Regulations are grandfathered as railbanked pursuant to the National Trails System Act, and there was no need to seek authority to effect railbanking in 1986 upon the ICC passing Railbanking Regulations several years after the line was railbanked by the State of Ohio.

Respectfully submitted,

/s/ **Crystal M. Zorbaugh**

**DAVE YOST
ATTORNEY GENERAL OF OHIO**

**Crystal M. Zorbaugh
John V. Edwards
Lauren L. Edwards
MULLINS LAW GROUP PLLC
2001 L St., N.W.
Suite 720
Washington, D.C. 20036
Tel.: (202) 663-7831**

December 3, 2024

**Special Counsel for the Ohio Rail Development
Commission**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

EXHIBIT A

FINAL SYSTEM PLAN - USRA LINE NO. 714

This portion of the Thurston Secondary Track, formerly part of the New York Central RR, extends from Milepost 133.2 to Milepost 133.5 at *Heath, Ohio*, a distance of *0.3 mile*, in Licking County, Ohio. A continuation of this line extends southward to Hebron from Heath and northward to Edison (see Line No. 488).

Public Comments on Preliminary System Plan

No specific information concerning this line was provided at the hearings conducted by the Rail Services Planning Office as reflected in their report entitled "Evaluation of U.S. Railway Association's Preliminary System Plan."

Information for Line-Transfer Decision

This line would require upgrading to meet the requirements of the Federal Railroad Administration's minimum safety standards (Class I track, which has a maximum safe operating speed of 10 m.p.h.). Based on available information, this upgrading would include the replacement of a total of 175 crossties (an average of 350 crossties per mile).

This line, which was recommended for inclusion in the Preliminary System Plan, was redefined as most of the line is not in use. The only shipper on the original line segment, Dow Chemical, will continue to receive service.

Disposition

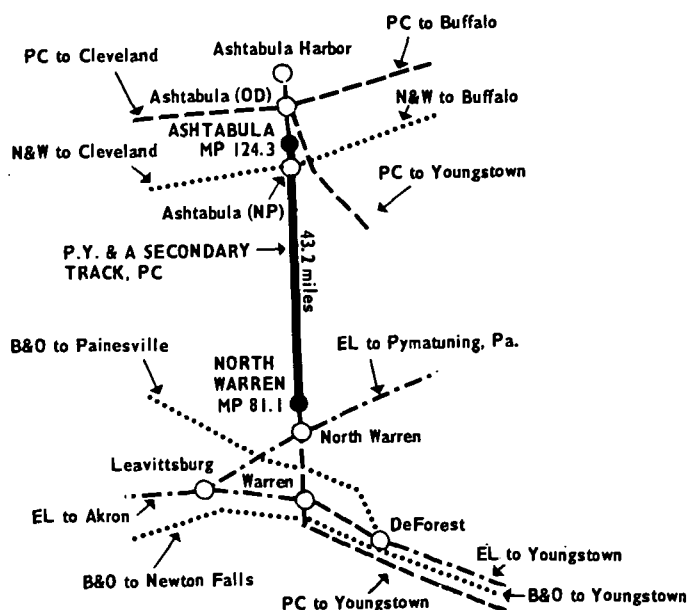
This portion of the Thurston Secondary Track is *not* designated for transfer to Consolidated Rail Corp. and is available for subsidy pursuant to section 304 of the Act. Public officials have recommended that certain rail rights-of-way be used for other public purposes if rail service is discontinued. For line-specific recommendations, see section C of this appendix.

P.Y. & A. SECONDARY TRACK

USRA Line No. 714

Penn Central

The P.Y. & A. Secondary Track, formerly part of the Pennsylvania RR, extends from *North Warren* (Milepost 81.1) to *Ashtabula, Ohio* (Milepost 124.3), a distance of *43.2 miles*, in Ashtabula and Warren Counties, Ohio. At Ashtabula it meets the Buffalo-Chicago lines of the PC and N&W, and the PC Youngstown Branch. At Warren it connects with lines diverging. Before the PC merger, it carried coal and ore traffic to and from Ashtabula Harbor; the traffic is now moving on the Youngstown Branch.



Traffic and Operating Information

Stations (with their 1973 carloads) served by this line:

Champion	27
Bristolville	53
Lockwood	22
East Orwell	13
New Lyme	0
Rome	22
Rock Creek	90
Austinburg	97
Ashtabula ¹	111

Total carloads generated by the line	435
Average carloads per week	8.4
Average carloads per mile	10.1
Average carloads per train	4.2
1973 operating information:	
Number of round trips per year	104
Estimated time per round trip (hours)	11.0
Locomotive horsepower	3,500
Train crew size	4

¹ Includes only traffic on segment.

Public Comments on Preliminary System Plan

Carter Lumber Co. which generates 50 carloads per year, recommended that since 300 of the 433 carloads were generated between Ashtabula and Rock Creek, service along this portion of the line should be reduced to a once-a-week basis which might make the line viable. Lack of adequate unloading docks at the Ashtabula Team Track would probably result in its facility closure. This would result in the loss of Carter's \$130,000 investment, eight to nine jobs, \$85,000 in personal income, and \$90,000 in tax revenues. If rail service remains, Carter projects increasing its rail use to 65-80 cars per year.

Inland Container Corp. projects its rail use will increase to 896 carloads in 1976. Because Inland is located

within the Ashtabula switching limits, it desires to know whether it will continue to have rail service if the line is abandoned.

The Western Reserve Economic Development Agency recommended that 13,000 feet of this line (from Milepost 81.1 to Milepost 83.5) be included in Con-Rail as 3,000 acres located on the northern corporate limits of Warren are to be developed as an industrial park. Rail service discontinuance would restrict the park's development and reduce the marketability of industrial sites. It recommends putting the remaining section of track in a rail bank in order to preserve it as one of the options available in solving the transportation disadvantage of the basic steel industry which comprises the primary element of the Mahoning Valley economy. This segment of track is used as a clearance route.

Information for Line-Transfer Decision

Revenue received by PC.....	\$113,379
Average revenue per carload.....	\$261
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	353,068
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line....	77,069
Total variable (avoidable) cost.....	430,137
Net contribution (loss): total.....	(316,758)
Average per carload.....	(728)

This line would require no upgrading to meet the requirements of the Federal Railroad Administration's minimum safety standards (Class I track, which has a maximum safe operating speed of 10 m.p.h.).

Inland Container Corp. is not served by this line. It will continue to receive service.

This line will *not* be required for a clearance route; adequate alternative clearance routes exist.

Service to this line generated a loss of \$316,758 in 1973. Recovery of this loss would require approximately a ninefold increase in traffic or a 279-percent rate increase. An analysis of the portion of the line from Ashtabula to Rock Creek also failed to meet the viability criteria.

Disposition

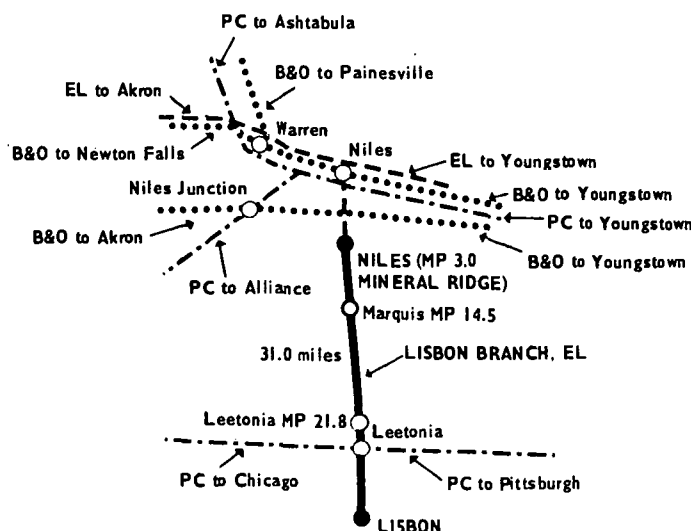
The P.Y. & A. Secondary Track is *not* designated for transfer to Consolidated Rail Corp. and is available for subsidy pursuant to section 304 of the Act. Public officials have recommended that certain rail rights-of-way be used for other public purposes if rail service

is discontinued. For line-specific recommendations, see section C of this appendix.

LISBON BRANCH

USRA Line No. 1258

Erie Lackawanna



The Lisbon Branch extends from *Niles* (Milepost 3.0) to *Lisbon, Ohio* (Milepost 34.0), a distance of *31.0 miles*, in Mahoning and Columbiana Counties, Ohio. This line connects with the EL Jersey City-Chicago line, the B&O and the PC at Niles, and with the PC Pittsburgh-Chicago line at Leetonia.

Traffic and Operating Information

Stations (with their 1973 carloads) served by this line:

Mineral Ridge.....	86
West Austintown.....	897
Canfield	345
Marquis	0
Greenford.....	59
Washingtonville.....	11
Leetonia.....	14
Lisbon	3,087

Total carloads generated by the line.....	4,479
Average carloads per week.....	86.1
Average carloads per mile.....	141.7
Average carloads per train.....	43.1
1973 operating information:	
Number of round trips per year.....	104
Estimated time per round trip (hours).....	20.0
Locomotive horsepower.....	1,600
Train crew size.....	4

Public Comment on Preliminary System Plan

The trustees of the EL oppose the abandonment of this branch because carloads generated during 1974

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

Exhibit B

“RAIL OHIO” – THE RAIL PLAN FOR OHIO

"RAILOHIO"

THE RAIL PLAN FOR OHIO

1978-79

THE OHIO RAIL TRANSPORTATION AUTHORITY
COLUMBUS, OHIO

JAMES A. RHODES, GOVERNOR

DR. NAT SIMONS, JR., EXECUTIVE DIRECTOR

THE OHIO RAIL TRANSPORTATION
AUTHORITY

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2709
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034X
1978-79

PAUL T. ZELLERS
CHAIRMAN

THOMAS R. PULSIFER
SECRETARY

THEODORE J. KAUFER,
MEMBER

DAVID L. WEIR, DIRECTOR
OHIO DEPARTMENT OF TRANSPORTATION

ANTHONY O. CALABRESE,
STATE SENATOR
OHIO DISTRICT 22

ARTHUR R. WILKOWSKI
STATE REPRESENTATIVE
OHIO DISTRICT 46

DR. NAT SIMONS, JR.
EXECUTIVE DIRECTOR

C E R T I F I C A T E

I, Nat Simons, Jr., do hereby certify that the Ohio Rail Transportation Authority of which I am the Executive Director, is designated by Amended House Bill 64, effective October 10, 1975, as the Agency responsible for developing the "Ohio Rail Plan" to satisfy the requirements under Title IV, Section 402 (c) (2), of the Regional Rail Reorganization Act of 1973, as Amended, submitting this report to the Federal Railroad Administration and making supplemental submissions necessary to secure rail plan approval.

8-1-78

DATE

Nat Simons, Jr.
NAT SIMONS, JR., EXECUTIVE DIRECTOR

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Summary

This State Rail Plan, "RailOhio" is Ohio's response to Section 5 of the "Department of Transportation Act" as amended by Section 803 of the "Railroad Revitalization and Regulatory Reform Act of 1976" (4R Act). It presents the rail planning activities that the Ohio Rail Transportation Authority (the Authority) is currently involved in as a prerequisite to the encumbrance of the Federal funds needed to implement programs.

In 1975, Section 4981.03, Ohio Revised Code, designated the Authority as the Ohio agency responsible for establishing the state rail plan for the development, administration, and operation of rail service throughout the State. Since 1975 the State of Ohio has produced three rail plans that were approved by the Federal Railroad Administration under the regulations of the "Regional Rail Reorganization Act of 1973". This is the first plan being submitted under the new 4R Act regulations.

Chapter I, The Rail Planning Framework, presents the basic goals and objectives of the Agency as well as the basic organization and methods of coordinating with other government bodies and the general public.

Chapter II, Rail Passenger Planning, describes the present and proposed rail passenger transportation facilities. It includes a status report on Amtrak service in Ohio as well as a summary of the proposed Ohio Rail Transportation Authority "Ohio High Speed Intercity Rail Passenger Plan, (Phase I)".

Chapter III, Rail Freight Planning explains the Federal and state freight programs that the Authority is currently implementing. It includes a description of new mainline projects as well as the branch line pre-abandonment, subsidy and acquisition programs.

Appendices I, II and III provide a detailed analyses of each line in Ohio threatened with abandonment. Appendix IV provides detailed analyses of lines in the subsidy program. Appendix V contains analyses of abandoned lines on which shippers have expressed interest in entering the subsidy program. Appendix VI provides a description of lines abandoned in the last year as well as a list of lines abandoned since the United States Railway Association Report, The Final System Plan.

PLANNING ACTIVITIES

In 1975, The Ohio General Assembly amended Substitute House Bill Number 64 which was then signed into law thereby establishing in Section 4981.01 et. seq. (ORC), the Ohio Rail Transportation Authority, its duties and responsibilities. The Authority was then, as it is today, the designated state agency responsible for rail planning.

The Ohio Rail Transportation Authority has continually met the requirements of the appropriate Federal and State laws throughout the tenure of its rail planning activities. The most recent State Rail Plan that has been approved was the 1977 State Rail Plan, "RailOhio." This was the second update of the original "Phase II Ohio Branch Line Plan" submitted in compliance with the "Regional Rail Reorganization Act of 1973," as Amended (3R Act).

This RailOhio report is not another update but a new plan based on the new regulations of the "Railroad Revitalization and Regulatory Reform Act of 1976" (4R Act). The plan contains a detailed accounting of the Authority's continued efforts with the 3R programs as well as the expanded planning activities.

The purpose of the State Rail Plan is to provide a detailed description of the programs, events, and analytical methodologies the agency utilizes throughout the year. The principal activities described in the 1976 and 1977 rail plans were the Rail Service Continuation Assistance Program (the Subsidy Program) and the Acquisition Program.

The Subsidy Program originated with the 3R Act and was extended by the 4R Act until June 30, 1981. These Acts directed the designated State agencies to determine which of the lines facing impending abandonment could be subsidized to cover deficits incurred in operation. (See Figure 1) The Federal government presently funds 80% of the subsidy cost. On July 1, 1979, this figure will decline to 70% unless alternate pending federal legislation is approved. The rest of the money must be generated by state or local sources. Article VIII Section 4 of the Ohio Constitution prohibits the state from lending its aid and credit to private enterprise and thus from paying the non-Federal share of subsidy thereby requiring the shippers to pay this cost.

Another part of the Subsidy Program provides funding for the accelerated maintenance and rehabilitation of track on lines under subsidy. The Federal government participates at the same percentage for the accelerated maintenance and rehabilitation as for the operating subsidy.

The Acquisition Program also originated with the 3R Act and was extended by the 4R Act until June 30, 1981. The Federal government provides funding to purchase track and rail rights-of-way that have been abandoned. This program allows rail lines to be preserved for future rail access to fossil fuel reserves, agricultural, and other areas that are likely to need rail service at

Figure 1



ORTA
 THE OHIO RAIL TRANSPORTATION
 30 EAST BROAD
 COLUMBUS, OHIO 4326
 (614) 466-588

some future date. It also enables lines to be purchased to maintain or initiate rail use.

In addition to these freight activities, past Ohio State Rail Plans contained some passenger planning. This consisted only of noting changes in Amtrak's service in Ohio.

This RailOhio Report, while continuing to document progress in the Subsidy and Acquisition Programs, explains new programs concerning pre-abandonment planning, mainline projects, locally controlled projects, and extensive passenger planning.

The emphasis of the Ohio Rail programs is intended to shift with the 1978-1979 Rail Plan to both aiding lines after abandonment and to working to prevent abandonment. The 4R regulations require the designated state agency to compile data from railroads on any lines that the railroads determined could be abandoned in the near future. The Authority uses this information as a base for its pre-abandonment program. The Authority will coordinate its programs and activities with shippers, the railroads and local planning agencies to generate corrective action alternatives that can be implemented with existing shipper and railroad resources to prevent abandonment.

There are four large railroad operators in Ohio; the Chessie System, Conrail, the Norfolk and Western (N&W) and the Detroit, Toledo and Ironton (DT&I), Ohio Rail (ORTA) monitors the major functions of these lines to the extent permitted by time and available funds. The significant changes in major rail activities are: (1) the general abandonment programs of the large operators; and (2) the purchase of the DT&I by two other railroads, a definite merger proposal. One merger proposal was a joint offer from the Chessie and Norfolk and Western and the other was from the Grand Trunk Western. The Authority will continue to assess the implications of either sale, and the impact of the mergers that could result from the sale.

In late 1977 the Authority began its involvement in a locally controlled Youngstown track relocation project. This Report defines the Eastgate Development and Transportation Agency (EDATA) project with the Authority to perform a study on the engineering and environmental circumstances involved in rerouting a small portion of Conrail mainline track in downtown Youngstown and the impact of the rerouting upon economic revitalization of the area.

In rail passenger planning, the Authority has continued its monitoring of Amtrak and has generated its own rail passenger plan for Ohio. RailOhio contains a summary of the "Ohio High Speed Intercity Rail Passenger Plan (Phase I)" released in December, 1977. The plan is a preliminary study of the feasibility of linking major cities in Ohio with passenger trains having maximum traveling speeds ranging up to 150 MPH.

Future updates or amendments to this State Rail Plan will report the progress of the present programs. In addition, the planning activities of the ORTA program will expand as the Agency functions grow. These activities will be added to future RailOhio Reports. Thus RailOhio will be revised as the Authority becomes involved in new local rail programs and in new Federal programs.

CHAPTER I: THE RAIL PLANNING FRAMEWORK

- A) GOALS AND OBJECTIVES
- B) AGENCY ORGANIZATION
- C) PLANNING COORDINATION
- D) PUBLIC PARTICIPATION

A) GOALS AND OBJECTIVES

One of the first tasks the Ohio Rail Transportation Authority faced after its creation was the generation of goals and objectives to guide the new agency. The set of goals the Authority Board approved are listed below.

These rail transportation goals and objectives were selected to enhance the well being of the people of Ohio and the nation by most efficiently using the rail transportation resources of Ohio. The policies and programs of the Authority, have, and will continue to be shaped to conform with these goals and objectives.

1. Ohio will support a plan that maximizes the overall benefit to the following affected areas while achieving the objective of reducing the non-essential line mileage: the rail shippers; the solvent rail carriers; the economy of the State of Ohio and nation; and the federal rail agencies.
2. Ohio will strive to insure continued rail freight service by assuring that all essential lines in Ohio either continue to be operated or are made eligible for subsidy by being designated in the Ohio Plan.
3. Ohio supports proposals (Operational, financial, etc.) that will retain high volume - low revenue, or low volume - high revenue freight. Ohio recognizes that certain types of transportation users need rail service and the state should strive to preserve service to those users on light density lines.
4. Ohio will evaluate its policies, programs and attitudes towards railroad operations to promote the future viability of rail lines operating in this State.
5. Ohio will support and aid in the acquisition of line segments designated for abandonment, but considered essential or viable if acquired and rail service continued.
6. Ohio recognizes the critical energy problem of the state and nation and will in its plans insure that rail branch lines are not lost which serve fossil fuel areas in the state which are either active or have the potential to become active.
7. Ohio is concerned with rail passenger service, supports the improvements in rail passenger service and will work to initiate, continue or expand service in all essential areas.

8. Ohio will take all measures possible to preserve the Right-of-Way (ROW) of essential lines which are designated for abandonment. It would be difficult to reestablish such ROW subsequent to abandonment. Even if not needed for rail service, this ROW has other uses which could benefit the citizens of Ohio.
9. Ohio is interested in studying the feasibility and necessity of constructing trans-loading facilities at nearest railheads for shippers that lose rail service as a result of the abandonments.
10. Ohio views the rail subsidy program and use of public funds for this purpose as a temporary means of continuing essential rail services for the shippers in Ohio. Full advantage will be taken of the subsidy program while continuing to participate with shippers on the subject lines with the objective of finding a permanent solution to their problem.

B) THE AGENCY ORGANIZATION

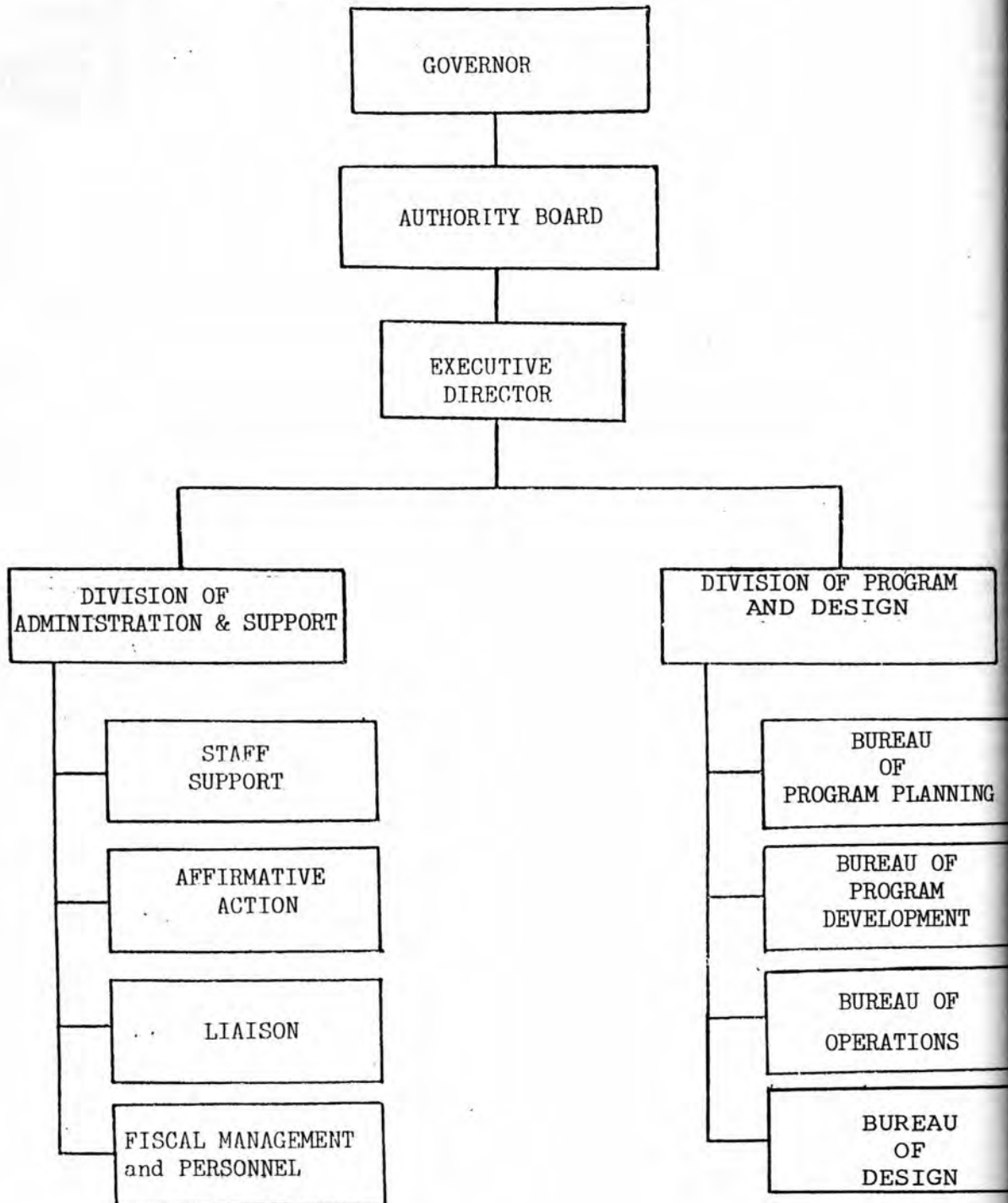
The Ohio Rail Transportation Authority is an independent agency responsible to its Authority Board. Originally, it was composed of five members, four appointed by the Governor along with the Director of the Ohio Department of Transportation, an ex-officio member. In November, 1977, amended House Bill 300 was passed enlarging the Board to include a non-voting member from the Ohio Senate and the Ohio House of Representatives. The present members of the Board are as follows:

Paul T. Zellers, Chairman
Thomas R. Pulsifer, Secretary
Theodore J. Kauer, Member
David L. Weir, Director, Ohio DOT
State Representative Arthur R. Wilkowski, D-46
State Senator Anthony O. Calabrese, D-22

The Authority presently has a staff of 32 persons organized into two divisions, (1) Administration and Support; and (2) Program and Design. The Administration Division includes the fiscal management, personnel, liaison, affirmative action and secretarial support sections. The Program and Design Division contains three bureaus, and a fourth will be added during the 1978-1979 period. The Bureau of Program Planning develops the State Rail Plan, the "Ohio High Speed Intercity Rail Passenger Plan", (see the Ohio Passenger Perspective) and other studies essential to rail operations, while reviewing many outside studies. The activities of the Bureau of Program Development includes the technical governmental processes necessary to implement plans. The Bureau of Operations implements and monitors the portions of programs that directly affect railroads and shippers. The Bureau of Design will aid in the design development of State owned rail lines and systems.

Ohio Rail Transportation Authority

ORGANIZATION CHART



C) INTER-GOVERNMENTAL COORDINATION OF RAIL PLANNING PROGRAMS

Although the Ohio Rail Transportation Authority is the designated state agency responsible for rail planning in Ohio, there are many other governmental agencies that participate in rail planning and rail programs. Some have responsibilities for various aspects of rail operations while others are affected by the course of rail planning in general.

At the Federal level there are four agencies that have significant impact on Ohio's rail programs. The Federal Railroad Administration (FRA) develops and implements rail programs mandated in the Regional Rail Reorganization (3R) and the Railroad Revitalization and Regulatory Reform (4R) acts as well as other laws. These programs include the rail service continuation assistance program, the rail safety program, the track rehabilitation program, the rail acquisition program, and the pre-abandonment program.

The Federal Highway Administration (FHWA) is responsible for the preliminary review of the State Rail Plan in many states including Ohio. The FHWA also helps coordinate various planning activities such as the state wide transportation plan.

The Interstate Commerce Commission (ICC) has two major rail functions affecting Ohio railroads. It approves interstate freight rates and makes administrative determinations affecting rail service and line abandonments.

The Rail Services Planning Office (RSPO) of the ICC was created by the 3R Act to aid Federal, state, and local agencies in their rail planning. It has studied such things as railroad mergers and consolidation as well as programs relating to rail passenger and rail freight programs.

At the state level, two agencies besides the Authority have rail responsibilities, the Ohio Department of Transportation (ODOT) and the Public Utilities Commission (PUCO). ODOT is responsible for coordinating multi-mode transportation planning in Ohio. Its Bureau of Systems Planning ensures that rail plans mesh with planning for other modes. In addition, ODOT is responsible for monitoring the highway-railroad grade crossing safety upgrading program.

The PUCO is charged with the regulation of all operating railroads in the state as well as the advancement of safety in all phases of the railroad industry. Its staff includes state rail safety inspectors. Also, the PUCO is involved in abandonment cases. It gathers rail service information on each line pending abandonment and often protests to the ICC if abandonment would adversely affect Ohio shippers.

Many other state agencies retain the opportunity to participate in rail planning through the A-95 review process. Special coordinating efforts are made by the Ohio Rail Transportation Authority with the agencies most affected by railroads. For example, the Authority assembled a task force comprised of representatives from ODOT, PUCO, the Ohio Department of Energy, the Ohio Department of

Economic and Community Development, the Ohio Department of Natural Resources, and the Ohio Environmental Protection Agency to determine the best method to approach the purchase of abandoned rail property (see the Acquisition Program). The Authority Acquisition Priority Analysis was generated by this task force.

At the local level the Authority coordinates activities with many different governmental and transportation agencies. Municipalities Metropolitan Planning Organizations, and other relevant bodies are kept abreast of such planning reports as the State Rail Plan and the "Ohio High Speed Intercity Rail Passenger Plan".

In the future the level of coordination among State and Federal agencies will increase as Ohio generates a multi-modal, statewide transportation plan. The Authority is currently working with ODOT, PUCO, and FHWA officials to establish a framework by which the various programs of all state transportation agencies can be coordinated under one plan. This broad approach would tend to decrease the inefficiencies caused by different agencies, or bureaus within agencies, planning only in terms of its own mode. A coordinated, state-wide plan would help to ensure that optimal solutions, rather than ones that enhance one particular mode, would be implemented.

Presently, the process of organizing the people necessary to implement a state-wide, multi-modal plan is just beginning. The exact form will evolve in the near future.

Part of the process of improving overall planning effectiveness involves the increase of public input into the planning process. The following section explains the role of the public in the Authority rail planning process.

D) PUBLIC PARTICIPATION

Private citizens, especially rail shippers, have contributed significantly to the Authority's rail planning. However, the Authority is striving to increase citizen participation by organizing programs which incorporate more individuals in the rail planning process.

Two of the Authority's current programs are dependent on participation by the private sector, the Rail Service Continuation Assistance (subsidy) Program and the Pre-abandonment Program (see Branch Line Planning). The Subsidy Program is designed to assist shippers in retaining service. In implementing this program, it is the shippers who decide if their line will be included. If they pay the non-Federal share they will receive subsidy money; (Unless there is a shortage of funds in which case only the top priority lines would receive subsidized service.) The shippers decide how to divide payments amongst themselves.

In the Pre-abandonment Program, Authority staff members meet with shippers threatened with loss of rail service to discuss alternatives and jointly reach a decision on what should be done to retain rail service.

The general public has been and will continue to be afforded various opportunities to supply input to the Authority. The Authority staff is available to any citizen who has relevant problems, requests, or comments. Also, the monthly Authority Board meetings are open to the public and the press.

In addition to these standard procedures, the Authority has sometimes used special events to solicit public input for rail planning. For example, in August, 1977, the Authority conducted a public meeting in Dayton on the proposed abandonment of direct Amtrak service to Dayton. Sixty-seven persons testified personally or by mail on the effects of the abandonment of a rail line near Dayton. Of these 67 persons, 27 represented only their personal views. The Authority also receives comments from the general public at such places as the Authority's display at the Ohio State Fair and at public meetings such as those concerning the "Ohio High Speed Intercity Rail Passenger Plan" which have been held in major cities across the State.

In the future, the Authority will offer additional opportunities for citizen participation. Various agencies and individuals review the 1978 State Rail Plan as a result of the A-95 process¹ or the Authority's general mail and library distribution. If responses indicate a need, the Authority will conduct public hearings to gather more public input.

¹The process by which public planning materials are distributed to relevant state and local public agencies for review and comment.

CHAPTER II: THE RAIL PASSENGER SYSTEM

A) THE NATIONAL PASSENGER PERSPECTIVE

B) THE OHIO PASSENGER PERSPECTIVE

1) AMTRAK IN OHIO

2) THE OHIO HIGH SPEED INTERCITY RAIL PASSENGER PLAN (PHASE I)

A) THE NATIONAL PASSENGER PERSPECTIVE

The passenger train has historically been one of America's most important and most enjoyable means of transportation. In the past, the rail system linked almost all cities across the nation with trains offering amenities such as sleeper, dining, and bar cars which have never been matched by any other means of overland transportation.

Despite these comforts the rail passenger system has declined since the 1920's. Between 1929 and 1950 the number of passenger trains was cut in half. By 1970 there were only 450 passenger trains in the entire country.¹

There are many reasons why the railroads became non-competitive in the passenger travel market. For instance, the automobile, traveling at high speeds on turnpikes and interstate highways, and allowing door-to-door service has provided a cheap, flexible alternative to rails. Airplanes and jets flying at hundreds of miles per hour provided a faster alternative to train travel. Intercity buses offered a good, cheaper alternative to trains.

Recent events, however, have demonstrated the need for revitalizing rail passenger service. American highways are becoming increasingly congested, especially with truck traffic. Current trends indicate that highway use will increase in the near future while new highway construction will be minimal. Furthermore, the petroleum supplies are quickly being depleted. It has become apparent that alternatives to gas-guzzling autos must be found.

An improved rail transportation system using non-petroleum energy for propulsion could help to ease both these problems. The American rail trackage system provides an existing, ready to use link between all the major cities of the nation. Using these rail resources for passenger travel would be far more efficient than building new highways and would tend to reduce congestion on existing highways. The superiority of trains over automobiles in fuel efficiency would help preserve gasoline supplies and might allow a longer life for petroleum fueled autos.

A low cost, high speed, punctual passenger train system provides the most effective intercity transportation alternative for large segments of the American population who presently are restricted in their choice of travel mode. For example, over 20% of the households in the United States do not own an automobile.² Most of the people in this category have no choice but to use buses for any short intercity trip and in many cases cannot fly because of fear or physical impairment. They, therefore are given no choice but to use the bus. A better regional and national passenger rail system will alleviate that dilemma.

The U.S. Congress has considered these arguments for revitalizing rail passenger service and has passed new legislation. The first

¹"Background on Amtrak", National Rail Passenger Corporation. 1977, pg.4.

²"Background on Amtrak", pg. 4.

major step towards resurrecting the American rail passenger system came with congressional passage of the "Rail Passenger Service Act of 1970." This act established the private, for profit, National Rail Passenger Corporation, commonly called Amtrak. Amtrak was charged with providing an adequate national rail passenger network across the country.

The Rail Passenger Act enabled the passenger carrying railroad to divest their unprofitable, neglected routes and equipment to Amtrak so it could take over the rail passenger service. Amtrak began operations in May of 1971 taking over passenger routes of 13 carriers. The original system covered 23,000 miles and linked 21 cities. Only three private railroads, the Denver and Rio Grande Western, the Rock Island and Southern continued to operate their own passenger service.

In the years following, Congress has continued to aid Amtrak with various legislation. The "Amtrak Improvement Act of 1973" provided for the continued modernization and innovation on Amtrak routes. Among other provisions, it allowed for the implementation of an auto-train experiment.

In the "Railroad Revitalization and Regulatory Reform Act of 1976", Congress recognized the need to develop regional rail transportation routes as well as national routes. The Congress allocated funds for developing high frequency, high speed passenger service in the Northeast Corridor (Boston to Washington). Trains connecting the cities in this corridor will soon travel over 100 MPH.

With the aid of such legislation and with continued funding, passenger ridership on the Amtrak system has grown. Eight major intercity regional routes have been added to the national network. In addition many regional or intrastate routes have been added through the 4035 section of the Rail Passenger Act. This section allows states to institute new Amtrak service where they desire provided that the states pay fifty percent of the costs and that Amtrak has resources available.

With these new routes Amtrak has reversed the decline of rail transportation service. In 1977 over 19.2 million passengers rode Amtrak trains. This represented an increase of 2.6 million over the 1972 total of 16.6 million passengers carried. Amtrak officials project over 26.4 million passengers a year will be carried by 1982.

Despite this increase in patronage, Amtrak still suffers financial difficulties. The costs of track rehabilitation and of providing modern equipment to replace outdated cars has caused Amtrak to operate at large deficits. The 1978 deficit is projected to be \$545 million and will rise to over \$751 million by 1982 if the present system continues without change.

Because of these large deficits, the Congress ordered the Federal Railroad Administration to conduct a zero-based study to determine which routes would form an optimal national rail system. No special considerations were to be given to existing Amtrak routes except in the Northeast corridor.



Figure 3

The preliminary report, entitled "A Re-examination of the Amtrak Route Structure" was submitted to Congress and the public in May, 1978. Before any action is taken and a final report is made, the results of over 50 public hearings will be reviewed, analyzed, and reported to the FRA by the Rail Service Planning Office (RSPO).

The major finding of the preliminary study was that the Amtrak routes should remain largely the same except for the elimination of approximately 8,000 miles of marginal routes. Most of the miles that are recommended for abandonment are long, western routes. However, the train, the Shenandoah, serving three Ohio cities (Cincinnati, Athens and Chillicothe) is also recommended for discontinuance.

The report states that the 8,000 mile reduction will reduce Amtrak's train-miles by 24%. About 90% of the passenger-miles presently generated would be retained.³

The savings in dollars of the recommended system would be substantial. The newly recommended system, had it been operational FY 1977, would have generated a deficit of \$402 million rather than the actual \$482.6 million. By 1984, it is projected the recommended system would produce a deficit of \$799 million while the present system would produce a deficit of \$976 million.⁴

On August 1, 1978, the Authority submitted a brief to the RSPO pointing out many deficiencies in the US DOT report. In general, the Authority supports a study of the Amtrak route structure but believes it should be in conjunction with increasing annual costs and quality of service rendered. A copy of the Authority's brief can be obtained upon request.

The rail passenger system in Ohio is presently in the process of change due to the new Amtrak study and a new Ohio Rail Transportation Authority plan. The present Amtrak situation as well as a review of the "Ohio High-Speed Intercity Rail Passenger Plan" will be presented in the following section.

³"A Re-examination of the Amtrak Route Structure", US DOT, May, 1978, pg. E5-3.

⁴"A Re-examination of the Amtrak Route Structure", pg. 5-1.

B) THE OHIO PASSENGER PERSPECTIVE

The past decline of the Ohio rail passenger system paralleled the national decline. In the early part of the century every town in Ohio with a population of over 5,000 people had rail passenger service. Major cities such as Cleveland, Columbus, Cincinnati, Akron, Canton, Toledo, Dayton, and Youngstown all had bustling stations in the downtown areas providing rail lines to the center of cities. The automobile and the new highways, however, caused almost a total decline. On January 1, 1977 Ohio lost its last non-subsidized rail passenger route, the Erie-Lackawanna Youngstown to Cleveland train. All that is now left is the interstate oriented, government supported Amtrak service.

1) Amtrak In Ohio.

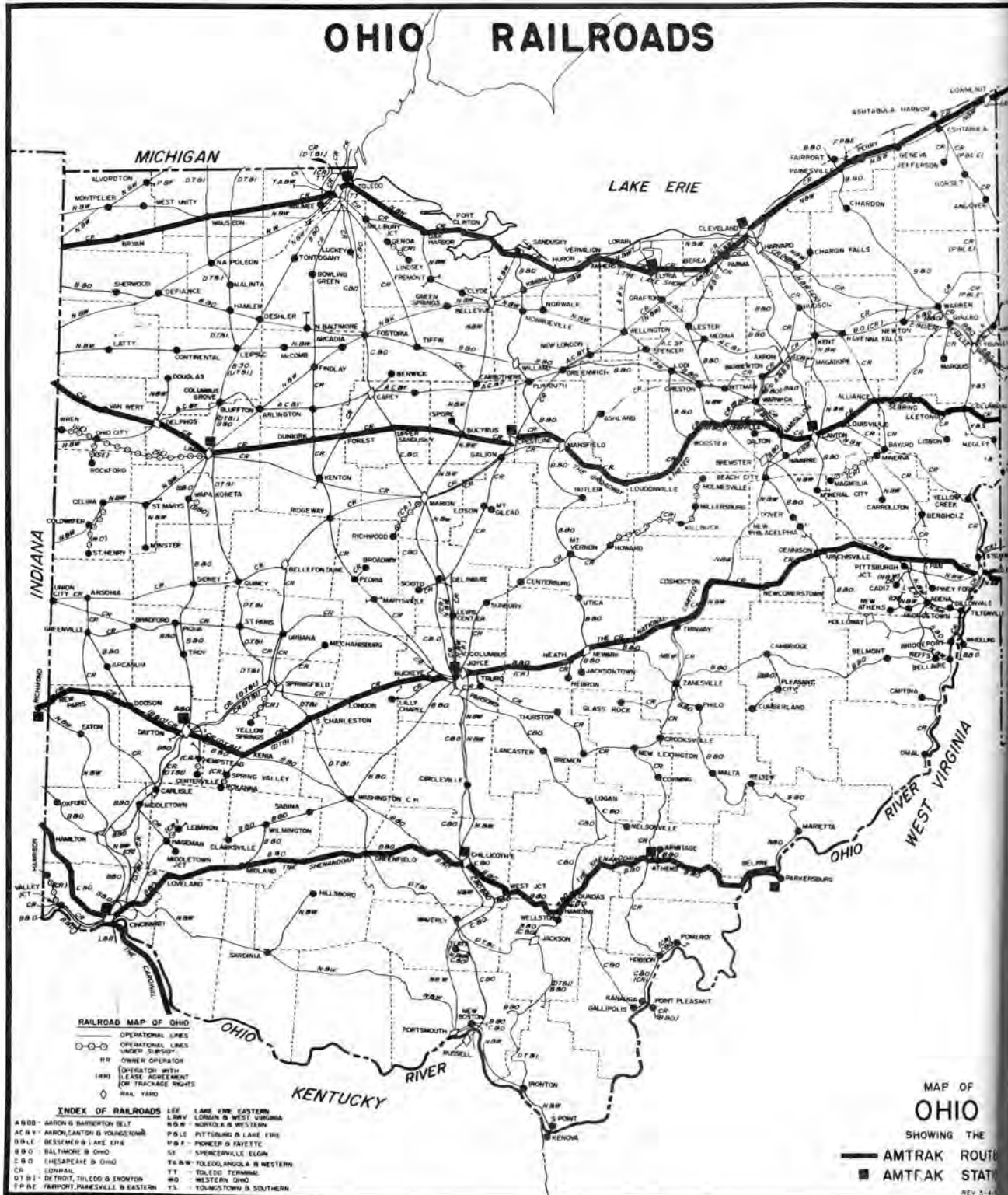
Amtrak's service in Ohio consists of daily round trip service over five routes serving eleven Ohio cities. (See Figure 4). All five trains, their termini and Ohio stations are listed below:

<u>Train</u>	<u>Termini</u>	<u>Ohio Stations</u>
BROADWAY LIMITED	New York/Washington-Chicago	Canton, Crestline, Lima
NATIONAL LIMITED	New York/Washington- Los Angeles	Columbus, Dayton
CARDINAL	Washington/Newport News- Chicago	Cincinnati
LAKE SHORE LIMITED	New York/Boston-Chicago	Cleveland-Elyria-Toledo
SHENANDOAH	Washington-Cincinnati	Athens, Chillicothe Cincinnati

In the past year, Amtrak has undertaken various capital improvements and implemented schedule changes to improve Amtrak performance on routes that traverse Ohio. For example, the total travel time on the National Limited was cut by one hour while travel time on the Lake Shore Limited was reduced by 1.5 hours. In other changes, rescheduling on the San Francisco Zephyr provided a better connection with the Lake Shore Limited as well as the Broadway Limited. The Shenandoah was placed on an overnight schedule with sleeping cars last year. In Cincinnati, the train will depart at night arriving Washington, D.C. in the morning. The new schedule will also allow direct connections to Chicago.

In the area of capital improvements, Amtrak provided new train stations for three Ohio cities in the last year. A new station in Cleveland was built last spring and summer. Upon its dedication in July, 1977, the Old modular station Clevelanders had been using was moved to Elyria to serve as the new station there. Also, in May, 1978 a new station opened in Centon. In addition, Amfleet rail car equipment is now used on the Lake Shore Limited and the National Limited.

Figure 4



In the future, Amtrak's posture in Ohio could change significantly. The Federal Railroad Administration (FRA) preliminary report entitled "A Reexamination of the Amtrak Route Structure" (see "The National Passenger Perspective") recommends changes be considered for three Ohio routes.

The preliminary report recommends that the Shenandoah be totally eliminated from the Amtrak system. This would mean a loss of rail passenger service to the people of Athens and Chillicothe.

The report recommends that the Cardinal should be retained but the routing between Cincinnati and Chicago was not determined. It was also recommended that the National Limited be retained but the routing between Columbus and Indianapolis was not designated. It is possible that the National Limited could be re-routed from its present Columbus to Dayton to Richmond, Indiana to Indianapolis route to a Columbus to Dayton to Cincinnati to Indianapolis route. It is also possible that it might be re-routed from Columbus to Urbana to Piqua to Indianapolis thus eliminating service in Dayton. This would not be the first time rail passenger service to Dayton has been threatened. In the summer of 1977, Amtrak announced plans to re-route the National Limited through Urbana and Piqua because of a change in Conrail operations. The Authority conducted a well attended public meeting in Dayton on August 1, 1977 to publicize the situation and give affected parties an opportunity to protest. Through this meeting and other efforts, the Ohio Rail Transportation Authority along with concerned businesses and public agencies from Dayton and Richmond, as well as citizens groups such as the Ohio Association of Rail Passengers, were able to continue Amtrak service to Dayton.

The Authority has become involved in the final FRA recommendation on Amtrak. Based upon a complete analysis of Amtrak operations in Ohio, the Authority is taking appropriate actions to ensure rail service to Dayton (via the Dayton to Cincinnati to Indianapolis route or from Columbus directly to Indianapolis via Dayton) and that the rest of Ohio is adequately served.

2) The "Ohio High Speed Intercity Rail Passenger Plan" (Phase I)

Rail passenger transportation in Ohio may soon dramatically change for the better. In December, 1977, the Ohio Rail Transportation Authority released its "Ohio High Speed Intercity Rail Passenger Plan, (Phase I)". It is a preliminary report in response to the Ohio legislature authorization to investigate the possibility of linking Ohio's major metropolitan areas with high speed passenger trains traveling at speeds up to 150 MPH. The Legislature anticipated that a high speed rail system would meet the transportation, energy and economic needs of Ohio tomorrow.

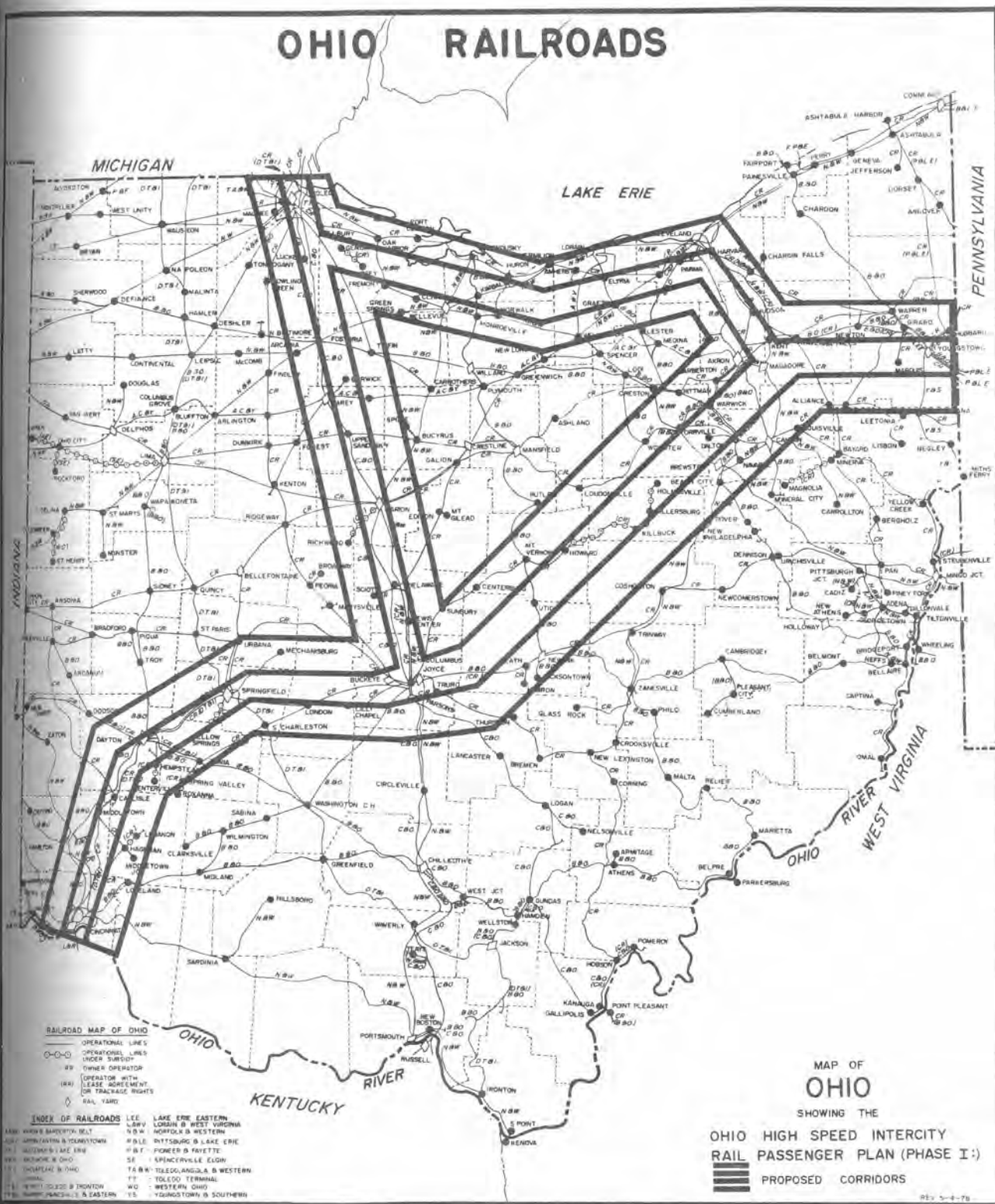
The Ohio Department of Transportation projected that highway use will increase significantly over the next 20 years while highway construction will be minimal. The result will be a road system congested with large trucks as well as automobiles. Highway passenger travel will be slower and more hectic. In addition, the scarcity of petroleum will undoubtedly cause the price of gasoline to continue to rise. Some estimates of new car costs will be \$10,000 by 1982. Thus, highway travel will not only be more congested but also more expensive.

High speed rail passenger travel will provide a fuel-efficient alternative to congested highways. It will supply business persons of Ohio with fast, comfortable, and fuel efficient means of travel that will allow work or relaxation while traveling and provide all citizens in the affected communities with a dynamic transportation alternative.

As required by Section 4981.03 of the Ohio Revised Code, the Authority's Phase I plan examines corridors between the cities of Cleveland, Greater Akron, Columbus, Greater Dayton, Cincinnati, Toledo and Youngstown. After a preliminary study of ridership between these cities, it was determined that sufficient cost, revenue, and ridership data could be generated in the Phase I study for three specific routes. The three corridors and the cities serviced are: the Cleveland-Akron-Mansfield-Columbus-Springfield-Dayton-Middletown-Cincinnati corridor; the Toledo-Elyria-Cleveland-Akron-Youngstown corridor; and the Toledo-Columbus corridor. It was also determined that interstate connections might be feasible. (See Figure 5). The Phase I report also estimates the costs, revenue and ridership that would be generated by extensions of an Ohio system to Detroit, Pittsburgh, and Louisville.

Although there are many prototypes of new locomotives and other propulsion systems for use in ground transportation, the Authority's study recommended the use of the conventional diesel or diesel electric engine in the initial implementation of the Ohio system. Conventional technology was chosen because it can operate effectively at all the speed alternatives studied (60 MPH, 80 MPH, 110 MPH, and 150 MPH) and because it provides a system that can be implemented by the target date of 1985.

FIGURE 5



In addition, a conventional system can be electrified with present technology. This would eliminate the need for scarce diesel fuel as trains could be run on electricity generated by plentiful coal supplies mined in Ohio.

To estimate patronage at each speed, an analytical model was used and specially adjusted to reflect competing transportation modes as well as the special conditions of Ohio. By intent the model was considered to generate ultra-conservative estimates of ridership. At the 110 MPH alternative almost 1.0 million people would ride an all Ohio system in 1985. If the interstate connections were built almost 1.5 million passengers would use the system. At 150 MPH nearly 1.5 million people would ride an all Ohio system while almost 1.9 million would use the system with interstate connections. According to the model used, the Cleveland-Columbus-Cincinnati (3C) corridor would generate the most patronage. At 110 MPH over 700 thousand people would ride the train while over one million people would travel the 3C corridor at 150 MPH.

To estimate revenue, ridership figures were multiplied by a fare based on an Amtrak formula equivalent to approximately seven cents per mile.¹ In addition, supplemental revenues from amenities were estimated. At 110 MPH it is estimated that about \$10 million a year in revenue would be generated for the Ohio system while over \$13 million would accrue from the interstate system. Up to \$20 million could be generated for the Ohio System at the 150 MPH alternative.

Two types of costs were estimated for the system, operating costs (which includes maintenance costs) and capital costs. Operating and maintenance costs were calculated on the assumption that six train sets would operate daily in the Cleveland-Cincinnati corridor with three train sets each operating in the Toledo-Youngstown and Toledo-Columbus corridors. For the entire Ohio system at the 110 MPH alternative, the operating costs will rise as high as \$25 million. With the interstate connections they would increase to approximately \$27 million. At 150 MPH the operating and maintenance costs for the entire system were assessed at roughly \$30 million.

Capital costs involved in implementing a high speed rail system include a variety of expenses. There are costs for facilities and equipment such as trains and coaches, stations, maintenance buildings, fencing, and crossing gates. Also, other expenses would accrue for rehabilitating the track and signal systems, limited construction of new track and road bed,² and separating the grade between roads and rail track. Grade separation is the largest, single capital cost.

¹The Authority subsequently determined fares would have to be higher to cover operating costs. This will be studied more completely in Phase II.

²At the 150 MPH alternative some curves would have to be rebuilt with a larger radius to allow the high speeds.

For the entire system at the 110 MPH alternative the total capital costs would be approximately \$972 million. For the 150 MPH alternative, capital costs would be approximately \$1 billion. These estimates assume that bridges or some other type of grade separation would be built for every road crossing the rail tracks. However, it is doubtful that all require grade separation. Some of the lightly traveled roads could use crossing gates or cul-de-sacs. If grade separations could be eliminated at minor county roads the capital costs would drop to \$505 million at the 110 MPH alternative and to \$565 million at the 150 MPH alternative.

The amount of these capital investments would have far reaching affects on Ohio. Almost 9,000 man years of employment and \$545 million dollars of additional expenditure could be generated by building the high-speed system. Over 1,000 permanent jobs with a payroll of over \$30 million a year would also result.

In addition, many benefits, for which no specific monetary value can be estimated, would be gained by Ohioans in the future. As a pioneer in American transportation planning, Ohio would have a tremendous advantage over other states in attracting businesses to locate in its cities. A high-speed rail transportation system could further aid cities by promoting the use of land in the central business district rather than in the suburbs.

One of the advantages of initiating a high-speed rail system would be its ability to help compensate for the adverse effects of future problems. A rail passenger system built by 1985 would provide an alternate transportation system that could assume vital importance in America's efforts to cope with future uncertainties such as the energy situation.

The Arab oil embargo of 1973 resulted in a shift from cheap, abundant fuel to expensive gasoline. The present availability of oil in America due to increased drilling in places such as Alaska and the North Sea, along with an increasing level of imports from the Middle East, has lulled people into believing gasoline will remain abundant.

The "Ohio High Speed Intercity Rail Passenger Plan" is a far-sighted plan that will help Ohio deal with such possibilities as energy crises in the future. Many Americans experienced the value of an available transportation alternative during the Arab embargo by riding in large numbers on Amtrak. Similarly, the presence of an Ohio rail passenger system will prove to be a needed alternative in Ohio's future economic, energy, and environmental future.

The Ohio legislature has provided the funds to initiate the Phase II portion of the Plan. Phase II includes preliminary engineering and a more detailed cost and demand analyses than in Phase I. It will address such questions as:

- Exactly how much will the system cost?
- What will the precise routing be?
- Who will operate the system?
- How will the system be funded?
- Where will the stations be located?
- What effect will the system have on Ohio's economy?

The answers to these and many other questions will shape Ohio's future transportation system.

CHAPTER III: RAIL FREIGHT PLANNING

A) THE NATIONAL FREIGHT PERSPECTIVE

B) THE OHIO FREIGHT PERSPECTIVE

1) MAINLINE PLANNING

A) SPECIAL SERVICE CONSIDERATIONS

B) SPECIAL PROJECTS

2) BRANCH LINE PLANNING

A) BRANCH LINE ANALYSIS PROCESS

B) THE PRE-ABANDONMENT PROGRAM

C) THE SUBSIDY PROGRAM

D) THE ACQUISITION PROGRAM

A) THE NATIONAL FREIGHT PERSPECTIVE

The number of American railroads has been declining since World War II. The major reason for this decline has been the rise of competing forms of transportation. The publicly funded highway boom of the 1950's spurred the increased use of truck transport. With trucks, business persons found they could build on low priced, suburban land and still enjoy quick and flexible transportation service. Water transportation was also improved with government funds. Rivers were dredged and channeled and ports were improved at no direct charge to the water shippers. In addition, pipeline construction provided a cheaper, more efficient method of transporting petroleum products.

To compete with these new or improved forms of transportation, the railroads were forced to modernize. Automated classification systems, computerized car management and new signalling methods were employed by many railroads. These innovations, however, required tremendous capital investments. In many cases, the profits were not sufficient to cover all expenses. The collapse of the Penn Central Transportation Company as an operating railroad in 1970 eliminated many doubts that rail transportation was in need of help.

There are important reasons for providing assistance to the railroads. Much of the nation's industry, especially in the northeast and midwest, still depends on the rail system. Due to the bulky nature of certain products, some shippers have no suitable alternate mode available that can efficiently serve their needs. Other shippers cannot afford to pay the higher transportation costs to truck their products and still remain competitive in their markets. Also, the energy situation favors the expanded use of fuel efficient rail transportation systems over the less efficient systems such as the highways. The Congress, recognizing the importance of preserving freight service to rail dependent businesses, has enacted two vital pieces of legislation, The Regional Rail Reorganization Act of 1973 (3R Act) and The Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act). These acts restructured much of the railroad mileage in the northeast and midwest while setting up programs to provide federal assistance to the railroad industry.

The major provisions of the 3R Act were the creation of the Consolidated Rail Corporation (Conrail) and the establishment of the Rail Service Continuation Assistance (subsidy) and the Acquisition Programs. The latter two programs were scheduled to last two years, from April 1, 1976, to March 31, 1978.

To establish Conrail, a new federal agency, the United States Railway Association (USRA) was created. The USRA studied the rail systems of the Penn Central and five other bankrupt carriers in the northeast region. From this research the USRA prepared the Final Systems Plan. This plan identified the rail lines of

the bankrupt carriers that could be merged into one potentially viable system to provide adequate rail service to the area. These lines became the Conrail System.

The remaining lines, those not included in Conrail or purchased by the solvent carriers, were designated for abandonment with the option of continued service under the Subsidy Program. The major purpose of the Subsidy Program was to allow continued rail service on non-viable lines while removing from the railroads the burden of covering the deficits resulting from the operation of the lines.

The monetary assistance of the Subsidy Program takes various forms. For example, money is provided to relocate shippers or otherwise aid them in capital projects necessary to retain rail service, as well as for accelerated maintenance of track, and to provide operating assistance on rail lines designated by the states.

The operating subsidy assistance provided equals the amount of the deficit resulting from operating on a line. (The deficit being the total avoidable cost, plus lease and tax, minus the attributable revenues). During the first year of the program, (April 1, 1976 to March 31, 1977) the Federal government paid 100 percent of the subsidy. In the second year, (April 1, 1977 to March 31, 1978) state, local, or private sources paid ten percent of the subsidy, with the Federal government paying the balance. (During 1978-79 the non-Federal share will be 20 percent). Along with the lines designated for abandonment in the Final Systems Plan, any line abandoned through the usual Interstate Commerce Commission procedures is eligible for participation in the Rail Services Continuation Assistance Program.

When lines are uneconomical or unsafe to operate due to the poor condition of track, assistance is available for upgrading track to improve the condition. Federal money was supplied to lines designated by the states for track rehabilitation at the same percentage used for the operating assistance.

In addition to the monetary aid of the Subsidy Program, the 3R Act provided funding for the states to purchase rail lines. Any line that has been abandoned is eligible for acquisition. The primary purpose of this program is to preserve rights-of-way for future rail uses. In some cases, however, lines are purchased for the purpose of re-instituting subsidized rail service. The Acquisition Program employs the same division of payments between Federal and local sources as the Subsidy Program.

Due to the continuing need for assistance to railroads and shippers involved in branch line operations, the Congress extended the 3R Act programs from April 1, 1978 to July 1, 1981 with the passage of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act). The 4R Act also expanded the

programs to include all 48 of the continental United States.

The idea of local participation in the programs' funding continued in the 4R Act. If the initial funding provisions of the 3R and 4R Acts are retained the participation will be funded at the following percentages:

		Federal	Non-Federal (State, Local or Private)
April 1, 1978	- June 30, 1978	90	10
July 1, 1978	- June 30, 1979	80	20
July 1, 1979	- June 30, 1981	70	30

In addition to the extensions of the 3R programs, the 4R Act initiated new planning programs. The 4R Act encourages a shift in direction from post-abandonment planning, to pre-abandonment planning.

The 4R Act regulations require that the new ICC classifications be used in the State Rail Plan. There are five categories in this classification. They are:

Category I, lines anticipated to be abandoned in three years;
Category II, lines under study for potential abandonment;
Category III, lines pending abandonment;
Category IV, lines operating under subsidy; and
Category V, all other lines.

By law, the railroads must supply detailed information on lines that are included in Categories I and II. With this information the states can organize shippers and work with the railroads to generate corrective actions that could prevent abandonment.

Figure 6



B) THE OHIO FREIGHT PERSPECTIVE

Thirty railroads, shortlines, and switching companies currently operate over Ohio's 6,700 miles of railroad track. (See Table 1). The four major Ohio carriers operate over 6,290 of these miles. (Conrail - 2,400 Miles; Chessie System - 1,850 Miles; Norfolk and Western - 1,750 Miles; Detroit, Toledo & Ironton - 290 Miles.)

Historically, these Ohio rail lines have suffered from the same problems that plague the railroad industry nationally such as increases in the costs of maintaining quality track, a decrease in the percentage of total freight transported by train, and car supply. Because of these difficulties the railroads in Ohio have been shrinking.

For example, in 1973 Ohio had over 7,300 miles of track in service. Subsequently, the United States Railway Association (USRA), a branch of the Federal Railroad Administration (FRA), examined 1,700 of these miles to determine their utility in a study called the Final Systems Plan. The USRA designated 885 of these miles for abandonment of which 160 miles remain in service under the subsidy program.

This trend towards reducing the Ohio rail system has continued. Of the 6,700 miles of track currently in operation 185 miles are pending abandonment before the Interstate Commerce Commission. It is anticipated that abandonment applications will be filed before the ICC within three years for another 118 miles with another 235 miles being studied for potential abandonment.

Despite the miles of lines recently abandoned, or currently operational but economically marginal, Ohio's rail system is extensive and remains a vital part of the State's overall transportation system. With approximately 4 million carloads of freight being shipped annually, the U. S. Department of Commerce statistics show that the total tons carried by Ohio railroads rose from 82.7 million tons in 1967 to 95.5 million tons in 1972, an increase of nearly 13 million tons. This increase nearly kept the railroad share of the total freight market stable. In 1967 Ohio railroads carried 36.1% of all Ohio freight shipments while in 1972 they carried 33.9%, a decline of only 2.2%.¹

The backbone of the Ohio rail transportation system are the Class "A" and Class "B" mainlines. The U. S. DOT defines an "A" mainline as track that handles over 20 million gross tons of freight annually and Class "B" mainlines as track that handles between 5 and 20 million gross tons of freight annually.² Figure 7 shows the Ohio mainline system.

¹ 1972 Census of Transportation Volume III, "Commodity Transportation Survey" U.S. Department of Commerce, 1972, (pps. 3-33, 3-34)

² Final Standards, Classifications, and Designation of Lines of Class I Railroads in the United States, Volume II, U. S. Department of Transportation, June 30, 1977

Table 1

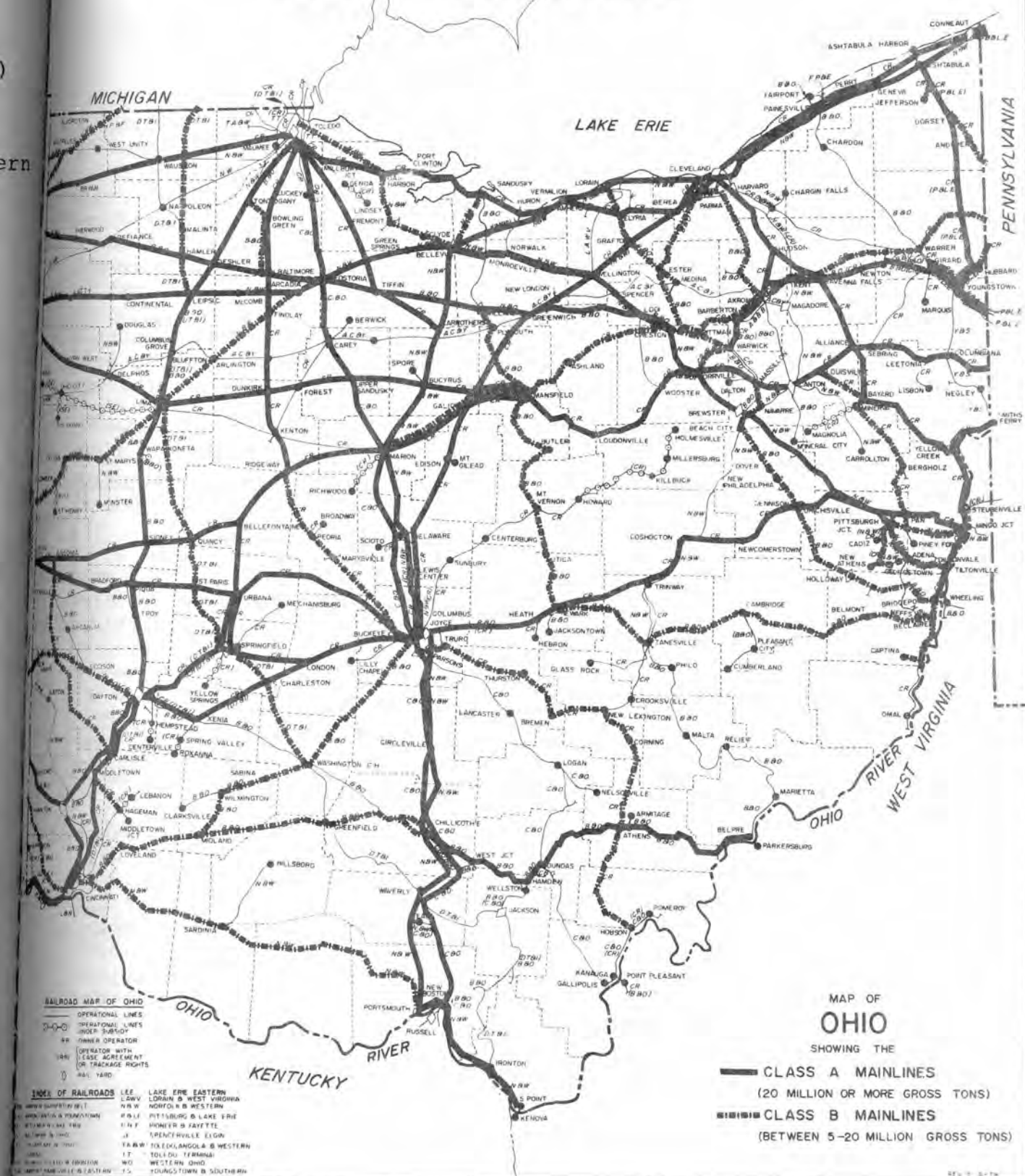
OHIO RAIL FREIGHT CARRIERS

AA	Ann Arbor
A&BBR	Akron & Barberton Belt Railway*
AC&Y	Akron, Canton & Youngstown Railroad (part of the N&W System)
B&O	Baltimore & Ohio (part of the Chessie System)
B&LE	Bessemer & Lake Erie
C&O	Chesapeake & Ohio (part of the Chessie System)
CNO&TP	Cincinnati, New Orleans, & Texas Pacific (part of the Southern System)
CR	Conrail
CV	Cuyahoga Valley Railroad*
DT&I	Detroit, Toledo & Ironton Railroad
D&TSL	Detroit & Toledo Shore Line Railroad
FP&E	Fairport, Painesville, & Eastern*
LEE	Lake Erie Eastern (owned by P&LE)
LT	Lake Terminal Railroad* (owned by B&LE)
L&WV	Lorain & West Virginia Railray (part of the N&W System)
L&N	Louisville & Nashville Railroad - Seaboard Coast Line
N&SS	Newburg & South Shore Railway* (owned by B & LE)
N&W	Norfolk & Western Railroad
P&F	Pioneer & Fayette Railroad**
P&LE	Pittsburgh & Lake Erie Railroad
RT	River Terminal Railroad*
SOU	Southern Railroad
SE	Spencerville Elgin Railroad**
TA&W	Toledo, Angola & Western**
TT	Toledo Terminal Railroad
WO	Western Ohio Railroad**
Y&N	Youngstown & Northern Railroad* (owned by B & LE)
Y&S	Youngstown & Southern Railroad (part of the P&LE System)

*Switching Railroad

**Short Line Operator

OHIO RAILROADS



The direction of the flow of mainlines reflect Ohio's position as a transportation hub. The numerous Class "A" mainlines that cross the state in an east-west direction depict the importance of Ohio's rails as a bridge between the industrial northeast and the grain belt of the midwest. The mainlines traversing the state in a north-south direction reflect the heavy traffic that is heading toward the Ohio ports. North-south mainlines connect Lake Erie and northern Ohio to river ports such as Cincinnati (which is the gateway to the southern rails), Portsmouth, and Ironton. Conversely, Ohio river shipping as well as shipping from around the Ohio region is carried to Lake Erie ports such as Toledo, Lorain, and Cleveland by these mainlines.

Although a wide variety of commodities are carried on Ohio's mainlines, certain products are prominent in different regions. For example, the coal fields in southeastern Ohio, Kentucky, and West Virginia supply energy to much of the state. Thus, coal is the primary product carried along the mainlines of Ohio. Also, there are heavy concentrations of primary metal products shipped from the industrial Cleveland, Youngstown, and Lorain areas and a preponderance of farm products shipped from the agricultural west and northwest portion of Ohio. Figure 8 represents part of a U.S. Department of Transportation (U.S. DOT) study on midwest rail service. The map shows the zones into which Ohio was divided for study purposes, along with the product which was most heavily shipped by rail in each zone as well as its Standard Transportation Commodity Code (STCC).³

The Authority's control over the economic condition of mainline is limited. The interstate nature of mainline problems requires the Federal government to take the lead with the states participating when necessary.

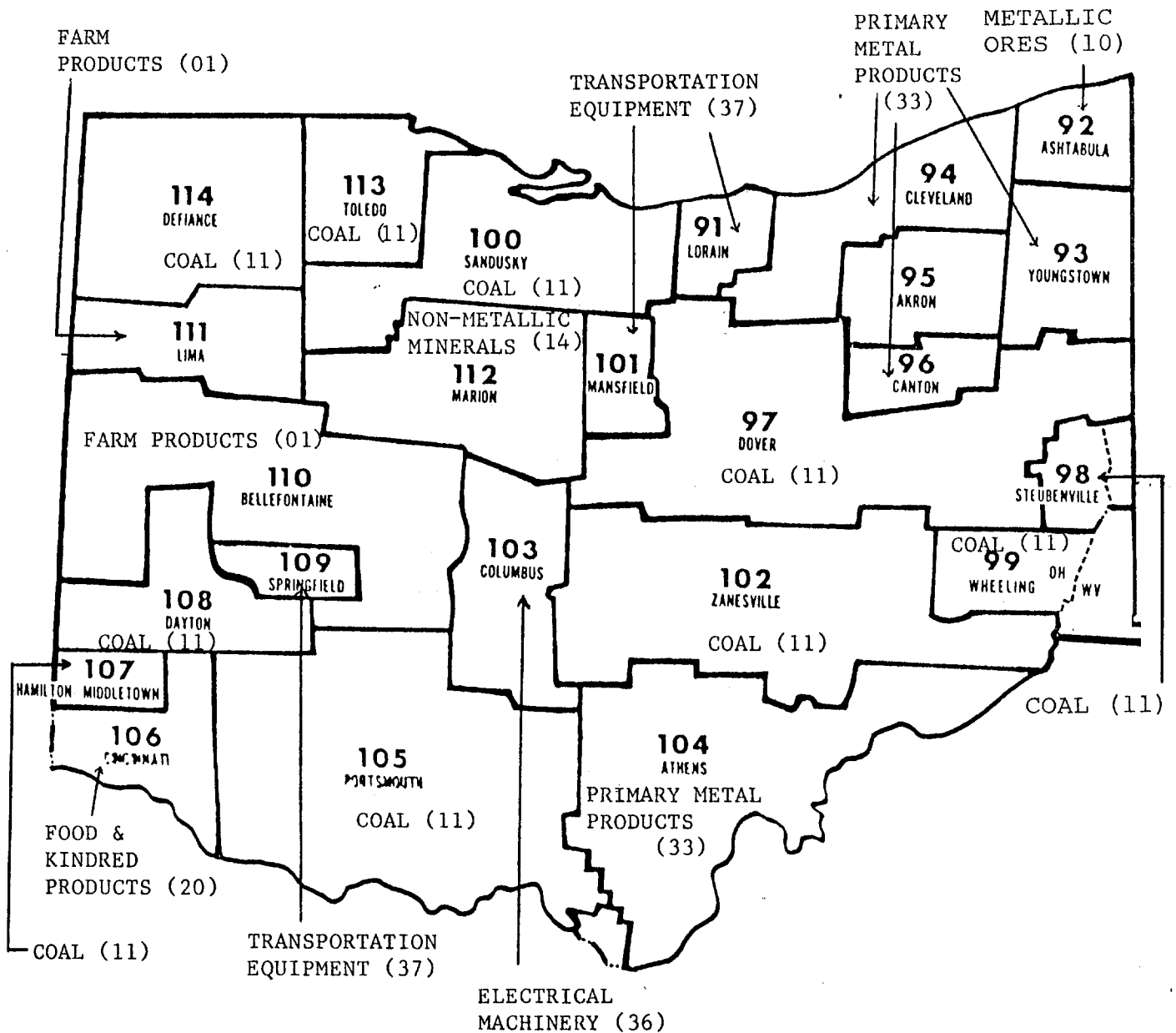
The Authority does deal with mainline considerations on a project basis. Special service considerations as well as the Authority involvement in acquisition proposals for the DT&I and a track relocation study for Youngstown will be examined in the subsequent section entitled "Mainline Planning".

The Authority has taken major steps to resolve many branch line problems. Ohio has been an active participant in the Rail Continuation Assistance (Subsidy) Program under the 3R Act. Presently, 13 branch lines are receiving rail service under the Subsidy Program. These 13 lines serve over 100 shippers employing about 6,000 people and generating an annual payroll of over \$45 million. In addition, Ohio is proceeding with the acquisition of over 300 miles of track for the purposes of "rail banking" for future rail needs, to aid in the continued operation, or to enable the start of new rail service. The recently organized Pre-Abandonment Program encompasses 32 lines totaling over 600 miles of track. This program is aimed at preventing marginal economic lines from being abandoned.

³Rail Service in the Midwest and Northeastern Region, Volume II, Part 2, U.S. Department of Transportation, February 1974.

FIGURE 8

MAJOR COMMODITIES SHIPPED BY RAIL



*(00) Standard Transportation Commodity Code

The administration of each branch line program has a special perspective due to the circumstances peculiar to Ohio. For example, the Ohio Constitution has shaped the application of the Subsidy Program as well as the Pre-abandonment Program while the geographical and geological circumstances of the state largely affect the acquisition program.

Article VIII, Section 4 of the Ohio Constitution prohibits the State from lending its aid and credit to private enterprise. This clause prevents the Authority from paying the non-Federal portion of rail service continuation assistance subsidy payments thereby placing this burden directly on the shippers themselves.

In addition, this constitutional constraint limits the effectiveness of the Pre-abandonment Program. The Authority can lend its advice and expertise but cannot legally get involved in such projects as providing assistance in track rehabilitation or other capital improvement projects.

The emphasis of the Acquisition program on acquiring rights-of-way to serve fossil fuel as well as agricultural areas results in the top lines of the priority rankings being located in the southeastern coal country and the northwestern agricultural belt.

1) Mainline Planning

As the mainlines of the American railroads stretch out over broad regions crossing many states, planning to improve mainlines in general or to correct the problems associated with major rail systems requires the Federal government to take action. There are, however, projects involving certain local aspects of mainline activity that the states are best equipped to handle. In Ohio, the Authority notes how special service considerations affect mainlines and aids in special local mainline projects.

a) Special Service Considerations

The two special service considerations for which the Authority currently gathers information are lines that serve key military installations and lines that cannot accommodate oversized loads.

The Authority obtained a list of key military installations from the Military Traffic Management Command of the Department of Defense. These bases are listed below and the rail lines that serve them are shown in Figure Nine.

KEY MILITARY INSTALLATION

REQUIRING RAIL SERVICE

<u>INSTALLATION</u>	<u>LOCATION</u>
Rickenbacker Air Force Base	Columbus
Wright Patterson Air Force Base	Dayton
Camp Perry (Army)	Port Clinton
Ravenna Army Ammunition Plant	Ravenna
Lima Army Modification Center	Lima
Defense Construction Supply Center	Columbus
National Service Corporation	Cincinnati
Naval Plant Representative Office	Columbus

The definition of oversized loads used by the Authority is the one recommended by the Federal Railroad Administration (FRA). An oversized load is one that exceeds the dimensions of a plate "C" rail car. The 1977 Railway Line Clearances (American Association of Railroads, No. 187, 1977) defines a plate "C" car as 15'6" in height and 10'8" in width. Approximately 95 percent of the track in the United States can accommodate plate "C" cars. Interchange service between railroads for these cars is generally unrestricted.

FIGURE 9

OHIO RAILROADS



The rail lines in Ohio that cannot handle a plate "C" car were designated by the railroad or taken from listings in the 1977 Railway Line Clearances. The chart below lists these lines while Figure Nine shows their locations.

LINES THAT CANNOT ACCOMMODATE
OVERSIZED LOADS

<u>TERMINI</u>	<u>CARRIER</u>
East Canton - Carrollton	N&W
Manhattan Junction - Cherry Street (at Toledo)	N&W
Mingo Junction - Steubenville	N&W
At North Akron	B&O
At Cincinnati Union Terminal	B&O
Jackson - Bloom Junction	B&O
At Columbiana	Y&S

b) Special Projects

Besides noting special service considerations, the Authority has become involved in mainline planning on a special project basis. Currently there are two situations that are being monitored. They are the various proposals for the sale of the Detroit, Toledo, and Ironton Railroad (DT&I) and the proposal by the Eastgate Development and Transportation Agency (EDATA) to study the relocation of a Conrail mainline in downtown Youngstown.

In October, 1977 the Baltimore and Ohio (B&O) and the Norfolk and Western (N&W) applied to the Interstate Commerce Commission (ICC) to jointly acquire all DT&I stock from the Pennsylvania Company, a subsidiary of Penn Central. If the ICC allows the sale, the B&O and N&W would each own 50 percent of the stock.

The Grand Trunk Western (GTW) opposed the N&W and B&O acquisition from the onset. Subsequently, in February 1978, it also applied to the ICC to purchase the 588 mile DT&I system, including 290 miles in Ohio, along with the Detroit and Toledo Shoreline (D&TS), a 50 mile railroad with only four miles of track in Ohio.

Although the Authority has no control over the sale of the DT&I, it will continue to monitor and study the situation. In order to protect the interests of Ohio railroads and shippers, the Authority will present testimony to the ICC to voice Ohio's position.

EDATA, the metropolitan planning organization for the Youngstown area, has proposed a study to relocate a Conrail mainline which presently runs through Youngstown's Central Business District (CBD). The track in question is the old Erie-Lackawanna, Youngstown to

Pittsburg mainline on the north side of the CBD (See figure 10). The EDATA proposal would include the abandonment of about one mile of track on which there are no shippers.

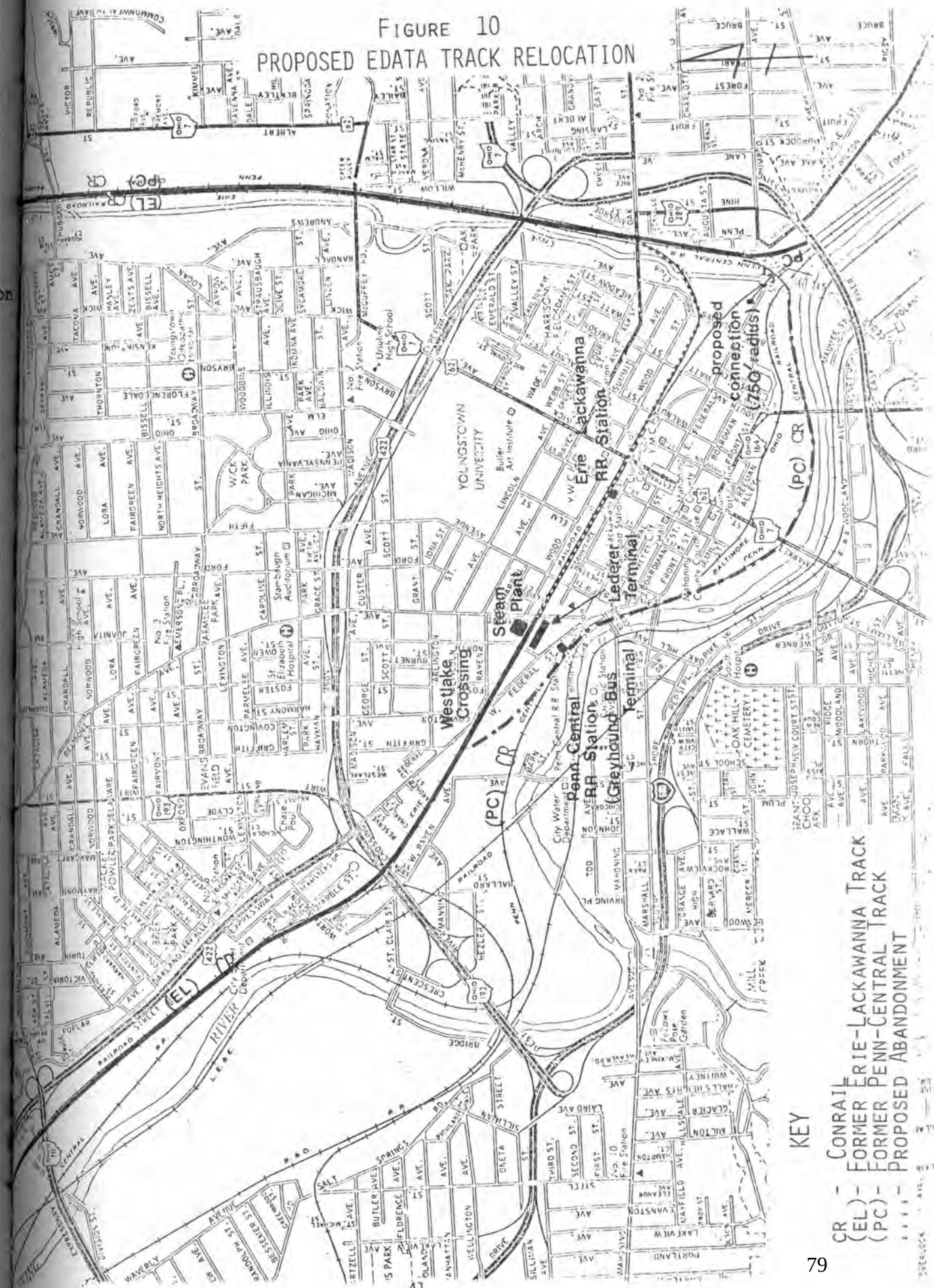
The overhead traffic carried by the old Erie-Lackawanna track would subsequently be re-routed over the old Penn Central line to the south which Conrail is presently operating.

The EDATA study will analyze the various effects of re-routing the Conrail trains and examine the alternatives for the new connection that would be needed to join the old Penn Central track to Conrail's mainlines to Ashtabula, Ohio and Pittsburg, Pennsylvania.

Among the possible benefits that could result from relocation are the elimination of up to \$5 million in repair to highway bridges over the tracks. Also, the present track location acts as a barrier to orderly CBD expansion. If the acreage presently used by the tracks could be developed, the boundaries of the downtown area could expand north to connect with the Youngstown University area.

The Authority's role in the study is that of an intermediary between EDATA and the Federal Railroad Administration (FRA). The FRA has approved the study and will provide most of the funding contingent upon EDATA raising the local share. The study should commence sometime this year.

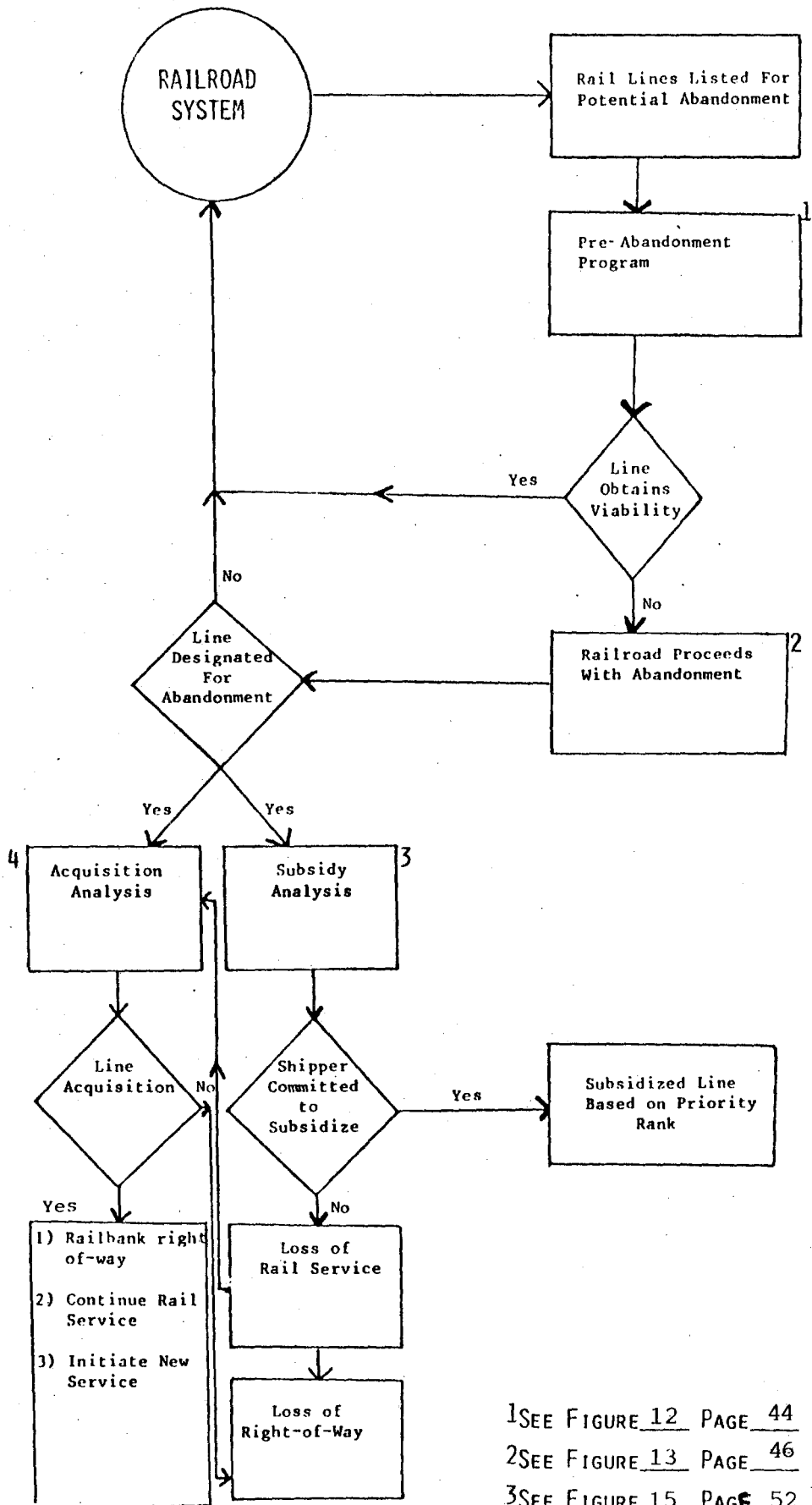
FIGURE 10
PROPOSED EDATA TRACK RELOCATION



KEY

- CR - CONRAIL
- (EL) - FORMER ERIE-LACKAWANNA TRACK
- (PC) - FORMER PENN-CENTRAL TRACK
- PROPOSED ABANDONMENT

THE BRANCH LINE ANALYSIS PROCESS
FIGURE 11



1 SEE FIGURE 12 PAGE 44

2 SEE FIGURE 13 PAGE 46

3 SEE FIGURE 15 PAGE 52

4 SEE FIGURE 17 PAGE 61
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2) Branch Line Planning

Branch line planning deals with lines that are not major links in the rail network as are the mainlines. However, branch lines often carry up to five million gross tons of freight a year¹ so they are an important part of the system. In addition, the branch line shippers are in many cases dependent upon rail service to stay in business or to remain competitive in their markets. Thus, maintaining a healthy branch line system is a prime economic concern.

Ohio has three major branch line programs; the Pre-abandonment Program, the Rail Continuation Assistance Program (the Subsidy Program), and the Acquisition Program. All of these programs are contained in the Branch Line Analysis Process, an analytical methodology used to determine the strategy for lines which railroads indicate may be abandoned.

a) The Branch Line Analysis Process

The Branch Line Analysis Process depicted by the flow chart in Figure 11 represents the interdependent application of the three branch line programs. It represents the Authority's efforts to save needed rail service and rights-of-way.

The initial analysis of branch lines takes place within the Pre-abandonment program. Upon receiving information from the railroads that they are studying or anticipating abandoning a line, the Authority begins working with the railroads and the shippers to identify the critical areas which are causing economic problems on the line. Subsequently, corrective action alternatives are generated and implemented to alleviate the problem.

If no corrective action is feasible, and the line is abandoned through the Interstate Commerce Commission (ICC) abandonment process, the Authority determines whether or not to offer a subsidy for continued rail service. If there are shippers willing to pay the non-Federal share and the line has an adequate priority rank, the Subsidy Program is implemented.

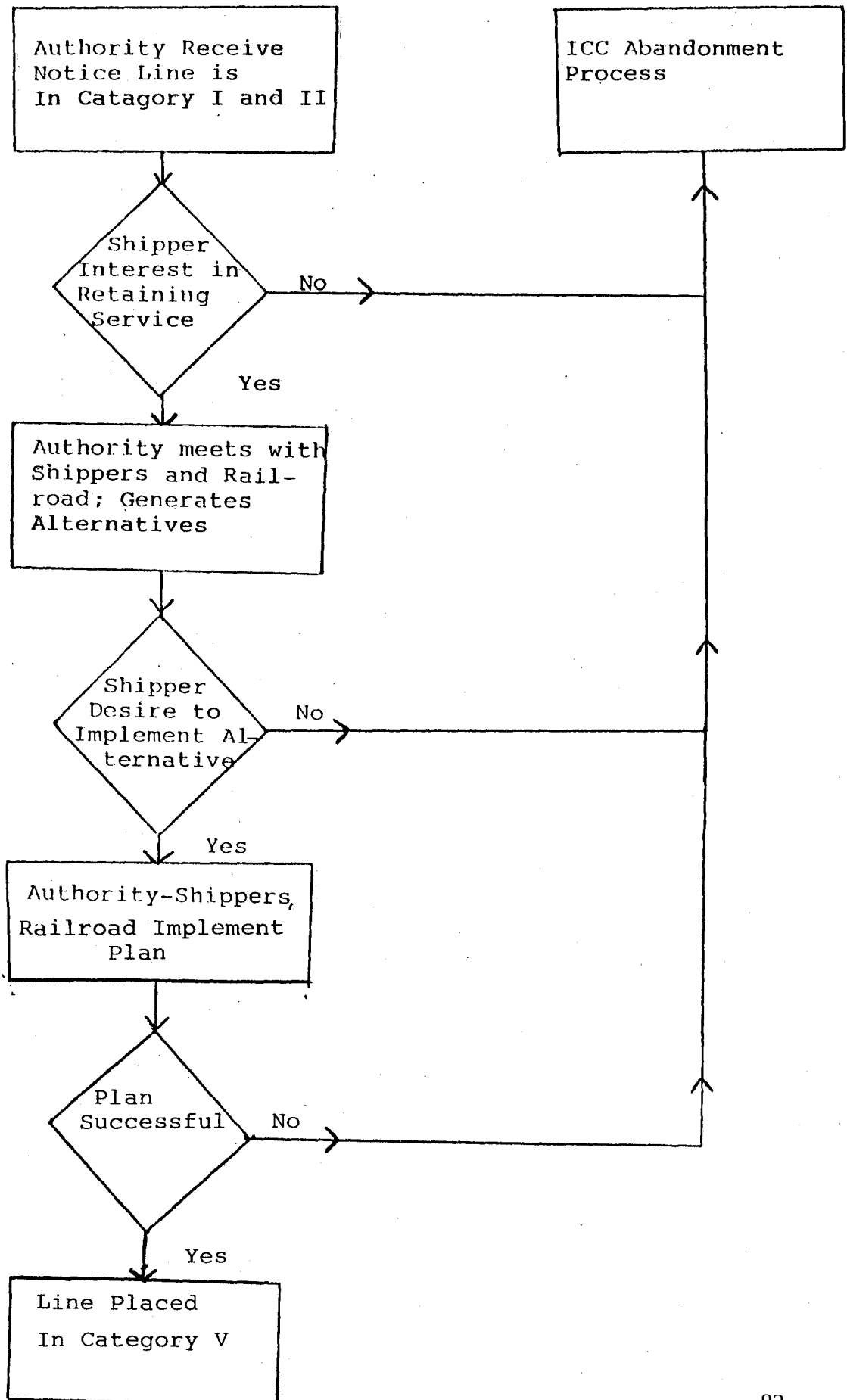
In cases where efforts to save rail service through the Pre-abandonment or Subsidy Program fail, the Acquisition Program can be used to preserve the rights-of-way by purchasing them for "rail banking" for future rail uses. In addition, the Acquisition Program can be used to purchase lines that are operating under the Subsidy Program or to buy other lines to immediately institute rail service.

More detailed analyses of each of these branch line programs follow in the next sections.

¹From definition established by the Federal Railroad Administration.

THE PRE-ABANDONMENT ANALYSIS PROCESS

FIGURE 12



b) The Pre-Abandonment Program

The Pre-abandonment program is an attempt to prevent the abandonment of rail lines by using existing resources more efficiently to enhance the economic condition of the line. Pre-abandonment planning represents a new direction in railroad aid programs, concentrating on problems in their initial stages.

Prior to 1977, shippers and state officials were not made aware of a railroad's intention to abandon a given branch line until it filed an abandonment application with the ICC. While the ICC abandonment process (see Figure 13) allows ample time for interested parties to oppose the application, the fact that the railroad has initiated abandonment proceedings usually precludes any attempts to improve the economics of the line.

Current Federal regulations require that all railroads classify their trackage into one of five categories and that the appropriate governmental agencies be informed of the classification. Category I, "Lines anticipated to be abandoned in three years" refers to lines which the railroads have subjected to economic analysis and have been determined to be expendable. Category II, "Lines under study for potential abandonment" denotes lines that railroads are in the process of analyzing for possible inclusion in Category I. Category III, "Lines pending abandonment" lists lines for which the railroads have submitted an abandonment application to the ICC. Category IV, "Lines in the Rail Service Continuation Assistance Program" denotes lines that are being subsidized. Category V, "Lines owned and operated" refers to lines that are not in any of the other four categories. (See pages 43-45 for Ohio lines in Categories I, II, III.)

The creation of "pre-abandonment categories" enabled the shippers and government time to assess the situation. By law all lines must be in Category I (anticipated abandonment) for at least four months before the railroad can file for abandonment (Category III, pending abandonment). In addition, there is usually a substantial time period while railroads study the line after it is placed in Category II (potential abandonment).

Pre-abandonment planning deals primarily with lines in Categories I and II. The railroads notify the Authority of lines that are included in these categories and provide a data package containing revenues and cost information as well as a traffic report, an assessment of track condition, and a list of shippers on the line.

In some cases there are no shippers on the line in question. In these instances the Authority takes no action.

When there are shippers along the line, the Authority notifies them of the status of their rail service and organizes a meeting. There are three major purposes for these meetings.

First, the Authority determines the shippers' interest and need for preserving rail service. In some cases shippers use rail as a

ABANDONMENT PROCEDURES

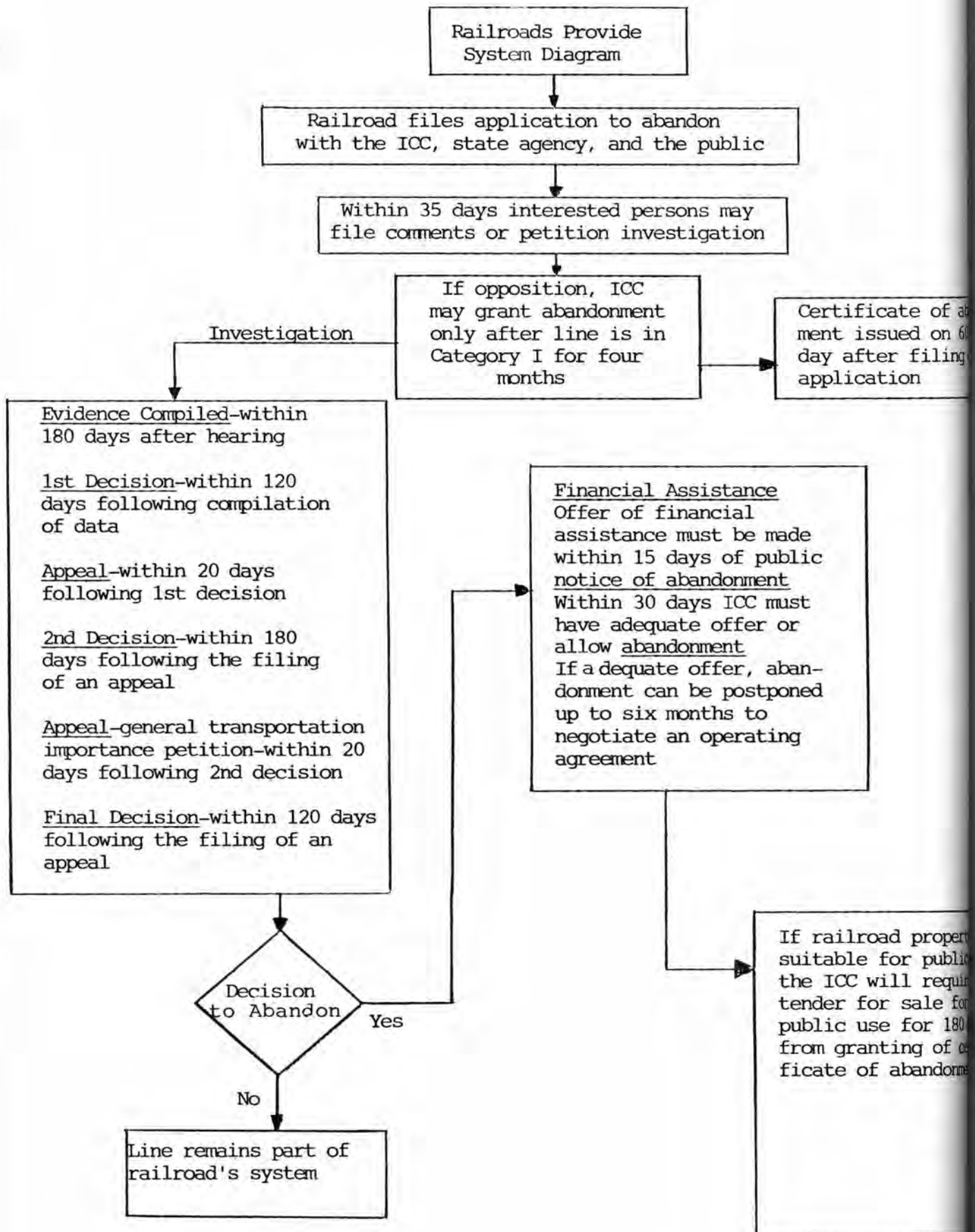


Table 2

CATEGORY I: LINES ANTICIPATED TO BE ABANDONED IN 3 YEARS

Intrastate Lines

<u>TERMINI</u>	<u>CARRIER</u>	<u>MILEPOSTS</u>	<u>LENGTH IN MILES</u>
Napoleon-Wauseon	DT&I	8.0- 18.7	10.7
Armitage-Athens	Chessie		1.4
At Newark	Chessie	2.2- 8.1	5.9
Near S. Webster-Near Edmunds	Chessie	37.2-39.6	2.4
At Portsmouth	Chessie	48.9- 49.5	0.6
*Near Sandyville-Near Mineral City	Chessie	1.3- 4.3	3.0
*At Huff Run Junction	Chessie	0.0- 3.7	3.7
At West Dayton	Chessie		1.3
Lake Junction-South Lorain	N&W	0.0- 25.0	25.0
Carey-Delphos	N&W	1.8- 53.0	51.2
Crooksville-New Lexington	Conrail	31.0- 36.0	5.0
Lima-West Harrod	Conrail	43.0- 51.0	8.0
Dayton-Lytle	Conrail	.7- 3.5	2.8

Interstate Lines

			<u>OHIO LENGTH</u>
Pergo, Ohio-Edon, Ohio- Wakarusa, Indiana	N&W	98.5-105.3	6.8
Negley, Ohio to Smiths Ferry, PA	Y&S	0.0- 13.0	12.0

*These two lines are combined by the Chessie for analytical purposes.

Table 3

CATEGORY II: LINES UNDER STUDY FOR POTENTIAL ABANDONMENT

Intrastate Lines

<u>TERMINI</u>	<u>CARRIER</u>	<u>MILEPOSTS</u>	<u>LENGTH IN MILES</u>
Near Cincinnati-Fernald	Chessie	1.8-19.1	17.3
Leetonia-Lisbon	Conrail	21.8-34.0	12.2
Marion-Harrod	Conrail	2.5-43.0	40.5
Columbus-Howard	Conrail	138.0-90.0; 0.0-4.2	52.2
Erie Docks	Conrail		

Interstate Lines

			<u>OHIO LENGTH</u>
Stillwater, Ohio-West Richmond	Conrail	21.5-126.0	30.2
Near Youngstown	P&LE	0.0- 3.6	1.6

Table 4

CATEGORY III: LINES PENDING ABANDONMENT

Intrastate Lines

<u>TERMINI</u>	<u>CARRIER</u>	<u>MILEPOSTS</u>	<u>LENGTH IN MILES</u>
Willard-Sandusky ***	Chessie	87.7-116.9	29.2
Tontogany-N. Baltimore	Chessie	0.0- 19.2	19.2
Oldtown-Nelsonville ***	Chessie	52.4- 62.9	10.5
Philo-Relief ***	Chessie	9.2- 45.0	35.8
*Oldtown-Creola	Chessie	51.3- 69.4	18.1
*Dundas-Pomeroy	Chessie	78.1-135.1	57.0
Vulcan-Silica	TA&W	0.0- 8.25	8.25
At Steubenville	N&W	13.2- 13.6	0.4

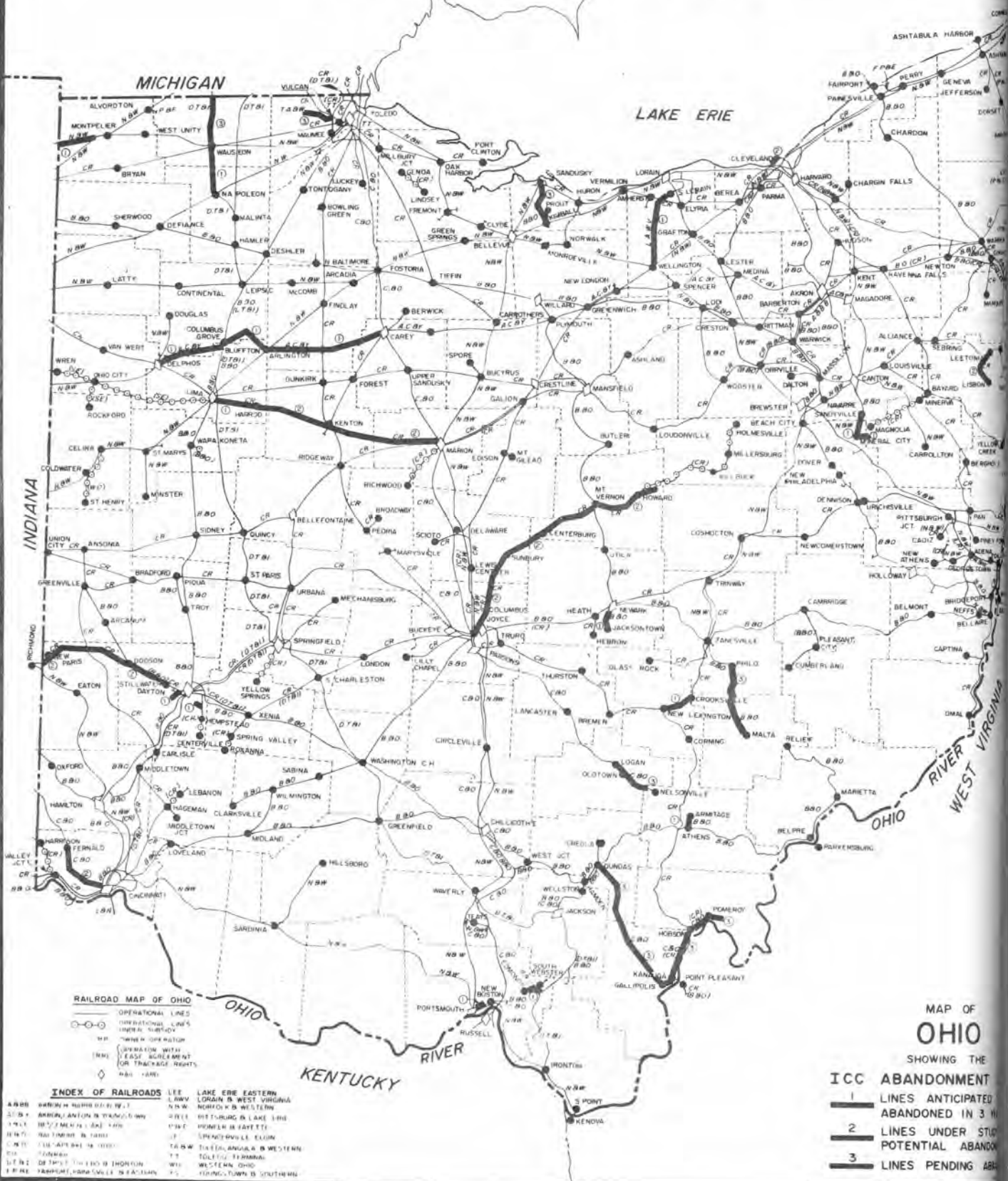
Interstate Lines

Wauseon, Ohio-Oak Shade- Tecumseh, Michigan	DT&I	18.7- 26.1	7.4
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*These two lines are combined by the Chessie for analytical purposes.

** See Appendix IX for updated information on these lines.

LAKE ERIE



convenience but have no special need for it and could use truck transport with no adverse affects. In many cases, however, shippers depend on rail service as a means to keep costs down and stay competitive in their market.

Second, the Authority explains the options available to the shippers. Presently, there is no Federal money available for subsidy or rehabilitation for pre-abandonment lines so options are limited to such things as increasing rail shipments, revision operations such as limiting frequency of service to cut costs, or capital investments by the shippers in the line.

Third, the Authority listens to the particular circumstances the shippers face and to their suggestions as to what actions should be taken. The decision on what to do is made jointly by the shippers and the Authority.

As pre-abandonment planning is brand new, it will continue to develop. Currently, the Authority is working with the National Conference of State Railroad Officials (NCSRO) to obtain Federal funding for the revitalization of Category I and Category II lines. Funding before abandonment could eliminate the tremendous amount of work and money for both government and railroads to go through the ICC abandonment process. It would also allow greater flexibility than there now exists with the current subsidy program.

c) The Rail Service Continuation Assistance Program

The Rail Service Continuation Assistance Program (the Subsidy Program) was created by Congress in the "Regional Rail Reorganization Act of 1973" and extended by the "Railroad Revitalization and Regulatory Reform Act of 1976" (see the "National Freight Perspective"). It is presently the most comprehensive aid available to low density rail lines.

Under the subsidy program, service on lines that would otherwise be abandoned is maintained with financial aid through the Federal Railroad Administration (FRA). Federal funds are available to assist in deferring the cost of operating or rehabilitation on lines designated by the Authority to be included in the program.

The Subsidy Program is used to accomplish various objectives. It is a program to phase out rail service and allow the affected shippers time to best analyze non-rail alternatives. The alternatives vary from a change to another mode, to closing down the business operation, to relocating the business on another line. Federal money is also available for relocation.

Also, it is a program to allow time for the economic difficulties of rail service to be resolved without interrupting that service. It is anticipated that several Ohio lines can use

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the time of the subsidy period to become viable because of increased tonnage shipped, operational changes, and subsidized rehabilitation of track.

The poor condition of track is a major reason many lines are not viable. Deteriorated track is difficult to maintain and results in excess locomotive and crew times as well as derailments, all of which add significantly to costs. The track on several lines in Ohio has been upgraded with the aid of Federal funds.

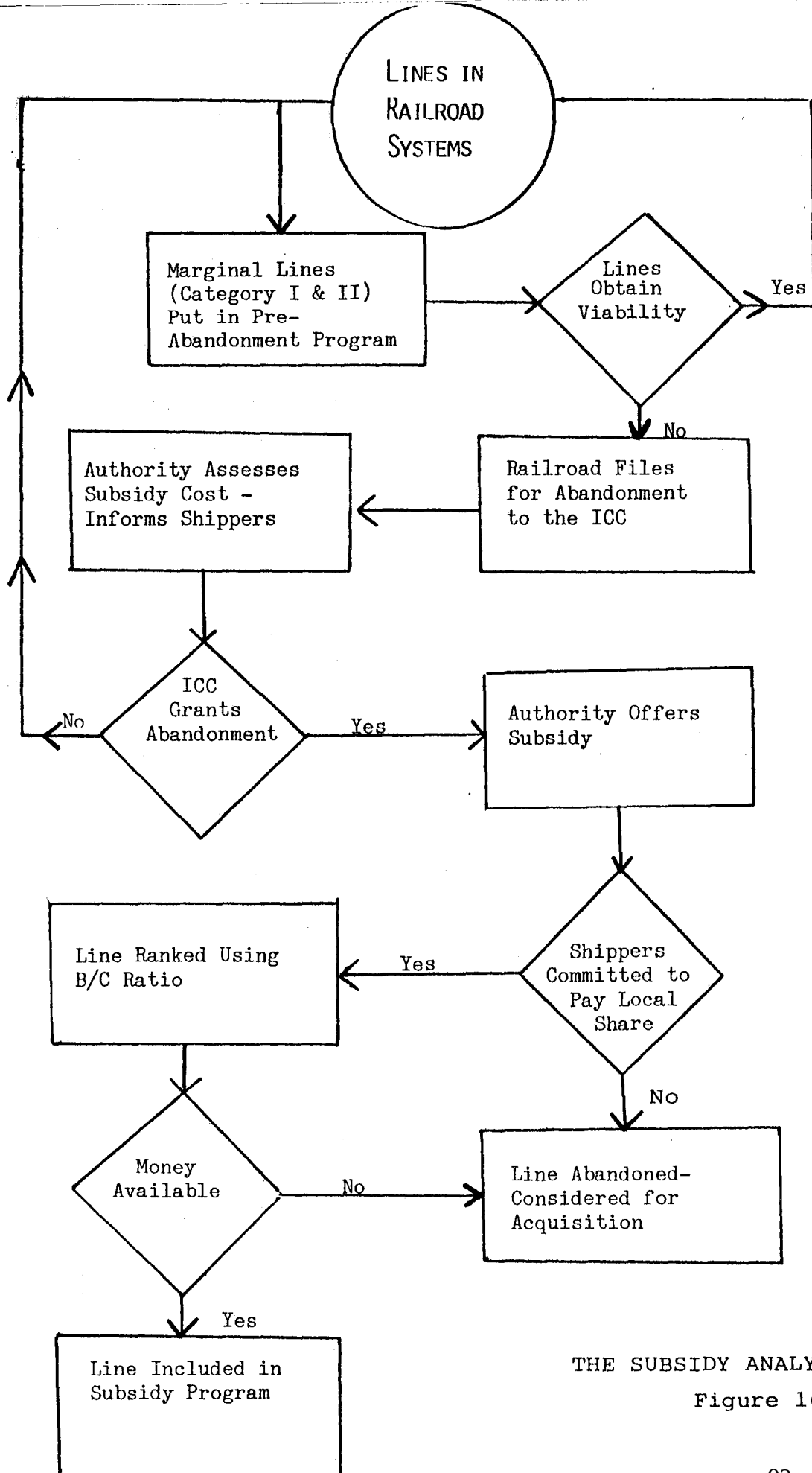
In order to receive federal assistance in the Subsidy Program, a line must be designated for abandonment. Presently, all lines under subsidy in Ohio were designated for abandonment in the Final Systems Plan (see National Freight Perspective). However, any new lines entering the Subsidy Program must be designated for abandonment through the Interstate Commerce Commission (ICC) abandonment process. (See Figure 16).

The Ohio Rail Transportation Authority's major functions in the Subsidy Program are the organization of the shippers, the determination of which lines are to be subsidized and the administration of the program. The State of Ohio cannot participate by paying the non-Federal share of the subsidy cost. Article VIII, Section 4 of the Ohio Constitution prohibits the state from aiding private industry with most forms of subsidy programs.

As new lines are eligible to participate in the subsidy program, the interested shippers meet with the Authority to discuss their options. It is explained that participation in the subsidy program could provide continued rail service until 1981, but that the shippers must pay the non-Federal portion of costs. At present, the non-Federal share is 20 percent. From July 1, 1979, until the program ends on June 30, 1981, the non-Federal share will be 30 percent.

The Authority subjects the line to two levels of analysis before it is included in the subsidy program. The initial analysis determines the shippers willingness to pay the non-Federal portion of the costs. To meet Federal requirements for encumbering funds, the Authority must demonstrate that there are committed local sources. Thus, a written commitment from the shippers stating they will pay the non-Federal part of the subsidy, is a pre-requisite to inclusion in the program.

The second level of analysis is the subsidy priority system. Each rail line is ranked according to its benefit/cost ratio, that is according to how the benefits of continuing service compare with the subsidy costs. The line with the highest benefit/cost ratio earns the number one rank. In the event there is not sufficient Federal money to pay the non-Federal share, only the top lines in the priority ranking will be subsidized with Federal funds.



THE SUBSIDY ANALYSIS PROCESS

Figure 16

The benefits used in the subsidy priority analysis represent the quantifiable costs and the adverse effects that would result from lost rail services. For example, if rail service was lost, some businesses dependent on its low bulk freight rates to remain competitive in their markets, would have to lay-off employees to cut costs. The taxpayers would have to support these people with unemployment benefits. However, if rail service is continued, there would be no layoffs. Thus, continuing rail service prevents unemployment and the taxpayer benefits by not having to fund unemployment benefits.

The cost used in the benefit/cost ratio is simply the cost of the subsidy. Thus, the benefit/cost ratio compares the several benefits derived from continued rail service that can be put into monetary terms with the cost of providing these benefits (see the chart below). If the ratio is one or above it indicates that benefits exceed costs.

However, it must be noted that a benefit/cost ratio below one does not preclude participation in the program. There are many benefits that are either too costly or impossible to put into monetary terms so the benefit/cost ratio is not an absolute indicator of the value of projects.

For example, the benefits of preventing job retaining costs due to lost jobs, or property tax loss due to business relocation are too difficult and costly to determine. Also, benefits such as preventing increased pollution or preventing the hardships of job loss cannot be given a monetary value. Therefore, the benefits on any of the lines would be significantly higher if all items could be included. The Authority will continue to refine this methodology in future rail plans to improve its accuracy and fairness.

Benefits and Costs

Benefits	= Lost payroll tax
	+ Average unemployment benefits
	+ Average secondary unemployment benefits
	+ Increased fuel cost
	+ Increased shipping costs

Total Benefits

Costs	= Total subsidy payment
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<u>Benefits</u> Cost	= Benefit/cost ratio
-------------------------	----------------------

The calculation of lost payroll tax is a matter of determining the federal and state taxes that would not be paid because of job losses due to lost rail service. To determine job losses, the "Job Loss Co-efficients" developed by Michigan and Pennsylvania were used. These co-efficients, shown in Table 5, represent the average number of jobs lost in industries for every 1,000 carloads of a commodity that would no longer be shipped by rail. For example, as seen in the table, if a firm that shipped 1,000 carloads of crude petroleum products (standard transportation commodity code 13), lost its rail service, an estimated 32 jobs would be lost. The Authority generally used the more conservative estimate of the two states with the exception of certain cases when the conservative estimate was extremely low. The Authority realizes that the job loss statistics of other states are not optimal for Ohio and will refine this methodology with Ohio data in the next plan.

Once job losses for a line were determined, the total salary represented by the loss was calculated. This was accomplished by multiplying the average salary¹ of employees on subsidized lines as determined by a shipper survey, by the job loss figure. To calculate lost taxes, the total salaries of unemployed workers was divided by .20, an average federal and state tax bite in Ohio calculated assuming two dependents.

The average unemployment benefits were determined using the average duration of unemployment and the average weekly benefit payment. This information was obtained from the Ohio Bureau of Employment Services. Thus, the calculation of benefits was a matter of taking the number of jobs lost and multiplying it by the average weekly payment for industry type and by the average duration of unemployment per industry type.

The average secondary unemployment benefits are calculated using the primary unemployment benefits figure. For manufacturing jobs, the primary benefit figure was multiplied by 2/3. This reflects the U. S. Chamber of Commerce statistic that 67 new jobs are made by the creation of 100 new manufacturing jobs. It is assumed that the opposite is true also. The loss of 100 manufacturing jobs would cause 67 related jobs to be lost also.

For non-manufacturing jobs, a conservative method of estimation is used based on the system used by Maryland². The primary benefits are multiplied by the ratio of service jobs to non-service jobs in the country. The rationale is that some service jobs

¹ Average salary = total payroll of firms on subsidized lines ÷ by total employment on subsidized lines. All employment and payroll figures are taken from the 1978 Authority shipper survey.

² Maryland State Rail Plan, Maryland Department of Transportation August, 1976, A35.

TABLE 5

JOB LOSS CO-EFFICIENT BY STCC CODE

*STCC	COMMODITY DESCRIPTION	Jobs per 1,000 Carloads Shipped		
		MICHIGAN	PENNSYLVANIA	USED FOR OHIO
01	Farm Products	29	83	29
08	Forest Products	24	0	24
09	Fresh Fish and Marine	0	2000	0
10	Metallic Ores	14	274	14
11	Coal	0	36	36
13	Crude Petroleum, Gas, etc.	32	36	32
14	Non-Metallic Minerals	22	173	22
19	Ordnance and Accessories	1480	0	0
20	Food and Kindred Products	22	53	22
21	Tobacco Products	0	0	0
22	Textile Mill Products	1933	0	0
23	Apparel Products	0	0	0
24	Lumber, Wood Products	62	205	62
25	Furniture, Fixtures	225	6	6
26	Pulp, Paper, etc.	1	132	132
27	Printed Matter	0	0	0
28	Chemicals, etc.	22	209	22
29	Refined Petroleum, Coal Products	1	117	1
30	Rubber, Plastic Products	3	399	3
31	Leather, Leather Products	0	0	0
32	Clay, Concrete, Glass, Stone Products	7	79	79
33	Primary Metal Products	25	79	25
34	Fabricated Metal Products	0	79	0
35	Machinery	1	284	1
36	Electrical Machinery, etc.	0	292	0
37	Transportation Equipment	48	82	48
38	Instruments, Photographic	0	0	0
39	Miscellaneous Products of Manufacturing	0	185	185
40	Waste or Scrap	28	46	28
41	Miscellaneous Freight Shipments	0	556	0
42	Empty Containers	0	43	0
43	Mail, Express, etc.	0	0	0
44	Freight Forwarder Traffic	0	0	0
45	Shipper Association Traffic	0	0	0
46	Mixed Shipments	167	0	167
47	Small Packages	0	0	0

*Denotes Standard Transportation Commodity Code

will be lost for any other type of job loss. The ratio for service/non-service jobs is determined with data supplied by the Ohio Bureau of Employment Services and is low on the average (usually about .2).

The increased fuel costs are determined by estimating the additional gallons of fuel that would be used if trucks were used to ship freight rather than more fuel efficient trains. Additional gallons of fuel is approximated for a line by subtracting the fuel needed to ship products of a line by rail from fuel needed to truck shipments for the distance to the nearest railhead.

Fuel efficiency figures were taken from the 1974 National Transportation Study (Manual II, Volume I, U.S. DOT, October, 1972. This additional gallon figure is then simply multiplied by 60¢, an average diesel fuel price in Ohio.

Increased shipping costs are calculated using a formula developed by CONSAD Research Corporation in a study entitled Effects of Railroad Abandonment on the Modal Distribution of Traffic and Related Costs (U.S. DOT, Final Report, September, 1977).

The required data consists of the tonnage and the ton miles of freight on the line. These are multiplied by cost coefficients to arrive at increased costs. Tonnage is multiplied by \$1.50 while ton miles are multiplied by .08.

Tonnage was determined by multiplying the carloads for each commodity shipped by the average tonnage of a carload of that commodity. Most average tonnage data was determined by examining waybills supplied by shippers. In a few cases, no waybills were available and conservative estimates were used. Ton/miles were calculated by multiplying tonnage by the distance to the nearest railhead. The rationale for using this figure is that materials must at least be trucked this far in all cases.

A summary of all five benefit formulas is presented in the chart below:

Benefit Calculation Formulas

Lost Payroll Tax = Jobs Lost x Average Weekly Salary x
average weeks unemployed x average tax

Average Unemploy- = Jobs Lost x Average Weekly Compensation x
ment Benefits Average Weeks Unemployed

Average Secondary= Primary Benefits x Secondary Loss
Benefits Coefficient (.67 or service job/non-
service job ratio)

Increased Fuel = Additional Gallons of Fuel x Average
Cost Fuel Cost

Increased Ship- = (Tons x \$1.50) + (Ton miles x .08)
ping Cost

The Ohio lines currently being subsidized as well as the lines pending abandonment and other lines designated for subsidy were analyzed by this benefit/cost system. The results are shown in Table 6.

Many subsidized lines are being considered for acquisition also. A description of this program and its analytical methodologies follows in the next section.

d) The Acquisition Program

The rail reorganization resulting from the 3R Act permitted the abandonment of a significant portion of Ohio rail lines. In the future, despite the efforts of the Pre-abandonment and Subsidy Programs, more lines will undoubtedly lose service. Upon abandonment, the property generally falls back to the original owners or is sold to various parties causing the right-of-way to be lost.

In granting certificates of abandonment, The Interstate Commerce Commission generally puts most emphasis on the socio-economic effects lost rail service would cause at that time. It does not attempt to determine if rail transportation will be a vital part of the area's transportation system in the future.

The Acquisition Program, however, is geared in part to the future. It was established under the 3R Act (see the National Freight Perspective) to preserve rail corridors which could be vital to the economic and transportation system in years to come. Many abandoned rail lines may be purchased for "rail banking."

The Acquisition Program has other aspects also. Lines currently being subsidized can be purchased by the state for continued operation or abandoned lines can be purchased to re-institute service. (See Figure 17)

As in the Subsidy Program, any local source can provide the non-Federal share of costs in the Acquisition Program. If a local source acquires a line though, it must use it for rail banking or rail purposes only. Unlike the Subsidy Program, the Authority has no Ohio Constitutional restriction against paying the non-Federal portion. Ohio can own rail lines and will buy most of the available abandoned lines purchased under this program.

The non-Federal portion of funding follows the Federal-local cost division of the Subsidy Program. Funds encumbered from the Federal government this year must be matched by a 20% state or local share. Funds encumbered after June 30, 1979, will require a 30% non-Federal share, unless pending Federal legislation is approved by Congress prior to the beginning of the fourth subsidy period.

TABLE 6

SUBSIDY PRIORITY RANKINGS

<u>Line</u>	<u>Benefit/Cost Ratio</u>	<u>Priority Rank</u>
571*	**	1
497/98	***	2
1263*	5.40	3
502/03/04*	3.12	4
477a*	3.00	5
527/28*	1.48	6
478*	.94	7
Philo-Malta	.78	8
643*	.70	9
516a/b/c/d/e*	.69	10
535*	.63	11
531	.63	11
1261*	.62	13
536/37*	.61	14
525*	.60	15
Vulcan-Silica	.56	16
371*	.48	17
Willard-Sandusky	Not Available	--
Kerr-Pomeroy	Not Available	--
373	Not Available	--
375/76/77	Not Available	--

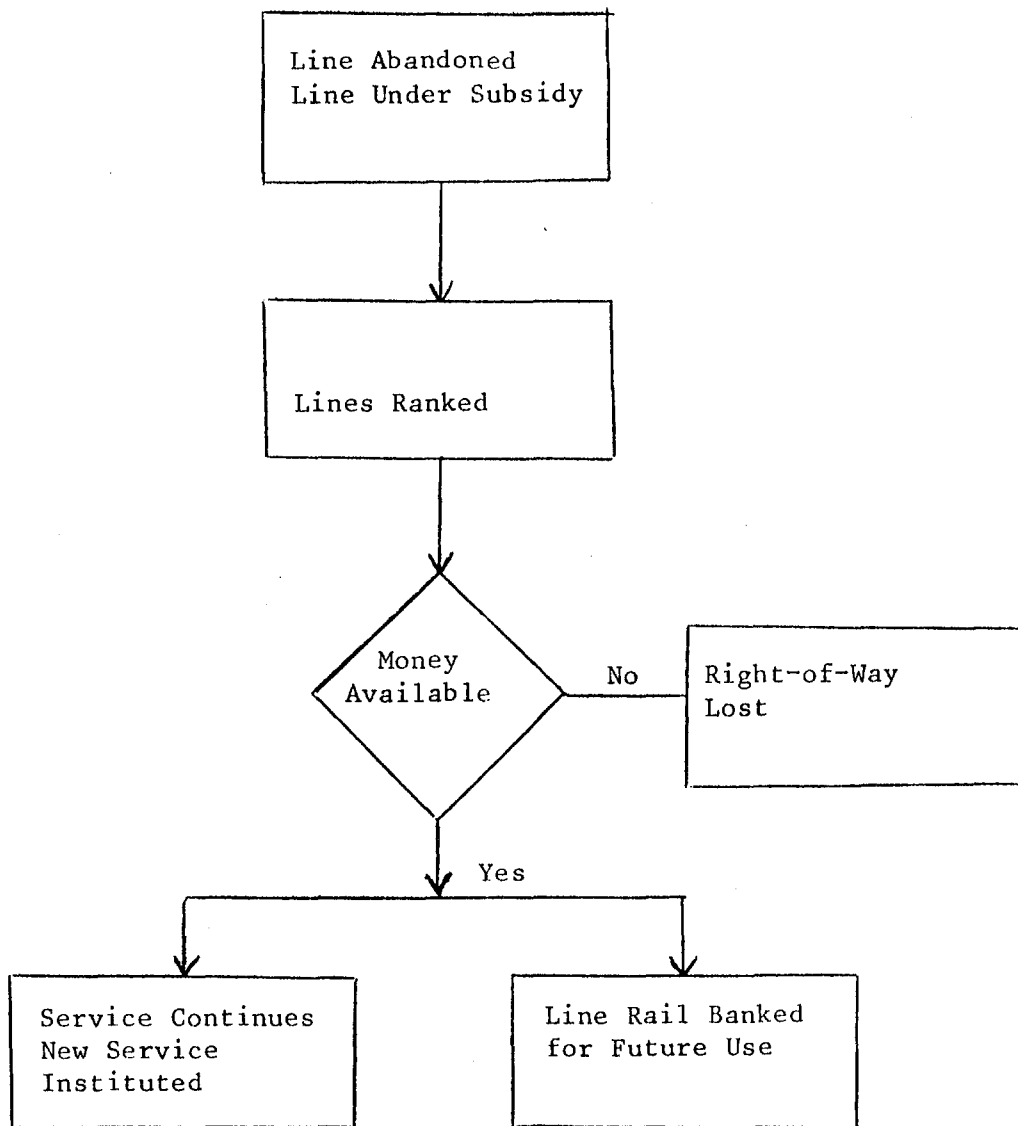
* Lines currently in the Subsidy Program

** Funds for this line come from the State of Indiana - No portion of Ohio's entitlement of Federal funds would be used for subsidy payments (See page 190)

*** Authority projects Line 497/98 would be profitable if rail service were provided and no portion of Ohio's entitlement of Federal funds would be used for subsidy program.

FIGURE 17

THE ACQUISITION ANALYSIS PROCESS



The Authority determines which abandoned lines will be acquired in Ohio by using its Acquisition Priority Methodology. Each line is ranked according to the points it earns in three general areas; Energy Related Criteria (45 points), Potential Rail Freight Criteria (45 points), and Alternate Rail Uses (15 points).

There are two categories in the energy area; Fossil Fuel Access (35 points) and Other Energy Access (10 points). The first category deals with rail lines which provide access to an active fossil fuel production facility or to an area where there are known fossil fuel reserves. The Other Energy Access category refers to lines that provide access to power plants, to other major fossil fuel users, and to energy related facilities that need rail service to handle large or heavy equipment.

In the potential rail freight area there are two categories; Rail Freight Potential (35 points) and Agricultural Production on Branch Lines (10 points). The points in the freight potential category are determined according to the number of carloads per mile previously shipped, the number of potential rail shippers within 5 miles of the line, and the number of workers employed by potential rail shippers. Also, extra points are given to lines currently under subsidy. The points in the agricultural production category are warranted if there are grain storage facilities or fertilizer suppliers on the line.

There are three categories in the Alternate Rail Use area; Potential Alternate Freight Route, Potential Intermodal Connection, and Potential Rail Passenger Route. Alternate freight possibilities are assessed by the potential to serve as a relief route should the mainline route exceed its capacity or as an emergency by-pass facility where the mainline route traverses a geographic feature such as a major river. Potential intermodal connections are assessed by their value as links between various transportation centers such as truck distribution centers and railroad mainlines, or river and lake ports. Passenger potential is assessed by the relation of the track to the authority's proposed high speed passenger system. (See the Ohio Passenger Perspec

An outline of the entire priority system is shown below.

ACQUISITION PRIORITY METHODOLOGY¹

I. Energy Related Criteria - Total 45 points

a. Fossil Fuel Access - 35 points

¹ A compilation of relevant data as well as a sample data sheet are listed in Appendix VII.

b. Other Energy Access - 10 points

II. Potential Rail Freight Criteria - Total 45 points

a. Rail Freight Potential - 35 points

b. Agricultural Production on Branch Lines - 10 points

III. Alternate Rail Use - Total 15 points

a. Potential Alternate Freight Route - 5 points

b. Potential Intermodal Connection - 5 points

c. Potential Rail Passenger Route - 5 points

The data necessary to complete acquisition analysis comes from many sources. Fossil fuel priority was determined using the section of the USRA Final System Plan (FSP) entitled "Lines Recommended For Consideration For Inclusion in a Fossil Fuel Rail Bank." For lines not listed in the FSP, information was obtained from the Ohio Department of Energy. Information on shipper characteristics was found in the Ohio Manufacturer's Industrial Directory (Ohio Department of Economic and Community Development, Harris Publishing, 1977) or was determined first hand from direct contacts and shippers meeting. Carloading information was determined from past rail plans, from information packets provided by the railroads, and from monthly shipper reports submitted to the Authority from shippers on subsidized lines. Information regarding rail mainlines is taken from the Final Standards, Classification and Designation of Lines of Class I Railroads in the United States, Volume II, USDOT, June, 1977.

The Authority will use the funds it encumbered under Title IV of the 3R Act to acquire the top lines in the Acquisition Priority rankings (see Table 7 and Figure 18). These rankings differ slightly from those in last year's plan because of changes in the situation on some lines. Since appraisals must be performed to determine the exact costs that will be paid, it is unclear how many of these abandoned lines can be purchased.

Currently appraisals as well as title searches are being done on Line Nos. 370, 371, 373, 374, 375/76/77, and parts of 1264. Subsequent to the conclusion of these projects, action will begin to purchase other line segments.

Table 7

ACQUISITION PRIORITY LIST

<u>RANK</u>	<u>USRA LINE NO.</u>	<u>TERMINI</u>	<u>LENGTH</u>
1	375/76/77	Marietta-Cambridge	56.5
2	371	Minerva-Magnolia	11.0
3	373	Newcomerstown-Dover	18.2
4	374	Cambridge-Newcomerstown	19.2
5	370	Magnolia-Dover	13.5
*6	1264	Richwood-Urbana	32.35
7	525	Lebanon-Hageman	5.9
8	527/28	Hempstead-Centerville	3.9
9	536/37	Yellow Springs-Springfield	11.8
10	478	Howard-Holmesville	35.3
10	497/98/98a	At Washington Court House	1.8
*12	535	Celina-St. Henry	11.3
13	571a	Valley Junction-Harrison	6.9
15	714	North Warren-Ashtabula	43.2
15	502/03/04	At Wapakoneta	1.8
*15	531/31a/32	North Paulding-Latty	9.0
17	643	Lindsey-Genoa	8.7
*18	1261	Lima-Wren	35.0
*19	1263	Marion-Richwood	14.65
*19	1261	Van Wert-Rockford	14.2
21	516	Spring Valley-Roxanna	5.6
*22	477a	At Columbus	0.5
23	487	Mt. Gilead-Johnstown	30.6

* Denotes Lines With Changes From Last Year's Plan

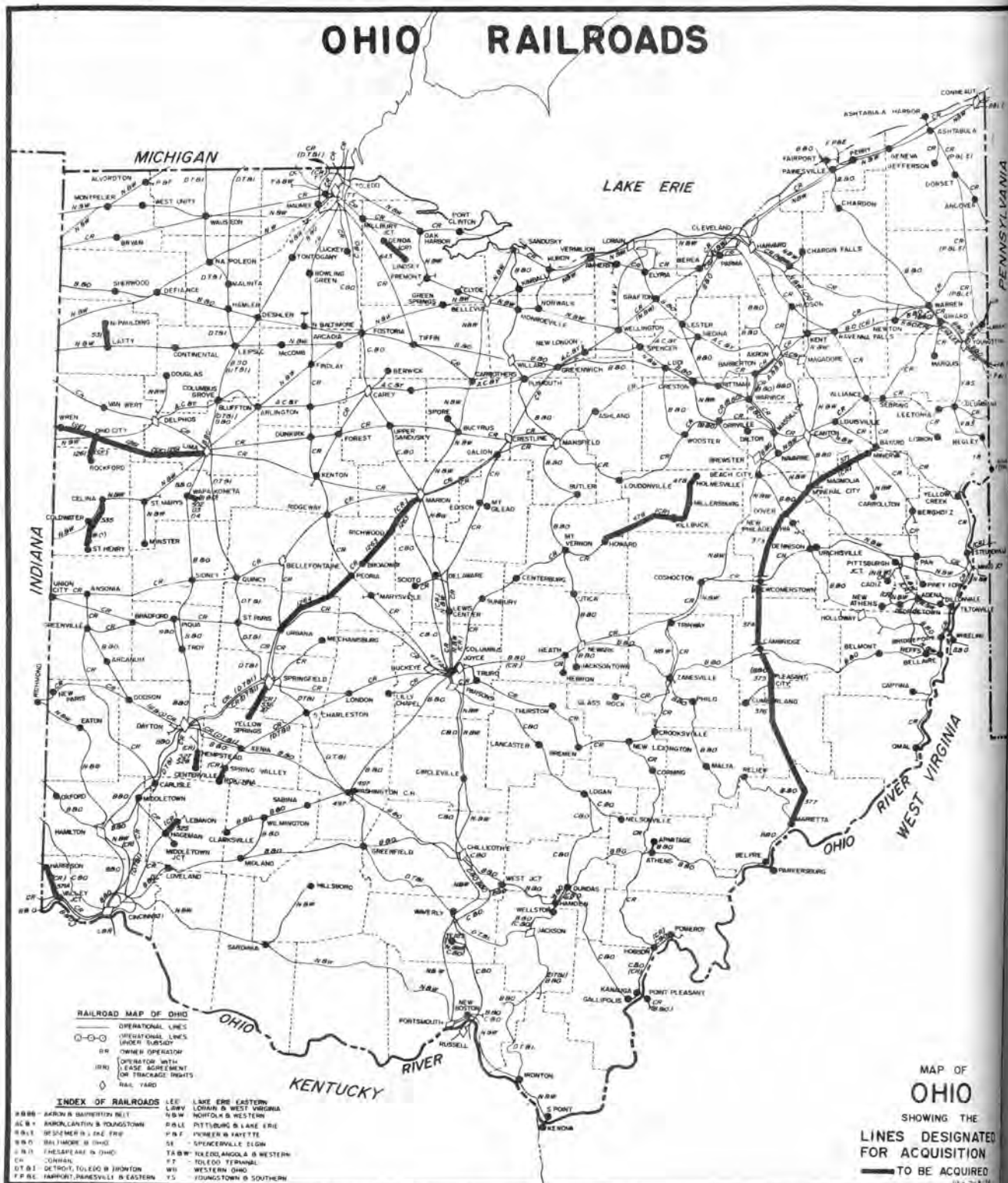
24	492	Fultonham-Crooksville	8.3
25	496c	Crooksville-New Lexington	6.5
26	368	Pitney Fork-Dillonvale	5.1

LINES PENDING ABANDONMENT**

--	--	Philo-Malta	15.5
--	--	Oldtown-Nelsonville	10.5
--	--	Oldtown-Pomeroy	75.3
--	--	Vulcan-Silica	8.2
--	--	Willard-Sandusky	29.2
--	--	Tonogany-North Baltimore	19.2
--	--	Pergo-Indiana Border	8.6
--	--	Wauseon-Michigan	8.2

** Lines Cannot Be Purchased Until They Are Abandoned

Figure 18



APPENDIX I

ICC Category I: Lines Anticipated to be Abandoned Within Three Years

The line by line analyses presented in this appendix describe the status of lines which the various railroads have indicated they will petition to the Interstate Commerce Commission (ICC) within three years to grant a certificate of abandonment. Each is composed of five separate sections; a "Line Description," "1978 Disposition," "Status Report," "Benefits and Costs of Continued Rail Service," and Strategy for the Future."

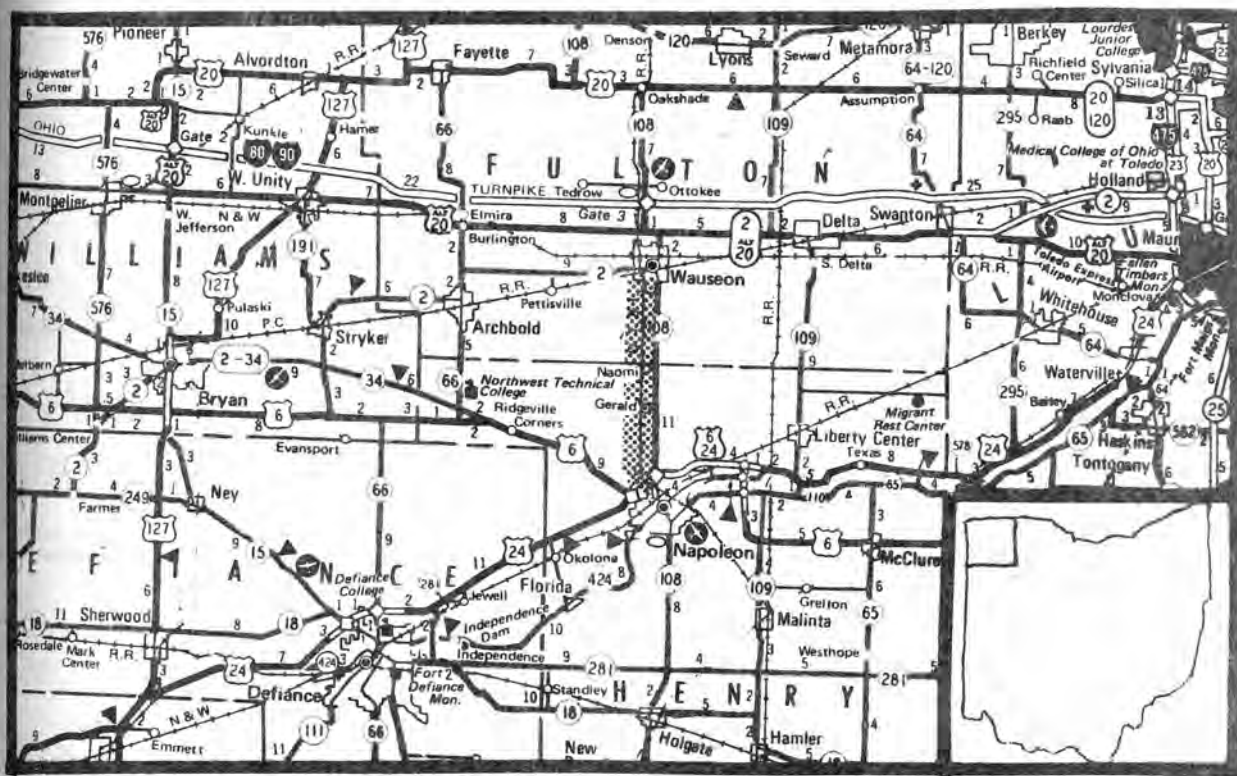
The line description depicts a map of the appropriate portion of the state, along with a written description of the various connections. The map is an updated form of the 1975 Ohio Department of Transportation official highway map. The 1978 disposition states the Ohio Rail Transportation Authority's recommendation for the line's from August, 1978 to July, 1979.

The status report contains facts, as they are available, on the economic condition of the line, as well as information on the nature of shipments on the line and track conditions. The section on the benefits and costs of continued rail service includes available information on the adverse affects of abandonment on the local area. The section on strategy for the future explains the Authority's anticipation of the use of the line in the ensuing years.

Except for the line description, the Authority is dependent on the railroads to obtain the information necessary to fully analyze each line. Since data packages for lines in this category have not yet been received from Conrail and the Norfolk and Western, the analyses are often presented in shortened form. Information for these abbreviated analyses was gathered by personal contacts with shippers and railroad officials. Also, for lines on which there are no shippers, the line analyses are presented in shortened form.

PORTION OF THE TECUMSEH BRANCH NAPOLEON TO WAUSEON (DT & I)

This portion of the Tecumseh Branch extends from Wauseon (Milepost 18.7) southward to Napoleon, Ohio, (Milepost 8.0), a distance of 10.7 miles in Fulton and Henry Counties, Ohio. Northward from Wauseon this line extends to Tecumseh, Michigan, (see page 141) and the line extends southward from Napoleon to Malinta, Ohio. At Malinta, the line connects to the DT & I Mainline which runs between Detroit, Michigan, and Cincinnati/Ironton, Ohio. At Napoleon, this line crosses the N & W Toledo/Port Wayne/Chicago Mainline and at Wauseon crosses the N & W Toledo/Montpelier/Chicago Mainline. At Wauseon this line also crosses Conrail's Toledo/South Bend/Chicago Mainline.



1978 DISPOSITION

Upon completion of a viability analysis, it will be determined whether or not a corrective action program can be devised for this line prior to initiation of abandonment proceedings.

STATUS REPORT

The DT & I reports that it is currently serving seven (7) shippers on this line with a total of 261 carloads in 1976. The DT & I further reports that no rehabilitation is necessary for this line. The estimated annual operating costs and revenues associated with this line are currently unavailable.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

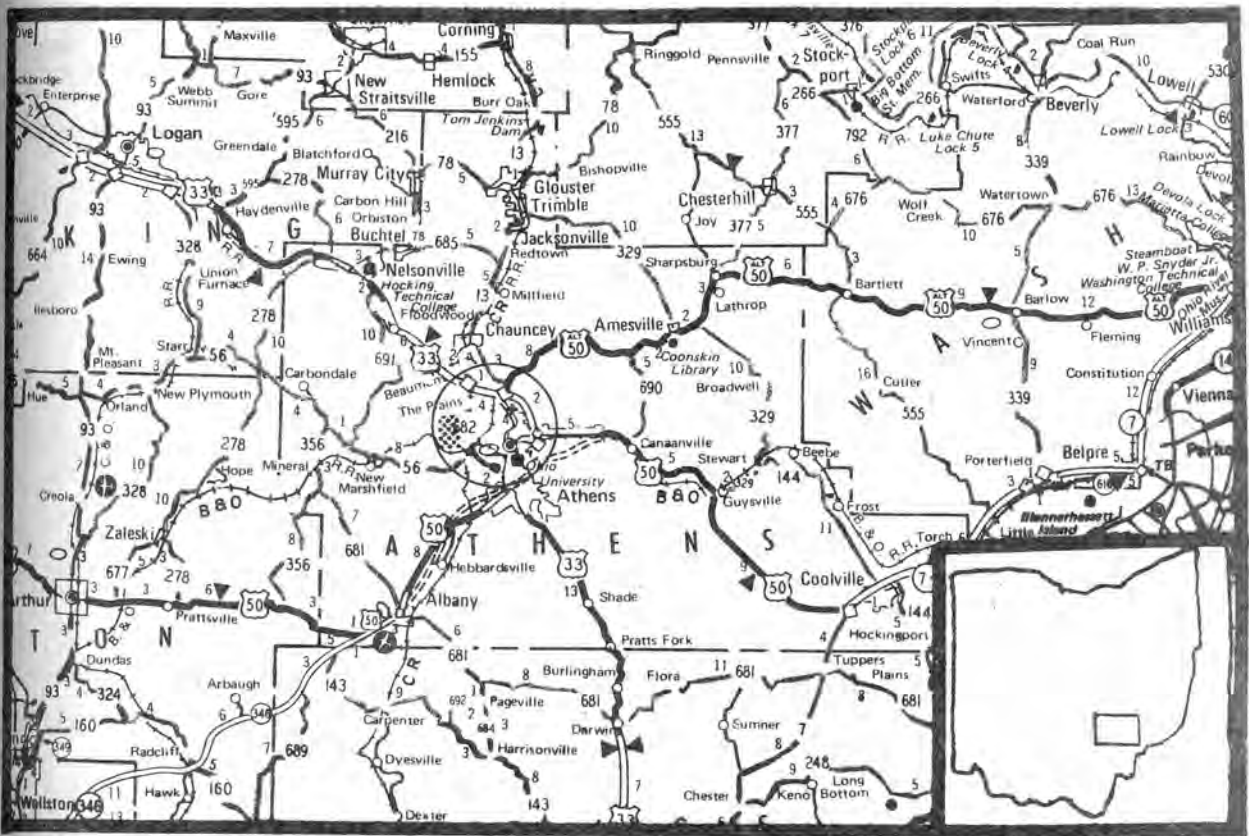
Because shippers on the line are currently receiving service, a subsequent abandonment will affect the local economy and environment. The extent of any such effects will be developed through viability analysis.

STRATEGY FOR THE FUTURE

The Maumee Valley Resource, Conservation, Development and Planning Organization, the Fulton County Regional Planning Commission, the Henry County Regional Planning Commission, shippers and other interested parties will be consulted in order for the Authority to develop and pursue a corrective action or subsidy policy for this line.

PORTION OF THE ARMITAGE BRANCH ATHENS TO ARMITAGE (CHESSIE)

The Armitage Branch extends from station 3943+45 at Armitage to station 4014+71 at Athens, a distance of 1.35 miles, in Athens County, Ohio. At Athens, the Armitage Branch connects with Chessie's Parkersburg Subdivision which runs eastward to Parkersburg, West Virginia and westward to Chillicothe, Ohio. At Armitage, there is no rail extension north.



1978 DISPOSITION

This line will not be recommended for subsidy. Upon abandonment, it will be considered for acquisition.

STATUS REPORT

The Chessie System ceased operations over this portion of the Armitage Branch on November 12, 1973, Docket No. AB-18 (Sub. No. 2). There are no agency stations or shippers on the line.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

Because there is no current service on the Armitage Branch, no detrimental effects to the local economy or environment are expected.

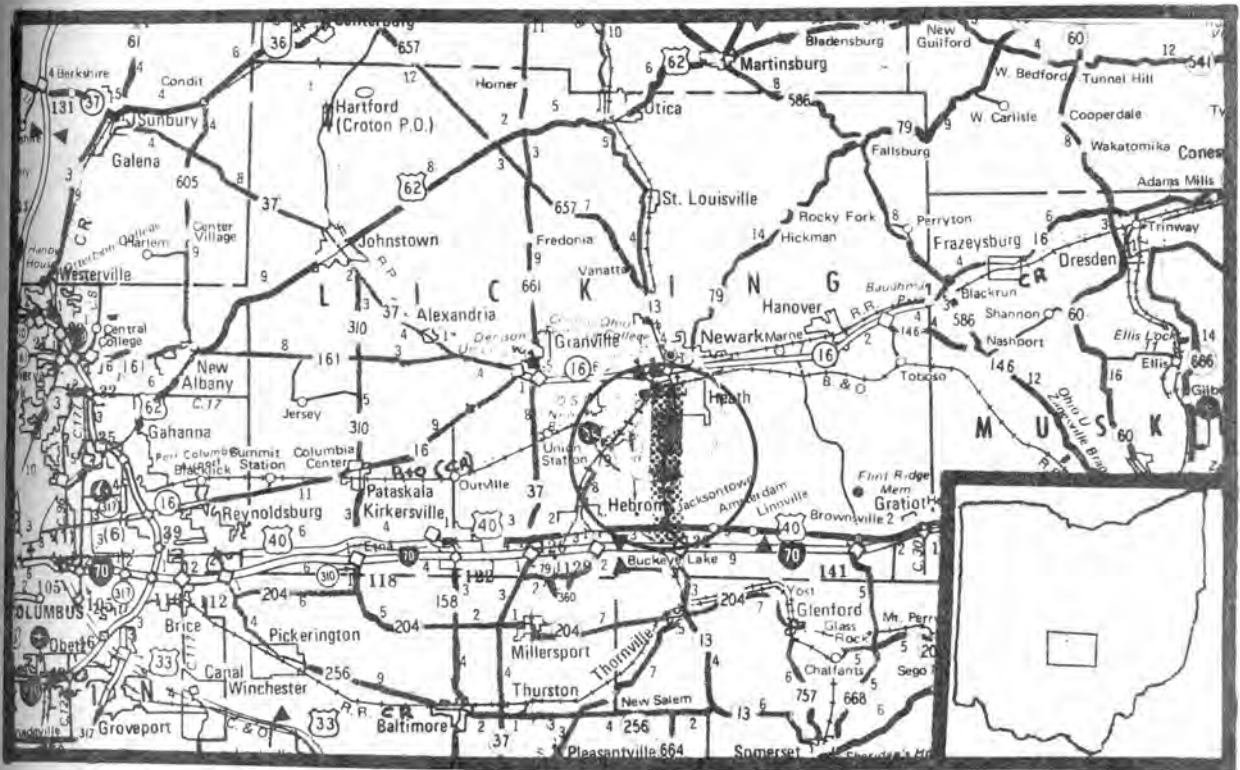
STRATEGY FOR THE FUTURE

The Buckeye Hills-Hocking Valley Regional Development District, the Athens County Regional Planning Commission, the City of Athens, and Chessie will be consulted in order that the Authority may develop an acquisition policy concerning the Armitage Branch.

The Hocking Valley Scenic Railway has expressed interest in operating steam powered tourist rail service between Nelsonville and Athens over the Columbus and Southern Ohio Electric Company and Chessie System tracks. The HVS currently operates between Nelsonville and Carbon Hill over the abandoned C&O Monday Creek Subdivision.

PORTION OF THE MIDLAND BRANCH NEWARK TO JACKSONTOWN (CHESSIE)

The Shawnee Subdivision extends from milepost 2.18 near Newark to milepost 8.11 at Jacksontown in Licking County, Ohio. At Newark, the line connects with Chessie's Central Ohio Sub-division which runs westward to Columbus and eastward to Zanesville and Cambridge, Ohio. At Jacksontown, there are no rail connections.



1978 DISPOSITION

This line will not be recommended for subsidy. Upon abandonment, it will be considered for acquisition.

STATUS REPORT

The Chessie reports that there is currently no service on the line.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

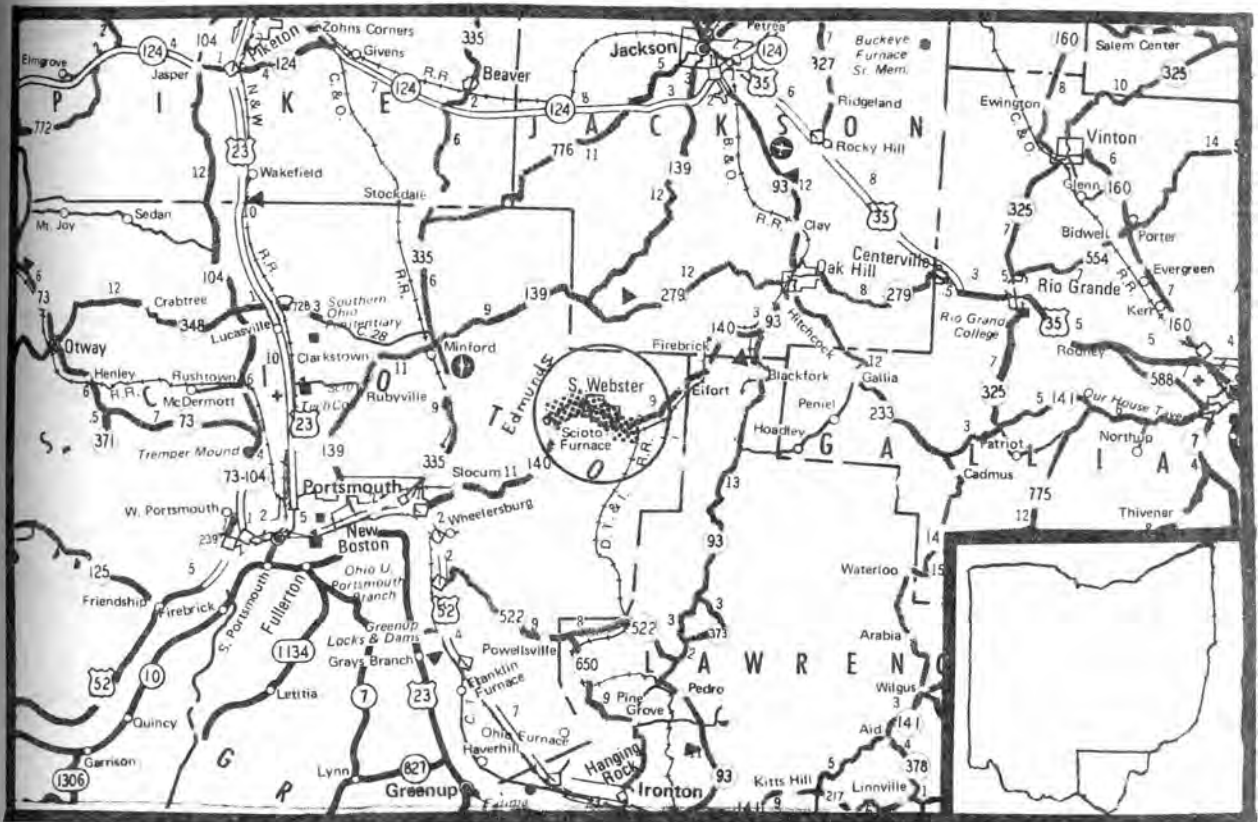
Because there is currently no service on the line, no detrimental effects to the local economy or environment should result from abandonment.

STRATEGY FOR THE FUTURE

The Licking County Regional Planning Commission and the City of Newark and Chessie will be consulted in order that the Authority may develop a policy concerning the acquisition of the Shawnee Subdivision.

PORTION OF THE PORTSMOUTH BRANCH EDMUNDS TO SOUTH WEBSTER (CHESSIE)

This portion of the Portsmouth Branch extends from milepost 37.20 near South Webster to milepost 39.63 near Edmunds, Ohio a distance of 2.43 miles in Scioto County, Ohio. At South Webster, the line connects to the B&O line to Jackson and the DT&I line to Ironton. At Edmunds, there is no rail connection.



1978 Disposition

If the line is abandoned it will not be recommended for subsidy. Upon abandonment, it will be considered for acquisition.

Status Report

The Chessie System reports that there currently is no service provided on this portion of the line.

Benefits and Costs of Continued Rail Service

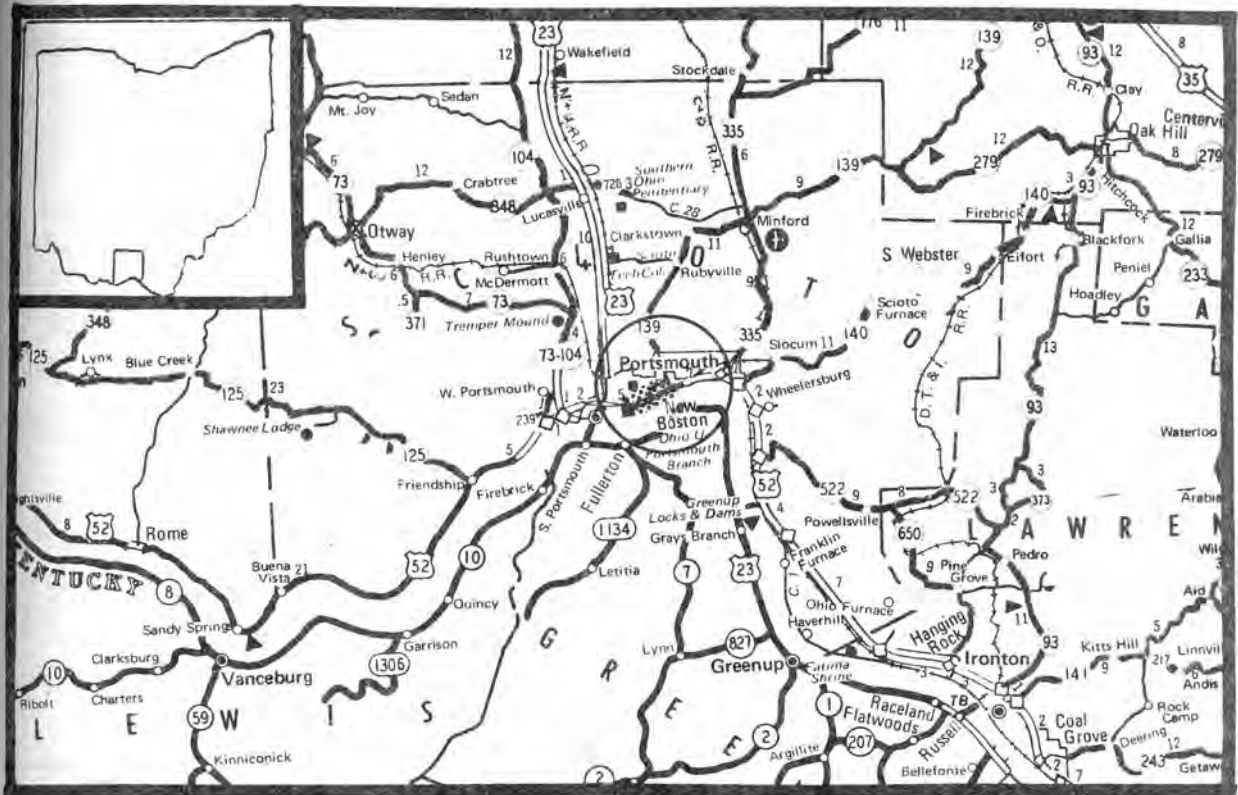
Because there is currently no service on this portion of the line, no detrimental effects to the local economy or environment will result.

Strategy For The Future

The Ohio Valley Regional Development Commission, the Scioto County Regional Planning Commission, the City of Portsmouth and the Chessie will be consulted so that the Authority may help to develop a policy concerning the acquisition of this portion of the Portsmouth Branch.

PORTION OF THE PORTSMOUTH BRANCH AT PORTSMOUTH (CHESSIE)

This portion of the Portsmouth Branch extends from milepost 48.99 to milepost 49.47 at Portsmouth, Ohio, a distance of .48 miles in Scioto County, Ohio. At Portsmouth, the line connects with the N&W mainline from Cincinnati. The eastern extension of this line connects with Chessie's Chillicothe to Ironton mainline.



1978 Disposition

This line will not be recommended for subsidy. Upon abandonment, it will be considered for acquisition.

Status Report

The Chessie Systems reports that there currently is no service provided on this portion of the line.

Benefits and Costs of Continued Rail Service

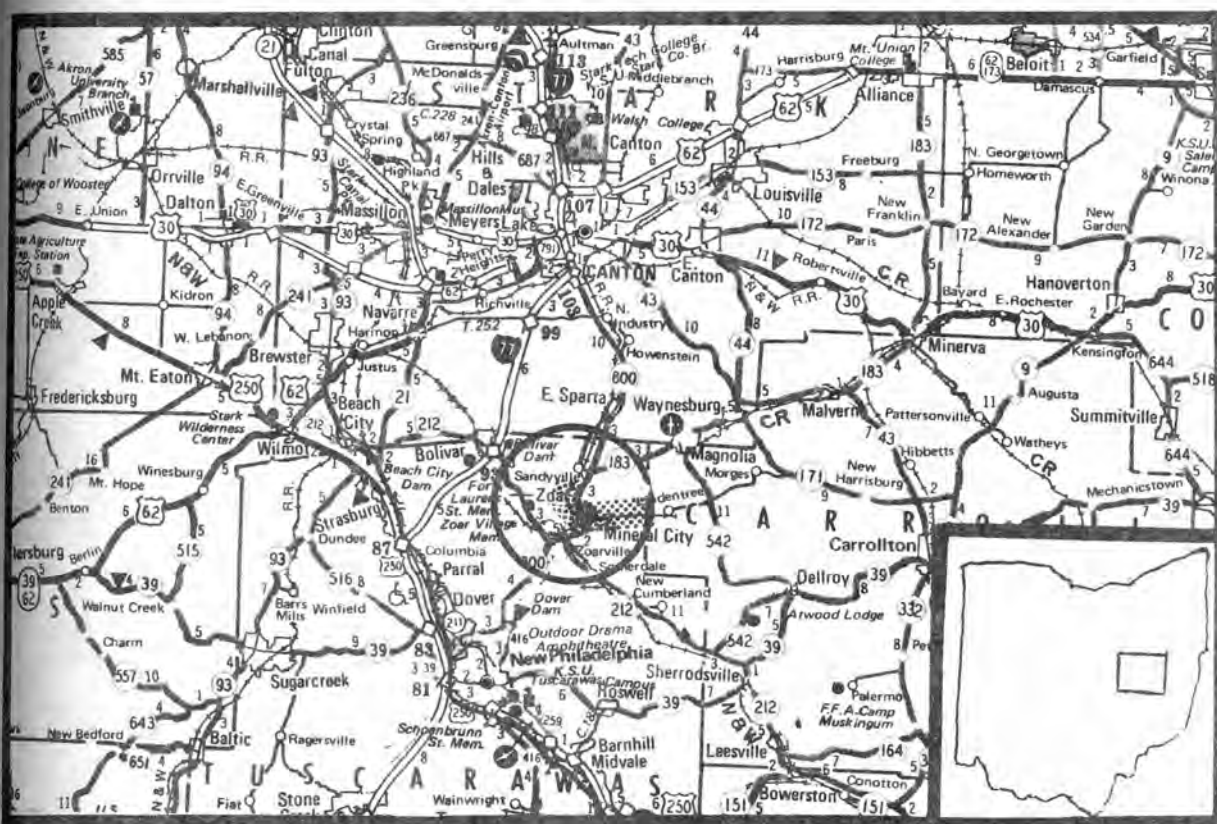
Because there is currently no service on this portion of the line, no detrimental affects to the local economy or environment will result.

Strategy for the Future

The Ohio Valley Regional Development Commission, the Scioto County Regional Planning Commission the City of Portsmouth and Chessie will be consulted to assist the Authority develop an acquisition policy concerning this portion of the Portsmouth Branch.

PORTION OF THE CLEVELAND TERMINAL AND VALLEY BRANCH SANDYVILLE TO MINERAL CITY (CHESSIE SYSTEM)

The Cleveland Terminal and Valley Branch (including Huff Run Branch) extends from milepost 4.28 near Sandyville to milepost 1.34 near Mineral City and from milepost 0.0 at Huff Run Junction to milepost 3.65, a distance of 6.59 miles in Carroll and Tuscarawas Counties, Ohio. The line extends northward from Sandyville to Canton and on to Cleveland, Ohio. From Mineral City the line connects with an N&W mainline at Valley Junction which runs north to Harmon and south to Pittsburgh Junction, Ohio.



1978 DISPOSITION

Upon completion of a viability study, it will be determined whether or not a corrective action program can be devised for this line and eventually whether or not the line will be studied for subsidy. This line will be studied for acquisition.

STATUS REPORT

The Chessie System reports that it is currently serving six (6) shippers on this line. Data concerning costs, revenues, carloads, commodities and track conditions are being collected for viability analyses.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

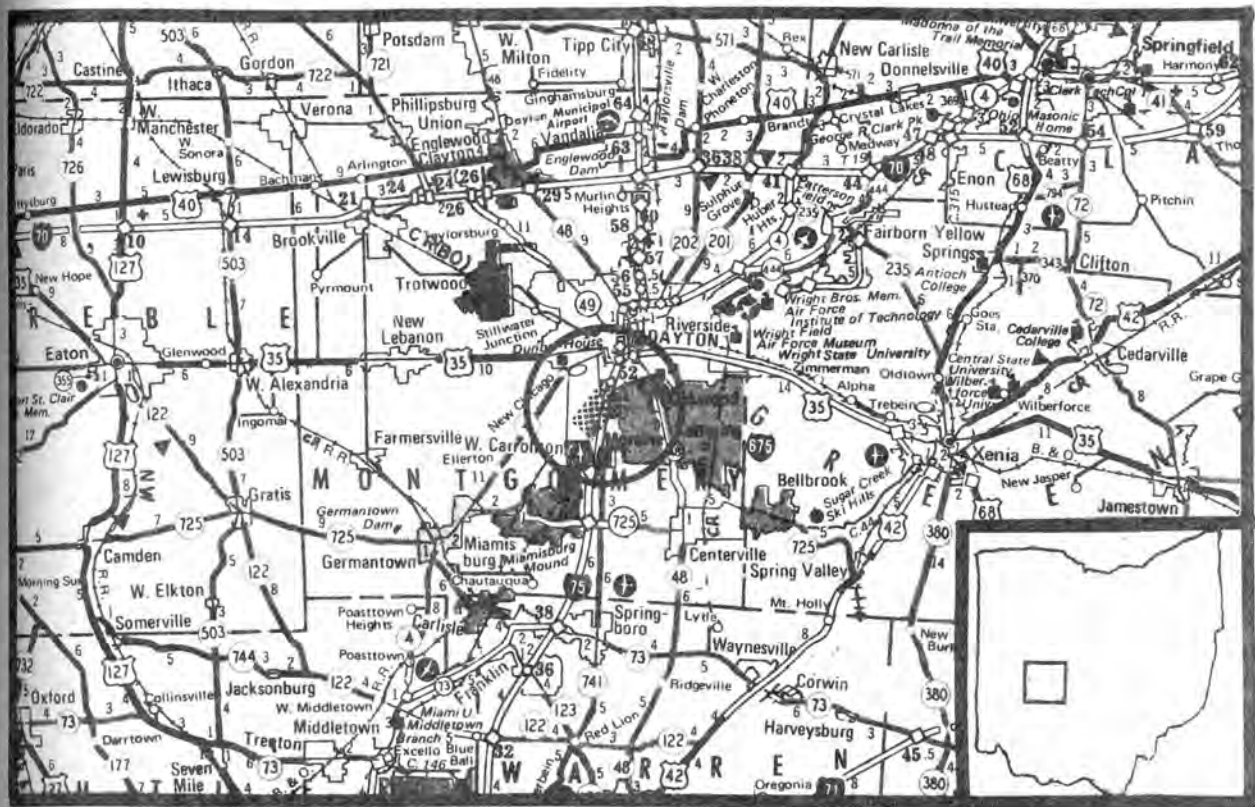
Because shippers are currently serviced on this line, any subsequent abandonment will affect the local economy and environment. However, a study to determine the extent of possible detrimental effects has, as of the present, not been completed.

STRATEGY FOR THE FUTURE

The Ohio Mid-Eastern Governments Association (OMEGA), the Carroll County Regional Planning Commission, the Tuscarawas Regional Planning Commission and Shippers on the line will be consulted in order for the Authority to develop and pursue a corrective action or subsidy policy concerning this line.

PORTION OF THE HOME AVENUE BRANCH AT DAYTON (CHESSIE)

The Home Avenue Branch runs from Station 9+45 to Station 35+50, a distance of .49 mile and from Station 113+50 to Station 158+76, a distance of .86 mile for a total segment length of 1.35 miles in Montgomery County, Ohio. This line intersects with the Chessie's Stillwater Branch which runs westward to Stillwater and eastward to Miami City, Ohio.



1978 DISPOSITION

Upon concurrence by relative planning agencies, the Authority will not oppose Chessie's abandonment of this line. This line will not be recommended for subsidy. This line will be studied for acquisition.

STATUS REPORT

The Chessie reported that currently there is no traffic movement on this line.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

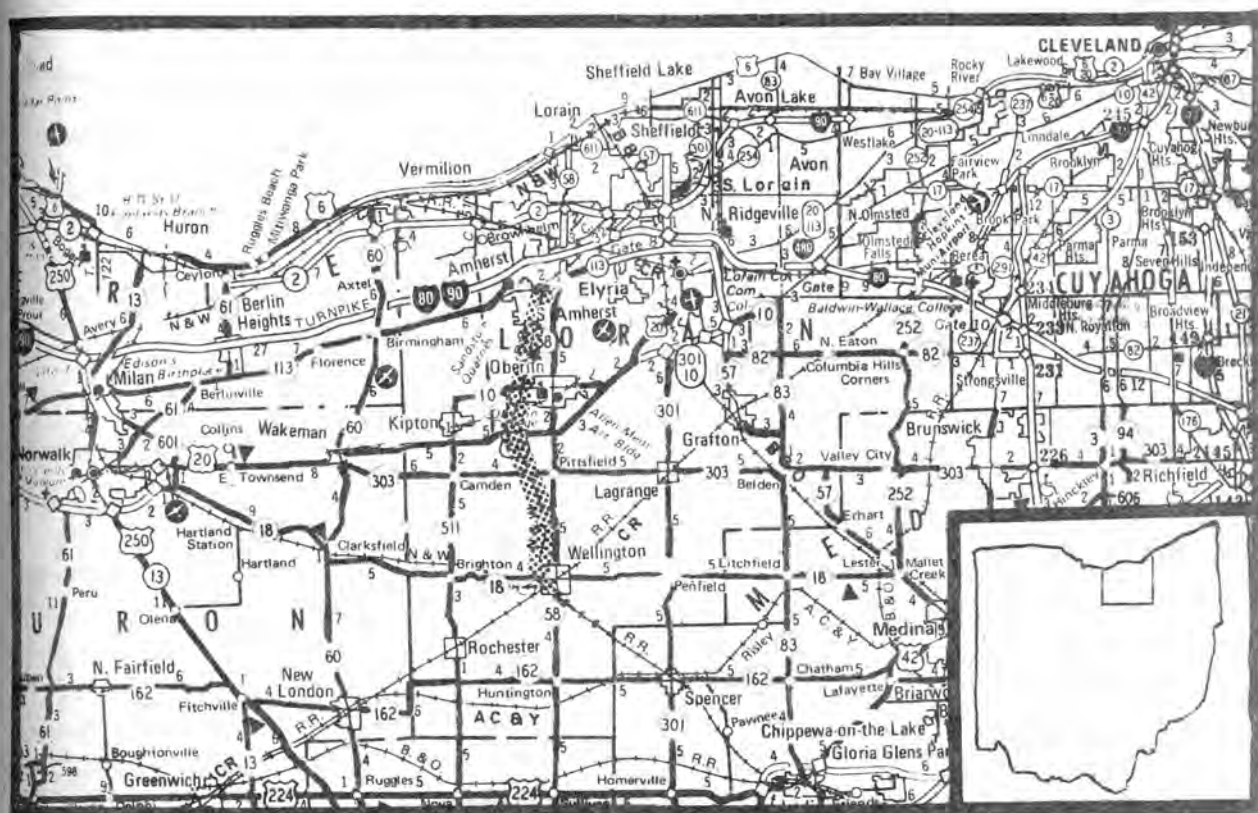
Because no active shippers are located on the Home Avenue Branch, an abandonment of the line will have no effect on the local economy or environment.

STRATEGY FOR THE FUTURE

The Montgomery-Greene Transportation Coordinating Committee, the Miami Valley Regional Planning Commission and the City of Dayton will be consulted in order for the Authority to develop a policy concerning this line.

THE LORAIN AND WEST VIRGINIA RAILWAY COMPANY LAKE JCT. TO SOUTH LORAIN (NORFOLK AND WESTERN)

The Lorain and West Virginia Railway Company (LAWV) extends from milepost 0.0 at Lake Junction to milepost 25.25 at South Lorain a distance of 25.25 miles in Lorain County, Ohio. Near Wellington, Ohio this line connects with N&W's mainline which runs west to Huron and Norwalk, Ohio and eastward to Spencer and Lodi, Ohio. The northern portion of the LAWV crosses Conrail's mainline between Vermilion and Elyria, Ohio and the B&O's mainline between Lorain and Elyria, Ohio. The line terminates at the Lake Terminal Railroad which runs to Lorain, Ohio.



1978 Disposition

Upon completion of a viability study, it will be determined whether or not a corrective action program can be devised for this line prior to the initiation of abandonment proceedings.

If the line is abandoned, it will be recommended for subsidy contingent upon the shippers willingness to pay the non-federal share of subsidy costs. Upon abandonment the line will be considered for acquisition.

STATUS REPORT

N&W reports it is currently serving two (2) shippers on the line. Except for a small segment of the line near South Lorain, the remainder of the line has not had rail service in approximately 15 years. Data concerning costs, revenues, carloads, commodities and trackage conditions are presently being compiled by the N&W. The Authority will receive this information when it is available.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

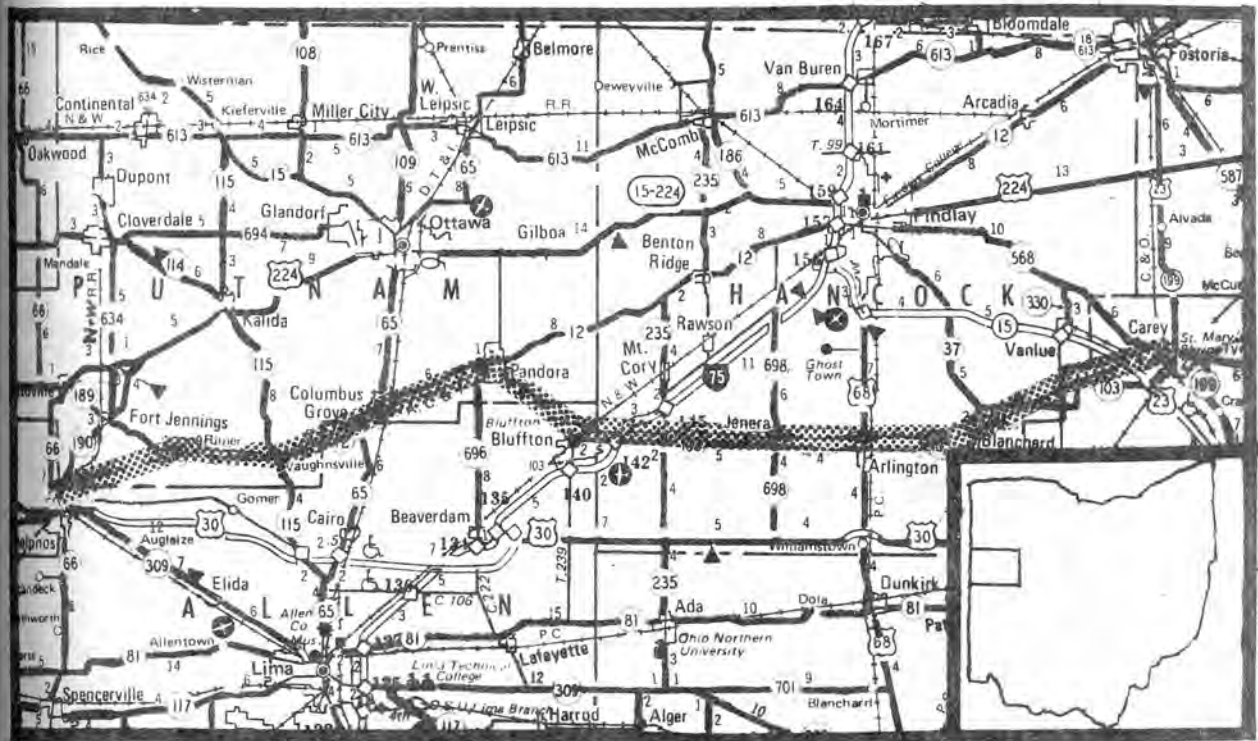
Because shippers on the line are currently receiving service, a subsequent abandonment could affect the local economy and environment. The extent of any such effects will be developed when the relevant data is received from the N&W.

STRATEGY FOR THE FUTURE

The Northeast Ohio Areawide Coordinating Agency (NOACA), the Lorain County Regional Planning Commission, shippers, relevant railroads and other interested parties will be consulted to assist the Authority develop a position on the line's abandonment.

PORTION OF THE AKRON, CANTON AND YOUNGSTOWN R.R. CAREY TO DELPHOS (NORFOLK AND WESTERN)

This portion of the Akron Canton and Youngstown Railroad Company (ACY) extends from milepost 1.76 at Delphos to milepost 53.0 at Carey, Ohio, a distance of 51.24 miles in Putnam, Allen, Hancock and Wyandot Counties, Ohio. At Delphos, the ACY intersects the Conrail mainline which runs from Chicago to Mansfield, Ohio. At Columbus Grove the line intersects a B&O mainline between Toledo and Cincinnati and the DT&I mainline between Detroit and Cincinnati/Iron City, Ohio. At Bluffton this line intersects a N&W mainline between Lima and Lorain and at Arlington intersects Conrail's Western Branch between Toledo and Marion, Ohio. At Carey the line intersects at Conrail's branchline between Kenton and Berwick, Ohio and a C&O mainline between Toledo and Marion, Ohio. Eastward from Carey, the ACY extends to Akron, Ohio.



1978 Disposition

Upon completion of a viability study, it will be determined whether or not a corrective action program can be devised for this line prior to the initiation of abandonment proceedings.

If this line is abandoned, it will be recommended for subsidy contingent upon the shippers willingness to pay the non-federal share of subsidy cost. Upon abandonment, it will also be considered for acquisition.

STATUS REPORT

The N&W reports that it is currently serving twenty-three (23) shippers on this line. Data concerning costs, revenues, carloads, commodities and trackage conditions are presently being compiled by the N&W for the Authority's analysis. The Authority will receive a copy of this information when it is available.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

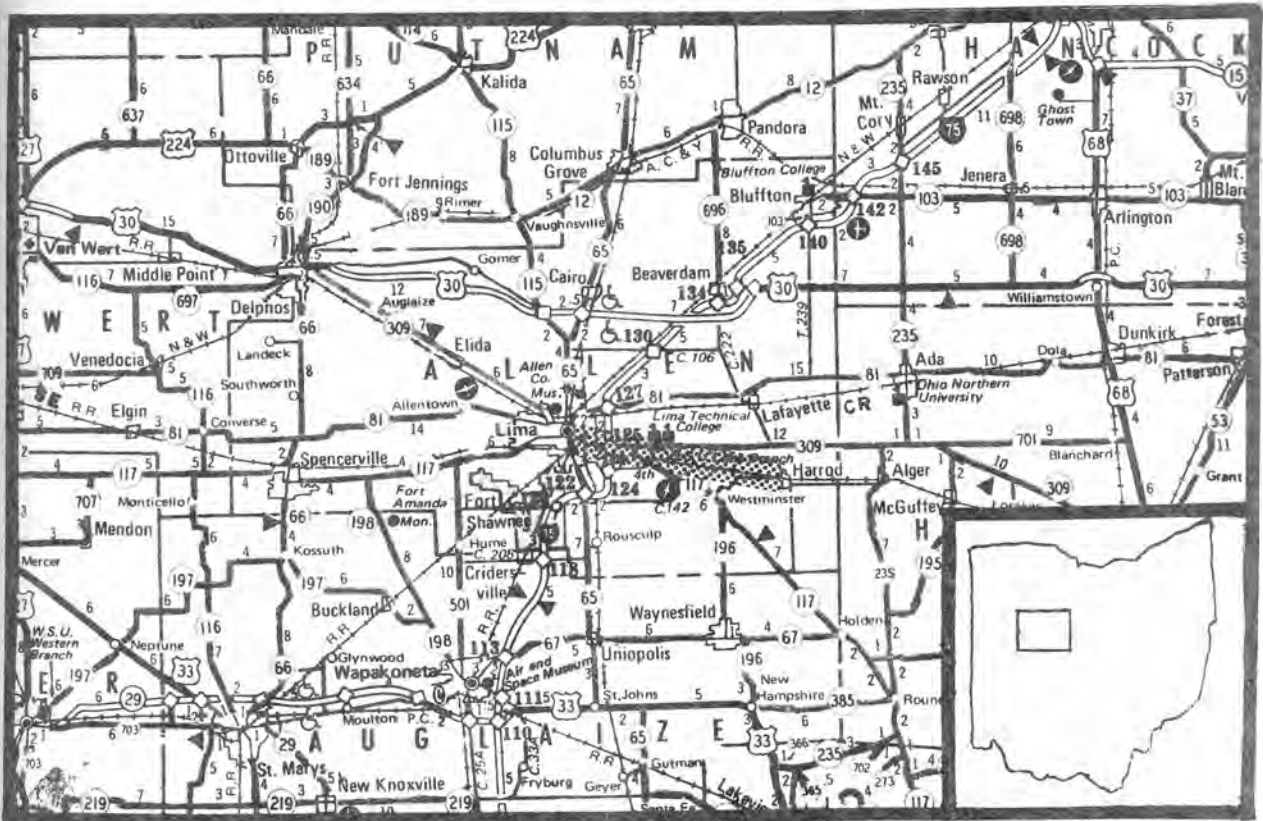
Because twenty-three (23) shippers and four (4) counties are involved with this line, substantial detrimental effects to the local or regional economy and environment could result from an abandonment. The extent of any such effects will be determined when the N&W provides further information.

STRATEGY FOR THE FUTURE

The Lima-Allen County Regional Planning Commission, Hancock Regional Planning Commission, Putnam Regional Planning Commission, the Wyandot Regional Planning Commission, shippers, relevant railroads and other interested parties will be consulted in order for the Authority to help develop and pursue a corrective action program or subsidy policy for this line. The number of shippers affected by an abandonment of this line demands that this line be given priority in pre-abandonment planning.

PORTION OF THE JERSEY CITY TO CHICAGO MAINLINE LIMA TO HARROD (CONRAIL)

This portion of the former Erie Lackawanna Jersey City to Chicago mainline extend from milepost 43.0 at Harrod, Ohio to milepost 51.0 at Lima, Ohio, a distance of 8.0 miles in Allen County, Ohio. The line continues east from Harrod to Marion, Ohio (see Conrail's Marion Branch) and west to Lima, Ohio. At Lima this line intersects the N&W Fostoria-Muncie line, Conrail's Pittsburgh-Chicago mainline, the B&O's Toledo-Cincinnati line, the DT&I Detroit-Cincinnati/Ironton mainline, and USRA line 1261 operated by the Spencerville-Elgin Railroad as far west as Wren, Ohio.



1978 DISPOSITION

It is recommended that Conrail refrain from filing an application to abandon this line until such time as Conrail devises and implements a corrective action program concerning the Marion Branch which is acceptable to all concerned parties.

STATUS REPORT

Conrail placed this line into Category I on December 1, 1977 after having consulted the Authority as to its concurrence with such classification. In developing its consent to such categorization, the Authority consulted with relative planning agencies.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

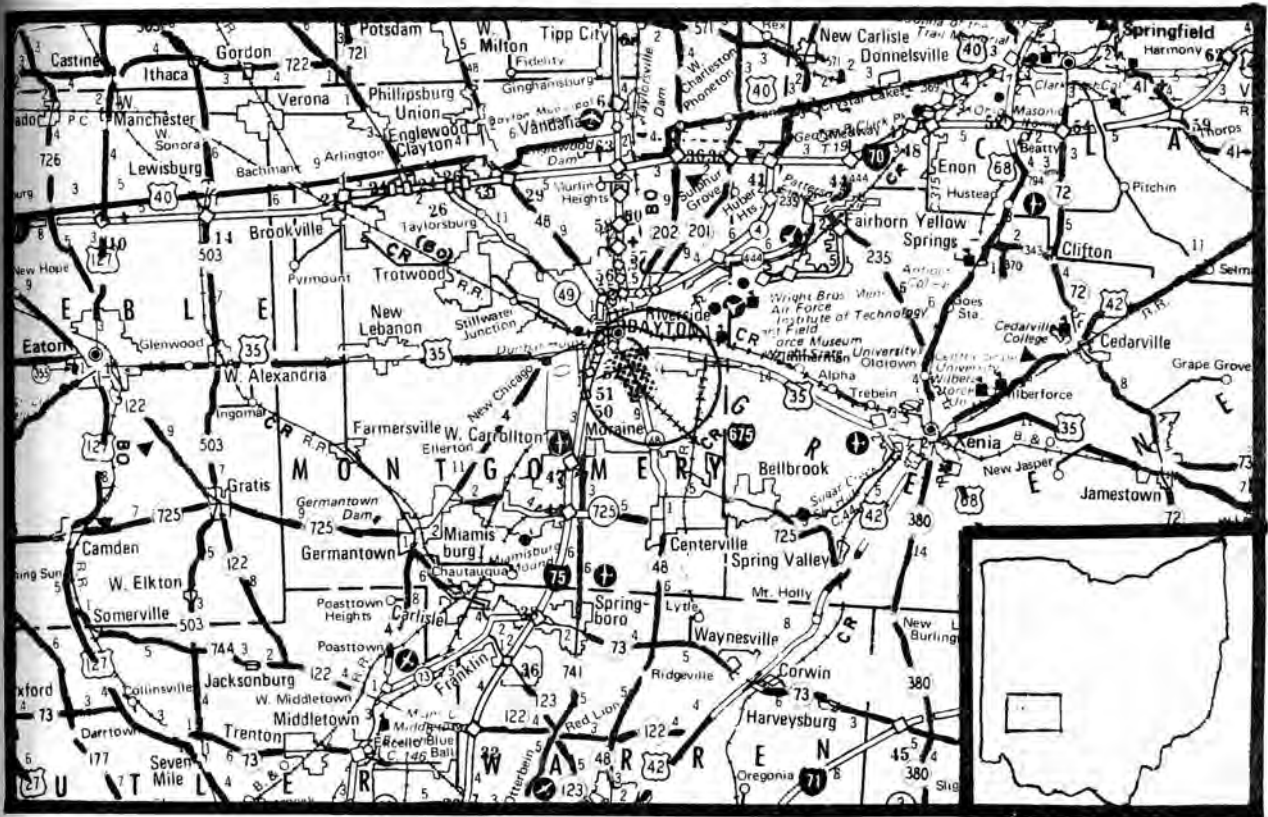
Conrail reported that this line has been out of service since 1976 due to the removal of a crossing diamond at Lima, Ohio. Upon the verification of such conditions, the Authority concurred to Category I status. Concurrent with categorizing this line as Category I, Conrail placed the Marion Branch into Category II. Through the corrective action process, a viable corrective action scenario to continue rail service to shippers on the Marion Branch could be the institution of service out of Lima. In an effort to retain this option, this line should not be abandoned until an acceptable corrective action for the Marion Branch is devised.

STRATEGY FOR THE FUTURE

The Authority will continue to work with Conrail and other interested parties to achieve an acceptable corrective action for the Marion Branch. Upon the derivation of such action, the Authority will not oppose subsequent abandonment of the unneeded portions of this line.

PORTION OF THE DAYTON- LYTLE INDUSTRIAL TRACK AT DAYTON (CONRAIL)

The portion of the Dayton-Lytle Industrial Track extends from milepost 0.7 at Dayton to milepost 3.5. At Dayton this line intersects Conrail's Dayton-Indianapolis Mainline and Conrail's Cincinnati-Springfield Mainline. The southern extension of this line connects with line 527/528.



1978 DISPOSITION

It is recommended that Conrail abandon this line and present the City of Dayton and the Dayton Transportation Coordinating Committee the first option to purchase the right-of-way, rail, and other track materials.

STATUS REPORT

Conrail placed this line into ICC Category I on December 1, 1977 after having consulted the Authority as to its concurrence with such classification. In developing its consent, the Authority consulted relative planning agencies. It was learned that there has been no demand for service on the line since 1975 and the track is in poor condition. It also was learned that this line is designated as a component of the proposed Dayton Area Rapid Transit System (DART).

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

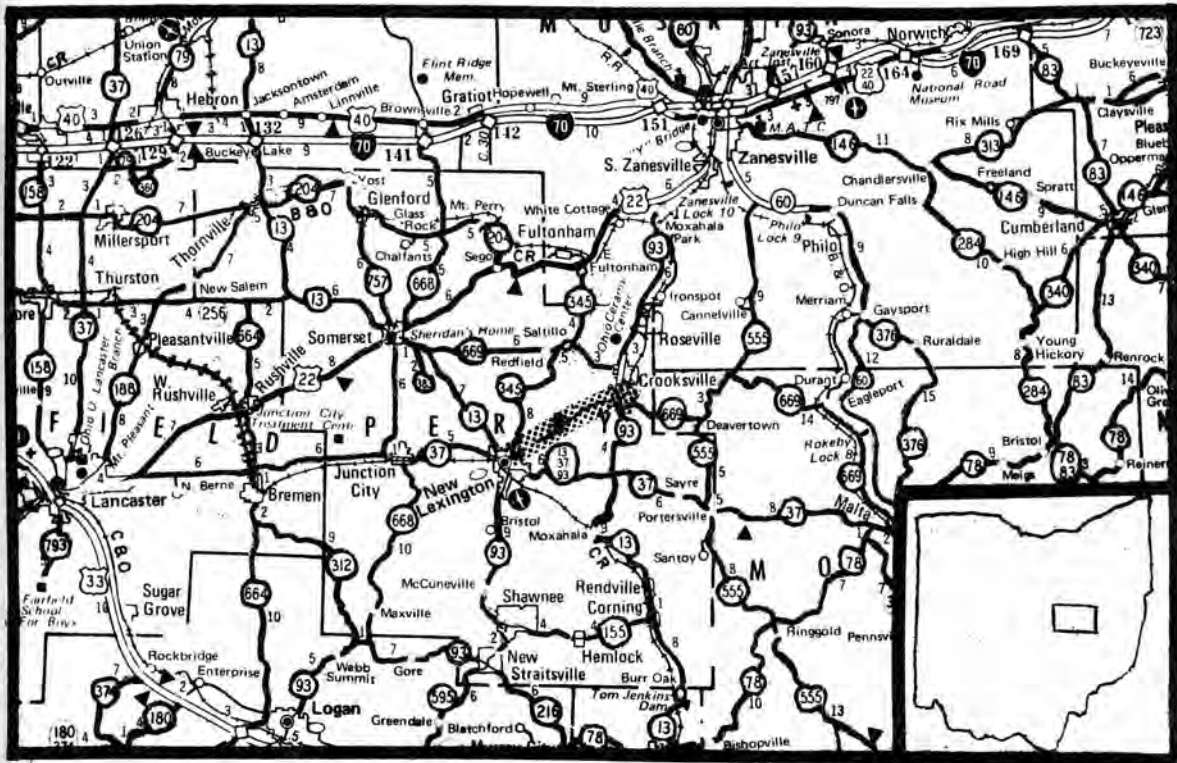
There has been no demand for service on this line and the proposed DART system will benefit the Dayton Metropolitan Area in terms of intracity movement and improved air quality. Therefore, the City of Dayton as well as Montgomery County and the State of Ohio will derive greater benefit if Conrail abandons this line than if Conrail retains the line in its system.

STRATEGY FOR THE FUTURE

The Authority will assist Conrail in its abandonment and the City of Dayton and Dayton Transportation Coordinating Committee in their proposed acquisition of the line to the extent possible.

PORTION OF THE ZANESVILLE
SECONDARY TRACK
CROOKSVILLE TO NEW LEXINGTON
(CONRAIL)

The Zanesville Secondary extends from milepost 31.0 south of Crooksville to milepost 36.0 at Wilbren (New Lexington) a distance of five (5) miles wholly within Perry County, Ohio. The Zanesville Secondary extends northward from Crooksville to Zanesville, Ohio and at New Lexington intersects Conrail's line between Columbus and Corning, Ohio.



1978 DISPOSITION

It is recommended that the Zanesville Secondary be designated for service abandonment. The track and right-of-way should remain in order to serve as an alternative route for serving shippers between Crooksville and Zanesville, Ohio.

STATUS REPORT

Conrail placed this line into ICC Category I on December 1, 1977 after having consulted the Authority as to its concurrence with such classification. In developing its consent to such

categorization, the Authority consulted with relative planning agencies.

Conrail reported that this line has been out of service since 1971 due to poor track and tunnel conditions. Upon verification of such conditions, the Authority agreed to Category I status.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

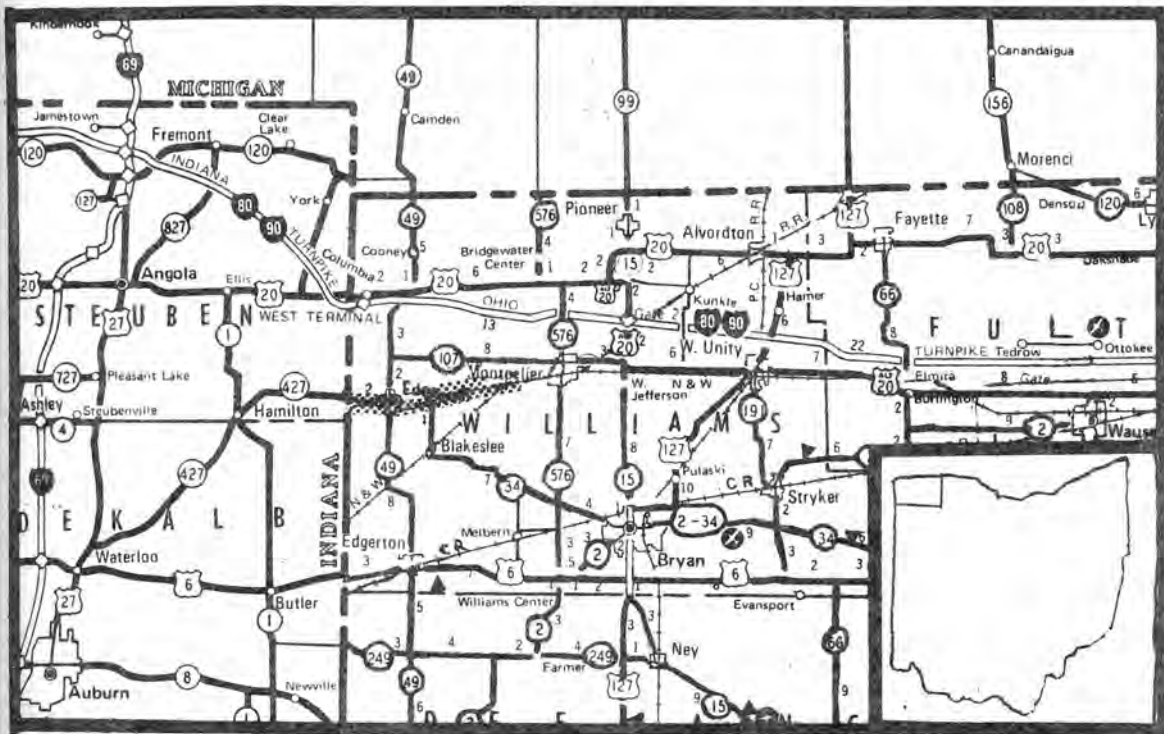
Because the line is currently out of service, no effects on the local economy or environment should result.

STRATEGY FOR THE FUTURE

Believing this line to be excessive trackage, the Authority concurs in Conrail's plan to abandon the Zanesville Secondary.

PORTION OF THE GARY
DISTRICT LINE
PERGO TO WAKARUSA
(NORFOLK AND WESTERN)

This line extends from Pergo, Ohio (MP 98.5) to Wakarusa, Indiana (MP 170.5) a distance of 72 miles in Williams County Ohio and Steuben, Lagrange, and Elkhart Counties in Indiana. The eastern extension of this line runs through Montpelier, Ohio to Toledo. At Montpelier it intersects the N&W mainline between New Haven Indiana and Detroit, Michigan. To the west this line extends to Chicago.



1978 DISPOSITION

It is recommended that the Authority assist the Hillsdale County Railway Company (HCRC) in its efforts to purchase the line for operation without the aid of a subsidy.

In the event the HCRC cannot reach an acquisition agreement with the Norfolk and Western and the line is abandoned, it is recommended that the Ohio portion be subsidized contingent upon the shippers' willingness to pay the non-Federal share of the subsidy cost. Either the HCRC or the N&W would be the designated carrier.

If the line is eventually abandoned it will be considered for acquisition by the Authority.

1977 DISPOSITION

In the event that the Norfolk & Western Railway Company decides to file an application of abandonment before the ICC, the line is recommended for subsidy with the Hillsdale County Railway Company as the designated carrier. Specific terms regarding the non-Federal share are dependent upon the dates of abandonment and acquisition and the willingness of the shippers to pay the non-Federal portion of the subsidy cost.

STATUS REPORT

The N&W reports that it is currently serving three (3) shippers on the Ohio portion of the line. Currently, traffic on the Ohio portion amounts to 73 carloads annually but the Hillsdale County Railroad has estimated that up to 500 carloads could be generated each year. The HCRC intends to lease covered hoppers in order to increase grain shipments on the line which will assist the line in realizing its full potential.

Available data concerning commodities and carloads for this line are presented below. This data describes rail shipments of only one of the three Ohio shippers. However, it can be seen that the shipment of farm products has declined significantly. The reason was the unavailability of covered hopper cars to ship grain products.

<u>STCC</u>	<u>Commodity</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977 (est.)</u>
(1)	Farm Products	67	25	21	0	0	0
(11)	Coal	10	9	8	4	5	5
(49)	Fertilizer	4	4	4	12	18	25

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

Because there are shippers currently utilizing service, any subsequent abandonment could affect the local economy and environment. The extent of any such effects will be determined through future analysis.

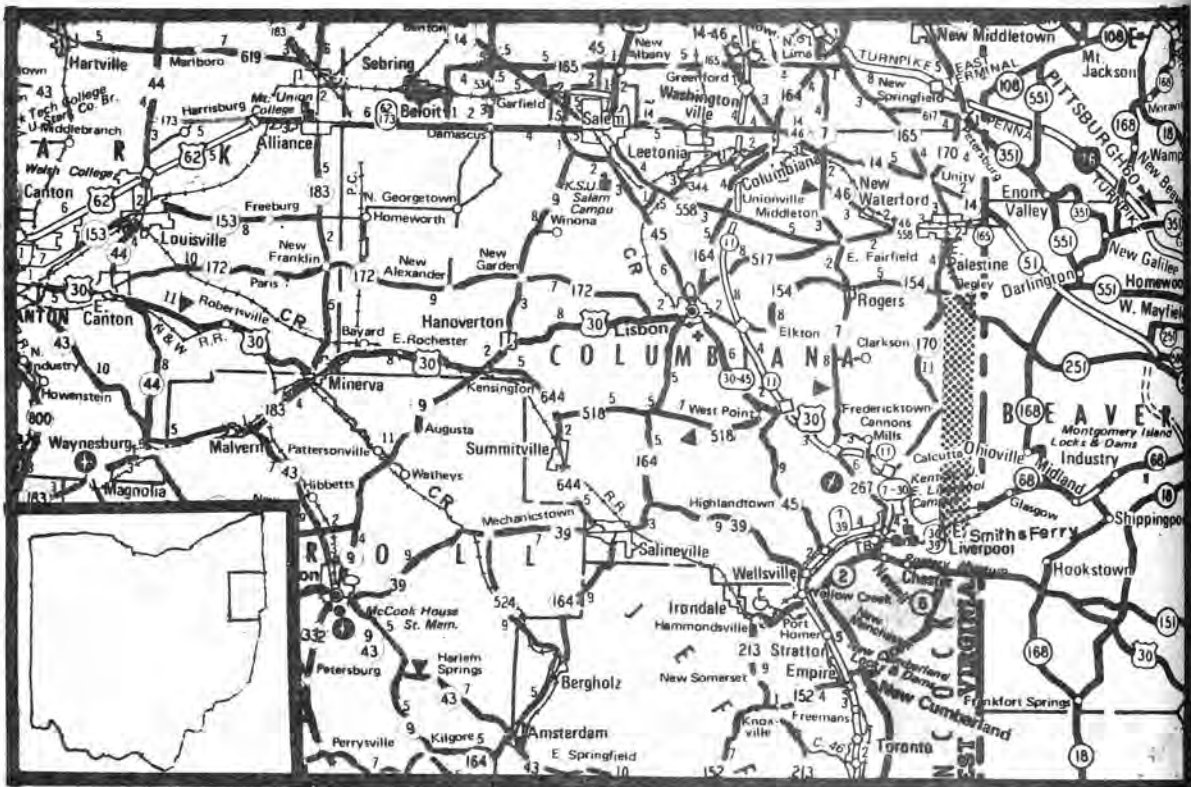
STRATEGY FOR THE FUTURE

As mentioned above, the Hillsdale County Railway Company is attempting to purchase this line from the Norfolk and Western. Hillsdale Railroad has conducted and submitted a feasibility study outlining the principal benefits of this scheme to the three states. This study cites contributions of potential traffic to and from points on the N&W line as well as indirect benefits to local com-

munities from continued rail service. Hillsdale has negotiated acquisition agreements with N&W which will become effective upon the discontinuance of service. Negotiations are also being conducted with the Penn Central Trustees on a portion of the line in Indiana from Steubenville to Pleasant Lake, which will connect with the Hillsdale shortline.

PORTION OF THE YOUNGSTOWN AND SOUTHERN SMITH'S FERRY TO NEGLEY (YOUNGSTOWN AND SOUTHERN)

This portion of the Youngstown and Southern Railroad runs from Milepost 13.0 at Negley, Ohio to Milepost 0.0 at Smith's Ferry, PA., a distance of 13.00 miles (12 miles in Ohio) in Columbiana County, Ohio and Beaver County, PA. From Negley this line connects with a Y&S line to Columbiana and Youngstown, Ohio. At Smith's Ferry there is no other rail connection.



1978 DISPOSITION

Upon completion of a viability study it will be determined whether or not a corrective action program can be devised for this line.

STATUS REPORT

There is currently no data available to the Authority concerning shippers, costs, revenues, carloads, commodities or trackage conditions. These data are currently being developed in conjunction with viability analyses.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The costs and/or benefits of rail operations will be determined upon receipt of relevant data from the Youngstown and Southern.

STRATEGY FOR THE FUTURE

The Columbiana County Regional Planning Commission, shippers, the Youngstown and Southern and other interested parties will be consulted in order for the Authority to develop and pursue a corrective action, subsidy and/or acquisition policy for this line.

APPENDIX II

ICC Category II: Lines Potentially Subject to Abandonment

The line by line analyses presented in this appendix describe the status of lines which the railroads are studying to determine if they should petition the Interstate Commerce Commission (ICC) to grant a certificate of abandonment. Each is composed of five separate sections; a "Line Description," "1978 Disposition," "Status Report," "Benefits and Costs of Continued Rail Service," and "Strategy for the Future."

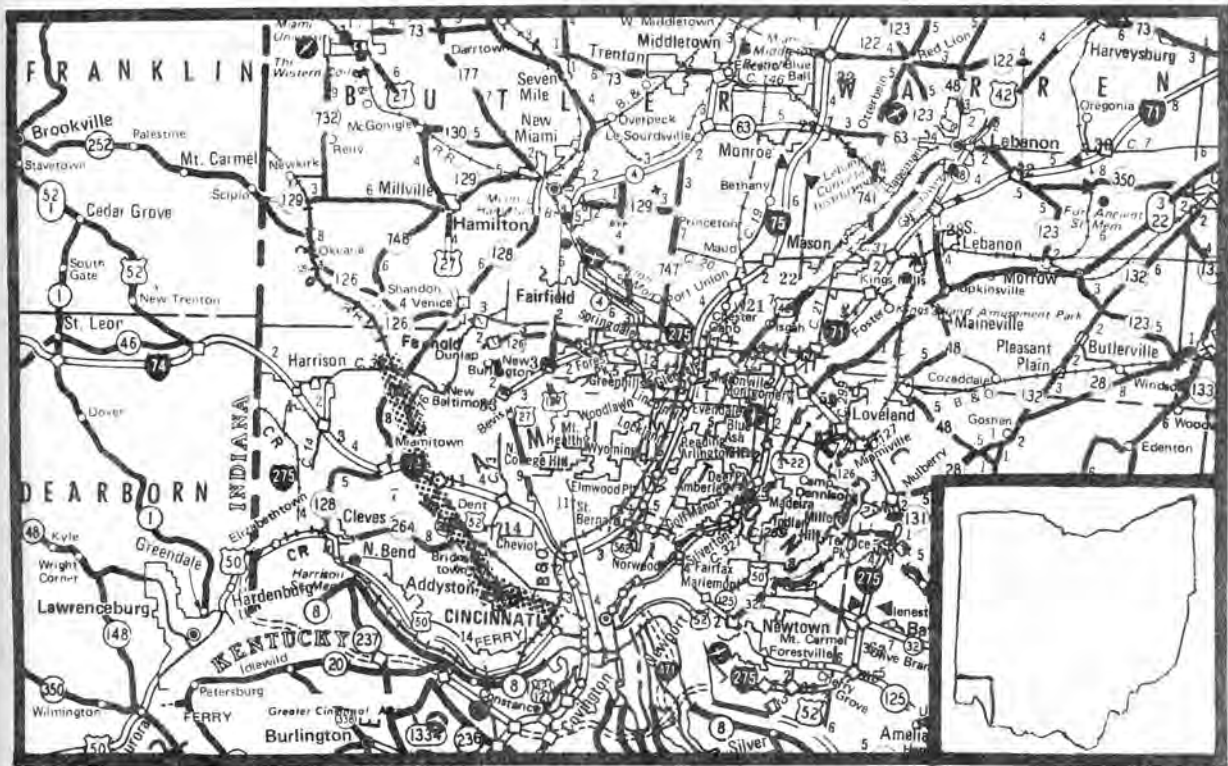
The line description depicts a map of the appropriate portion of the state, along with a written description of the various connections. The map is an updated form of the 1975 Ohio Department of Transportation official highway map. The 1978 disposition states the Ohio Rail Transportation Authority's recommendation for the line from August, 1978 to July, 1979.

The status report contains facts, as they are available, on the economic condition of the line, as well as information on the nature of shipments on the line and track conditions. The section on the benefits and costs of continued rail service includes available information on the adverse effects of abandonment on the local area. The section of strategy for the future explains the Authority's anticipation of the use of the line in the ensuing years.

Except for the line description, the Authority is dependent on the railroads to obtain the information necessary to fully analyze each line. Since data packages for lines in this category have not yet been received from Conrail and the Norfolk and Western, the analyses are often presented in shortened form. Information for these abbreviated analyses was gathered by personal contacts with shippers and railroad officials. Also, for lines on which there are no shippers, the line analyses are presented in shortened form.

PORTION OF THE
CHEVIOT AND MIAMI SUBDIVISIONS
CINCINNATI TO FERNALD
(CHESSIE SYSTEM)

The Cheviot and Miami Subdivisions run from milepost 1.77 near Cincinnati to milepost 19.09 near Fernald a distance of 17.32 miles in Hamilton and Butler Counties, Ohio. At the north end, the line connects with the Chessie's Hamilton Subdivision which extends to Indianapolis, Indiana and at the south connects to Chessie's Cincinnati yard. This line also intersects with the Southern Railway which runs to Lexington, Kentucky and then into the Southern states.



1978 DISPOSITION

Upon completion of a viability study, it will be determined whether or not a corrective action program can be devised for this line. If corrective action is unwarranted it will be determined whether or not this line will be studied for subsidy. This line will be studied for acquisition.

STATUS REPORT

Chessie reports it is currently serving sixteen (16) shippers

on the line. Data concerning costs, revenues, carloads, commodities and track conditions are being collected for viability analyses.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE ..

Because shippers are currently served on the line, any subsequent abandonment will effect the local economy and environment. However, the extent of the effects have yet to be determined.

STRATEGY FOR THE FUTURE

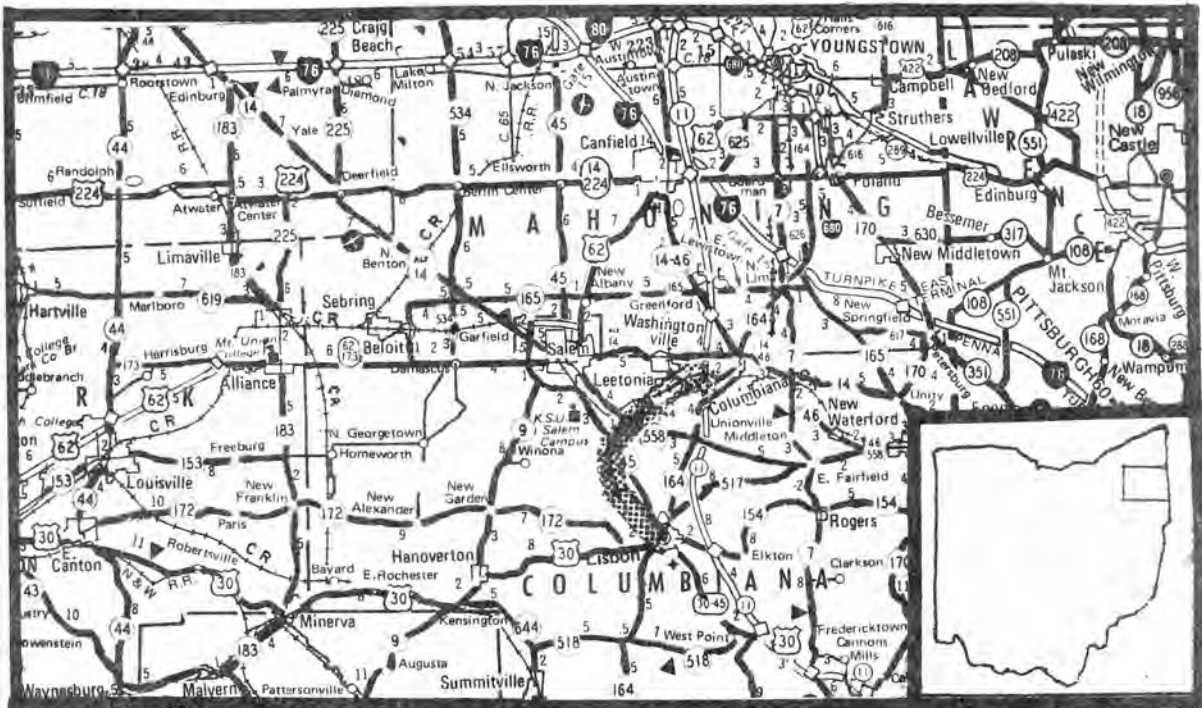
The Ohio-Kentucky-Indiana Regional Council of Governments, the Hamilton County Regional Planning Commission, the City of Cincinnati, shippers and other interested parties will be consulted in order for the Authority to develop and pursue a corrective action or subsidy policy concerning this line.

PORTION OF THE LISBON BRANCH

USRA LINE NO. 1258

(CONRAIL)

The Lisbon Branch extends from Leetonia (Milepost 21.8) to Lisbon (Milepost 34.0), a distance of 12.2 miles in Columbiana County, Ohio. This line connects with the old Penn Central Pittsburgh-Chicago line at Leetonia, now currently operated by Conrail. There is no rail connection at Lisbon.



1978 DISPOSITION

Upon concurrence of the concerned parties, a corrective action program will be instituted concerning this line in order to preserve rail service to shippers located on the Lisbon Branch. It is recommended that the Lisbon Branch be rehabilitated as a corrective action prior to abandonment. In the instance this line is abandoned, it is recommended that the line undergo rehabilitation and enter into subsidized operations with Conrail as designated carrier. The Lisbon Branch will be studied for acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) designates this line for abandonment, this line would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. This line ranks 20th in subsidy priority. This line would also be recommended for rehabilitation.

STATUS REPORT

Conrail placed this line into ICC Category II on December 1, 1977. Subsequently meetings between ORTA, Conrail, shippers and other interested parties have been pursued in order to devise a corrective action program.

A Conrail cost/revenue analysis for the period July 1, 1976 through June 30, 1977 indicates that Conrail incurred a net operating loss on this line of \$13,917. The major contributor to this deficit is transportation costs of \$240,544 which would decrease (possibly by 50%) if the line were rehabilitated. Revenues on this line amounted to \$871,551 while costs equalled \$873,193 with a return on value of \$12,275.

The commodities and their respective carloads handled on the Lisbon Branch are listed below:

<u>STCC*</u>	<u>COMMODITY</u>	<u>1976-1977</u>	
		<u>CARS</u>	<u>TONS</u>
1	Farm Products	57	4,963
9	Fresh Fish or Other Marine Products	1	30
11	Coal	1,655	134,417
14	Non-metallic Minerals; except Fuels	1	40
20	Food or Kindred Products	24	1,354
24	Lumber or Wood Products; except Furniture	111	4,875
26	Pulp, Paper or Allied Products	16	892
28	Chemicals or Allied Products	59	4,706
29	Petroleum and Coal Products	2	96
32	Clay, Concrete, Glass or Stone Products	1	42
33	Primary Metal Products	67	2,790
34	Fabricated Metal Products	14	339
35	Machinery; except Electrical	7	213
37	Transportation Equipment	1	20
40	Waste or Scrap Materials	1	35
49	Hazardous Materials	45	3,350

*Standard Transportation Commodity Code

The track is currently maintained at less than FRA Class I Standards and Conrail observes the track has been "...allowed to deteriorate so that now maximum speed is 5 m.p.h., rather than the former 30 m.p.h. Crew time is excessive. Derailments abound..." To rehabilitate the line to Class I Standards would cost \$244,296. The problem facing this line (and concerned parties agree on this point) is the fact that the track is in such poor condition. If the line were rehabilitated and Conrail service was dependable, new shippers could be persuaded to utilize rail service.

The Authority has participated in two public meetings with Conrail, shippers and other interested parties and one meeting with shipper representatives. The purpose of the meeting was to verify data Conrail had used as input into its cost/revenue analysis as well as discuss corrective action scenarios. As a result of these meetings, Conrail was made aware of inaccuracies in its analysis and subsequently reanalyzed this line. The re-analysis resulted in a more favorable economic interpretation of the line. However, the Authority, Conrail and shippers concur that rehabilitation is required in order to improve the level of service to the point that derailments cease, frequency of service is reliable and traffic movements are made "on time". Additional meetings between the Authority, Conrail, shippers and other interested parties will be held before implementation of a corrective action plan.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

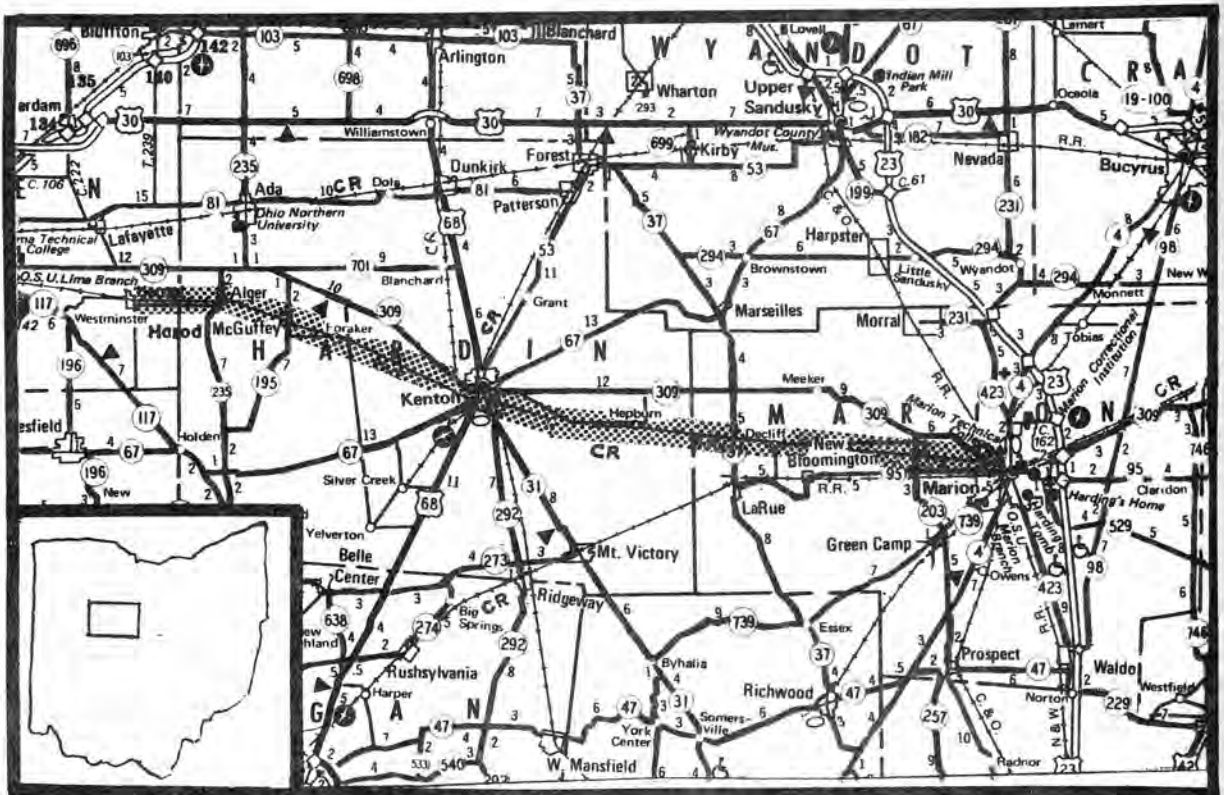
An abandonment of the Lisbon Branch would most likely result in detrimental economic consequences within the region serviced by the Lisbon Branch. Because most of the freight moved on the line is coal and in light of the fact that one coal shipper located on the line is in the process of installing coal washing facilities, this line is very important in Ohio's energy concerns. Thus, not only the region but also the State's economy can be affected by an abandonment.

STRATEGY FOR THE FUTURE

It is the Authority's desire to develop and implement a successful corrective action program to increase the viability of the Lisbon Branch and thus ensure continued service to shippers located on the line. To obtain these goals the Authority will pursue further discussion with Conrail, shippers and other interested parties to develop a corrective action policy. If no solution can be worked out with Conrail, the Authority will pursue other avenues to retain service on the Lisbon Branch.

PORTION OF THE JERSEY CITY-CHICAGO LINE
MARION TO HARROD
USRA LINE NO. 1260
(CONRAIL)

This portion of the Jersey City-Chicago Line extends from Marion (Milepost 2.5) to Harrod (Milepost 43.0), a distance of 40.5 miles in Marion, Hardin and Allen Counties, Ohio. This line continues eastward from Marion to Galion and westward from Harrod to Lima. At Marion this line connects with the Dayton Branch (Line 1263) currently operated under subsidy by Conrail. Also at Marion, this line intersects the Conrail, Cleveland-Indianapolis line, the C&O Toledo-Columbus line and the N&W Sandusky-Columbus line. At Kenton, this line intersects the Conrail-Toledo-Columbus line.



The extension of the line to the west goes to Lima where it connects with the Conrail Pittsburgh-Chicago line, the B&O Toledo-Cincinnati line, the N&W Fostoria-Muncie line, the DT&I mainline and Line 1261 (currently served by the Spencerville-Elgin Railroad).

1978 DISPOSITION

Upon concurrence of the involved parties, a corrective action

program will be instituted concerning this line in order to preserve rail service to shippers located on the Marion Branch.

In the event the line is abandoned, it will be recommended for subsidy, contingent upon the shippers' willingness to bear the non-Federal portion of subsidy costs, with either Conrail or a shortline operator as the designated carrier.

Also, in the event the line is abandoned, it will be considered for acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) designates this line for abandonment, this line would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. This line ranks 20th in subsidy priority.

STATUS REPORT

Conrail cost/revenue analysis for the period of July 1, 1976 through June 30, 1977 indicates that Conrail incurred a net operating loss over this line of \$39,962. A major contributing cost is \$72,000 in miscellaneous which includes the cost of taxiing a crew from Huntington, Indiana to Marion to service the line.

The commodities and their respective carloads handled on the Marion Branch are listed below.

<u>STCC*</u>	<u>COMMODITY</u>	<u>CARS</u>	<u>TONS</u>
1	Farm Products	392	35893
14	Non-Metallic Minerals	3	179
20	Food or Kindred Products	37	1831
24	Lumber or Wood Products	18	839
26	Pulp, Paper or Allied Products	141	4249
28	Chemicals or Allied Products	208	18614
29	Petroleum or Coal Products	59	3333
33	Primary Metal Products	66	4283
34	Fabricated Metal Products	3	121
35	Machinery - Except Electrical	2	24
37	Transportation Equipment	140	3826
40	Waste or Scrap Materials	7	241
49	Hazardous Materials	66	6106

*Standard Transportation Commodity Code

The track on this line is in good condition. It presently meets FRA Class III standards (40 mph speed limit).

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

An abandonment of the Marion Branch could result in some detrimental economic consequences within the region serviced by the Marion Branch. While a majority of the shippers could be served

via Conrail's Western Branch, the major shipper on the line located in Alger, could be faced with a loss of rail service. This is extremely important in light of the fact that the major shipper is involved with grain shipments and could not economically switch to trucks. If the line is eventually abandoned, 13 jobs would be in jeopardy.

The railroad system in Ohio would suffer if the Marion branch was abandoned. It is the only route between Lima and Marion, two major Ohio railroad centers. It could be a valuable east-west alternative freight route in the future.

The local highway system around Alger, would be slightly affected if the line was abandoned. Using 1976-77 figures, it would take approximately 11,096 trucks to replace the 347 train carloads to haul freight. This additional four trucks per day would add to maintenance costs on State Route 235, the only main route through Alger. The overall Ohio highway system would not be adversely affected as the other routes in the area, Interstate 75 and State Routes 309 and 701 would easily absorb the extra traffic.

The extra trucks needed to replace train carloads would add to the pollution in Alger. Based on 347 carloads, there would be about 2533 more pounds of carbon monoxide and about 2603 more pounds of oxides of nitrogen in the air yearly if rail service was lost.

STRATEGY FOR THE FUTURE

It is the Authority's desire to develop and implement a successful corrective action program to improve the financial status of the Marion Branch and thus ensure continued rail service to shippers located on the line. To obtain these goals the Authority will pursue further discussion with Conrail, shippers and other interested parties to develop a corrective action policy.

The Authority will be working to resolve two major problems confronting this line: (1) crew costs - A crew is taxied from Huntington, Indiana to Marion to service this line requiring excess for deadheading and lodging; (2) inadequate car supply - the major shipper is unable to obtain an adequate number of cars for shipments. The shipper suggests he could increase carloads shipped by 66% if there were an acceptable supply of cars. If no solution can be worked out with Conrail, the Authority will pursue other avenues to retain service on the line.

One such avenue would be a shortline operation. One shortline operator has expressed an interest in operating over all or part of the Marion Branch. Preliminary discussions for such operations have occurred with Conrail representatives. The Authority would assist in the development of the Marion Branch as a shortline operation only after all possible alternatives involving Conrail operation have been considered.

In the event all or part of the line is abandoned, the Authority will subject the line to the acquisition analysis process. It will also be considered for subsidy contingent upon the shippers' willingness to pay the non-Federal share.

PORTION OF THE MOUNT VERNON

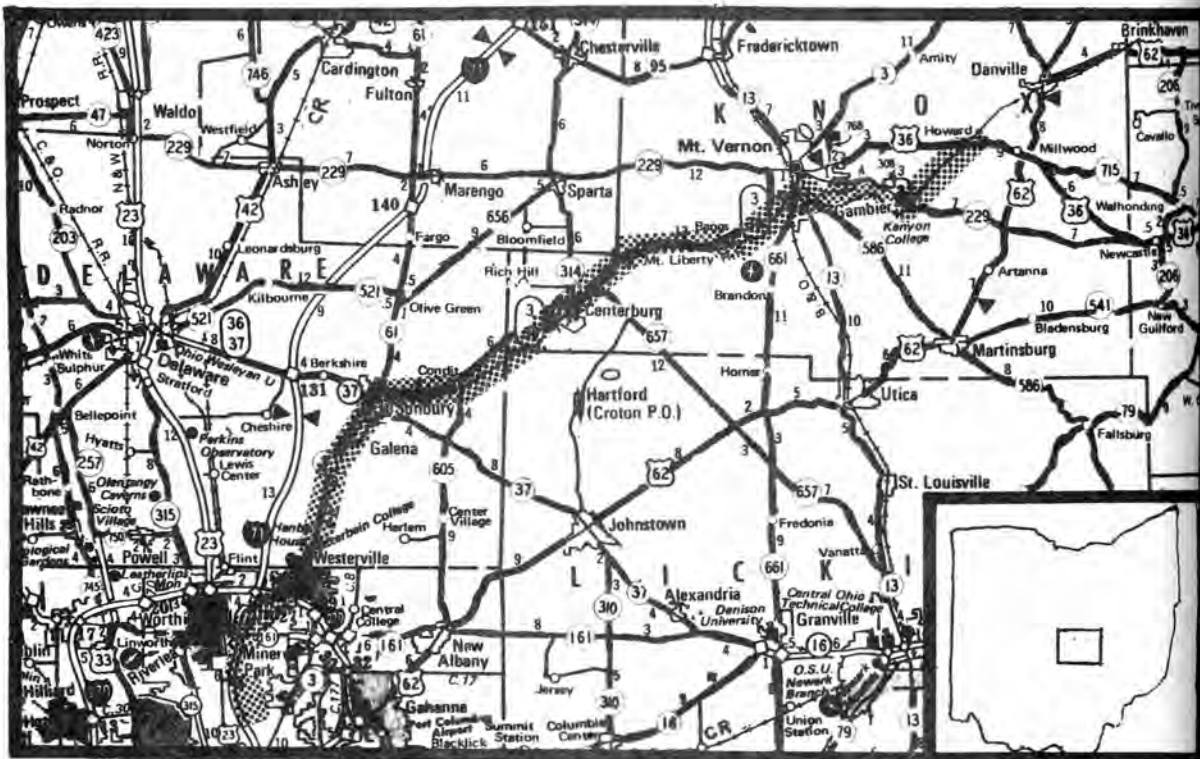
SECONDARY BRANCH

USRA LINE NO. 478A/480

COLUMBUS TO HOWARD

(CONRAIL)

The Mount Vernon Secondary extends from Columbus (Milepost 138.0) to Howard (Milepost 90.0) and then from Howard (Milepost 0.0) to Millwood Sand Company (Milepost 4.2), a distance of 52.2 miles in Franklin, Delaware and Knox Counties, Ohio. East of this line is Line 478, a subsidized operation between Howard and Holmesville. The Mt. Vernon Secondary provides the only connection to USRA Line No. 478.



The Southern terminus is east of the Columbus Yard where ten rail routes converge (2 B&O, 2 C&O, 2 N&W, and 4 Conrail). Two local Conrail routes are accessible via Columbus - the Western Branch toward Charleston, W. Virginia and the Camp Chase Secondary Track to Lilly Chapel. At Centerburg, this line intersects the abandoned Penn Central Thurston Secondary Track, while in Mt. Vernon, this line intersects the B&O line between Newark and Willard.

1978 DISPOSITION

Upon concurrence of the concerned parties, a corrective action program will be instituted concerning this line in order to preserve rail service to shippers located on the Mt. Vernon Secondary. It is recommended that Conrail institute operational changes consisting of crew assignments along with frequency of service changes in an attempt to cut costs over this line. It is further recommended that Conrail pursue this experimental program for a period of one year in order to properly evaluate the impact of such changes. In the event the line is abandoned, it is recommended that the line enter into subsidized operations with Conrail as designated carrier contingent upon the shippers' willingness to bear the non-Federal portion of the cost of subsidy. This line will also be studied for acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) designates this line for abandonment, this line would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. This line ranks 20th in subsidy priority.

STATUS REPORT

Conrail placed this line into ICC Category II on December 1, 1977. Subsequently meetings between ORTA, Conrail, shippers and other interested parties have been pursued in order to devise a corrective action program.

A Conrail cost/revenue analysis for the period July 1, 1976 through June 30, 1977 indicates that Conrail accrued a net operating loss over this line of \$265,092. The Mt. Vernon Secondary generated \$899,637 in revenues while accruing \$1,031,752 in avoidable costs and \$132,976 in return on value.

The commodities and their respective carloads handled on the Mt. Vernon Secondary are listed below:

STCC*	COMMODITY	1976-1977	
		CARS	TONS
1	Farm Products	233	18,069
11	Coal	20	1,229
14	Non-metallic Minerals	359	18,261
20	Food or Kindred Products	104	3,109
24	Lumber or Wood Products, except Furniture	295	11,376
26	Pulp, paper or Allied Products	74	3,002
28	Chemicals or Allied Products	203	19,243
30	Rubber or Miscellaneous Plastic Products	1	12
32	Clay, Concrete, Glass or Stone Products	50	3,438
33	Primary Metal Products	8	425

*Standard Transportation Commodity Code

<u>STCC*</u>	<u>COMMODITY (continued)</u>	<u>CARS</u>	<u>TONS</u>
34	Fabricated Metal Products	2	37
35	Machinery, Except Electrical	3	114
36	Electrical Machinery or Equipment	4	89
37	Transportation Equipment	10	320
40	Waste or Scrap Materials	3	173
41	Miscellaneous Freight Shipments	7	79
42	Containers, Shipping, Returned Empty	1	
49	Hazardous Materials	47	3,240

*Standard Transportation Commodity Code

Conrail data suggests that this entire line is up to FRA Class III Standards. The Authority has yet to concur with this track classification.

The Authority, in conjunction with the Mt. Vernon Area Chamber of Commerce, has been involved in two public meetings with Conrail, shippers, and other interested parties and one meeting with Conrail and shipper representatives. These meetings were held in order for shippers to verify the data Conrail used as input in its cost/revenue analysis and to consider alternative corrective actions. As a result of these meetings, an experimental program consisting of operating changes has been developed in an attempt to devise a corrective action acceptable to all concerned parties. The operational changes which have been instituted consist of, but are not limited to; 1) the elimination of an entire crew, and 2) service of frequency changes. Both Conrail and the Authority will monitor this experimental program in order to ascertain whether or not service does improve and to determine if there is an improvement in the cost/revenue picture of the line. Additional meetings between the Authority, Conrail, shippers and other interested parties will be held before implementation of a corrective action plan.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

This line provides the sole means of rail transportation to many communities located between Columbus and Howard. Current shippers on the line have indicated a strong interest in retaining rail service and many have suggested that continued rail service is necessary to implement proposed business expansion. It must also be emphasized that this line provides the only rail connection to a 35 mile portion of track currently operating under subsidy. It is the Authority's intention to maintain service to shippers on subsidized Line 478.

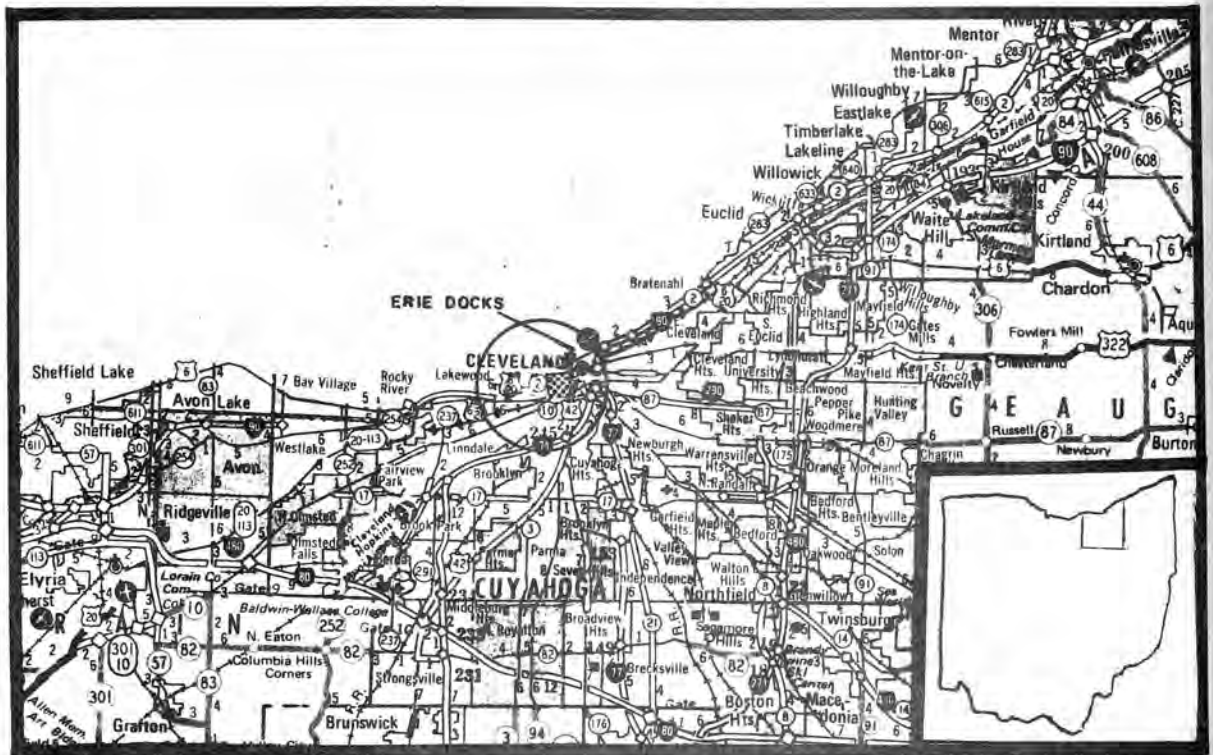
STRATEGY FOR THE FUTURE

It is the Authority's desire to develop and implement a successful corrective action program to increase the viability of the Mt. Vernon Secondary and thus ensure continued service to shippers located on the line. To obtain these goals the Authority will pursue further discussion with Conrail, shippers and other

interested parties to develop a corrective action policy. If no solution can be worked out with Conrail, the Authority will pursue other avenues to retain service on the Mt. Vernon Secondary.

THE ERIE ORE DOCKS AT CLEVELAND (CONRAIL)

This facility extends approximately from W. 25th Street to W. 45th Street in the City of Cleveland, Cuyahoga County, Ohio.



1978 DISPOSITION

Upon concurrence by concerned planning agencies, the Authority will not oppose Conrail's abandonment of this facility.

STATUS REPORT

Conrail placed this line into ICC Category II on December 1, 1977. Conrail has reported that no activities are taking place at this facility.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The Cleveland-Cuyahoga County Port Authority has recommended the abandonment of the facility due to its adaptability to recreational purposes. The City of Cleveland, while taking no official position concerning the possible abandonment, concurs with its Port Authority in the recreational prospects of the facility.

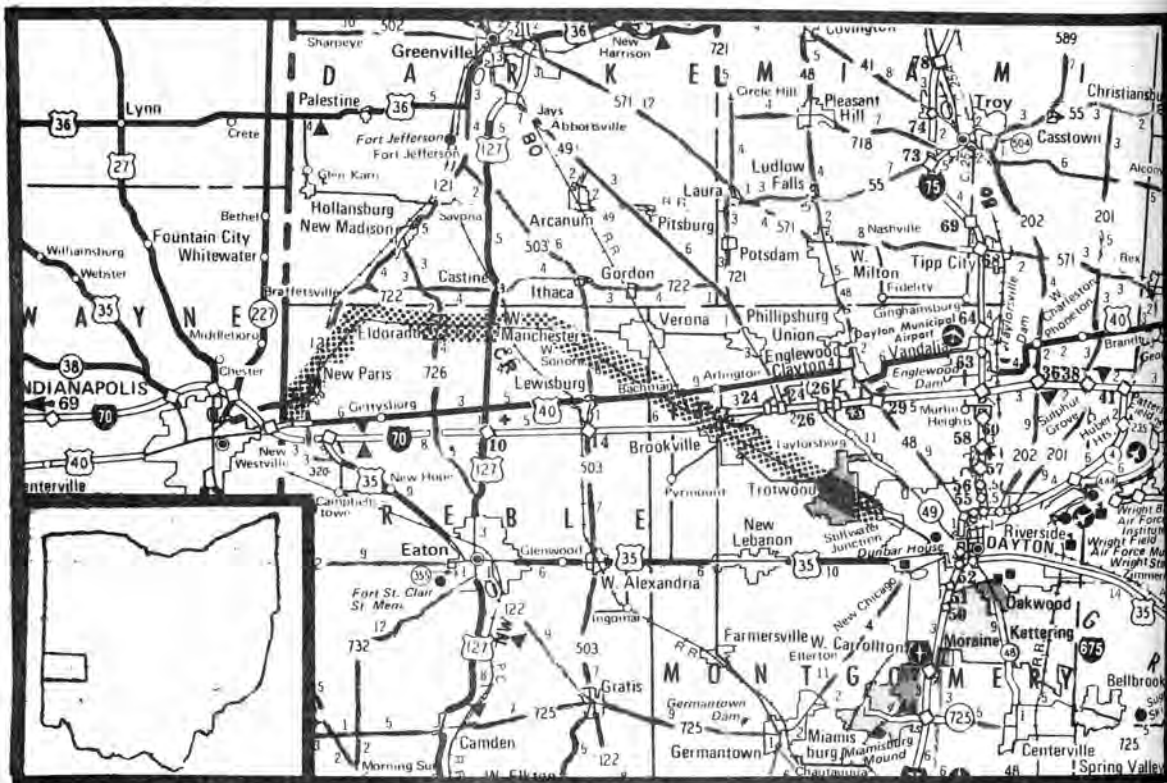
Additional data concerning costs, revenues, commodities, carloads and facility conditions are being assembled.

STRATEGY FOR THE FUTURE

Further communications with the Northeastern Ohio Areawide Coordinating Agency, the City of Cleveland, the Cuyahoga Regional Planning Commission and other interested parties will be pursued in the development of the Authority policy concerning the future of this facility.

PORTION OF THE COLUMBUS TO
INDIANAPOLIS MAINLINE
USRA LINE NUMBERS 562-638
STILLWATER TO INDIANA
(CONRAIL)

The portion of the Columbus to Indianapolis Mainline in Conrail's Southern Region extends from Stillwater, Ohio (MP 21.5) to Cambridge City, Indiana (MP 63.9), a distance of 42.4 miles in Montgomery and Preble Counties, Ohio and Wayne County, Indiana. At Dodson, Ohio there is a B & O connection to Greenville. At West Manchester, Ohio a connection is made with a Conrail track to Greenville to the North and Carlisle to the South. In Indiana, a Conrail track to Connersville connects to the line at Cambridge City.



1978 DISPOSITION

Upon concurrence of the involved parties, a corrective action program will be instituted concerning this line in order to preserve rail service to shippers located on the Columbus-Indianapolis Mainline. In the event the line is abandoned, it will be studied for subsidy. The line will also be studied for acquisition. It is recommended that the right-of-way be preserved and maintained to the level necessary to serve as the routing for Amtrak's National Limited.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) designates this line for abandonment, the Ohio portion of this line from Stillwater (MP 21.5) to New Paris (MP 51.7) would be recommended for subsidy contingent upon the shippers' willingness to pay the non-federal share. The line ranks 20th in subsidy priority.

STATUS REPORT

Conrail placed this line into ICC Category II on December 1, 1977. Subsequently meetings between the Authority, Conrail, shippers and other interested parties have been pursued in order to devise a correction action program.

A Conrail cost/revenue analysis for this line studying the period from July 1, 1976 to June 30, 1977 indicates that this line incurred an operating deficit of \$217,660. Transportation costs of \$434,989 contribute greatly to the operating deficit. According to the Conrail study, this line generated 9,136 carloads and revenues of \$3,506,481. However, Conrail is questioning the accuracy of past analyses and will be reanalyzing the line.

The commodities and their respective carloads handled on the Columbus-Indianapolis Mainline are listed below.

<u>STCC*</u>	<u>Commodity</u>	<u>Cars</u>	<u>Tons</u>
1	Farm Products	126	9,214
9	Fresh Fish or Other Marine Products	10	300
10	Metallic Ores	8	240
11	Coal	2,252	160,211
14	Non-metallic Minerals	213	15,541
20	Food or Kindred Products	1,844	66,402
22	Textile Mill Products	1	12
24	Lumber or Wood Products	32	1,240
26	Pulp, Paper or Allied Products	82	4,108
28	Chemicals or Allied Products	202	16,866
30	Rubber or Miscellaneous Rubber Products	1	43
32	Clay, Concrete, Glass or Stone Products	3,410	39,398
33	Primary Metal Products	160	11,418
34	Fabricated Metal Products	3	45
35	Machinery, except Electrical	11	311
36	Electrical Machinery or Equipment	2	31
37	Transportation Equipment	156	223
40	Waste or Scrap Materials	602	27,381
41	Miscellaneous Freight Shipments	2	24

*Standard Transportation Commodity Code

<u>STCC*</u>	<u>Commodity</u>	<u>Cars</u>	<u>Tons</u>
47	Containers, shipping, returned empty	5	73
46	Miscellaneous Mixed Shipments	4	176
49	Hazardous Materials	10	371

This line is also traversed by Chessie and Amtrak. Amtrak currently routes its National Limited over this mainline, while Chessie maintains trackage rights from Stillwater (MP 21.5) to Dodson (MP 31.3) a distance of 9.8 miles. Chessie services on-line shippers in Brookville (MP 28.9), as well as shippers in Greenville, Ohio via a Northern connection at Dodson. Due to usage by Amtrak, this line is currently maintained to FRA Class III standards. It should also be noted that the City of Dayton is considering the portion of this track from Stillwater to Brookville for light rail commuter transit.

Both Chessie and Conrail indicate that any subsequent abandonment of this line will not affect Chessie operations. Amtrak is currently studying the rerouting of its National Limited in response to the possible abandonment of this line.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

Due to incomplete data, any consideration of possible cost or benefits associated with an abandonment of this line is prohibited at this time.

STRATEGY FOR THE FUTURE

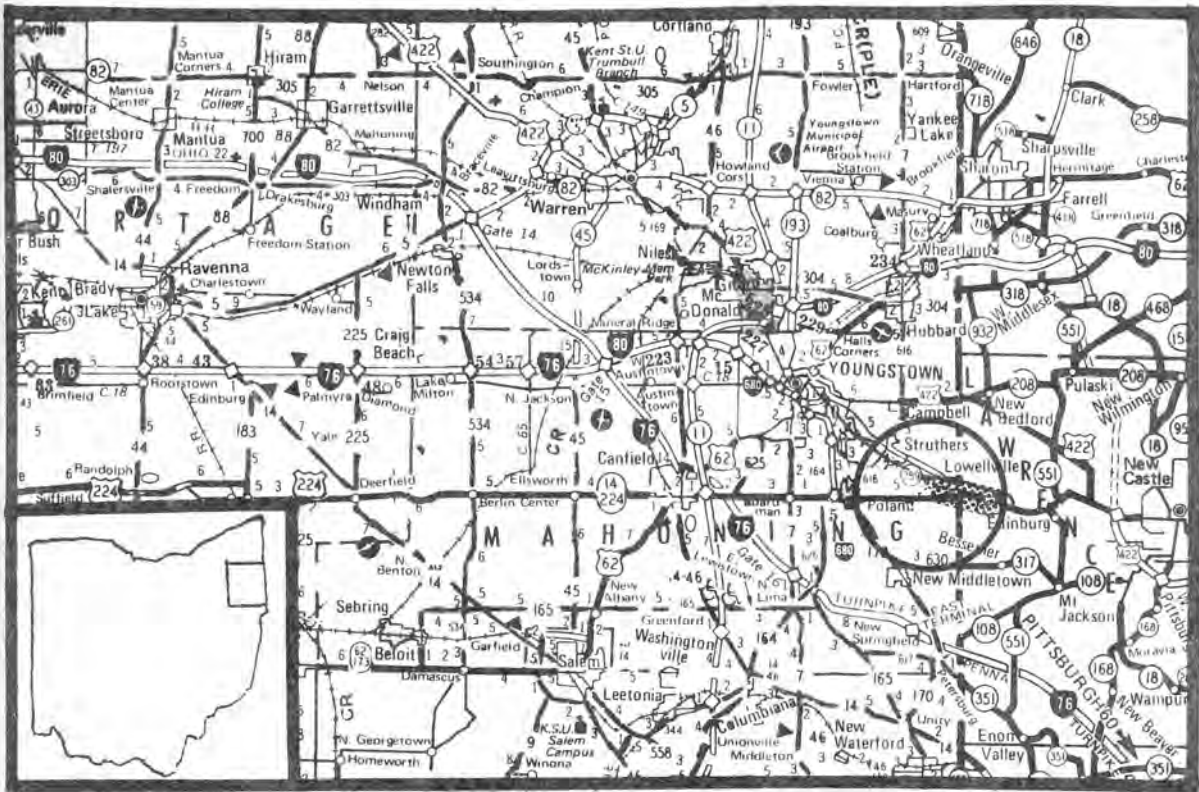
It is the Authority's desire to develop and implement a successful corrective action program to increase the viability of the Columbus-Indianapolis Mainline and thus ensure continued service to shippers located on the line. To obtain these goals the Authority will pursue further discussion with Conrail, shippers and other interested parties to develop a corrective action policy. If no solution can be worked out with Conrail, the Authority will pursue other avenues to retain service on the Columbus-Indianapolis mainline.

The Authority is concerned that this line be preserved and maintained to levels necessary to assure the operation of Amtrak's National Limited until such time as the National Limited is rerouted.

*Denotes Standard Transportation Commodity Code

PORTION OF THE MAHONING STATE LINE TRACK HILLSVILLE TO LOWELVILLE (PITTSBURG AND LAKE ERIE)

This portion of the Pittsburgh and Lake Erie (P&LE) extends from milepost 0.0 at Hillsville, PA to milepost 3.6 at Lowelville, Ohio a distance of 3.6 miles (1.6 miles in Ohio) in Lawrence County, PA. and Mahoning County, Ohio. At Lowelville, this line connects to the P&LE Pittsburgh to Youngstown mainline and intersects the Conrail Pittsburgh to Youngstown mainline. At Hillsville there is no other rail connection.



1978 DISPOSITION

Upon concurrence of the relative planning agencies, a viability analysis will be performed to determine whether or not a corrective action program is warranted. If corrective action is unwarranted it will be determined whether or not this line will be considered for subsidized operations if abandoned. This line will be studied for acquisition.

STATUS REPORT

The P&LE reports that there is currently no shipper on the Ohio portion of the Mahoning State Line Track. The line is utilized in the movement of overhead traffic. Data concerning shippers, costs, revenues, carloads, commodities and trackage conditions are currently being developed.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The costs and benefits of continued operation have yet to be determined. However, due to the fact that no Ohio shippers are located on the line, any subsequent abandonment should have little impact on the local economy or environment.

STRATEGY FOR THE FUTURE

The Eastgate Development and Transportation Agency, shippers and other interested parties will be consulted in order for the Authority to develop and pursue a corrective action or subsidy policy concerning this line.

APPENDIX III

ICC Category III: Lines Pending Abandonment

The line by line analyses in this appendix describe the status of each line for which a railroad has petitioned for abandonment to the Interstate Commerce Commission (ICC). Each is composed of six sections; "a Line Description," the "1977 Disposition," the "Status Report," the "Benefits and Costs of Continued Rail Service," and the "Strategy for the Future."

The line description consists of a map of the appropriate portion of the state, along with a written description of the various connections. The map is an updated form of the 1975 Ohio Department of Transportation official highway map.

The 1978 disposition states the Ohio Rail Transportation Authority's recommendations for the August, 1978 to July, 1979 time period. For lines that were included in previous state rail plans, the 1977 disposition is included to allow comparison with the Authority's past recommendations.

The status report contains information of any developments in the ICC disposition of the line's abandonment docket as well as historic economic and carloading information and a description of track conditions. Most of this information was obtained from the railroad abandonment application and from data packages supplied by the railroad.

The section benefits and costs of continued rail service describes the adverse conditions that could result from lost rail service. Most of this information is included in the ICC abandonment application and from direct shipper contacts. Pollution figures were determined using data from the 1974 National Transportation Study, (Manual II, Volume I, U.S. Department of Transportation, October 1972). (This study found that an average of 11.7 pounds of carbon monoxide, 19.8 pounds of oxides of nitrogen, and 1.8 pounds of hydrocarbons are put in the air yearly for every abandoned carload of rail freight that is transferred to truck.) A benefit-cost analysis is included in this section contingent upon the availability of data. The methodology behind the benefit-cost analysis is explained in Chapter III, Part C.

The section strategy for the future explains the Authority's projections of what will happen on these lines if they are abandoned. Much of the information used to formulate strategies was gathered at meetings with railroad officials and shippers.

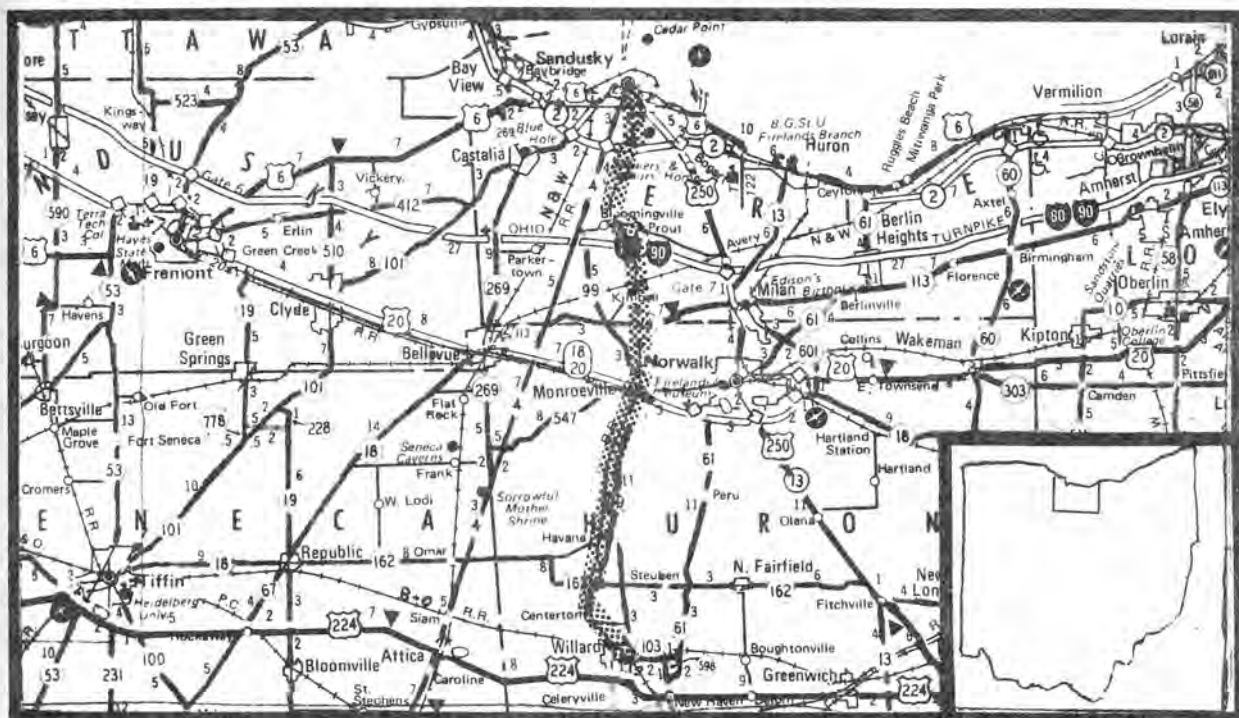
(See Appendix IX for Up-dated Information)

PORTION OF THE SANDUSKY BRANCH

WILLARD TO SANDUSKY

(BALTIMORE AND OHIO)

The Sandusky Branch of the B&O runs 29.2 miles between Willard and Sandusky in Erie and Huron Counties. It connects with the Conrail Lake Shore line between Toledo and Cleveland just south of Sandusky. The N&W Lima to Lorain mainline crosses at Kimball (Milepost 105.4) and the N&W Toledo to Lodi to Bellair mainline crosses at Monroeville (Milepost 100.5). At Willard, the Sandusky Branch connects with an east-west B&O mainline.



1978 DISPOSITION

On March 16, 1978 the ICC ordered the abandonment of this line. It is recommended that upon the order becoming administratively final that: (1) the portion of this line between Willard and Havanna, Ohio enter into subsidized operations with the Chessie System as the designated carrier contingent upon the shippers willingness to bear the non-Federal share of the cost of subsidy; (2) the portion of the line between Prout and Plum Brook, Ohio enter into subsidized operations with Conrail as the designated carrier contingent upon the shippers willingness to bear the non-Federal share of subsidy costs and Conrail servicing the line between Sandusky and Plum Brook; (3) in the event Conrail does not service the line between Sandusky and Plum Brook, Ohio, the portion of the line between Willard and Prout, Ohio enter into subsidized operations with the Chessie System as the designated carrier contingent upon the shippers willingness to bear the non-Federal portion of the costs of subsidization; and

(4) in the event that 2 and 3 above are not realized, the shippers at Prout purchase the portion of track between Kimball and Prout and enter into an industrial side track agreement with N&W.

The line will be considered for acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants a certificate of abandonment, the portion of this line that serves shippers at Prout (MP 107.5) would be recommended for subsidy contingent upon the shippers willingness to pay the non-Federal share. This line ranks 20th in subsidy priority. The remainder of the line is to be abandoned. This line is designated for acquisition with a priority ranking of 31.

STATUS REPORT

The Baltimore and Ohio Railroad filed for abandonment of this line in 1976. The ICC has determined that the abandonment does not constitute a major action significantly affecting the environment. Hearings were held in Sandusky in December of 1977 and the ICC ordered the line abandoned in March 1978.

The Chessie System reported that the railroad incurred costs of \$643,025 to operate over this line while the line generated only \$462,697 in revenues. This represents an operating loss of \$180,328.

According to Chessie, the track along the line is generally in poor condition. The weight of the rail varies between 85 lb. (12.7 miles) and 90 lb. (16 miles). The maximum speed is 25 MPH and the maximum carrying capacity is 263,000 gross pounds. About 29% of the ties need replacement while the entire line needs resurfacing. The cost of rehabilitation of the entire line would be \$1,351,745 (1976 estimates).

Commodities and associate carloads shipped over this line are:

STCC *	COMMODITY	1974		1975		6 MONTHS 1978	
		CARS	TONS	CARS	TONS	CARS	TONS
01	Farm Products	137	12921	123	11664	8	576
11	Coal	66	4827	7	440	3	188
14	Nonmetallic Minerals; except Fuel	4	126	3	100	2	60
20	Food or Kindred Products	59	2566	18	652	27	1465
24	Lumber or Wood Products; except furniture	76	3046	44	1843	25	1031
25	Furniture or Fixtures	18	216	19	229	2	19
26	Pulp, Paper, or Allied Products	1325	55846	563	24299	290	12827
28	Chemicals or Allied Products	113	7913	100	6504	69	4755
29	Petroleum or Coal Products	53	3343	10	499	2	116
30	Rubber or Miscellaneous Plastic Products	13	226	3	49	None	None
32	Stone, Clay, or Glass Products	81	3755	84	3972	27	1334
33	Primary Metal Products	19	1009	18	1017	None	None
34	Fabricated Metal Products;						
	except Ordnance	1	32	6	254	None	None
35	Machinery; except Electrical	2	31	2	22	None	None
36	Electrical Machinery or Equipment;						
	aao. Supplies	1	10	None	None	None	None
37	Transportation Equipment	75	900	150	1500	100	1000
39	Miscellaneous Products of Manufacturing	47	253	None	None	None	None
40	Waste or Scrap Materials	238	10478	104	3888	73	2725
31	Miscellaneous Freight Shipments	7	112	5	56	None	None
46	Miscellaneous Mixed Shipments;						
	except forwarder	None	None	1	64	None	None

*Standard Transportation Commodity Code

BENEFITS AND COSTS OF CONTINUED RAIL OPERATION

The shippers in Prout would be totally without rail service if the Sandusky Branch is abandoned. The effects on the surrounding community would be detrimental as one shipper operates the only federal grain storage facility in Erie County. The fertilizer it receives for area farmers must be handled by rail or by special bulk handling truck equipment. The only trucking firm in the area that owns such trucks is Central Transport, Inc. of Sterling, Michigan. Central Transport has only 60 bulk trucks and could probably not serve Central Erie effectively for fertilizer shipments that originate as far away as Canada, Louisiana, and Florida.

Alternate transportation is available to shippers in Prout and Havanna, Ohio. Shippers in Prout are located approximately three miles from a connection with the N&W in Kimball, Ohio - an agreement for an industrial spur is a viable alternative. The shippers also have access to State Routes 4 and 99 and U.S. Route 250. Prout is within three and one-half miles of both the state and U.S. routes. Havanna shippers are also within three miles of State Route 99 and 162 via a "good connecting road". Both these routes are two, or more, lane highways.

3967 trucks a year would be required to handle the freight now being shipped by rail. This burning of fuel would emit 9167 pounds of carbon monoxide and 9420 pounds of oxides of nitrogen into the atmosphere.

In general, the loss of rail service on this line would not have an adverse impact on the total Ohio transportation system. Major carriers (Conrail and N&W) may increase their traffic in the area by servicing shippers on this line.

STRATEGIES FOR THE FUTURE

There are two recommended strategies for the future for this line if it is granted abandonment by the ICC. The preferred alternative is for solvent lines to service shippers on a profit basis. If this cannot be arranged, service on a subsidy basis would be advised contingent upon the willingness of the shippers to pay the non-Federal share and upon the carriers willingness to provide service.

Shippers in the Sandusky area will apparently continue to receive non-subsidized service. Conrail has tentatively agreed to service this line from Sandusky south to Plum Brook. The ICC decision to abandon stated that the Chessie System must offer to Conrail the trackage between Sandusky and Prout which contains the segment mentioned above. Negotiations concerning this matter are currently underway.

Shippers in Prout and in Havanna have expressed a desire to retain rail service. The sole method of retaining service to Havanna is a subsidized operation from Willard to Havanna. Shippers in Prout have two options as far as possible subsidized service: (1) subsidize a Chessie operation servicing the line from Willard to Prout; and (2) subsidize a Conrail operation from Plum Brook to Prout. The Conrail operation would be contingent upon Conrail's willingness to enter into an agreement to service the portion of the line between Plum Brook and Prout.

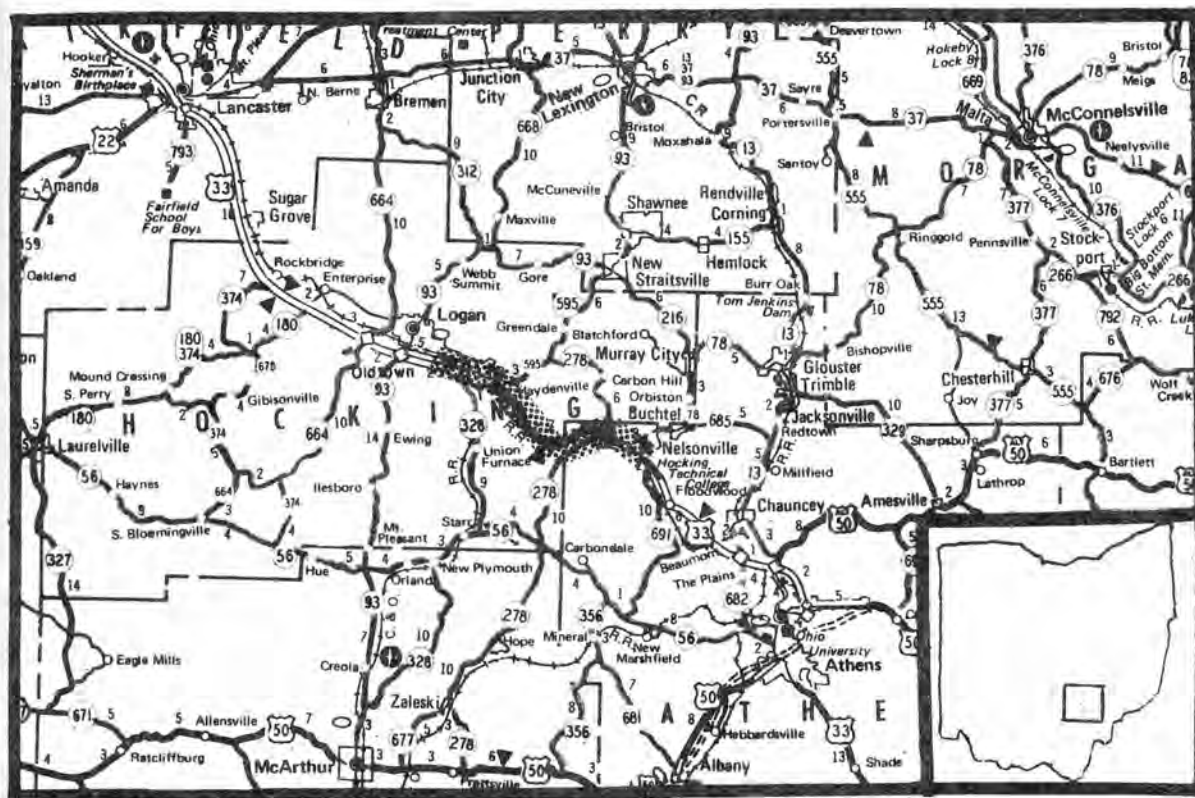
An alternative to subsidy is for the shippers at Prout to purchase the portion of the line between Kimball and Prout for use as an industrial spur. This option would guarantee these shippers continued service subsequent to the expiration of the subsidy program in 1981. The N&W Railroad has indicated a willingness to provide service to Prout if such an arrangement is agreed to.

(See Appendix IX for Up-dated Information)

PORTION OF THE ARMITAGE BRANCH

OLDTOWN TO NELSONVILLE (CHESAPEAKE AND OHIO)

This portion of the Armitage Branch extends from Oldtown (Milepost 52.4) in Hocking County to Nelsonville, Ohio (Milepost 62.9) in Athens County, a distance of 10.5 miles. This segment is an extension of the C&O Columbus-to Parsons-to-Logan line, and connects with the C&O Oldtown-to Dundas-to-Pomeroy line at Oldtown. There is no rail connection at Nelsonville.



1978 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants a certificate of abandonment, it is recommended that the portion of this line between Oldtown and Diamond be subsidized contingent upon the shippers' willingness to pay the non-Federal share of subsidy costs. The remainder of the line between Diamond and Nelsonville would not be recommended for subsidy.

This line will also be considered for future acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants a certificate of abandonment, the line would be recommended for subsidy contingent upon the shippers agreement to pay the non-Federal share. It ranks 20th in subsidy priority. This line would also be considered for acquisition with a priority rank of 28.

STATUS REPORT

On March 24, 1978 the ICC determined that the public convenience and necessity permit abandonment of only that portion of the line between Diamond and Nelsonville, Ohio. On April 13, 1978, Chessie appealed the decision and requested that the ICC keep the case open until 1980. If the ICC allows the appeal, it is possible the Oldtown to Diamond segment could be abandoned after two years.

Based on 1976 data, Chessie operated this line at a cost of \$187,677 while revenues amounted to \$166,765. This represents a deficit of \$20,912.

The line involved in this case is maintained to FRA Class III standards (40 mph speed limit). The line presently has no serious deterioration of deficiency in its current physical operating condition. However, the applicant suggests that this line contains track material, including rail and fittings, which will have to be replaced within three years at a cost of \$96,580.

The commodities and associated carloads handled on this line are listed in the table below:

<u>STCC*</u>	<u>1973</u>		<u>First 9 Mos. 1974</u>	
	<u>Cars</u>	<u>Tons</u>	<u>Cars</u>	<u>Tons</u>
14 Non-metallic minerals except fuels	3	152	2	102
19 Ordnance of accessories	0	0	2	62
20 Food or kindred products	3	79	0	0
24 Lumber of Wood Products except furniture	41	1,600	62	2,429
26 Pulp, paper or allied products	5	2,604	4	150
29 Petroleum or coal products	1	41	1	41
32 Stone, Clay or Glass products	658	36,378	404	23,422
33 Primary metal products	0	0	1	40
34 Fabricated metal products, except ordnance	4	70	0	0
35 Machinery; except electrical	6	598	1	53
37 Transportation equipment	9	493	1	20
40 Waste or scrap materials	0	0	1	56
	<u>730</u>	<u>41,421</u>	<u>479</u>	<u>26,375</u>

*Standard Transportation Commodity Code

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the brick and lumber products shipped by rail along this line are sometimes difficult and usually more expensive to ship by truck. Shippers on the line expect that if this line is abandoned a minimum of 50 jobs would be lost. In addition to possible business closing or relocations, the loss of rail service would also prohibit a brick company on the line from building a \$750,000 expansion. This expansion would mean many new jobs in the Hocking Valley region which is suffering from an unemployment rate of 9 percent.

At present, the state rail transportation system would not be adversely affected by the loss of this line as it is a spur and offers no value as an alternate freight route. However, since the line is located in Ohio's coal region it might be needed to transport coal out of the local area in the future.

The local highway system would be slightly affected by lost rail service. Using 1974 figures it would take 1,536 trucks to replace the 479 train carloads. The additional six trucks per day would add to maintenance expenses on U.S. Route 33 and State Routes 278 and 595. The overall Ohio highway system however, would not be affected by this small amount of additional traffic as the roads could easily handle the extra traffic.

The local environment would suffer from lost rail service. The use of trucks rather than trains would cause an extra 3497 pounds of carbon monoxide and 3592 pounds of oxides of nitrogen to be emitted into the air annually.

STRATEGY FOR THE FUTURE

It is anticipated that the portion of this line from Oldtown to Diamond will remain in the Chessie System as ordered by the ICC. In handing down its decision, the ICC noted the potential for an increase in carloadings substantial enough to make the portion of the line viable.

Also, the Hocking Valley Scenic Railway has expressed interest in operating steam powered tourist rail service between Nelsonville and Athens over the Columbus and Southern Ohio Electric Company and Chessie System tracks. The HVS currently operates between Nelsonville and Carbon Hill over the abandoned C&O Monday Creek Subdivision.

The Authority, however, will continue to monitor the situation. The line is presently included in the pre-abandonment program. The Authority will be examining ways to cut costs and increase revenues on this line to forestall any future abandonments.

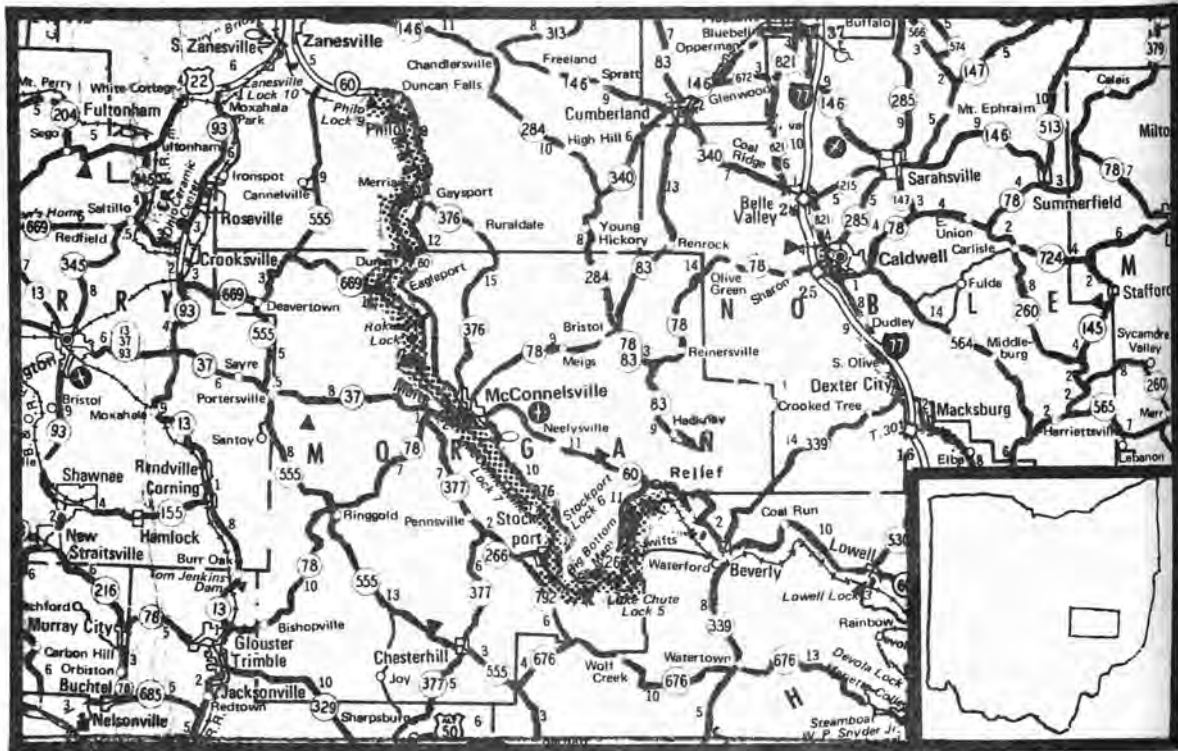
In the event the line is abandoned, it will be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share.

The line is presently being considered for acquisition because of its location in Ohio's coal producing region.

(See Appendix IX for Up-dated Information)

PORTION OF THE OHIO AND
LITTLE KANAWHA BRANCH
PHILO TO RELIEF
(BALTIMORE AND OHIO)

This portion of the Ohio and Little Kanawha Branch of the B&O extends southeasterly from Philo (Milepost 9.2) to Muskingum County, through Malta (Milepost 24.7) in Morgan County to Relief (Milepost 45.0) in Washington County, Ohio. To the north this segment continues to Zanesville. To the south the line continues to Marietta and Parkersburg, West Virginia.



1978 DISPOSITION

In the event the ICC grants a certificate of abandonment, the portion of this line from Philo (MP 9.2) to Malta (MP 24.7) would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. This portion ranks 8th in subsidy priority. The portion of this line between Malta and Relief will not be recommended for subsidy.

This segment would also be considered for acquisition.

In the event the line comes under the subsidy program, it is recommended that accelerated maintenance be performed.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants a certificate of abandonment, the portion of this line from Philo to Malta would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. This portion ranks 20th in subsidy priority. This segment would also be considered for acquisition for rail banking. It is 7th in acquisition priority.

STATUS REPORT

The Baltimore and Ohio Railroad filed a petition of abandonment in October of 1974. Several entities, including the Public Utilities Commission of Ohio, the Village of Malta, and shippers along the line protested the abandonment. In August of 1977 the ICC rendered its initial decision to allow abandonment. The decision was appealed but was reaffirmed by the ICC in April 1978. A stay order concerning the abandonment was later granted, postponing the implementation of the abandonment order. Subsequently, protestors initiated another appeal based on the adverse effects to the general transportation system that would occur if the line was abandoned. This appeal is the last one allowed by ICC abandonment regulations. The ICC rejected this last appeal. The protestors, however, have taken their case outside the ICC to a Federal Court for a fourth appeal. This court has not yet handed down a ruling.

The Chessie System reported that it cost \$263,000 to operate this line in 1976 while revenues generated were only \$144,000. This represents a \$119,000 operating loss. The Chessie System estimated that it would cost \$1,497,070 to rehabilitate the track. However, the ICC determined that only \$484,210 would be needed for this entire line with only \$23,166 needed for the Philo-Malta segment.

The reason rehabilitation costs would be so high for the Malta to Relief section of the line is that the track has been out of service since 1974 due to a washout. The Philo to Malta section meets FRA Class II Standards (25 MPH speed limit) except in four areas where minor repair is needed. Bridges on the line need only normal maintenance.

The two major shippers on this line are located in Malta. Both firms indicate the trend on the line is for increased carloading of lumber products. One firm shipped 27 carloads in 1974, 28 carloads in 1976, and projected 35 carloads would be shipped in 1977. The other firm shipped 324 carloads in 1974, 357 carloads in 1975, 537 carloads in 1976 and projected 742 carloads would be shipped in 1977.

The Authority is waiting for the latest figures from the Chessie System on commodities of shipments. Less recent data is presented in the chart below:

<u>STCC*</u>	<u>COMMODITY</u>	<u>1972</u>		<u>1973</u>	
		<u>CARS</u>	<u>TONS</u>	<u>CARS</u>	<u>TONS</u>
01	Farm Products	2	60	2	60
11	Coal	1	72	0	0
20	Food or Kindred Products	11	270	3	77
22	Basic Textiles	1	14	0	0
24	Lumber or Wood Products	706	21,521	821	24,145
25	Furniture or Fixtures	1	49	0	0
26	Pulp, Paper or Allied Products	3	48	5	78
33	Primary Metal Products	1	70	0	0
34	Fabricated Metal Products	5	71	2	59
35	Machinery	1	12	0	0
40	Waste or Scrap Materials	1	41	0	0
41	Miscellaneous Freight Shipments	1	15	0	0
		<u>734</u>	<u>22,243</u>	<u>833</u>	<u>24,419</u>

*Standard Transportation Commodity Code

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The raw materials for the lumber products produced by firms on the Philo to Relief line are shipped from Washington, Arizona, Oregon, California, Montana, Idaho, and Texas. The waste products such as sawdust are shipped to points in New York and New Jersey by these firms. Due to the bulky nature of goods and the long distances of shipments, rail service is necessary to keep transportation costs to a minimum. If direct service is lost, shippers will have to resort to trucking their shipments to the nearest railhead. One company estimated this double handling would add approximately \$1,000 to the cost for each carload received. Another estimated it would require start up investment of \$356,858 for a double handling system.

The large increase in shipping costs could adversely affect these two industries. Together they account for approximately 500 jobs which represent approximately ten percent of the Morgan County work force. A portion of, or perhaps all, of these jobs would be eliminated through lay-offs, plant relocations, or plant closings.

The rail system of the area would be adversely affected by the loss of this line. It is the only rail line serving Morgan County and provides a direct link to Marietta and the Ohio River. Also, as the line is in Ohio's coal region, these connections could be needed to transport coal. Major rail carriers would not lose any appreciable revenue because of lost interline traffic.

The local highways and the environment of the City of Malta would also be adversely affected by lost service. If all rail shipments had to be switched to trucks, between 1,700 and 2,400 additional trucks would use Malta's roads annually. Although the surrounding area is adequately served by two lane State Routes 50, 78, 60, 669, 376, and 37, the City of Malta is served only by State Route 60. Part of this route is in a residential neighborhood. The increased trucking would be a safety hazard to the people of Malta, especially the children, as well as the cause of increases in roadway maintenance costs.

In addition, the extra trucks needed to carry abandoned carloads would cause increased air pollution in the area. Using the 1972 figures, about 5,358 more pounds of oxides of nitrogen and 5,505 more pounds of carbon monoxide would be emitted annually if trucks were used rather than trains.

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION
(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$16,800
		+ Unemployment Benefits	=	36,386
		+ Secondary Unemployment Benefits	=	3,638
		+ Increased Fuel Cost	=	1,126
		+ Increased Shipping Cost	=	63,676
				<u>\$121,626</u>
Costs	=	Projected Subsidy Cost	=	<u>\$155,044</u>
B/C		$\frac{\$121,626}{\$155,404}$	=	.78

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

STRATEGY FOR THE FUTURE

In the event that the appeal in Federal court fails and the line is abandoned, the Authority will include the Philo to Malta portion of the line in the subsidy program contingent upon the shippers' willingness to pay the non-Federal share. Shippers on this portion have already contacted the Authority and indicated their desire to participate in the program.

The portion of line from Relief to Malta will not be recommended for subsidy. There are no shippers on this portion of the line.

The Authority anticipates that the line between Philo and Malta will become viable by the end of the subsidy program in 1981. There are two major reasons for this assumption.

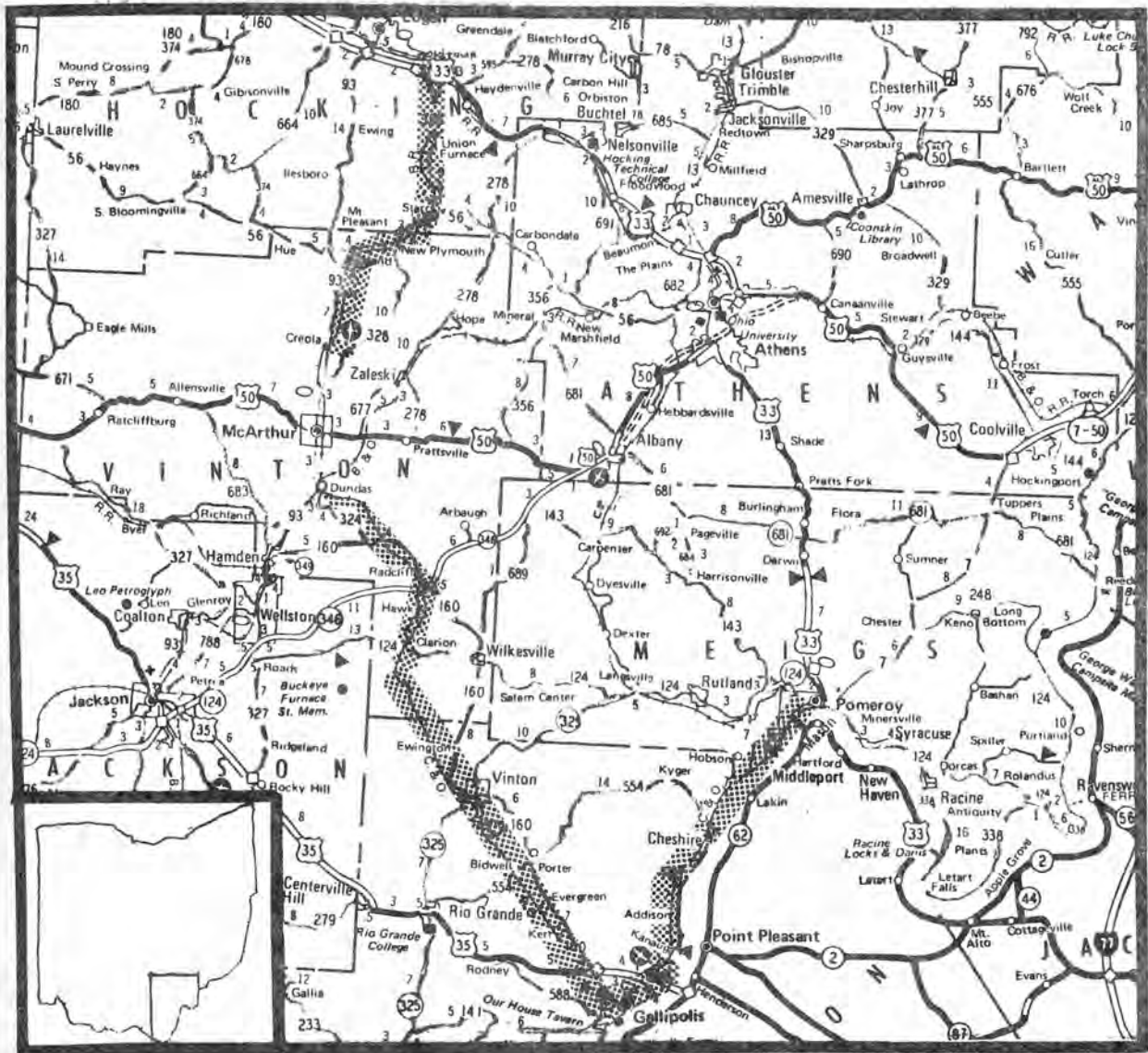
First, there is the potential for increased shipments on the line. The largest shipper on the line manufactures wooden insulation windows. With the current high heating bills and energy conservation trends, it is likely that this firm will expand production and need increased rail usage. Also, the second largest shipper presently employs natural gas to meet its energy needs. This shipper is considering switching to coal to save money. This would also increase rail usage.

Second, if the shippers on the line participate in the subsidy program, the line would be eligible for rehabilitation primarily funded by the Federal government. If the shippers pay the non-Federal share, the Authority would recommend that the four trouble areas on the line be rehabilitated to FRA Class II standards. This would save in transportation costs by cutting down the time necessary to serve the line and save labor expenses. Maintenance expenses would also be cut due to improved track conditions. In addition, safety would be enhanced while costly derailments would be prevented.

The Authority is also considering the Philo to Malta segment of this line for acquisition. This line provides a valuable right-of-way to Ohio's coal region.

PORTION OF THE POMEROY BRANCH OLDTOWN TO POMEROY (CHESSIE)

The Pomeroy Branch connects with the C&O Columbus-to-Parsons-to-Oldtown line at Oldtown in Hocking County (Milepost 51.3), where it extends southward through Creola (Milepost 69.4) and Dundas (Milepost 78.1) in Vinton County. At Dundas the line crosses the B&O Parkersburg, W. Va. to Chillicothe-to-Cincinnati line. The line continues southeasterly from Dundas through Gallipolis (Milepost 114.6) in Gallia County, and then northeasterly along the Ohio River to Pomeroy (Milepost 135.1) in Meigs County. Conrail holds trackage rights between Gallipolis and Pomeroy.



1978 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants

a certificate of abandonment, the portion of the line from Kerr to the end of the track outside Pomeroy, (MP 110.0-135.05) would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. The remainder of the line, from Oldtown to Creola (MP 51.21 - 69.36) and from Dundas to Kerr, (MP 78.02 - 110.0) would be considered for acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants a certificate of abandonment, the portion of the line from Kerr to the end of the track outside Pomeroy, (MP 110.0 - 135.05) would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. This line ranks 20th in subsidy priority. The remainder of the line, from Oldtown to Creola (MP 51.21 - 69.36) and from Dundas to Kerr (MP 78.02 - 110.0), would be considered for acquisition. This line ranks 15th in acquisition priority.

STATUS REPORT

The Chesapeake and Ohio (C&O) filed for abandonment in April 1974, but the final ICC decision was not given until March 19, 1977. The Commission ruled that the portions of the line from Oldtown to Creola and Dundas to Kerr could be abandoned and that service could be discontinued from Kerr to the end of the track. In April 1977, various parties to the case filed petitions requesting reconsideration of the decision which were subsequently denied by the ICC on August 30, 1977. Subsequently, the case was appealed to the United States Court of Appeals, Sixth Circuit, in October and November of 1977 by the parties to the abandonment. This action prompted the ICC to reconsider the case which resulted in the reopening of the case on February 16, 1978.

The main track consists of 58.40 miles of 100/lb. rail approximately 40 years old, in poor to fair condition, 4.95 miles of 90/lb. rail 51 years old, in poor condition and some 130/lb. rail in fair to good condition.

Chessie reports that the line showed a net operating deficit of \$184,279, \$111,573 and \$187,206 in 1973, 1974 and 1975 respectively. Chessie also estimates rehabilitation at \$10,670 per mile and normalized maintenance following rehabilitation of \$4,525 per mile.

The portion of the track from Kerr to Pomeroy generated 987 and 652 annual carloads in 1974 and 1975 respectively. However, negotiations are currently being pursued by Chessie and American Electric Power to move coal from Minnerton to Cheshire, a proposal which could substantially increase the traffic on this line.

A detailed accounting of commodities handled on this line by carloads and STCC code is not available at this time.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The Keener Sand and Clay Company, located at Kerr, testified it could not afford to pay truck freight rates, and would be certain to go out of business if it lost rail service. The expansion of the Gallipolis Reduction Company would be slowed or even thwarted by the loss of rail service. This company has become more rail dependent as it has grown, shipping 34 carloads of freight in 1974, 74 carloads in 1975, and a projected 92 carloads in 1976. The Associated Grocers, a West Virginia company, is another growing business that planned to establish a warehouse large enough to ship 250 carloads a year two mile west of Gallipolis. Associated Grocers has shelved these plans for the time being because rail service cannot be guaranteed. The Meigs County Farm Bureau will not be able to serve area farmers as effectively if it cannot use the railroad. Prices farmers pay for fertilizer they buy through the Farm Bureau would rise significantly.

Thus the loss of rail service would cause economic distress along the line from Kerr to the end of the track. Local jobs would be lost; local industry would be stifled in its attempts to grow; local prices would rise; and new business would be reluctant to locate in the area.

The line does, however, have the potential to be viable. In 1975, 563 carloads of freight were generated along it, a rate of 26 carloads a mile. If the 250 carloads of the Associated Grocers were added to these figures, an annual rate of 36 carloads a mile could be obtained.

The environment would also be adversely affected by a loss of rail service. At least 2,950 more gallons of fuel would be used annually by trucks than are now being used by trains. Burning these extra gallons would cause 664 pounds of carbon monoxide and 1,092 pounds of oxides of nitrogen pollution to be added to the local air each year.

The roads in the area would be forced to absorb an additional 1,600 trucks a year if rail service is discontinued. The city of Kerr is accessible only by a two lane secondary state road, Route 160. Increased trucking could result in congestion and increased maintenance costs for this road. State Route 7, another two lane highway, between Gallipolis and Pomeroy, might also suffer from congestion if rail service is lost but the problem should not be very serious as both cities are also served by another two lane state route (SR 143 in Pomeroy and SR 160 in Gallipolis) and another two lane US Route (US 33 in Pomeroy and US 35 in Gallipolis).

STRATEGY FOR THE FUTURE

Because American Electric Power is currently negotiating with the Chessie System in an attempt to obtain service from Minnerton

to Cheshire, this line is still in the abandonment process. Informal discussion with Chessie leads the Authority to conclude that a satisfactory contract can be worked out between Chessie and A.E.P. The institution of service to A.E.P. (hauling coal) will virtually assure continued service to the remainder of shippers located on the Pomeroy Branch between Kerr and Pomeroy. The Authority will assist both parties in their attempts to derive at a contract satisfactory to all parties.

(TA&W)

no rail connection at its western extension.



the cost of subsidy. It ranks number 16th in subsidy priority.

This line will also be considered for acquisition.

1977 DISPOSITION

shippers' willingness to pay the non-Federal share. The remainder of

the track is to be considered for acquisition with a priority rank of 31.

STATUS REPORT

The Toledo, Angola, and Western Railway Company (TA&W) filed an application to abandon this line in September, 1977. In the first seven months of 1977, the TA&W line generated \$4,516 in revenues and the railroad incurred a loss of \$32,544.

According to the railroad, the line currently meets FRA Class 1 Standards, therefore, accelerated maintenance is not necessary. The train is thus limited to a maximum speed on the line of ten (10) miles per hour.

Inbound and outbound commodities handled on this line in 1976 were as follows:

<u>STCC*</u>	<u>COMMODITY</u>	<u>TONNAGE</u>	<u>CARLOADS</u>
11	Coal	71	Not Available
14	Non-metallic Minerals		
	except Fuel	396	NA
20	Food or Kindred Products	108	NA
24	Lumber or Wood Products	4819	NA
32	Clay, Concrete, Glass, or		
	Stone Products	4192	NA
36	Electrical Machinery	85	NA
Standard Transportation Commodity Code		9671	150

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the products shipped by rail along this line are sometimes difficult and usually more expensive to ship by truck. The Authority estimates that the increased costs and logistical difficulty could result in as many as 12 job losses in industries along the line if rail service was discontinued. If the cost increase forces businesses to close or relocate even more jobs could be lost in the area.

The local transportation system would not suffer from loss of rail service. There are Conrail and Toledo Terminal Railroad railheads within five miles of the majority of shippers on the line.

Shippers also have access to an excellent highway system. Five of the largest shippers on this line are located either on or within one block of U.S. Route 20 (a divided highway). Also, I-75, U.S. Route 23, and State Routes 120, and 246 are within three (3) miles of all shippers. The Ohio Turnpike (I-80/90) is located approximately six miles to the south of the shippers. If this line was abandoned, it would take approximately 475 trucks to replace the 150 train

carloads. The highways in the area could handle the additional two trucks a day with no adverse effects.

The increased trucking in the area would increase the pollutants in the air by approximately 2106 pounds of carbon monoxide and 3564 pounds of oxides of nitrogen annually.

The overall transportation system in Ohio would not be adversely affected by lost rail service on the TA&W. The line is a spur and offers no value as an alternate freight route.

The major carriers in the area would not feel the loss of such a small amount of carloadings. The Toledo Terminal Railroad however, is a comparatively small operation and would be slightly affected. Although no lay-offs or job losses would occur, the Toledo Terminal could lose up to \$12,000 yearly in revenue.

Several other benefits and costs of continued rail operations are presented in the chart below.¹

BENEFIT-COST INFORMATION
(1978-79 Program Year)

Benefits	=	Lost Payroll Tax	=	\$ 5,061
		Unemployment Benefits	=	11,716
		Secondary Unemployment + Benefits	=	1,343
		Increased Fuel Cost	=	354
		Increased Shipment Cost	=	18,956
		TOTAL		<u>\$37,430</u>
Costs	=	Projected Subsidy Cost	=	66,582
B/C	=	37430/66,582	=	.56

STRATEGY FOR THE FUTURE

In the event the ICC allows this line to be abandoned, it is possible that 3 different railroads could continue the service, possibly without a subsidy.

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

The shippers on the TA&W have been in contact with Conrail to determine if the line could be served using the existing connection. Conrail would only have to operate on approximately 4.75 miles of TA&W track to serve the majority of the shippers on the line. The TA&W has agreed to leave enough track in place to allow such service. However, although the track meets FRA Class I Standards, Conrail states that it will not run on the track unless the 90 lb. TA&W track is upgraded to 130 lb. track. The tremendous expense of this rehabilitation could prevent a Conrail/Shipper agreement. It is also possible that Conrail could serve the majority of shippers by building a new switch between the TA&W and the parallel Conrail tracks. The switch could be built close to the shippers, allowing Conrail to serve them by operating over about 1 mile of track. This option could significantly reduce rehabilitation costs.

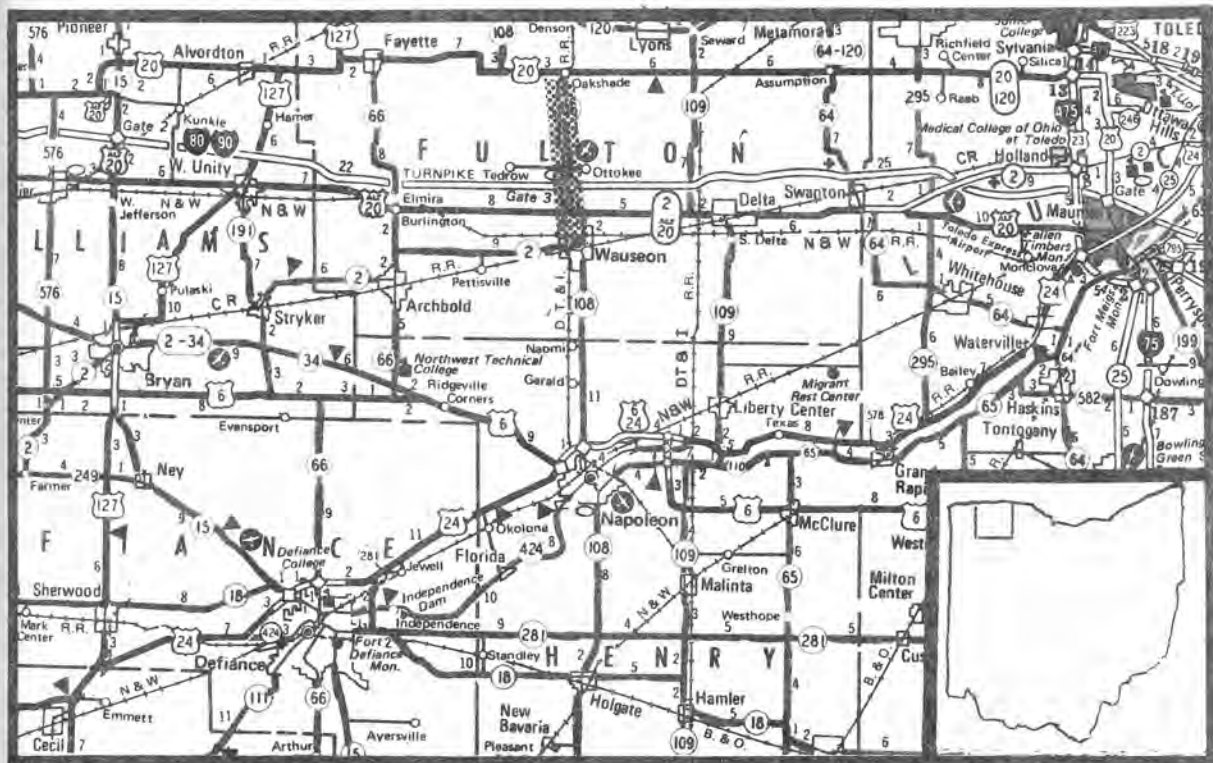
The Waterfront Electric Railway, a switching and excursion railroad, is currently negotiating with the Medusa Corporation, (parent company of the TA&W) to lease or purchase the 4.75 miles of track needed to service shippers. The Authority has been working with both Medusa and the Waterfront to try to arrive at a satisfactory disposition.

It is also possible that the Toledo Terminal Railroad could service shippers. As of yet, the Authority and shippers have not pursued this option.

If one of the potential carriers cannot operate the TA&W at a profit, the Authority recommends that subsidized service be instituted if the shippers are willing to pay the non-Federal share of subsidy costs. This recommendation follows the Authority's policy of aiding shippers willing to pay for service.

PORTION OF THE TECUMSEH
BRANCH
TECUMSEH TO WAUSEON
(DETROIT TOLEDO & IRONTON)

This portion of the Tecumseh Branch extends 37.5 miles from Tecumseh, Michigan (MP 55.4) in Lenawee County, to Wauseon, Ohio (MP 17.9) in Fulton County. At Tecumseh, the line connects with Conrail's Clinton, Michigan to Toledo, Ohio Line. At Adrian, Michigan it connects with the Norfolk and Western's Fort Wayne, Indiana to Detroit, Michigan Line. At Wauseon it connects with the Norfolk and Western line to Toledo and the Conrail Toledo to Chicago Line. The Southern extension of this line runs to Malinta, Ohio where it connects to the DT&I Ironton to Detroit mainline.



1978 DISPOSITION

In the event the line is abandoned it will not be recommended for subsidy due to a lack of shippers on the Ohio portion of the line.

1977 DISPOSITION:

Due to the proposed purchase of the Detroit, Toledo, & Ironton (DT&I) by the Baltimore & Ohio and Chessie System, abandonment proceedings before the Interstate Commerce Commission (ICC) are being deferred until acquisition activity has been completed. In the event that the ICC grants a certificate of abandonment, ORTA will consider the line for acquisition for future rail purposes. It ranks 32nd in acquisition priority. At present, the line is not recommended for subsidy due to the lack of the need of service in Ohio.

STATUS REPORT

The DT&I petitioned the ICC to abandon the portion of the Tecumseh Branch from Wauseon, Ohio to Tecumseh, Michigan in 1975. Originally the DT&I hoped to retain its shippers in Tecumseh through the acquisition of the Penn-Central line from the DT&I mainline at Riga, Michigan to Tecumseh. However, this trackage was conveyed to Conrail in the Final System Plan. The N&W has trackage rights over the portion of this branch from the N&W mainline at Page, Michigan to Tecumseh. The shippers in Tecumseh are currently served by the N&W. The DT&I no longer serves the shippers at Tecumseh.

In addition to the shippers in Tecumseh, there are also shippers along this line in Adrian and Bimo, Michigan. The Lenawee County Railroad plans to acquire the necessary trackage and serve the shippers in these cities. It can be noted that in 1973 only 11 carloads with \$1,500 in revenues can be attributed to Ohio stations between Wauseon and the state line. Currently, however, there are no shippers on the Ohio portion of the line.

In the past the shipments that were generated were insignificant. The latest data available to the Authority for this line is from 1973. In this year the line generated 2,443 carloads of freight and revenues of \$366,500 for the DT&I. The cost of providing service on this line amounts to \$525,000 thus resulting in a deficit of \$158,500. The data does not lend itself to a cost/revenue analysis of the portion of the line between Wauseon, Ohio and the Ohio/Michigan border.

Due to two different proposals to purchase the entire DT&I system, (a joint offer from the Chessie and Norfolk and Western as well as an offer from the Grand Trunk Western) the Interstate Commerce Commission has deferred abandonment proceedings until the acquisition issue has been settled.

BENEFITS AND COST OF CONTINUED RAIL SERVICE

Because there are no shippers located along this line in Ohio, the state will endure no adverse economic consequences if the line is abandoned.

The Ohio portion of this line is one of only two north-south lines in Ohio west of Toledo, the other extending from Fulton Siding, Ohio in Fulton County to Trenton, Michigan near Detroit. As such, the line exists as the only alternate north-south route in the area.

The Ohio highway system would not be affected by abandonments. No additional trucks would traverse Ohio roads.

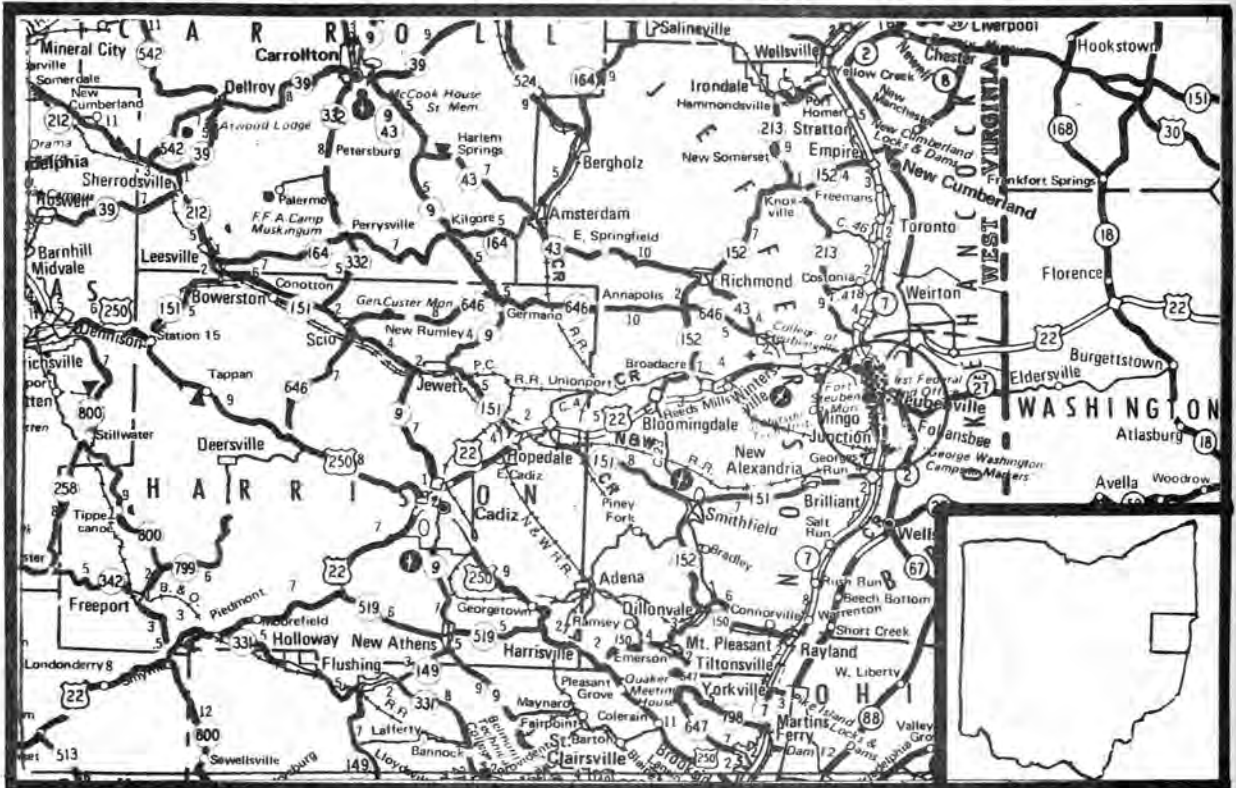
Rail carriers would not be adversely affected as Michigan shippers will receive service from other railroads. Both the N&W and Lenawee County railroads will increase their traffic.

STRATEGY FOR THE FUTURE

As there presently are no shippers on the Ohio portion of the line, the Authority will not consider subsidizing the line and abandonment will not be protested. In the event that a future interest is expressed by any concerned group, the Authority will, at that time, address those interests.

PORTION OF THE STEUBENVILLE BRANCH WHEELING AND LAKE ERIE RAILWAY COMPANY (NORFOLK AND WESTERN)

This portion of the Steubenville Branch extends from Washington Street (Milepost 13.63) (the end of the track) to Slack Street (Milepost 13.15) a distance of .48 mile and is located entirely within the City of Steubenville in Jefferson County, Ohio.



1978 DISPOSITION

In the event the ICC orders this line abandoned, the line will not be recommended for subsidy. The line will not be considered for acquisition.

STATUS REPORT

The Norfolk and Western Railway filed an application to abandon the portion of the Steubenville Branch on April 28, 1978. It is expected that shippers using the team facility on the portion of the line will not oppose the abandonment. The portion of the line to be abandoned will be sold to the City of Steubenville as part of a community redevelopment project.

Traffic on this line amounted to 25 carloads in both 1976 and 1977 for team track patrons. These team track patrons will utilize a team track at Mingo Junction approximately four miles south and no loss of carloads or associated revenue is expected as a result of the abandonment.

The commodities and their respective carloads and tonnage handled on the portion of the Steubenville Branch are presented below:

STCC	COMMODITY	CARLOADS (ALL INBOUND)					
		1976		1977		3 MONTHS 1978	
		CARS	TONS	CARS	TONS	CARS	TONS
01	Grapes	2	49	2	64	-	-
20	Prepared Food	2	119	-	-	-	-
25	Furniture	2	13	4	26	-	-
26	Sanitary Paper	13	217	13	202	2	39
32	Refractories	<u>6</u>	<u>312</u>	<u>6</u>	<u>344</u>	<u>-</u>	<u>-</u>
	TOTAL:	25	710	25	636	2	39

NOTE: No outbound traffic moved during 1976, 1977 and the first 3 months of 1978.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

Due to the urban location of the portion of the line proposed to be abandoned, no disruption of natural habitat or wildlife in the area would result. Furthermore, noise pollution from rail operations and trucks utilizing the team facility will cease. The abandonment of this portion of the line would result in the closing of five grade crossings and would reduce truck traffic, thereby favorably affecting the flow of traffic and safety conditions in the area.

The N&W concluded in its application that the movement of the team facility from Steubenville to Mingo Junction would result in a potential fuel savings of 7011 gallons annually.

The proposed abandonment would not affect the general transportation network of Ohio. Conrail currently serves Steubenville and highway access is provided by US Route 22, a divided highway, and State Route 7, also a divided highway. Steubenville also has easy access to State Routes 43, 646 and 151.

STRATEGY FOR THE FUTURE

Because the City of Steubenville is purchasing the property to be abandoned and the shippers utilizing the team facility at Steubenville do not oppose the abandonment, Ohio State agencies should recommend the unopposed abandonment of this portion of the Steubenville Branch.

APPENDIX IV

ICC Category IV Lines: Subsidized Lines

The line by line analyses presented in this appendix describe the status of each line in Ohio's Rail Service Continuation Assistance Program. Each is composed of six sections; a "Line Description," "1978 Disposition," "1977 Disposition," "Status Report," "Benefits and Cost of Continued Rail Service," and "Strategy for the Future." The following material explains the content and data sources for these sections.

The line description depicts a map of the appropriate portion of the state, along with a written description of the various connections. The map is an updated form of the 1975 Ohio Department of Transportation official highway map.

The 1978 disposition states the Ohio Rail Transportation Authority's recommendation for the lines from August, 1978 to July 1, 1979. The 1977 disposition is included to allow comparison with the Authority's previous recommendation.

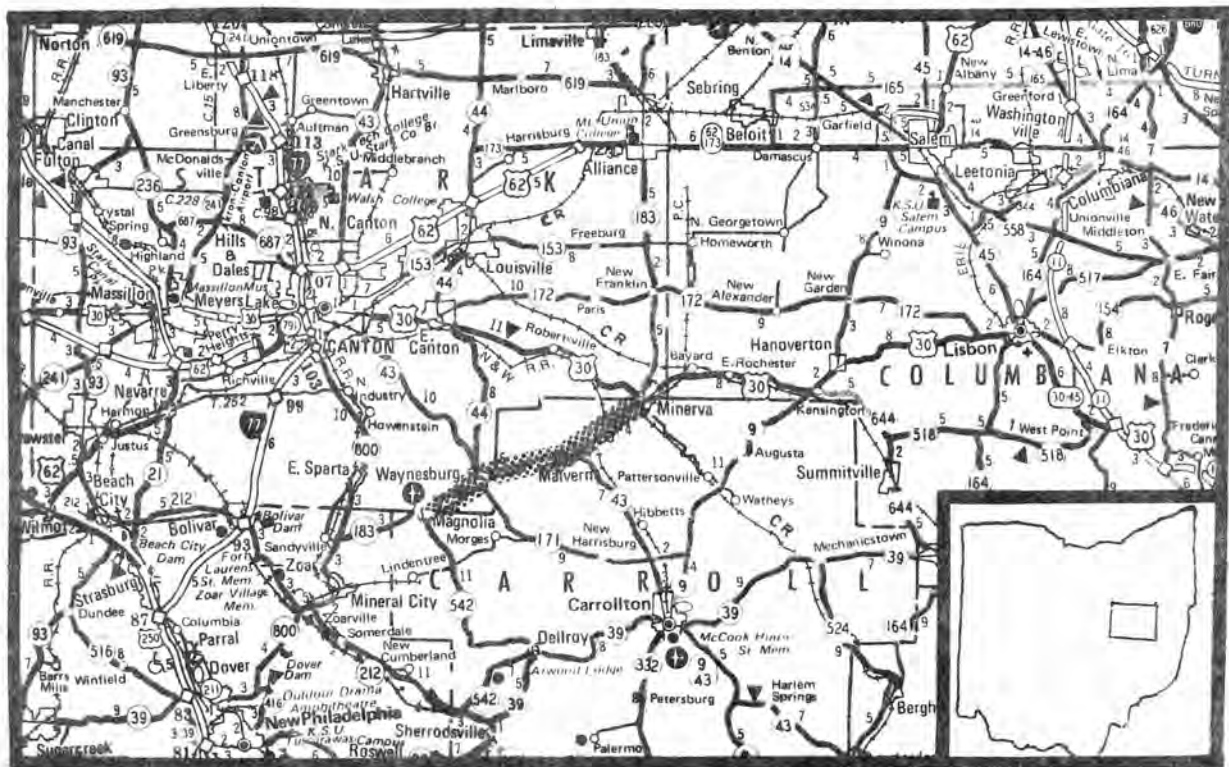
The status report contains facts concerning the past and projected future economic performance, as well as information on the nature of shipments on the line and track conditions. The economic data are based on reports submitted by the railroads. The 1976-77 figures are from an un-audited, year end railroad report for the line. The lag time for railroads in reporting information prevented complete information for the 1977-78 year. Thus, the whole year figures are projections based on six months of railroad reports. The 1978-1979 data are estimated, relying heavily on railroad projections as a base.

The section on the benefits and costs of continued rail operation presents general socio-economic and environmental affects of lost rail service along with a quantitative benefit-cost analysis. Pollution figures were determined using data from the 1974 National Transportation Study, (Manual II, Volume I, U.S. Department of Transportation; October 1972). This study found that an average of 11.7 pounds of carbon monoxide, 19.8 pounds of oxides of nitrogen, and 1.8 pounds of hydrocarbons are put in the air yearly for every abandoned carload of rail freight transferred to truck. The methodology behind the benefit-cost analysis is explained in Chapter III, Part C.

The section on strategy for the future explains the Authority's anticipation of the use of the line in the ensuing years. Much of the information used to formulate strategies is gathered at meetings with railroad officials and shipper groups.

PORTION OF THE TUSCARWAS
SECONDARY TRACK
USRA LINE NO. 371
(CONRAIL)

This portion of the Tuscarawas Secondary Track formerly part of the Pennsylvania R.R., extends from Minerva (milepost 4.3) to Magnolia, Ohio (Milepost 15.3) a distance of 11.0 miles in Stark and Carroll Counties. At Minerva the line connects with the Conrail branch line to Pan. The line extends north to Bayard where it connects with the Conrail mainline to Cleveland and to the Ohio River. The line which extended south from Magnolia has been abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line from Minerva (MP 4.3) to Magnolia (MP 15.3) under the subsidy program for the period of this plan. This line presently ranks number 17 in subsidy priority.

This line is also recommended for acquisition. It ranks number 2 in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to serve this line under the subsidy program. This requires that shippers along the line bear 10 percent of the subsidy cost after March 31, 1977. This line ranks number 15 in the subsidy priority.

STATUS REPORT

Shippers along line 371 have been participating in the Rail Service Continuation Assistance Program since it began in April of 1976. Currently, they are paying the 20% non-Federal share of subsidy cost. Starting on July 1, 1979, shippers will have to bear 30% of the subsidy cost. The chart below summarizes the historic line performance and projects future performance.

USRA LINE NO. 371 ANNUAL OPERATIVES DATA

April 1976 - March 1977 (Conrail Data)	April 1977-March 1978 (Estimated from 6 months Actual Conrail Data)	April 1978 - March 1979 (Projected from Conrail Data)
Frequency of Service/week	1	1
Carloads	636	318
Revenue	181,308	185,170
Cost	313,153	291,015
Subsidy	131,845	105,845
Accelerated Maintenance	-0-	-0-
Rehabilitation	-0-	-0-

The actual figures shown above are lower than Conrails projections as presented in past rail plans. For project year 1976-77 the actual subsidy payment was \$131,845 as compared with the projection of \$170,649. For project year 1977-78 the estimated actual subsidy was \$105,845 as compared with the projection of \$197,855. For the 1978-79 project year, the Authority predicts the subsidy payment will increase to \$149,918 due to the increase in costs of transportation, maintenance of equipment and management fee.

There are three shippers currently using subsidized rail service on line 371. Their rail shipments consist of brick (32)* lumber (24)* and peat moss (14)*.

The track on Line 371 is in good condition meeting FRA Class I standards (10 mph speed limit). No accelerated maintenance will be needed in the near future.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the farm and lumber products shipped by rail along this line are sometimes difficult and usually more expensive to ship by truck. The Authority estimates that the increased cost and logistical difficulty could result in as many as 25 job losses in industries along the line if rail service was lost. Additional jobs would be lost if cost increases caused some businesses to relocate or close.

The local rail transportation system would suffer slightly from loss of rail service. The nearest railhead to the communities on the line averages only 5 miles away; the loss of Line 371 would not be a total loss of rail service for the area. The solvent carriers would not suffer from lost service at present as loss of interline traffic would be minimal. The Ohio rail system would suffer if the line is lost. Line 371 provides part of a rail link between Lake Erie and the Ohio River.

The area highway system would have to absorb increased trucking if rail service is lost. Using 1977 carloadings, it would take 1005 trucks to replace the 318 train carloads. This would mean that an average of six trucks per day would traverse, two lane, State Route 43, 171, and 183 adding to maintenance expenses. However, 6 trucks per day would not adversely affect the overall Ohio highway system because the three roads would have no additional appreciable congestion.

The use of trucks as an alternative to rail would also increase pollution. This burning of an additional 2322 pounds of carbon monoxide and 2385 pounds of oxide of nitrogen pollution into the air if trucks were used rather than trains.

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding increased shipping costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

BENEFIT-COST INFORMATION
(1978-79 PROGRAM YEAR)

Benefits	=	Lost payroll Tax	\$11,578
	+	Unemployment Benefits	= 29,020
	+	Secondary Benefits	= 3,990
	+	Increased Fuel Cost	= 1,002
	+	Increase Shipping Cost	= 25,649
		TOTAL	71,239

Cost = Projected Subsidy Cost = \$149,918 Total

B/C = $\frac{\$71,239}{\$149,918} = .48$

STRATEGY FOR THE FUTURE

The Authority will continue to aid this line to try to cut costs and increased revenue under the subsidy program. A significant cost reduction could occur if two shippers in Magnolia who have indicated they might drop out of the subsidy program no longer desire service. If this occurs, costs on this line could be significantly reduced. The line would be shortened from 11.4 miles to 7.1 miles. Three major sources of cost savings would be in lease which would be reduced over \$8,500 and taxes which would be reduced about \$4,000 and maintenance costs which could be reduced as much as \$8,000. Thus a total of \$20,000 could be saved. Revenues on the line would only be slightly reduced as the two shippers in Magnolia ship a combined total of 10 or 12 cars a year.

Despite the cost saving strategy it will still be difficult for line 371 to obtain viability by the end of the subsidy program. It is possible products might have to be trucked to Malvern if viability is not reached.

Line No. 371 is ranked number 2 in acquisition priority listings and is part of the 370 series made up of four lines stretching from Minerva to Marietta which are in the process of being acquired. Besides its location in a fossil fuel reserve area, line 371 is also a valuable link in the 370 series which will link the Lake Erie Ports of Cleveland, Ashtabula and Conneaut with the Ohio River Port of Marietta. Appraisals and title searches are currently being constructed and the acquisition of these lines will be based on these figures.

Line 371 will be recommended for subsidy until the end of the subsidy program with the Authority continuing to plan and implement strategies to try to cut subsidy costs. This recommendation is in

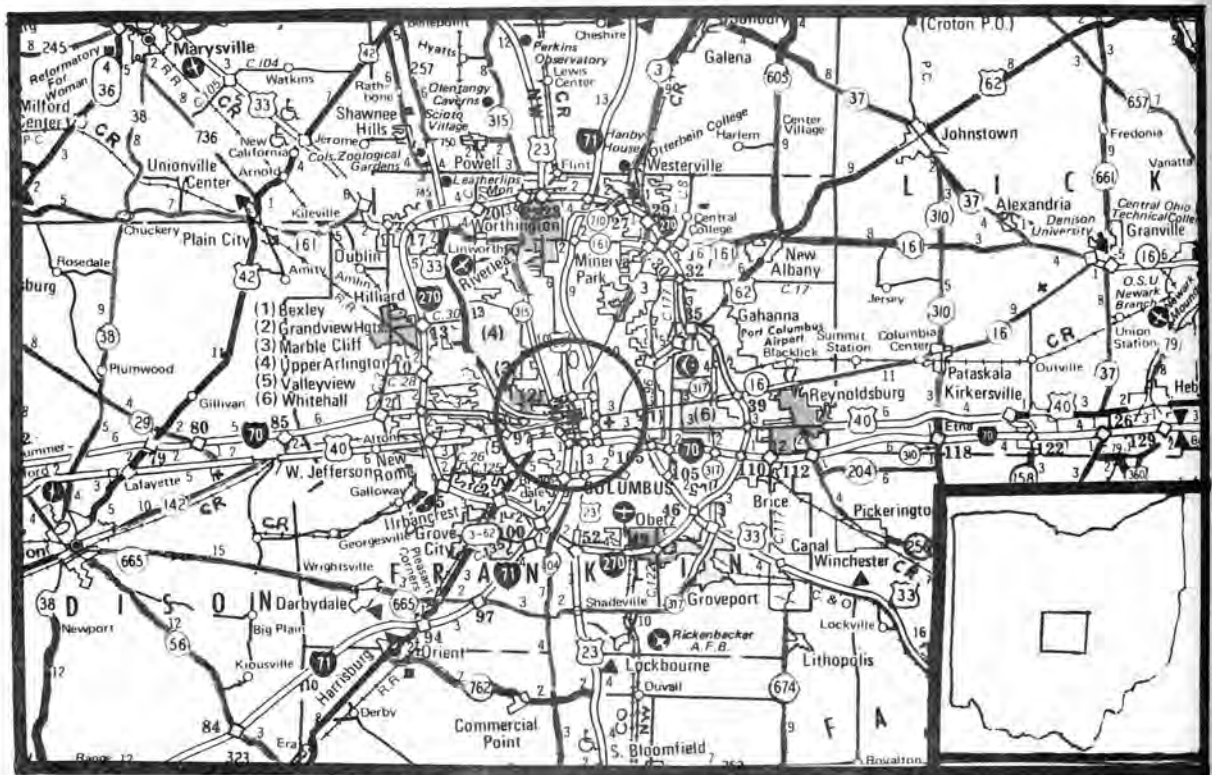
line with the Authority's policy of aiding shippers who need service and are willing to pay the non-Federal share of the subsidy.

PORTION OF THE HAMILTON-PARKER INDUSTRIAL TRACK

USRA LINE NO. 477A

(CONRAIL)

The Hamilton-Parker Industrial Track, formerly part of the New York Central Railroad, extends from milepost 138.2 to 138.7, a distance of .5 miles at Columbus in Franklin County, Ohio. This line once provided access to the Columbus Union Station for Cincinnati-Columbus passenger trains on the Big Four route. It presently connects with the Conrail mainlines to Springfield and Newark.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line at Columbus (MP 138.2 to 138.7) under the subsidy program for the period of this plan. This line presently ranks 5th in subsidy priority ranking.

This line is also recommended for acquisition. It ranks 22nd in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to serve this line under the subsidy program until such time it becomes physically or economically impossible to render service. This requires that shippers along this line bear ten percent of the subsidy cost after March 31, 1977. This line ranks 13th in subsidy priority rankings and 22nd in the acquisition priority rankings.

STATUS REPORT

Shippers along 477a have been participating in the Rail Continuation Assistance Program since it began in April of 1976. Currently they are paying the 20% non-Federal share of the subsidy cost. On July 1, 1979 shippers will have to pay a 30% non-Federal share to remain in the subsidy program.

In April, 1978 the length of this line was cut from 1.0 miles to 0.5 miles. This change was made because the siding of the last shipper on the track is located at MP 138.7 and not a MP 139.2 as reported last year.

The chart below summarizes the historic line performance and projects future performance.

USRA LINE NUMBER 477a

ANNUAL OPERATIONS DATA

April 1976-March 1977 (Conrail Data)	April 1977-March 1978 (Estimated from 6 Months Actual Conrail Data)	April 1978-March 1979 (Based on Conrail Estimates)
Frequency of Service/Week	1	1
Carloads	123	120
Revenue	\$37,386	\$ 34,208
Cost	\$40,129	\$ 39,239
Subsidy	\$ 2,743	\$ 5,031
Accelerated Maint.	\$ 0	\$117,387
Rehabilitation	\$ 0	\$ 0

The actual figures shown above are lower than the Conrail projections in past rail plans. For program year 1976-77, the actual subsidy payment was \$2,743 as compared with the projection of \$8,427. For program year 1977-78, the estimated actual subsidy was \$5,031 as compared with the projection of \$9,919.

The major reason for the projected increase in the subsidy payment reflects a higher lease cost. The new lease from the Penn Central is \$8,000 as compared with last year's lease of \$2,475.

The track on this line is in good condition, meeting FRA Class I standards, (10 mph speed limit). In the summer of 1977, accelerated maintenance costing \$117,387 was performed with the shippers paying the 10% non-Federal share. Work included track rehabilitation and construction of a new switch. The new switch was necessary because the construction of the new Columbus convention center severed the Conrail service to the line.

There are two shippers currently using subsidized service on 477a. Their rail shipments consist of brick *(32) and food *(20) products.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of brick and farm products shipped along this line are sometimes difficult and more expensive to ship by truck. The Authority estimates that the increased cost and logistical difficulty could result in as many as ten job losses in the two business on the line. It is also possible that both businesses might relocate or be forced to close.

The rail transportation system would not be affected by the loss of this line as it is an industrial side track. The major carriers would presently lose no appreciable profit if service on the line was stopped.

The local transportation system would not suffer from the loss of rail service. Using 1977-78 projections for carloadings it would take 379 trucks to replace the 120 train carloads. The additional seven trucks per week would be easily handled by the many local roads as well as the Interstate Highway network in and around Columbus. The overall transportation system would not be affected as no appreciable extra congestion on Ohio highways would occur.

The use of trucks as an alternative to rail would, however, slightly increase pollution in the area. Using 1977-78 figures, approximately 876 more pounds of carbon monoxide and 900 more pounds of oxides of nitrogen would annually pollute the air if trucks were used rather than trains.

Several benefits and costs of continued rail operations are presented in the chart on the next page.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

*Denotes Standard Transportation Commodity Code

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 3,842
		+ Unemployment Benefits	=	9,509
		+ Secondary Benefits	=	1,902
		+ Increased Fuel Cost		678
		+ Increased Shipping Cost	=	<u>12,023</u>
		TOTAL	=	\$ 27,954
Costs	=	Subsidy Cost	=	9,397 Total
B/C		$\frac{\$ 27,954}{9,397}$	=	3.0

STRATEGY FOR THE FUTURE

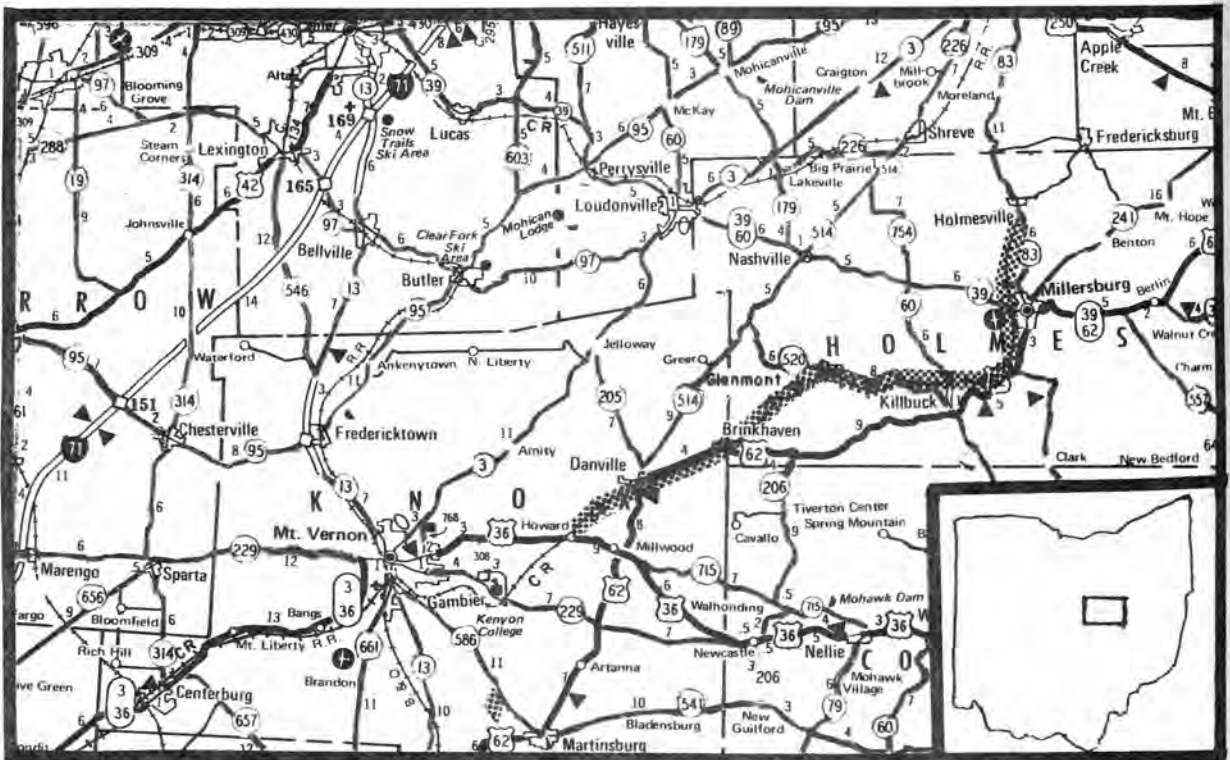
It is anticipated that Line 477a will be viable by the end of the subsidy program in 1981. The line would currently be profitable if the lease cost (\$8000) were not so high.

The lease could be considerably reduced, if the Authority or some other non-profit public agency acquired the line. The present owner, the Penn Central, rightfully includes a return on investment in the lease costs.

This line will be recommended for subsidy until the end of the program if it is required. This recommendation is a reaction to strong shipper participation and is in line with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

PORTION OF THE MOUNT VERNON
SECONDARY TRACK
USRA LINE NO. 478
(CONRAIL)

This portion of the Mount Vernon Secondary Track, formerly part of the Pennsylvania RR, extends from Holmesville (Milepost 54.6) to Howard, Ohio (Milepost 90.0), a distance of 35.4 miles, in Knox and Holmes Counties, Ohio. The southern continuation of this line extends from Howard to Mount Vernon and Columbus. The trackage extending north from Holmesville has been abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line from Holmesville (MP 54.6) to Howard (MP 90.0) under the Rail Service Continuation Assistance program for the period of this plan. It ranks number 7th in subsidy priority.

Line 478 is also designated for acquisition. It ranks 10th in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to serve this line from Holmesville (MP 54.6) to Howard (90.0) under the subsidy program for the period of this plan. After June 30, 1978 the shippers will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks number 9 in priority. This line is designated for acquisition.

STATUS REPORT

Shippers along Line 478 have been participating in the subsidy program since it began in 1976. Currently shippers are paying the 20% non-Federal share of subsidy payments. On July 1, 1979 shippers will have to pay 30% of the subsidy to remain in the program. The chart below summarizes historic line performance and projects future performance.

USRA LINE NO. 478

ANNUAL OPERATIONS DATA

April 1976-March 1977 (Conrail Data)	April 1977-March 1978 (Estimated from 6 Months Conrail Data)	April 1978-March 1979 (Based on Conrail Estimates)
Frequency of Service/Week	1	1
Carloads	671	640
Revenue	\$301,452	\$305,206
Cost	\$464,703	\$461,847
Subsidy	\$163,251	\$156,641
Accelerated Maintenance	\$ -0-	\$ -0-
Rehabilitation	\$ -0-	\$ -0-

The actual figures shown above are lower than Conrail's projections as presented in past rail plans. For project year 1976-77 the actual subsidy payment was \$163,251 as compared with the projection of \$505,251. For project year 1977-78, the estimated actual subsidy was \$156,641 as compared with the projection of \$180,082.

For the 1978-79 project year, the Authority predicts the subsidy payment will increase to \$212,191. The increase is a result of projected increases in maintenance cost of about \$12,000 and off-branch costs of over \$45,000. The maintenance cost increase is due to a decision to correct some problem curves on the track with normal

program maintenance rather than contracting out for special accelerated maintenance. The rise in off-branch costs is due to the inflationary increase in costs throughout the Conrail system. The track on Line 478 is generally in good condition and meets FRA Class I standards (freight operation at 10 mph). The only problem areas are a few curves mentioned previously from which several trains have derailed in the past year.

There are 22 shippers currently using subsidized rail service on Line 478. Their rail shipments generally consist of farm products (01)*, lumber products (03)*, food and kindred products (20)*, some chemical products (28)* and miscellaneous manufacturing products (39)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the farm and lumber products shipped by rail along this line are sometimes difficult and usually more expensive to ship by truck. The Authority estimates that the increased cost and logistical difficulty could result in as many as 35 job losses in industries along the line if rail service were lost. Additional jobs would be lost as some businesses might be forced to relocate or close.

The local transportation system would suffer from loss of rail service. As the distance to the railhead serving the communities averages greater than 20 miles, the loss of Line 478 would mean loss of rail access for the entire area. Thus, the area's highway system would have to absorb increased trucking. Using 1977 car-loadings, it would take 2,031 trucks to replace the 643 train carloads. This would mean that an average of 8 trucks per day would traverse secondary, two-lane, State Routes 514, 205, 520 and 60 adding to maintenance expenses. However, 8 trucks per day would not adversely affect the overall Ohio highway system.

In addition to the detrimental effects to the local rail freight system, the future overall Ohio rail passenger system could suffer from the loss of right-of-way of Line 478. It is located in one of the corridors under study in the "Ohio High Speed Inter-city Rail Passenger Plan" (Phase I) and could possibly be needed as a route for future passenger trains. However, the present Ohio rail freight system would not be adversely affected by lost service. It is a spur and offers little value as an alternate freight route.

The solvent rail carriers would not be affected by loss of service on Line 478. The loss of interline traffic carried by solvents would be negligible.

*Denotes the Standard Transportation Commodity Code.

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost payroll Tax	=	\$ 20,248
		+ Unemployment	=	43,034
		+ Secondary Unemployment Benefits	=	11,242
		+ Increased Fuel Cost	=	587
		+ Increased Shipping Cost	=	126,222
		TOTAL	=	\$201,333

Costs	=	Projected Subsidy Cost	=	\$212,191 Total
B/C		$\frac{\$201,333}{\$212,191}$	=	.94

STRATEGY FOR THE FUTURE

Although the Authority will continue in its efforts to lower costs and raise revenues while Conrail operates the line, a short line operation seems to provide the best alternative to obtain viability for Line 478. This becomes critical as federal participation in the subsidy program ends on July 1, 1981.

A short line operation offers the best opportunity to significantly cut costs. Major areas of potential reductions are labor costs, off-branch costs, and lease cost. Because of present union work rules, a 5 man crew is employed by Conrail to serve the line. Short lines are not bound by union rules and can cut costs by using 3 man crews. Over 40% of total costs on Line 478 are off-branch costs. Conrail projections reveal that \$224,057 of the total costs of \$566,825 for the 1978-79 program year will be off-branch costs. These would be eliminated entirely if a short line operated the line.

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

Currently, the Penn Central Trustees are charging \$106,908 a year for the lease of the line. As Penn Central is a private corporation this cost rightfully includes a return on investment. Purchase of the line by the Authority or other non-profit public agency should reduce lease costs. Line 478 currently ranks 10th in the Authority's acquisition priority.

A major drawback to a short line operation is that revenues attributable to the line would decrease. Under Conrail operation, shipments generated on the line would earn revenue for the line for the entire distance Conrail carried it. Under a short line operation, shipments generated on the line would have to be interchanged to another carrier. The short line would only earn a small percentage, (usually between 10 and 25%) of the revenue generated by this interchanged haul, while the carrier who handled the freight over the long distance would receive most of the revenue. This loss of revenue, however, could be partially offset by increased shipping that could occur due to the increased frequency and personalized service that are usually associated with short line operations.

A major problem that could cause difficulty for Line 478 in the future relates to Conrail's abandonment plans. Conrail service to the line has been jeopardized by its placement of the Columbus to Howard line in ICC Category II (Lines under study for abandonment). The Columbus to Howard line is the only connection Conrail has to Line 478. The Authority is presently working with Conrail and the shippers to prevent the line from being abandoned.²

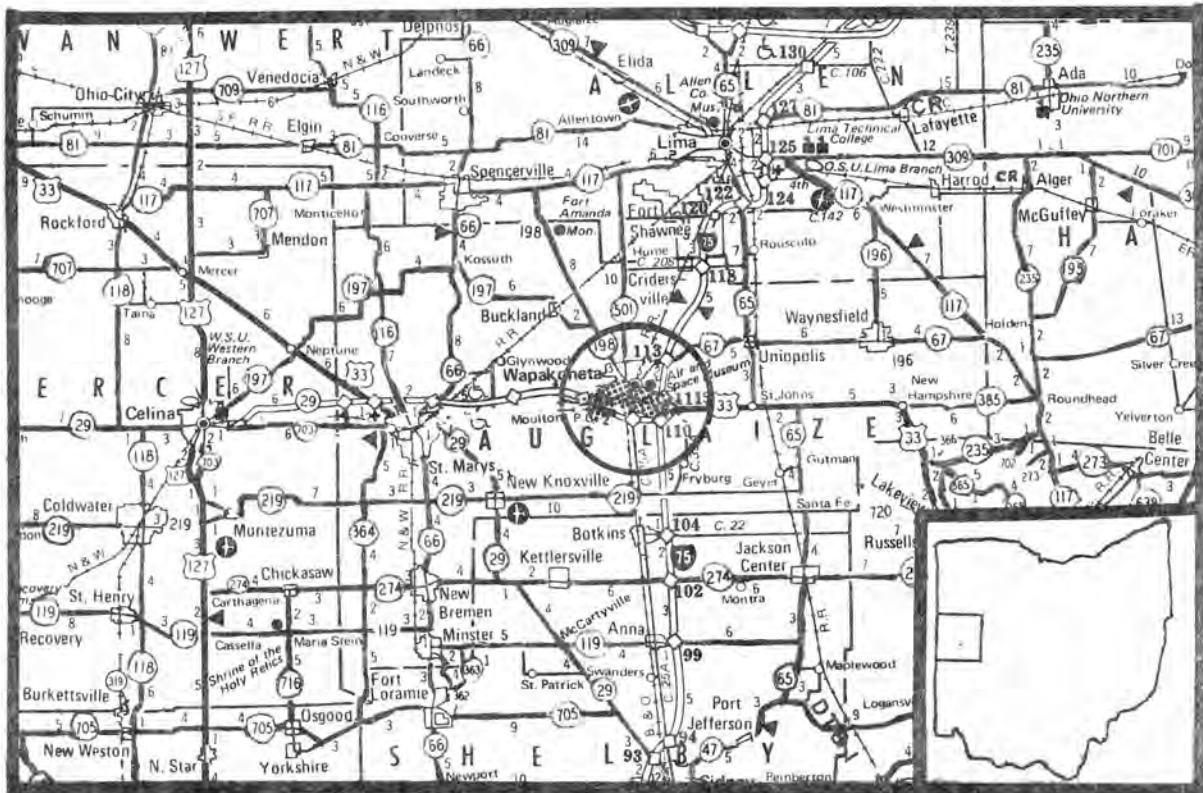
In the event the Columbus to Howard line is abandoned, three main options would remain. First, Chessie could take over the service from Mt. Vernon to Howard and provide subsidized service from Howard to Holmesville. This option is contingent upon the Chessie's willingness to participate. Second, Chessie or a short line could serve Line 478 by extending the subsidized service south from Howard to the Chessie line in Mt. Vernon. Again, this would be contingent upon the carriers willingness to participate. Third, Conrail could continue subsidized service on the entire Columbus to Howard to Holmesville line. Since Conrail is the abandoning railroad it would have to provide this subsidized service if requested.

Line 478 will be recommended for subsidy until the end of the program if it is required. This recommendation is a reaction to strong shipper participation and in line with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

²For additional information see page 106.

PORTION OF THE ST. MARY
SECONDARY TRACK
USRA LINE NO. 502/3/4
(CHESSIE SYSTEM)

This portion of the St. Mary Secondary Track extends 1.8 miles east from Wapakoneta to the B&O Lima to Dayton mainline. The track both east and west of this line has been abandoned.



1978 DISPOSITION

It is recommended that Chessie serve the line at Wapakoneta from milepost 80.7 to 82.5 under the subsidy program for the period of the program. This line presently ranks 4 in the subsidy priority rankings. This line is also designated for acquisition. It ranks 15 in acquisition priority.

1977 DISPOSITION

The portion of this line at Wapakoneta (Milepost 80.7 to 82.5) is in the subsidy program with the shippers bearing 10 percent of the costs. The line ranks 5 in the subsidy priority rankings and 15 in the acquisition priority rankings.

STATUS REPORT

Shippers along Line Number 502/3/4 have been participating in the general operation section of the Rail Service Continuation Assistance Program since December of 1977. They are currently paying the 20% non-Federal share of subsidy costs. Starting on July 1, 1979, shippers will have to bear 30% of the subsidy cost to remain in the program.

The chart below summarizes the historic line performance and projects future performance.

USRA LINE NO. 502/3/4			
ANNUAL OPERATIONS DATA			
April 1976- March 1977	December 1977- March 1978 (4 months of Actual Chessie Data)	April 1978- March 1979 (Projected from Chessie Data)	
Frequency of service/week	No Service	As Required	As Required
Carloads	No Service	25	162
Revenue	No Service	\$11,757	\$82,400
Cost	No Service	16,081	92,500
Subsidy	No Service	4,324	8,900
Accelerated Maintenance & Construction	\$41,094	0	0
Rehabilitation	0	0	0

For the 1978-79 project year, the Authority predicts the subsidy payment will decrease due to an increase in the number of carloads shipped.

In November of 1977 construction of a connection switch and accelerated maintenance for the line was completed. The track is in excellent Class I condition.

There are 2 shippers currently using subsidized rail service on Line 502. Their rail shipments consist of plastic granuals (30)* and rubber products (30)*.

* Denotes Standard Transportation Commodity Code.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The nature of the rubber and plastic products shipped by rail along this line are more difficult and more expensive to ship by truck. The Authority estimates that the increased cost and logistical difficulty could result in job losses in industries along the line if rail service were lost. More jobs could be lost as some businesses might be forced to relocate or close.

The local transportation system would not suffer from loss of rail service. As the railhead to the shippers on the line is at most 2 miles away, the loss of Line 502/3/4 would not mean a loss of rail access for the entire area. The major rail carriers would not lose any revenue if the line was lost. The loss of interline traffic carried by the major carriers would be negligible.

The highway system of this area would not be adversely affected by loss of rail service. Using 1978 carloadings, it would take 1,687 trucks to replace the 534 train carloads. The average of 5 trucks per day would not add any noticeable burden to U. S. 33 and Interstate 75.

Several benefits and costs of continued rail operation are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 509
		+ Unemployment	=	1,053
		+ Secondary Unemployment Benefits	=	105
		+ Increased Fuel Cost	=	100
		+ Increased Shipping Cost	=	<u>25,991</u>
		TOTAL		\$27,758

Costs	=	Projected Subsidy Cost	=	\$ 8,900
B/C	27,758			
	<u> </u>	=	3.12	
	8,900			

¹ Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job retraining costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

STRATEGY FOR THE FUTURE

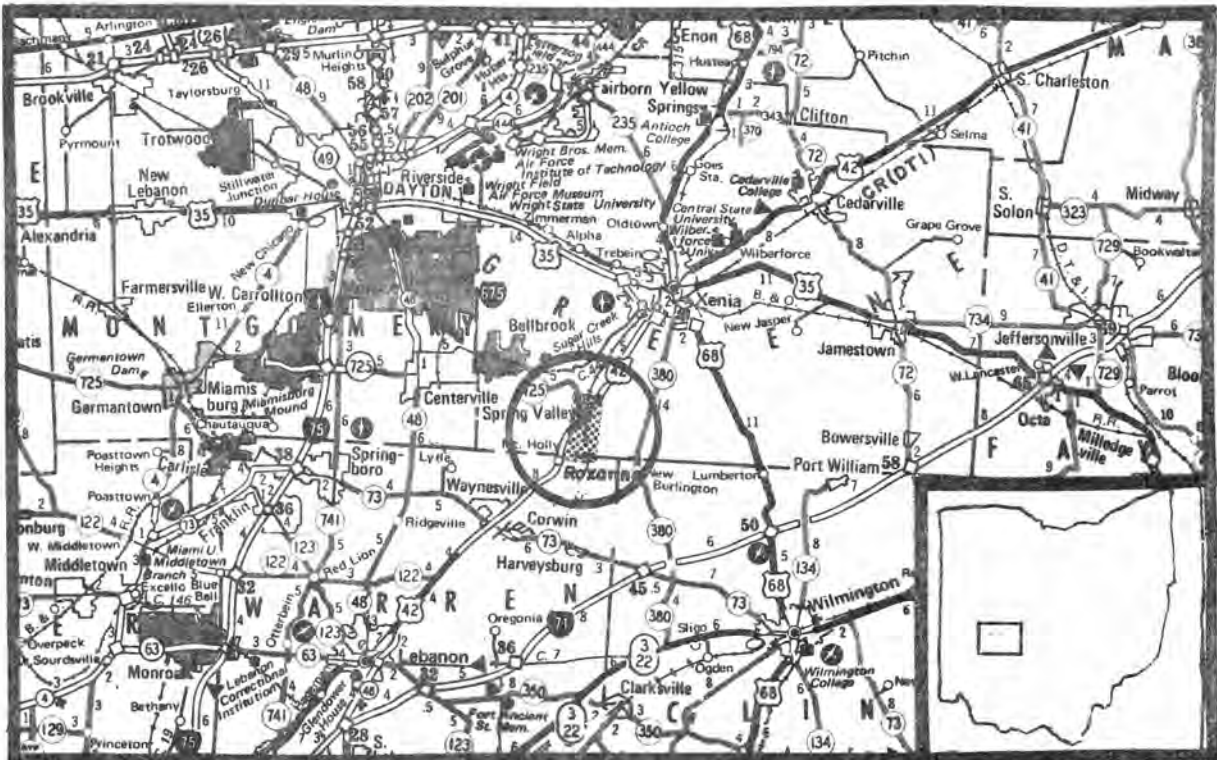
It is anticipated that Line 502/3/4 will become viable by 1981. The line, being only 1.8 miles in length, yields over 250 carloads per mile and carloadings should increase in the future.

The line ranks 15 in the acquisition ranking. If acquired by the Authority, the present lease cost of \$5,344.00 could be substantially reduced.

Line 502/3/4 will be recommended for subsidy until the end of the program if it is required. This recommendation is a reaction to strong shipper participation and is in line with the Authority's policy of aiding shippers willing to pay the non-Federal share of the subsidy costs.

PORTION OF THE C&X
BRANCH
USRA LINE NO. 516
(CONRAIL)

This portion of the C&X Branch, formerly part of the Pennsylvania Railroad, extends from Spring Valley (Milepost 57.8) to Roxanna (MP 63.4) a distance of 5.6 miles in Green County, Ohio. To the north the line extends to Xenia. To the South the line is abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line from Spring Valley (MP 57.8) to Roxanna (MP 63.4) under the subsidy program for the period of this plan. It ranks 10th in subsidy priority.

This line is also designated for acquisition. It ranks 21st in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to serve the portion

of this line from Spring Valley (MP 57.8) to Roxana (MP 63.4) under the subsidy program for the period of this plan. After June 30, 1978, the shippers along the line will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks number 19 in priority. This line is designated for acquisition.

STATUS REPORT

Shippers along Line 516 have been participating in the subsidy program since it began in 1976. Currently shippers are paying the 20% non-Federal share of subsidy payments. On July 1, 1979, shippers will have to pay 30% of the subsidy to remain in the program. The chart below summarizes historic line performance and projects future performance.

USRA LINE NO. 516

ANNUAL OPERATIONS DATA

April 1976-March 1977 (Conrail Data)		April 1977-March 1978 (Estimated from 6 Months Conrail Data)		April 1978-March (Based on Conrail Estimates)	
Frequency of Service/Week	1		1		1
Carloads	74		102		101
Revenue	\$39,166		\$60,750		\$56,853
Cost	\$46,269		\$81,896		\$89,558
Subsidy	\$7,103		\$21,138		\$32,705
Accelerated Maintenance	\$ -0-		\$28,000		\$ -0-
Rehabilitation	\$ -0-		\$ -0-		\$ -0-

The actual figures presented above vary from the projections presented in past rail plans. For project year 1976-77 the actual subsidy payment was \$7,103 as compared with the projection of \$36,754. For the 1977-78 project year, the estimated actual subsidy was \$21,138 as compared to the projection of \$17,733.

For the 1978-79 project year, the Authority projects the subsidy will rise to \$32,705. This increase is due largely to the lease cost rising from \$13,847 to \$20,838. Also the railroad

management fee rose from 5½% to 9½%.

The condition of most of the track is good, meeting FRA Class I Standards (10 mph Speed Limit). There are, however, several bad spots on which accelerated maintenance will be performed this summer to bring track up to Class I standards. The Authority estimated that \$28,000 will be needed to perform this work.

Shipments on this line consist of various types of organic (14)* and chemical (28)* fertilizer.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the fertilizer products shipped by rail along this line are sometimes difficult and usually more expensive to ship by truck. The Authority estimates that the increased cost and logistical difficulty could result in job losses if rail service were lost as the shipper might be forced to relocate or close.

The local rail transportation system would have some adverse effects from the loss of this line. Spring Valley would still provide the area with a railhead, but shippers in Roxanna would have to truck goods to Spring Valley. The Ohio rail system would not be affected at all as Line 516 is a spur and offers no value as an alternate freight route. Major carriers would experience no appreciable loss of interline traffic.

The local highway system would be slightly affected by loss of rail service. Using the 1978-79 projection it would take 319 trucks to replace the 101 train carloads. These additional one or two trucks a day would traverse county road 69 adding to maintenance expenses for that road. The general highway system would not suffer as US 42, a four lane divided highway, could easily absorb the extra traffic.

The extra trucking would increase pollution. Approximately 744 pounds of carbon monoxide and 765 pounds of oxides of nitrogen would pollute the air annually if trucks were used instead of trains.

*Denotes Standard Transportation Commodity Code

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 1,836
		+Unemployment Benefits	=	3,136
		+Secondary Unemployment Benefits	=	722
		+Increased Fuel Cost	=	518
		+Increased Shipping Cost	=	<u>16,388</u>
		TOTAL	=	\$22,600
Costs	=	Projected Subsidy Cost	=	\$32,705 Tot
B/C	$\frac{\$22,600}{\$32,705} = .69$			

STRATEGY FOR THE FUTURE

Although the Authority will continue in its efforts to lower costs and raise revenues, it is possible that Line 516 will not be viable by the end of the subsidy program in 1981. However, there are several alternatives to a total loss of rail service.

One possibility would be a private operator agreement in which Conrail would agree to drop off and pick up cars at Spring Valley. The shipper would be responsible for getting the cars to and from Roxanna. This alternative would significantly reduce costs in some areas, as a shipper could avoid railroad labor costs as well as the costs of operating a large diesel engine. There would be, however, cost increases in other areas. The shipper

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

would have to maintain the track and have to purchase or lease a small car moving vehicle such as a high railer or small diesel. Because the rail on this line will be kept at Class I Standards throughout the subsidy program and the track has excellent 131 pound rail, the maintenance costs should not be prohibitive. Thus, it is likely a private operator agreement for the Spring Valley to Roxanna track would reduce costs in the long run.

This alternative, however, is contingent upon the shipper or the Authority purchasing the line. It currently ranks 21st in acquisition priority. If the line can be purchased with Federal aid the acquisition cost might not be prohibitive to the shipper. The Authority estimates the total cost to buy the line would be \$168,000. Assuming that Federal aid would be on a 80%-20% basis, the local share needed would be \$33,600.

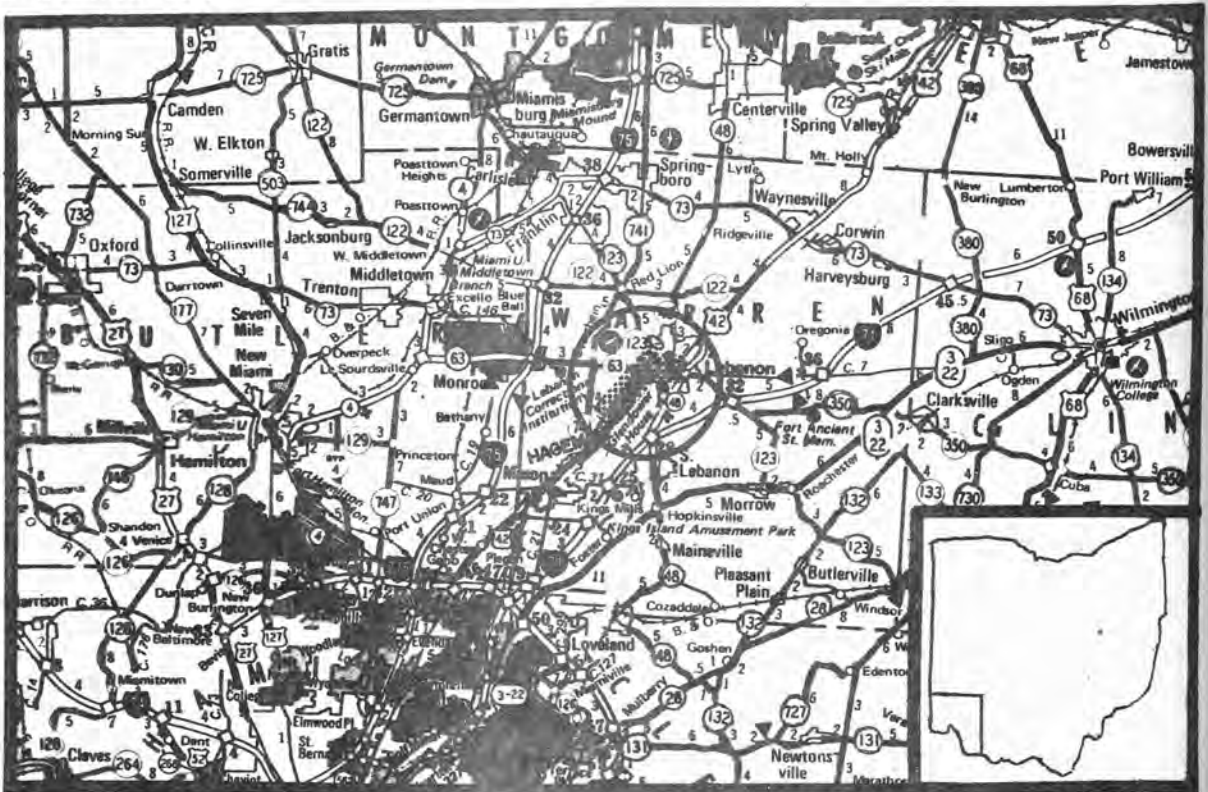
Another alternative is for the shippers to absorb the entire deficit. It is possible that the level of subsidy will be low enough at the end of the program for the shipper to afford this cost.

Finally, if none of these alternatives are viable, it is possible that the shipper could be relocated on a viable line, possibly in Spring Valley.

Line 516 will be recommended for subsidy until the end of the program. This is a response to strong shipper participation and consistent with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

PORTION OF THE BLUE ASH
SECONDARY TRACK
USRA LINE NO. 525
(CONRAIL)

This portion of the Blue Ash Secondary Track, formerly part of the Pennsylvania RR, extends from Lebanon (Milepost 25.5) to Hageman, Ohio, (Milepost 31.3) a distance of 5.6 miles in Warren County, Ohio. This line is the northern end of the Blue Ash Secondary track which runs south to Cincinnati. It connects at Hageman with Conrail's line to Middletown. The northern extension of this line is abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line from Lebanon (MP 25.5) to Hageman (MP 31.1) under the subsidy program for the period of this plan. This line ranks 15th in subsidy priority.

This line is also designated for acquisition. It ranks 7th in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to serve this line from Lebanon (MP 25.5) to Hageman (MP 31.4) under the subsidy program for the period of this plan. After June 30, 1978, the shippers will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks number 12 in priority. This line is designated for acquisition.

STATUS REPORT

A mis-identification of mileposts was discovered since the 1977 rail plan was published. The line is .3 of a mile shorter than previously reported, as the milepost at Hageman was found to be 31.1 rather than 31.4.

Shippers along Line 525 have been participating in the subsidy program since it began in 1976. Currently shippers are paying the 20% non-Federal share of the subsidy payments. On July 1, 1979, shippers will have to pay 30% of the subsidy cost to remain in the program. The chart below summarizes historic line performance and projects future performance.

USRA LINE NO. 525

ANNUAL OPERATIONS DATA

All 1976-March 1977 (Actual Conrail Data)		April 1977-March 1978 (Estimated from 6 Months Conrail Data)	April 1978-March 1979 (Based on Conrail Estimates)
Frequency of Service/Week	2	2	2
Loads	174	136	182
Revenue	\$88,215	\$79,660	\$100,991
Cost	\$112,569	\$105,311	\$143,227
Subsidy	\$24,354	\$25,651	\$42,236
Accelerated Maintenance	\$130,000	\$ -0-	\$ -0-
Rehabilitation	\$ -0-	\$ -0-	\$ -0-

The actual figures shown above differ greatly from Conrail's projections as presented in past rail plans. For project year 1976-77 the actual subsidy payment was \$24,354 as compared with the projection of \$277,671. For project year 1977-78 the estimated actual subsidy was \$25,651 as compared with the latest projection of \$15,011.

For the 1978-79 project year, the Authority predicts the subsidy payment will increase to \$42,236. The increase is largely the result of a projected \$12,000 increase in lease cost and a projected \$7,000 increase in operating costs.

The track on the line is currently being restored to FRA Class I Standards (10 mph Speed Limit) under the accelerated maintenance program. It is estimated this project will cost about \$130,000.

There are five shippers currently using subsidized rail service on Line 525. Their rail shipments generally consist of farm products (01)*, steel products (33)*, lumber products (24)*, chemicals (28)*, and horse stable bedding (01 991)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the farm and steel products shipped by rail along this line would be difficult and more expensive to ship by truck. The impact upon the steel company on this line would be especially significant. It produces 60 to 70 foot steel beams that are well suited to rail but would require special handling and equipment for trucks. If rail service was lost, production at this steel plant would be limited to 40 foot beams resulting in reduction in profit and jobs.

The local rail transportation system would suffer slightly from a loss of rail service. The railhead in Hageman would remain in place. The shippers in Lebanon, however, would have to truck goods 6 miles away to Hageman or 8 miles away at Middletown Junction to use rail service. The overall rail system in Ohio would not be adversely affected as Line 525 is a spur and offers no value as an alternate freight route. The major rail carriers would not be affected by lost rail service. The loss of inter-line traffic by these carriers would be negligible.

The local highway system would be slightly affected by lost rail service. Using 1978 projections it would take 575 trucks to replace the 182 train carloads. Most of these trucks would traverse two lane State Route 63 while some would traverse two lane U.S. Route 42. The additional 2 trucks per day would increase maintenance costs. The overall Ohio highway system would not be affected as Interstates 71 and 75 are close by, and could easily handle the extra traffic.

The extra trucks resulting from lost rail service would adversely affect the environment. Approximately 993 extra pounds of carbon monoxide and 1,020 extra pounds of oxides of nitrogen would pollute the air annually if trucks were used instead of trains.

*Denotes the Standard Transportation Commodity Code

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 3,475
		Unemployment Benefits	=	6,605
		Secondary Unemployment Benefits	=	1,649
		Increased Fuel Cost	=	63
		Increased Shipping Cost	=	13,723
		TOTAL	=	\$25,515
Costs	=	Projected Subsidy Cost	=	\$42,236
B/C	$\frac{\$25,515}{\$42,236}$		=	.60

STRATEGY FOR THE FUTURE

Although the Authority will continue to work to cut costs and increase revenue, it is doubtful that Line 525 will be viable by the end of the subsidy program in 1981. However, there are alternatives to abandonment that could maintain rail service to shippers.

If the deficit on the line is not excessive it is possible that the shippers themselves could absorb it. They would be aided by two cost reductions resulting from their participation in the subsidy program. First, the maintenance cost would be held down for a few years because the accelerated maintenance performed with Federal aid throughout the program will leave the track in good condition.

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding this cost increase. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

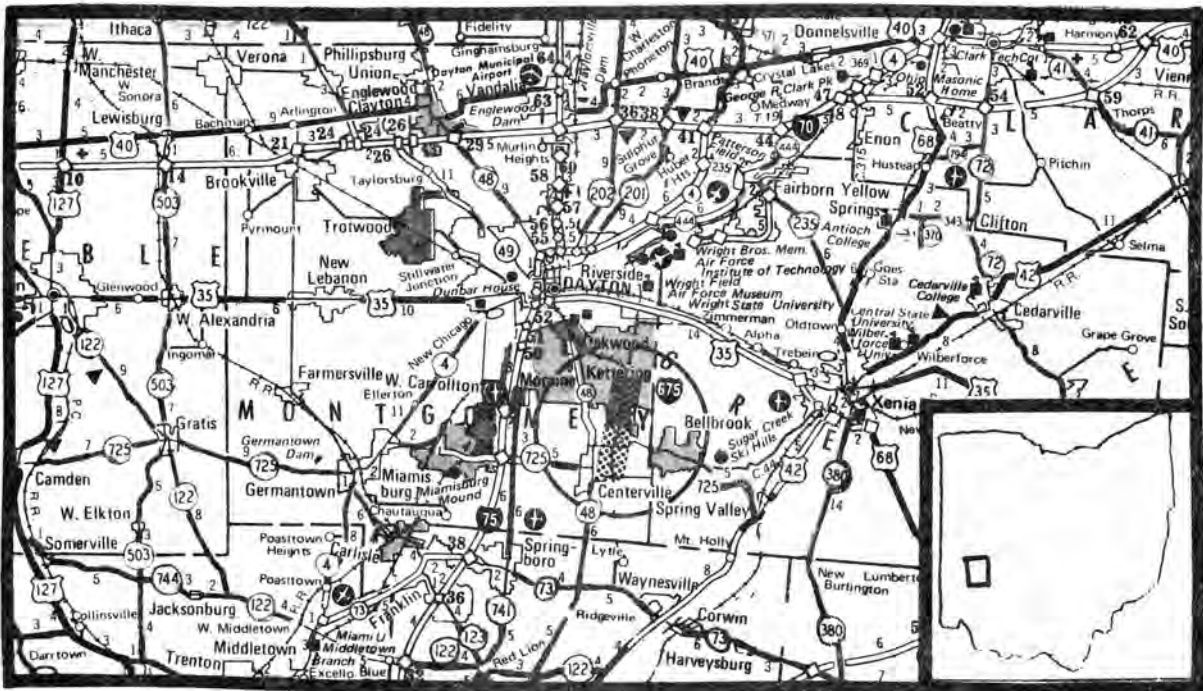
Second, as Line 525 has a good potential for viability and serves an agricultural area it ranks high (7th) in the Authority's Acquisition Program. If the Authority buys the track the lease cost will decrease because the Authority is not a for-profit organization as is the Penn-Central, the present lessee. If the shippers or other local group buys the track, the cost of usage will be eliminated after the capital cost is absorbed.

Another alternative that could maintain rail service on this line after the subsidy program involves the proposed Miami Valley Scenic Railroad. The Authority as well as the Ohio Department of Transportation, the Ohio Department of Natural Resources, and the Ohio, Kentucky, Indiana Regional Council of Governments are attempting to aid in the development of a recreational railroad along the Miami River. It would use abandoned Line 516 between Clare (near Cincinnati) and Middletown Junction. The City of Lebanon and shippers in Lebanon desire to buy Line 525 for the purpose of including it in the plans for the scenic railroad as well as to maintain rail service to their city.

Line 525 will be recommended for subsidy until the end of the subsidy program. This is a reaction to strong shipper participation on the line and consistent with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

PORTION OF THE
LYTLE INDUSTRIAL TRACK
USRA LINE NO. 527/528
(CONRAIL)

This portion of the Lytle Industrial Track, formerly a part of the Pennsylvania Railroad, extends from Hempstead (Milepost 7.1) to Centerville, Ohio (Milepost 11.0) for a distance of 3.9 miles in Montgomery County. This is an industrial line which runs southeast from Dayton and connects with the Lytle Running Track to Dayton at Hempstead.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line from Hempstead (MP 7.1) to Centerville (MP 11.0) under the Rail Service Continuation Assistance program for the period of this plan. It ranks number 6 in subsidy priority.

Line 527/528 is designated for acquisition, with a priority ranking of 8.

1977 DISPOSITION

It is recommended that Conrail continue to serve only the portion of this line from Hempstead (MP 7.1) to Centerville (MP 11.0) under the subsidy program for the period of this plan. After June 30, 1978, the shippers will be required to bear 20 percent of the subsidy cost in order to continue in the subsidy program. This line presently ranks 8th in priority.

The remainder of the line from Centerville (MP 11.0) to Lytle (MP 16.0) is to be abandoned. This line is designated for acquisition.

STATUS REPORT

Shippers along the line have participated in the subsidy program since it began in 1976. Shippers are currently paying the 20% non-Federal share of subsidy payments. Beginning on July 1, 1979 shippers will be required to pay 30% of the subsidy cost in order to remain in the program. The chart below summarizes the line's past performance and projects the anticipated future performance.

USRA LINE NO. 527/528

ANNUAL OPERATIONS DATA

APRIL 1976-MARCH 1977 (Conrail Data)		APRIL 1977-MARCH 1978 (Estimated from 6 Months Conrail Data)		APRIL 1978-MARCH 1979 (Based on Conrail Estimates)	
Frequency of Service/Week	2		3		3
Carloads	333		408		432
Revenue	\$116,099		\$179,934		\$170,478
Costs	\$236,737		\$305,325		\$292,366
Subsidy	\$120,638		\$125,391		\$121,888
Accelerated Maintenance	-0-		\$129,377		-0-
Rehabilitation	-0-		-0-		-0-

The actual figures shown above are, for the most part, somewhat higher than Conrail's projections as shown in past rail plans. For project year 1977-78 the actual subsidy payment of \$125,391 is \$48,092 higher than the projected \$77,299.

For the 1978-79 projected program year, the Authority estimates that the subsidy payment will decrease to \$121,888. This decrease of \$3,503 is a result of reductions in operational expenses of \$12,959 (this higher figure is somewhat offset by a slight reduction in revenues). These decreases are attributed to an improvement of the track conditions through accelerated maintenance during the 1977-1978 subsidy year. These improvements are currently being completed.

At present there are at least three firms using subsidized rail service on Line 527/528. Rail shipments by these firms are primarily cardboard cartons and containers (26)*, and building supplies (24)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of container and lumber products are sometimes difficult and usually more expensive to ship by truck than rail. The Authority estimates approximately 53 job losses along the line if rail service were lost. Additional jobs may be lost as some businesses might be forced to close or relocate in other areas.

The local transportation system would experience some detrimental effects due to the loss of rail service. As line 527/528 is a short spur to the Conrail and B&O system, the loss of this line would require shippers located along this spur to either relocate or ship by truck to the nearest railheads. This would not only contribute an added expense to present shippers but also would alter the transportation network of the local area, which would have to absorb increased trucking. Using 1977 carloadings, it would take 1,289 trucks to replace the 408 train carloads. This would mean that an average of approximately 5 trucks per day would traverse State Routes 725 (a secondary, two lane road) and 48 (a major arterial serving as Main Street to the Centerville and Dayton commercial areas). While this increase could easily be absorbed by these routes when looking at the total transportation network, the major impacts are in the areas of job losses to local firms and the local economy.

In addition to these effects to the local rail freight system, the future of rail passenger service could suffer from the loss of the right-of-way of Line 527/528. This line is currently being considered as the southern link of the proposed Dayton Area Rapid Transit System, a commuter train serving the Dayton central and suburban areas.

The solvent rail carriers would not be affected by the loss of service on Line 527/528. The loss of interline traffic carried by solvents would be negligible.

*Denotes the Standard Transportation Commodity Code.

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 35,067
		+ Unemployment	=	69,071
		+ Secondary Unemployment Benefits	=	44,749
		+ Increased Fuel Costs	=	1,482
		+ Increased Shipping Costs	=	<u>30,111</u>
		TOTAL		\$180,480
Costs	=	Projected Subsidy Cost	=	\$121,888
B/C	=	$\frac{\$180,480}{\$121,888}$	=	1.48

STRATEGY FOR THE FUTURE

At the present time several shippers remain interested in continuing subsidized rail service on Line 527/528. The Authority will continue to address these interests by providing assistance to the shippers in dealing with the operating carriers and in evaluating alternative strategies for better rail service. The Authority will maintain a strategy to explore ways to reduce the costs of the subsidy while maintaining effective levels of service.

Despite these efforts, it will still be difficult for Line 527/528 to obtain viability by the end of the subsidy program. Upon termination of the subsidy program, it is possible that some firms along the line will either close or reduce operations, or will be forced to switch to the trucking of goods.

The 1977-78 program year involved extensive accelerated maintenance to improve the conditions of the track. These improvements have helped to reduce the projected operating and maintenance

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

costs for the upcoming year, as well as to enhance safer and better service.

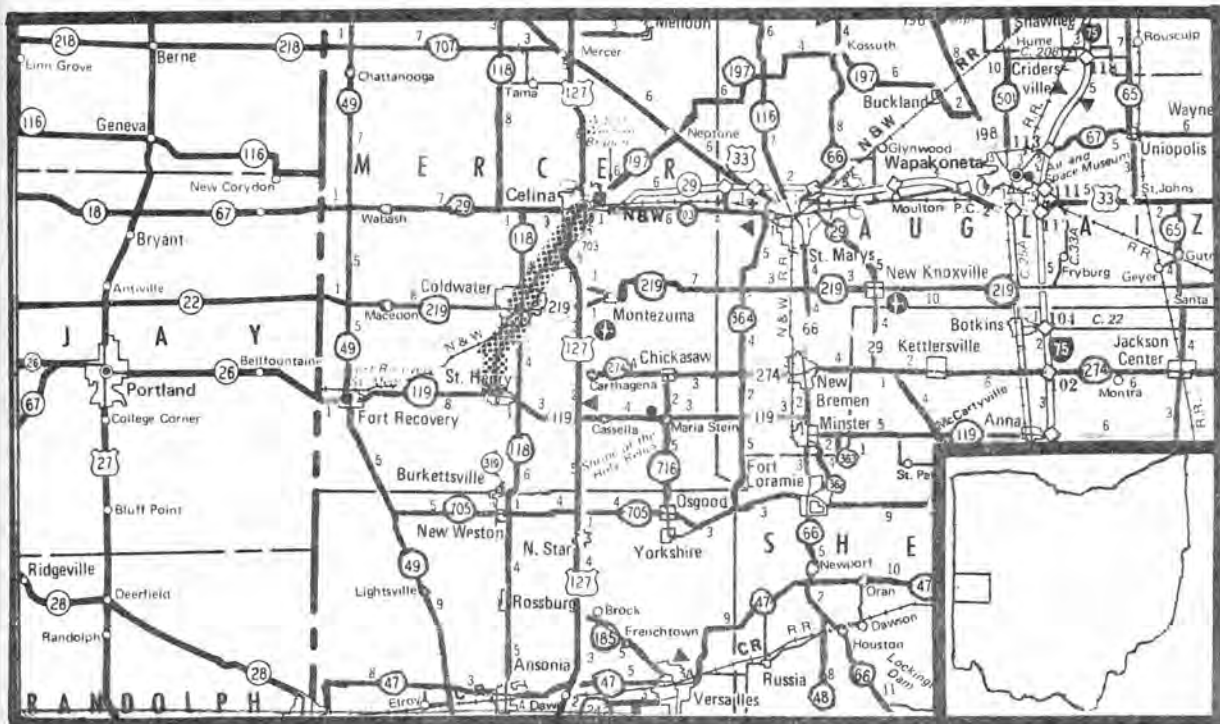
Line 527/528 will be recommended for subsidy until the end of the subsidy program as the shippers experience a high dependency on rail transportation. The Authority will continue to plan and implement strategies designed to cut subsidy costs and to work towards future viability.

PORTION OF THE NORTHERN
BRANCH
USRA LINE NO. 533/34/34a/35
(SPENCERVILLE-ELGIN)

The Spencerville-Elgin Railroad (SE) took over operation of the portion of line 533/34/34a/35 from Ohio City to Rockford in January 1978. The SE operates a shortline consisting of this line and USRA Line No. 1261. Since the Authority treats both these lines as one operation, with one operating agreement and one subsidy payment, line 533/34/34a/35 will be considered part of Line 1261 for this rail plan and in future plans. See Line 1261 for a complete analysis.

PORTION OF THE NORTHERN
BRANCH
USRA LINE NO. 535
(WESTERN OHIO)

This portion of the Northern Branch, formerly part of the New York Central Railroad extends from St. Henry (Milepost 137.1) to Coldwater (Milepost 131.8). There is also a segment in Celina which extends from MP 126.2 to MP 127.2. The N&W which connects with this line at Coldwater extends from Lima, Ohio to Muncie, Indiana. The track north and south of the St. Henry to Coldwater and Celina segments is abandoned.



1978 DISPOSITION

It is recommended that the Western Ohio Railroad (WORR) serve this line from Coldwater (MP 131.8) to St. Henry (MP 137.1) and from milepost 126.2 to milepost 127.2 in Celina under the Rail Service Continuation Assistance Program for the period of this plan. The line ranks number 11 in subsidy priority.

Line 535 is also designated for acquisition. It ranks 12 in the acquisition priority rankings.

1977 DISPOSITION

It is recommended that Conrail continue to serve this line from St. Henry (MP 137.1) to Celina (MP 126.8) under the subsidy program for the period of this plan. After June 30, 1978 the shippers will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks 18 in priority. This line is designated for acquisition.

STATUS REPORT

Last year this line was called USRA Line No. 533/34/34a/35II. Hereafter, to avoid confusion, it will be designated simply USRA Line No. 535.

In June, 1978, the line was shortened to more efficiently serve shippers. Total mileage on the line was reduced 5 miles. The terminal point at Celina was changed from MP 125.8 to 126.2 a reduction of .4 miles. Service between Celina (MP 127.2) and Coldwater (MP 131.8) to St. Henry (MP 137.1) remained in tact. The WORR uses two different engines to serve the two separate portions.

Shippers along Line 535 have been participating in the Rail Service Continuation Assistance Program since it began in April of 1976. (Western Ohio RR started operations in November of 1976). The shippers are presently paying 20% of the subsidy and on July 1, 1979 their share will increase to 30%. The chart below summarizes historic line performance and projects future performance.

USRA LINE NO. 535

ANNUAL OPERATIONS DATA

APRIL 1976-MARCH 1977		APRIL 1977-MARCH 1978 (Estimated from 6 Months WORR Data)	APRIL 1978-MARCH 1979 (Based on WORR Estimates)
Frequency of Service	Not Available	2/Week.	2/Week.
Carloads	"	N/A	
Revenue	"	15,113	20,000
Cost	"	168,055	140,220
Subsidy	"	152,942	120,220
Accelerated Maintenance	"	0	0
Rehabilitation	"	0	0

For project year 1976-1977, the Authority has no data due to accounting problems at the inception of the Western Ohio Railroad in late 1976. For project year 1977-1978, the estimated subsidy was \$152,942 as compared with the projection of \$154,928.

The track on Line 535 meets FRA Class I Standards (10 MPH speed limit). The WORR performs the routine program maintenance. There has been no accelerated maintenance or rehabilitation on this line since the inception of the Western Ohio Railroad.

There are 12 shippers currently using subsidized rail service on Line 535. Their rail shipments consist of furniture (25), lumber (24), grain (01) and tile (32).

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The nature of the farm, lumber and tile products shipped by rail along this line are sometimes difficult and more expensive to ship by truck. The Authority estimates that the increased costs and logistical difficulties could result in as many as 23 job losses in industries along the line. It is also possible that some businesses might relocate or be forced to close.

The local highway system would suffer slightly from loss of rail service. Using 1977 projections for carloadings it would take 1,007 trucks to replace the 340 train carloads. Most of the 7 additional trucks per week would traverse two lane State Routes 118, 119 and 219 adding to maintenance expenses. The overall highway system would not be affected as no significant congestion on Ohio highways would occur.

The burning of additional fuels for the trucks, however, would put an additional 2,423 pounds of carbon monoxide and 2,490 pounds of nitrogen oxides into the air.

The loss of rail service locally would have minimal effects on the local rail system. The Norfolk and Western could serve the cities of Coldwater and Celina and the remaining local shippers are within 6 miles of the railhead in Coldwater. The loss of rail service would also have negligible effects on interline traffic to major carriers. Line 535 is not an alternate freight route so its loss would have no adverse effects on the overall rail transportation system.

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION
(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 8,831
		+ Unemployment Benefits	=	23,566
		+ Secondary Effects		
		Unemployment Benefits	=	13,021
		+ Increased Fuel Cost	=	1,483
		+ Increased Shipping Cost	=	<u>49,037</u>
		TOTAL		\$ 95,938
Cost	=	Projected Subsidy Cost	=	150,730
B/C		$\frac{95,938}{150,730}$	=	.63

STRATEGY FOR THE FUTURE

The Authority will continue to work with the Western Ohio Railroad to cut costs and raise revenues but it is doubtful that Line 535 can become viable by the end of the subsidy period in 1981.

There has been progress made towards obtaining viability in the past years. The subsidy figure for 1978-79 should decrease because of the cost savings due to a reduction of line mileage.

The elimination of .5 miles of track should cut operating and maintenance expenses in the long run. In addition, lease and tax payments will be reduced.

In the event that the line is not economically viable in 1981, it is possible the Norfolk and Western railroad could serve the shippers in Celina and Coldwater. This decision would be up to officials of the N&W.

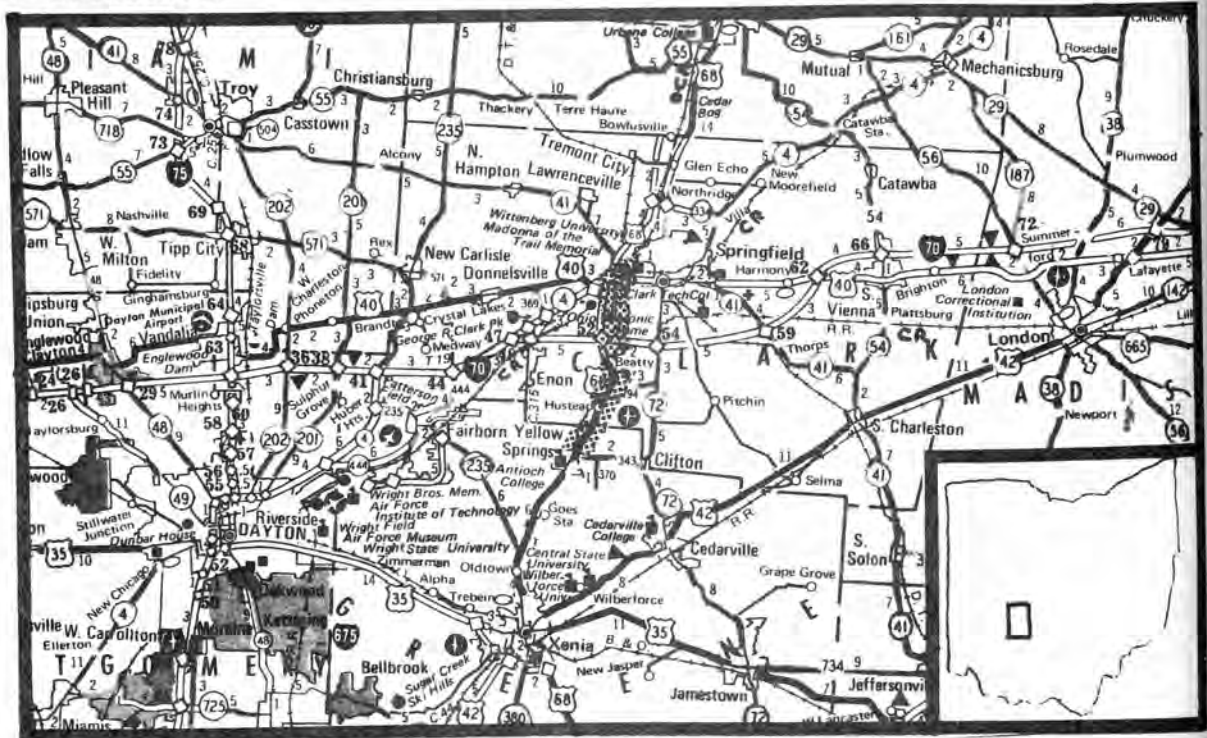
¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

This line will be considered for future acquisition because of its potential as a future freight branch line and because of its location in Ohio's prime agricultural area.

This line will be recommended for subsidy until the end of the program. This is a reaction to the strong shippers interest in the line and in line with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

PORTION OF THE SPRINGFIELD
SECONDARY TRACK
USRA LINE NO. 536/537
(CONRAIL)

The Springfield Secondary Track, formerly part of the Pennsylvania Railroad, extends from Yellow Springs (Milepost 7.5) to Springfield (Milepost 19.3), a distance of 11.8 miles in Clark and Greene Counties. At Springfield, this line connects with Conrail lines south to Dayton, north to Urbana, and to Mechanicsburg, and east to Columbus. The portion of the line south of Yellow Springs is abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to serve this line from Yellow Springs (MP 7.5) to Springfield (MP 19.3) under the Rail Service Continuation Assistance program for the period of this plan. It presently ranks number 14 in subsidy priority.

Line 536/537 is also designated for acquisition. It ranks 9th in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to serve this line from Yellow Springs (MP 7.5) to Springfield (MP 19.3) under the subsidy program for the period of this plan. After June 30, 1978 the shippers will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks number 11 in priority. This line is designated for acquisition.

STATUS REPORT

Shippers along Line 536/537 have been participating in the subsidy program since it began in April of 1976. Currently shippers are paying the 20 percent non-Federal share of subsidy payments. On July 1, 1979 shippers will be required to pay 30% of the subsidy to remain in the program. The chart below summarizes past line performance and projects future performance figures for the upcoming year.

USRA LINE NO.536/537

ANNUAL OPERATIONS DATA

APRIL 1976-MARCH 1977 (Conrail Data)	APRIL 1977-MARCH 1978 (Estimated from 6 Months Conrail Data)	APRIL 1978-MARCH 1979 (Based on Conrail Estimates)
Frequency of Service/Week	2	2
Carloads	279	212
Revenues	\$100,684	\$113,678
Costs	\$219,694	\$179,513
Subsidy	\$119,010	\$ 65,835
Accelerated Maintenance	-0-	\$306,000*
Rehabilitation	-0-	-0-

*Actual Work to Begin During the Summer of 1978

The actual figures shown above are somewhat lower than Conrail's projections as presented in past rail plans. During the first year of the program the actual subsidy payment was \$119,010 as compared with the projection of \$502,198. For the second project year, 1977-78, the estimated actual subsidy was \$65,835, as compared with the original projection of \$115,747.

For the 1978-79 project year, the Authority predicts that the subsidy payment will increase to \$100,652. This increase is due in most part to an increase in the costs of operations and maintenance. Although revenues are projected to increase during the upcoming year, costs are projected to increase at an even greater rate, thus resulting in an increasing deficit on the line. In addition to the increase in costs due to inflation and other factors, the trackage on line 536/537 is presently in very poor condition requiring extensive accelerated maintenance which is not expected to be completed until the end of the 1978 construction season.

There are six shippers currently using subsidized rail service on Line 536/537. Their rail shipments consists of molds (33)*, coal (11)*, lumber (24)*, paper products (26)*, and sand (14)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the products shipped on Line 536/537 make it very difficult and expensive to ship by truck. The Authority estimates that approximately 7 jobs would be lost in industries along the line if rail service were lost. Additional jobs may be lost in the area as some businesses might be forced to relocate or close.

The local rail transportation system would suffer somewhat from the loss of rail service. As the primary shipper is located at the end of the line at Yellow Springs, the loss of line 536/537 would mean the loss of rail access to this community and to others directly south of Springfield. The area's shippers would be forced to truck goods either south to Xenia or north to Springfield. Using 1977 carloadings, it would take 670 trucks to replace the 212 trainloads. This would mean that an average of about 3 trucks per day would traverse two lane State Route 68, thus adding to maintenance expenses.

In addition to increased highway maintenance, additional truck traffic would have significant negative impacts on the quaint Village of Yellow Springs. Route 68 runs through the center of the town as well as residential areas. Significant increases in truck traffic would thus become very noticeable to the residents and business persons of Yellow Springs, increasing traffic safety hazards, noise levels, and pollution.

The effects of discontinuation of service are primarily detrimental to the local transportation and economic system. Line 536/537 is a light density spur offering no through service, and thus offers little value as an alternate freight route or as a passenger route.

*Denotes the Standard Transportation Commodity Code.

The solvent rail carriers would be minimally affected by the loss of service on Line 536/537 in that some loss of business may be encountered due to a switch to trucks.

Several benefits and costs of continued rail service are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 4,656
		+ Unemployment	=	9,618
		+ Secondary Unemployment Benefits	=	4,969
		+ Increased Fuel Costs	=	2,034
		+ Increased Shipping Costs	=	<u>40,299</u>
		TOTAL		\$ 61,576
Costs	=	Projected Subsidy Cost	=	\$100,652
B/C	=	$\frac{\$ 61,576}{\$100,652}$	=	.61

STRATEGY FOR THE FUTURE

The Authority will continue efforts to reduce operating costs and raise revenues in an attempt to work towards the viability of the line. This becomes critical as federal participation in the subsidy program is scheduled to end on July 1, 1981.

The location of the primary shipper at the end of the line eliminates the possibility of decreasing lease, tax, or maintenance costs through a reduction in the length of the line's mileage.

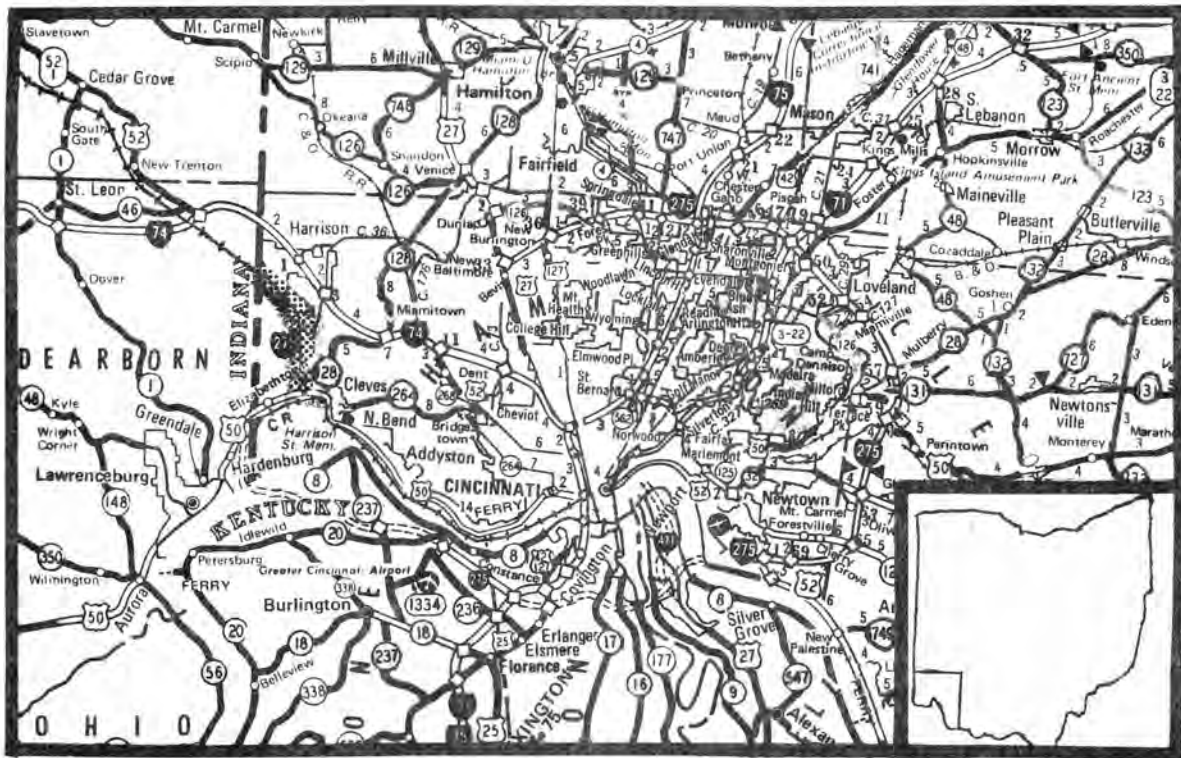
¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these higher shipping costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

Extensive accelerated maintenance is scheduled to begin during the summer of 1978 to bring the line to FRA Class I minimum standards. This maintenance is highly necessary as the line is in very poor condition. Hopefully, this work will reduce the costs of operations as well as institute safer and more efficient levels of service.

Line 536/537 will be recommended for subsidy until the end of the subsidy program with the Authority continuing to plan and implement strategies designed to improve service and cut costs. This recommendation is in line with the Authority's policy of aiding shippers who need service and are willing to pay the non-Federal share of subsidy payments.

PORTION OF THE WHITEWATER
RUNNING TRACK
USRA LINE NO. 571A
(CONRAIL)

This portion of the Whitewater Running Track, formerly part of the New York Central R.R., extends from Valley Junction, Ohio (Milepost 17.7) to Brookville, Indiana, (Milepost 43.9), a distance of 26.2 miles, in Hamilton County, Ohio, and Dearborn, Franklin, Fayette, and Wayne Counties, Indiana. At Valley Junction, this line connects with the Conrail Cincinnati-to-Kanakee Line. There is no rail connection at Brookville.



1978 DISPOSITION

It is recommended that Conrail continue to serve this portion of this line in Ohio from Valley Junction (MP 17.7) to White Water (MP 21.2) under the subsidy program for the period of this plan. This line ranks 1st in subsidy priority.

This line is also recommended for acquisition. It ranks 13th in acquisition priority.

1977 DISPOSITION

The portion of this line in Ohio from Valley Junction (MP 17.7) to Harrison (MP 24.7) is recommended for subsidy with Conrail being the designated carrier. After June 30, 1978, the shippers will be required to bear 20 percent of the subsidy cost in order to continue the federal subsidy program. This line presently ranks number 1 in priority. This line is designated for acquisition.

STATUS REPORT

Line 571a extends 7 miles in Ohio from Valley Junction to Harrison. However, only 3.5 miles of these 7 miles are needed to serve Ohio shippers. The remaining 3.5 miles provide the only rail connection to the Indiana shippers on the remaining 19.2 miles of the line.

Conrail officials have indicated that the 3.5 miles necessary to serve the Ohio portion of this line is viable while the rest requires a subsidy. The chart below shows the 1977-78 program year costs for the entire line from April to November and the 3.5 mile Ohio portion costs from December to February.

USRA LINE NO. 571a

OPERATIONS DATA

	April 1977-November 1977 (Conrail Data Entire Line)	December 1977-February 1978 (Conrail Data 3.5 Miles in Ohio)
Frequency of Service/Week	1	1
Carloads	580	80
Revenue	\$261,204	\$52,121
Costs	\$352,871	\$52,851
Subsidy	\$91,667	\$730
Accelerated Maintenance	(Ohio Portion) \$225,804	-0-
Rehabilitation	-0-	-0-

The figures above include lease and taxes. Without lease and tax the 3.5 mile Ohio portion showed a \$2,557 profit for the three month period. The small deficit (\$730) recorded for the 3.5 mile Ohio portion with the inclusion of lease and tax was the result of the winter season. The unusually severe winter

weather added to general operating and maintenance expenses. Also the two major shippers on the Ohio portion of the line deal with lumber and building supplies. These businesses undoubtedly ship and receive more materials in the spring, summer and fall. The Authority projects that the \$730 deficit of the winter months for the Ohio portion will easily be erased by profits from the rest of the year.

Conrail data is usually not divided by state. The division of data shown above was possible because only the 3.5 miles of Ohio track was operational from December 1977 to February 1978. There is an embargo on the rest of the line because the track is in such poor condition.

The Ohio track, though it is operational, also needs considerable work to bring it up to FRA Class I standards (10 mph speed limit). The Indiana Public Service Commission has contracted for the work to be done for the entire line. Cost for the Ohio portion will be about \$225,804.

In addition to the current accelerated maintenance project, the Indiana Public Service Commission is also administering the subsidy program. This is due to the viability of the 3.5 mile Ohio portion.

There are three shippers on the Ohio portion of the line using subsidized service. Their rail service consists of lumber (24)*, heavy industrial machinery (35)*, and grain (20)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the grain, lumber, and heavy machinery shipped on this line are sometimes difficult and usually more expensive to ship by truck. The Authority anticipates that these increased costs and logistical difficulties could result in job losses or force business closings or relocations.

The local rail system in Ohio would not be seriously impaired by the loss of the Ohio portion of the line as there are many other lines serving Hamilton County and the Cincinnati area. The Ohio rail system would also not be impaired as the line is a spur and offers no value as an alternate freight route. However, many shippers in Indiana would lose rail service altogether if Line 571a was lost. The Ohio portion of the line is the only rail connection for these Indiana shippers.

*Denotes Standard Transportation Commodity Code

The local Ohio highways would be slightly affected by lost rail service. Using the 80 carloads shipped in the three month period between December, 1977, and February, 1978, it can be assumed that at least 320 carloads will be shipped for the year. It would take 1,011 trucks to replace these train carloads. The additional 4 trucks a day would use local two-lane township and county roads to gain access to interstate highways causing occasional congestion and increased maintenance costs on these roads. The overall Ohio highway system would not be affected as Interstates 74 and 275 could easily absorb the extra traffic.

There would be more pollution in the area if rail service on Line 571a was discontinued. An extra 2,117 pounds of carbon monoxide and 2,175 pounds of oxides of nitrogen would pollute the air annually if trucks carried the freight instead of trains.

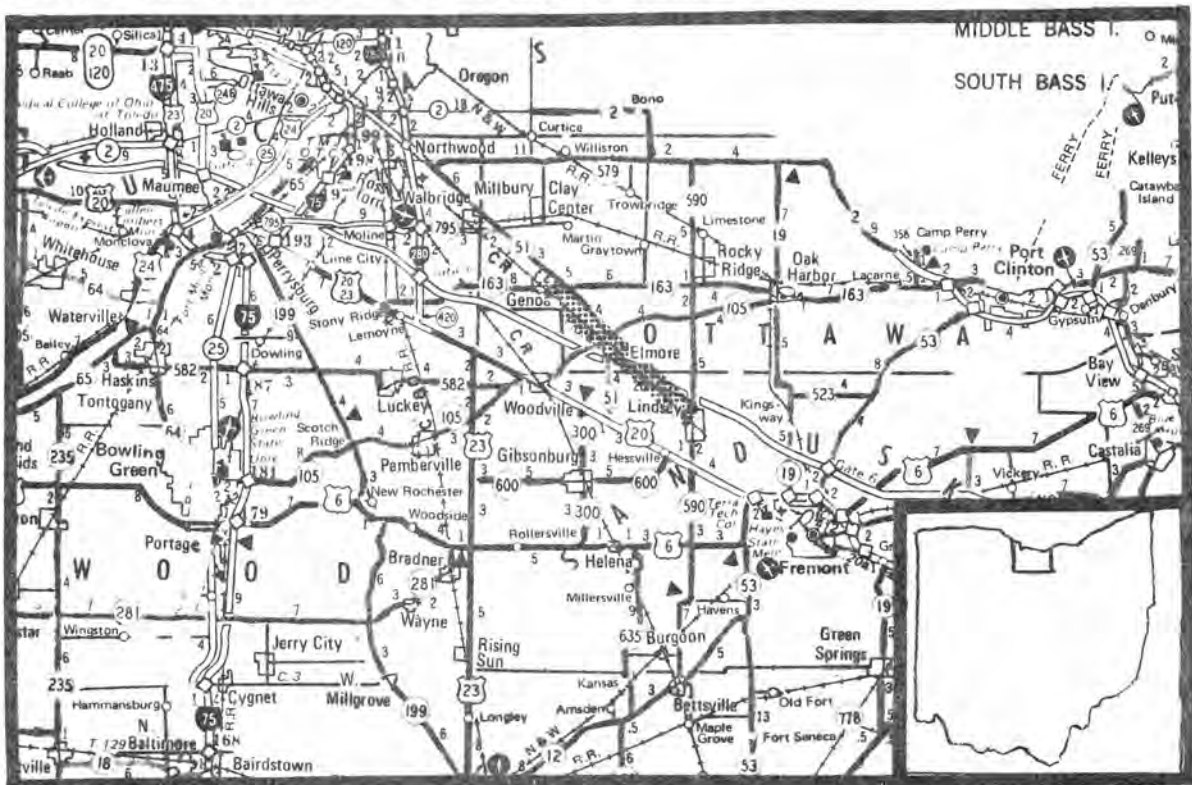
STRATEGY FOR THE FUTURE

The Authority anticipates that the 3.5 miles of Line 571a with Ohio shippers will continue to be profitable and become part of the Conrail system at the end of the subsidy program. The fate of the rest of the Ohio line as well as the Indiana line will depend on the actions of the Indiana Public Service Commission and the Indiana shippers.

The 3.5 mile portion of the line will be recommended for subsidy by the Authority until the end of the subsidy program. This is a response to the need of the shippers of Ohio to retain service.

PORTION OF THE NORWALK
BRANCH
USRA LINE NO. 643
(CONRAIL)

This portion of the Norwalk Branch, formerly part of the New York Central RR, extends from Lindsey (Milepost 272.7) to Genoa (Milepost 281.4), 8.7 miles in Ottawa and Sandusky Counties. The northern extension of this line extends to Oak Harbor and Toledo. The southern extension is abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to serve the portion of this line from Lindsey (MP 272.7) to Genoa (MP 281.4) under the subsidy program for the period of this plan. It ranks 9th in the subsidy priority rankings.

Line 643 is also designated for acquisition. It ranks number 17 in acquisition priority.

1977 DISPOSITION

A portion of this line from Lindsey (MP 273.0) to Genoa (MP 281.5) ranks number 15 in priority. It is recommended that Conrail continue to serve this segment under the subsidy program. This requires the shippers along this segment to bear 10 percent of the subsidy cost after March 31, 1977.

The portion of this line from Genoa (MP 281.5) to Millbury Junction (MP 287.3) was purchased by Conrail. The remaining portion of this line is to be abandoned.

STATUS REPORT

Shippers along the line have been receiving subsidized service from Conrail since April 1, 1976. Presently the shippers are paying the 20% non-Federal share of subsidy costs. On July 1, 1979, they will have to pay 30% to stay in the subsidy program. The chart below summarizes the historic line performance and projects future performance.

USRA LINE NO. 643

ANNUAL OPERATIONS DATA

April 1976-March 1977 (Actual Conrail Data)		April 1977-March 1978 (Est. From 6 Months Actual Conrail Data)		April 1978-March 1979 (Based on Conrail Estimate)	
Frequency of Service/Week	2		2		2
Carloads	126		168		175
Revenue	\$73,739		\$93,244		\$100,178
Cost	\$112,974		\$128,099		\$146,957
Subsidy	\$39,235		\$34,855		\$46,779
Accelerated Maintenance	\$ -0-		\$ -0-		\$ -0-
Rehabilitation	\$ -0-		\$ -0-		\$ -0-

The actual figures shown above are lower than Conrail's projections as presented in past rail plans. For project year 1976-77 the actual subsidy payment was \$39,235 as compared with the projection of \$43,466. For project year 1977-78, the estimated actual subsidy was \$34,855 as compared with the projection of \$44,366.

For the 1978-79 project year, the Authority predicts the

subsidy payment will increase to \$46,779. This increase largely results from an increase in lease costs from \$2,475 per mile to \$3,323 per mile and an increase in Conrail's management fee from 5½% to 9½%.

The track is generally in good condition. It meets FRA Class I Standards (10 mph Speed Limit).

There are 2 shippers currently using subsidized service on Line 643. The major commodities shipped on this line consist of food or kindred products (20)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of food and kindred products shipped by rail along this line are sometimes difficult and more expensive to ship by truck. The Authority estimates that the increased costs and logistical difficulty could result in as many as 5 job losses in industries along the line. It is also possible that the grain company on the line might relocate or be forced to close.

The local rail transportation system would suffer slightly from lost rail service. As the railhead to the communities on the line is approximately 5 miles away, the loss of Line 643 would not mean a total loss of rail service for the entire area. The overall rail transportation system would not be affected by lost service as Line 643 is a spur and offers no value as an alternate freight route. Loss of interline traffic for major carriers would be negligible.

The local highway system would suffer slightly from the loss of rail service. Using 1977-78 projections for carloadings, it would take 530 additional trucks to replace the 168 train carloads. Most of the additional two trucks per day would traverse State Route 51 and 590 adding to maintenance expenses on these roads. The overall highway system would not be affected. The Ohio Turnpike is within two miles of shippers so no appreciable extra congestion on Ohio highways would occur.

The use of trucks as an alternative to rail would increase pollution. An additional 1,227 pounds of carbon monoxide and 1,260 pounds of oxide of nitrogen pollution would pollute the air if trucks were used to haul freight instead of trains.

*Denotes Standard Transportation Commodity Code

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT-COST INFORMATION

(1978-79 PROGRAM YEAR)

Benefits	=	Lost Payroll Tax	=	\$ 3,503
		+Unemployment Benefits	=	6,521
		+Secondary Unemployment Benefits	=	717
		+Increased Fuel Cost	=	681
		+Increased Shipping Cost	=	21,390
		TOTAL		<u>\$32,812</u>
Costs	=	Projected Subsidy Cost	=	\$46,779
B/C	$\frac{32,812}{46,779}$		=	.70

STRATEGY FOR THE FUTURE

Although the Authority will continue to work to cut costs and increase revenues it is doubtful whether this line will become viable by the end of the subsidy program in 1981. However, there are alternatives that could be implemented that might continue rail service for all, or part, of the line.

It is possible that one or both shippers could enter into various types of private agreements by which cars are left by Conrail in Genoa for the shippers to privately carry to their siding with their own engine. This option is contingent upon the Authority or shippers acquiring the line.

The Authority's plans to buy this line (contingent upon available funds) would aid in a private agreement because the cost

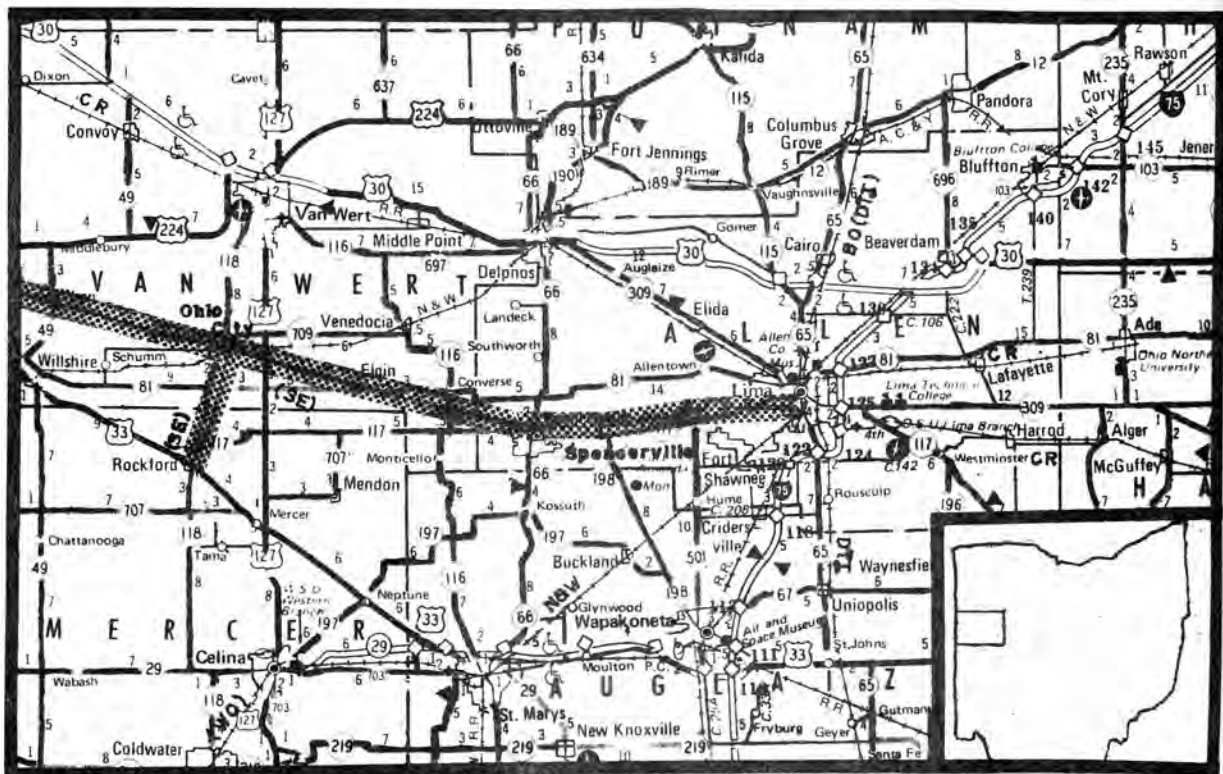
¹ Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding this cost increase. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

of lease would be kept low. The Authority is interested in acquiring this line to enable continued service and because of its location in Ohio's prime agricultural area.

This line will be recommended for subsidy until the end of the program because of a strong shipper interest. This is in line with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

PORTION OF THE JERSEY CITY
TO CHICAGO LINE
USRA LINE NO. 1261
(SPENCERVILLE-ELGIN)

This portion of the Jersey City to Chicago line extends a total of 50.3 miles in Allen, Van Wert, and Mercer Counties. The line extends westward from Lima (MP 54.4) to Wren (MP 89.4), on the Ohio-Indiana border with a spur from Ohio City (MP 111.2) south to Rockford (MP 116.5). At Lima, the line connects to the east with Conrail mainlines to Mansfield and Crestline to the west to a Conrail mainline to Chicago. Also at Lima, the line connects with the Norfolk and Western mainline from Muncie Indiana to Lorain, the B&O mainline from Toledo to Cincinnati and the DT&I mainline between Detroit and Ironton. At Wren the line connects with the Erie Western shortline to Chicago. At Ohio City, the N&W line from Kokomo, Indiana to Delphos Ohio crosses the line.



1978 DISPOSITION

It is recommended that the Spencerville-Elgin Railroad provide rail service on Line Number 533/34/34a/35 from Ohio City (MP 109.5) to Rockford (MP 116.7) and on Line No. 1261 from Lima

(MP 54.4) to Wren (MP 89.4) under the Rail Service Continuation Assistance Program. These two lines will be treated as one under the title of USRA Line No. 1261. This line ranks 13 in subsidy priority.

Two separate portions of the Spencerville-Elgin line are designated for acquisition with two separate priority rankings. The portion from Ohio City to Rockford is designated for acquisition with a priority ranking of 19 while the portion from Lima to Elgin ranks 18th.

1977 DISPOSITION

It is recommended that the Spencerville-Elgin Railroad provide rail service on line number 533/34/34a/35 from Ohio City (MP 109.5) to Rockford (MP 116.7) under the rail service continuation assistance program. This line ranks number 18 in subsidy priority. Conrail, however, will continue to be the designated carrier from Van Wert (MP 104.5) to Rockford (MP 116.5) until the Spencerville-Elgin Railroad becomes operational.

Upon service being implemented by the Spencerville-Elgin Railroad, the portion of the line from Van Wert (MP 104.5) to Ohio City (MP 111.2) will be designated for abandonment. This line is designated for acquisition.

It is recommended that the Spencerville-Elgin Railroad provide rail service on USRA Line Number 1261 from Lima (MP 54.4) to Wren (MP 89.4) under the rail service continuation assistance program. This line ranks number 16 in subsidy priority. However, Conrail will continue to be the designated carrier from Lima (MP 54.4) to Elgin (MP 72.0) until the Spencerville-Elgin Railroad becomes operational. This line is designated for acquisition.

STATUS REPORT

Conrail operated Line Number 533/34/34a/35 from Van Wert to Rockford and Line Number 1261 from Lima to Elgin under the Rail Service Continuation Assistance Program until January 1, 1978. At that time a new shortline operator, the Spencerville-Elgin Railroad (S&E) consolidated the two. A result of this consolidation service on Line 1261 was expanded from Lima to Elgin to Lima to Wren and service on 533/34/34a/35 was cut from Ohio City to Van Wert to Ohio City to Rockford. The expansion to Wren allowed more shippers to be served and provided a connection to the Erie-Western Railroad, a shortline operation that traverses Indiana to Chicago. The Rockford to Van Wert portion of track served no shippers and was only used as a connection to the Conrail mainline. The discontinuation of service on this portion eliminated the un-necessary expenses of operating on this line.

Currently, shippers located on the line are paying the 20% non-federal share of subsidy payments. On July 1, 1979 shippers will be required to pay 30% of the subsidy cost in order to remain in the program.

The newly created shortline increases service to shippers along the line from twice to three or more times per week and eliminates such expense items as off branch costs. Other cost saving will accrue do to smaller crew sizes and less equipment thereby lowering the total operating costs.

Revenues on the line, however, will decrease also. The S&E will receive full revenue for the distance it carries shipments but receives only a small percentage of revenue for the distance the connecting railroad carries it.

The chart below summarize the projected future performance of the line.

USRA LINE NUMBER 1261

ANNUAL OPERATIONS DATA

	April 1976-March 1977 (Actual Conrail Data Combined 1261/533)	April 1977-March 1978* (Projected form 6 months Conrail Data; combined 1261/533)	April 1978-March 1979 (Projected from Spencerville-Elgin Figures)
Frequency of Service/Week	2	2	3
Carloads	493	614	793
Revenue	\$318,379	499,478	163,219
Costs	644,356	617,661	447,839
Subsidy	325,977	118,183	284,620
Accelerated Maintenance	153,510 (work done in 1978)	0	0
Rehabilitation	0	0	0

*These figures represent the projected results of operation if Conrail would have operated on the line the entire year.

As the Spencerville-Elgin has only been in operation since January 1, 1978 it is difficult to accurately project subsidy figures. The drop in operating costs from \$617,661 to \$447,839 represents a cut of \$169,822.

The track on the Lima to Wren portion of the line meets FRA Class III standars (40 mph speed limit). The Ohio City to Rockford portion underwent accelerated maintenance in Spring of this year costing approximately 153,510 to bring the track up to FRA Class I standards (10 mph speed limit).

There are presently eight shippers using subsidized rail service on Line No. 1261. Rail shipments generally consist of grain (20)*, fertilizer (14)*, and scrap materials (40)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

These scrap and grain products and inbound fertilizers are somewhat bulky and difficult to ship by truck. The shippers on Line No. 1261 are highly dependent on rail service and any necessary change in operations from rail oriented procedures to trucks would involve a significant added expense to these firms. Some firms might be forced to either reduce or abandon operations. The Authority estimates that the increased cost and logistical difficulty could result in as many as 21 job losses in industries along the line if rail service were lost.

The local rail transportation system would suffer from the loss of rail service. The cities of Wren, Spencerville, Elgin and Rockford would lose service. Also, as the S&E provides a portion of a through route from Lima to Chicago. Loss of service would also mean the loss of an alternate freight route. In addition, this would adversely affect the Erie Western because it would use its gateway to Lima.

The local highway system would be slightly affected as there would be increased trucking along area roads such as 2 lane State routes 118, 81, 127, and U.S. Route 33. Using projected carloadings it would take 2505 trucks to replace the 793 train carloads. This would mean about an average of 10 trucks per day would traverse these routes adding to maintenance and repair expenses. While this may affect several local roads, 10 trucks per day would not adversely affect the overall Ohio highway system. There are enough alternate routes to the Interstate system in Lima to avoid congestion on these roads.

In addition to the detrimental effects to the local rail freight system, the use of trucks as an alternative to rail would also increase pollution. This would result in a burning of an additional 4329 pounds of carbon monoxide and 4447 pounds of oxides of nitrogen pollution.

Several benefits and costs of continued rail operations are presented in the chart below. The ratio of benefits to costs is one indication of the need for subsidized service.

*Denotes Standard Transportation Commodity Code

BENEFIT¹ - COST INFORMATION
(1978-79 Program Year)

Benefits	=	Lost Payroll Tax	=	\$13,927	
		+Unemployment Benefits		28,095	
		+Secondary Unemploy- ment Benefits	=	3,933	
		+Increased Fuel Cost	=	2,153	
		+Increased Shipping Costs	=	145,132	
		Total	=	\$ 193,240	
Costs	=	Projected Subsidy Cost	=	\$ 284,620	Total
B/C		$\frac{\$193,240}{\$284,620}$	=	.68	

STRATEGY FOR THE FUTURE

Although the Authority will continue in its efforts to reduce costs and raise revenues in the operations of the line, it is possible Line No. 1261 will not obtain viability prior to the scheduled termination of federal participation in the subsidy program on July 1, 1981.

In this event there are several alternatives that could be implemented to continue rail service. One alternative is a total shipper subsidy. It is possible that continuing work in reducing costs and increasing revenue will reduce the subsidy to a level that will enable the shippers to absorb the entire cost.

Another alternative is to eliminate the most costly portions of the track. It is possible that one segment will be viable while another is not. To determine which portion or portions of the line could be saved would require a detailed economic analysis.

¹Benefits are the adverse economic affects prevented by retaining rail service. For example, if rail service was lost shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

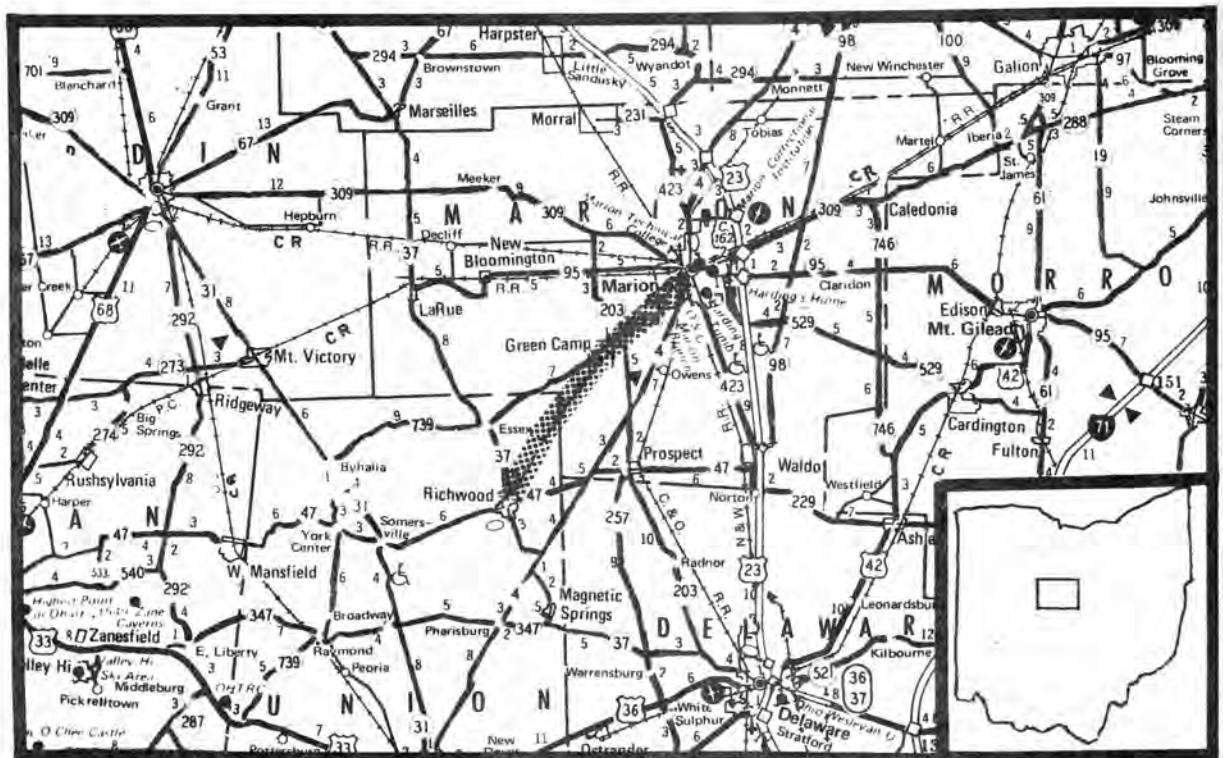
Also, it is possible that the Erie-Western and the Spencerville-Elgin could merge operations. The potential for bridge traffic from Chicago to the Lima gateway might offset any loss incurred on the S&E. There has already been interest shown in using the S&E as a bridge and the Erie-Western and S&E are currently working to arrange for bridge shipments to traverse the S&E. The merger of these two shortlines could also save money. The economics of scale of a larger operation could better utilize labor and equipment to cut operating costs. The implementation of this alternative depends on cooperation between the railroads involved. The Interstate Commerce Commission would have to approve the merger.

The segments of Line 1261 rank low in acquisition (18th & 19). They are included in the priority analysis because of their location in Ohio's prime agricultural area. If the Authority decides to purchase these lines it would aid the future of any operator. Because the Authority is a non-profit organization it would require less of a lease payment than the current owners, the for profit Penn Central Trustees and the Erie-Lackawanna Trustees.

Line 1261 will be recommended for subsidy until the scheduled end of the program if it is required. This recommendation is a reaction to strong shipper participation and is in line with the Authority's policy of aiding shippers willing to pay the non-Federal share of subsidy costs.

PORTION OF THE DAYTON
BRANCH
USRA LINE NO. 1263
(CONRAIL)

This portion of the Dayton Branch extends from Marion (Milepost 305.1) to Richwood, Ohio (MP 319.75), a distance of 14.65 miles, in Marion and Union Counties. At Marion this line intersects with two Conrail lines providing connections to Cleveland, Canton, Lima, and Bellefontaine. Also, at Marion the line connects with a N&W line to Sandusky and Columbus and a C&O line to Toledo and Columbus. There are no rail connections at Richwood. The line south of Richwood has been abandoned.



1978 DISPOSITION

It is recommended that Conrail continue to service this line from Marion (MP 305.1) to Richwood (MP 319.75) under the subsidy program for the period of this plan. The line ranks 3rd in subsidy priority.

This line is recommended for acquisition. It ranks 19th in acquisition priority.

1977 DISPOSITION

It is recommended that Conrail continue to service this line from Marion (MP 305.1) to Richwood (MP 319.4) under the subsidy program for the period of this plan. After June 30, 1978 the shippers will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks number 4 in priority. This line is designated for acquisition.

STATUS REPORT

The 1977 "RailOhio" listed the milepost at Richwood at 319.4. A recent track inspection of Line 1263 by the Authority disclosed that the last shipper on the line is located at milepost 319.75.

Shippers along Line 1263 have been participating in the subsidy program since it began in April 1976. Currently, shippers are paying the 20% non-Federal share of subsidy payments. On July 1, 1979 shippers will be required to pay 30% of the subsidy to remain in the program. The chart below summarizes historic line performance and projects future performance.

USRA LINE NUMBER 1263 ANNUAL OPERATION DATA

	April 1976-March 1977 (Conrail Data)	April 1977-March 1978 (Estimated from 6 Months Conrail Data)	April 1978-March 1979 (Based on Conrail Estimates)
Frequency of service/ week	1	3	3
Carloads	385	384	429
Revenue	310,792	262,718	338,417
Costs	326,205	248,631	352,314
Subsidy	15,413	(14,087) profit	13,897
Accelerated Maintenance	0	0	0
Rehabilitation	0	0	0

The figures shown above are lower than Conrail's projections presented in past rail plans. For program year 1976-77 the actual subsidy payment was \$15,413 as compared with the projected \$90,342. For program year 1977-78 there was a profit of \$14,087 as compared with the projection of a \$6,522 subsidy.

The figures in the chart above indicate that the economic condition of the line is good. Any profit made under the subsidy program are put into an escrow account for future uses such as accelerated maintenance, rehabilitation, or acquisition.

The projected change from the profitable operation of 1977-78 to a lightly subsidized operation for 1978-79 is attributable to several cost increases and revenue problems due to car supply problems. In the cost area, Conrail management fee was raised from 5½ to 9½ percent for the 1978-79 program year. Also, the Erie-Lackawanna, the owner of the track, has increased the lease on the line. In the area of revenue, the shippers along the line have been experiencing difficulty in obtaining covered hoppers to ship grain products.

The track along this line is in good condition, generally exceeding FRA Class I standards (10 mph speed limit). No accelerated maintenance is anticipated for the near future.

There are five shippers currently using subsidized service on 1263. Their rail shipments consist of farm products* (01), non-metallic minerals (14)*, food and kindred products (20)*, and chemical products (28)*.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The bulky nature of the farm chemical and food products shipped by rail along this line are sometimes difficult and almost always more expensive to ship by truck. The Authority estimates that the increased costs and logistical difficulty could result in as many as ten job losses in industries along the line. It is also possible that some businesses might relocate or be forced to close.

The overall rail transportation system would not suffer from lost service on this line as it is a light density spur and offers no value as an alternate freight route. The major carriers would not lose any appreciable revenue from lost inter-line traffic.

The local highway systems would suffer slightly from the loss of rail service. Using 1977-78 projections for carloadings it would take 1,213 trucks to replace the 384 train carloads. Most of the six additional trucks per day would traverse State

*Denotes Standard Transportation Commodity Code

Routes 23, 739, 4, and 47 adding to the maintenance expenses of these roads. The overall highway system would not be affected as no appreciable extra congestion on Ohio highways would occur.

The additional trucks needed to carry freight if Line 1263 is abandoned would increase pollution in the area. Based on 1977-78 carloadings, an additional 2,541 pounds of carbon monoxide and 2,610 pounds of oxide of nitrogen pollution would be added to the air yearly if trucks were used instead of trains.

Several benefits and costs of continued rail operations are presented in the chart below.¹ The ratio of benefits to costs is one indication of the need for subsidized service.

BENEFIT - COST INFORMATION
(1978 - 79 PROGRAM YEAR)

Benefits = Lost Payroll Tax	\$ 6,372
+ Unemployment Benefits	12,079
+ Secondary Unemployment Benefits	1,812
+ Increased Fuel Costs	1,499
+ Increased Shipping Cost	<u>54,275</u>
Total	\$76,037
Costs = Subsidy Cost =	\$13,897 total
$\frac{\text{Benefits}}{\text{Costs}} = \frac{76,037}{13,897} = 5.4$	

STRATEGY FOR THE FUTURE

It is anticipated that line 1263 will be viable by the end of the subsidy program in 1981 and become part of the Conrail system. The profit shown for the 1977-78 program year and the consistent carloadings each year are two major factors in this projection.

¹Benefits are the adverse economic effects prevented by retaining rail service. For example, if rail service was lost, shipping costs would increase. Thus, shippers benefit from retained rail service by avoiding these increased costs. Information to calculate some benefits such as increased highway maintenance costs, job re-training costs, and lost property taxes was not available. Also, intangibles like increased pollution and hardships related to job loss cannot be put into monetary terms.

In the future, the economic condition of the line could improve if the car supply situation improves. Shippers along the line indicate they could ship up to twice as much if covered hoppers were available.

The Authority has designated the line for acquisition. The purchase of the line could lessen lease costs during the subsidy program thus lowering the subsidy payment.

Line 1263 will be recommended for subsidy until the end of the program. This is in line with the Authority's policy of aiding potentially viable lines on which the shippers are willing to pay the non-Federal share.

APPENDIX V

Abandoned Lines With Local Interest in Restoring Rail Service

The line by line analyses presented in this appendix describe the status of lines that have been abandoned but for which there is concrete interest in restoring rail service. Each is composed of all or most of the following six sections: a "line description", "1978 Disposition", "1977 Disposition", "Status Report," Benefits and Cost of Continued Rail Service", and "Strategy for the Future". The following material explains the content and data sources for these sections.

The line description depicts a map of the appropriate portion of the state, along with a written description of the various connections. The map is an updated form of the 1975 Ohio Department of Transportation official highway map.

The 1978 disposition states the Ohio Rail Transportation Authority's recommendation for the line from August, 1978 to July 1, 1979. The 1977 disposition is included to allow comparison with the Authority's previous recommendation.

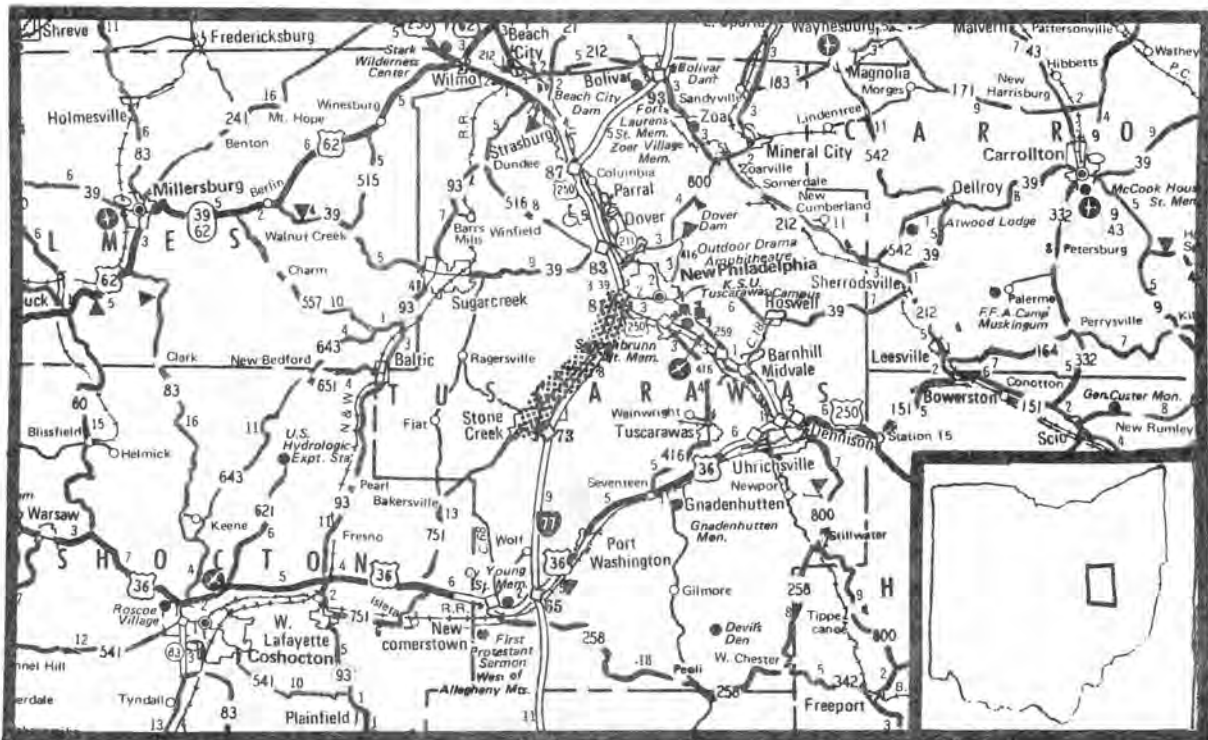
The status report contains facts about the past economic performance as well as the general line situation. It also explains recent events that could make it possible to re-institute rail service. Most of this information comes from past State Rail Plans and from contacts with shippers or railroad groups interested in the line.

The section on benefits and costs of continued rail service examines the various economic and social effects that could result if rail service was restored. Potential subsidy costs are included when available. The information for this section is supplied by the shippers and the railroads as needed.

The section on strategy for the future examines the various alternatives and explains which direction the Authority will pursue.

PORTION OF THE DOVER SECONDARY TRACK
AND STRASBURG INDUSTRIAL TRACK
USRA LINE NO. 373
(OUT OF SERVICE)

This portion of the Dover Secondary Track and the Strasburg Industrial Track extends from Newcomerstown (Milepost 84.8) to Dover, (Milepost 104.2) and from Milepost 0.0 to Milepost 1.7 at Dover, a total distance of 21.1 miles in Tuscarawas County, Ohio. At Dover the line connects with B&O lines to Wheeling, W. Virginia, and Massillon, Ohio. At Newcomerstown this line connects with Conrail's Columbus to Pittsburgh mainline. The entire line, including the Dover spur as well as the northern and southern extensions, is abandoned.



1978 DISPOSITION

The portion of this line from Stone Creek (MP 93.5) to Dover (104.2) is designated for subsidy contingent upon the shippers' willingness to pay the non-Federal share of subsidy costs and upon the Chessie system's willingness to provide service.

If this portion of the line comes under subsidy it will be recommended for accelerated maintenance contingent upon the shippers'

willingness to pay the non-Federal share of costs.

This line is designated for acquisition. It ranks 3rd in acquisition priority.

1977 DISPOSITION

It is recommended that the Chessie serve this line from Stone Creek (MP 93.5) to Dover (104.2) under the subsidy program for the period of this plan. After June 30, 1978, the shippers will be required to bear 20 percent of the subsidy cost in order to be included in the subsidy program. This line ranks number 3 in priority for subsidy.

STATUS REPORT

The shippers on this line have never received subsidized service. In order to participate in the subsidy program for the 1978-79 program year, shippers would have to bear the 20% non-Federal share of subsidy costs. Starting July 1, 1979, this share would rise to 30%.

Based on 1977 Chessie System estimates, the Stone Creek to Dover portion of Line No. 373 could generate 417 carloads yearly. Revenues would be approximately \$205,000 while costs would total about \$223,589 resulting in a deficit of \$18,589. The Authority estimates \$72,000 would be needed for accelerated maintenance to bring the line up to FRA Class I Standards (10 mph speed limit.)

The Authority has begun to contract out for the title searches and appraisals necessary to purchase Line 373. It is a link in the Marietta to Minerva line that serves Ohio's richest coal area and which provides a large portion of a rail link between the Ohio River and Lake Erie.

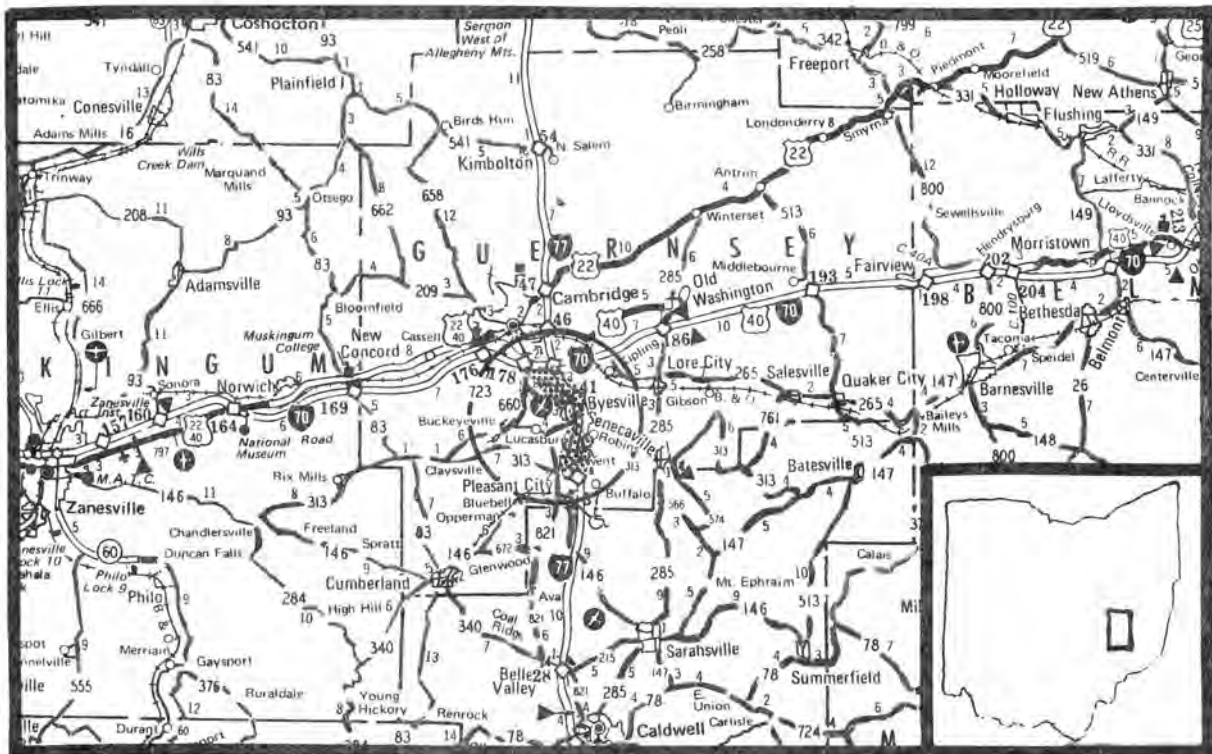
STRATEGY FOR THE FUTURE

The Authority has been approached by parties interested in running a shortline operation on Line 373 as well as Lines 370 and 371 from Dover to Minerva. Technical assistance was offered and will continue to be offered as requested.

In the future, consideration will be given to re-instituting service if there is a demand. If Federal aid is available, the reinstitution of service will be contingent upon the shippers' willingness to pay the non-Federal share of subsidy costs. If there is no Federal aid, reinstitution of service will be contingent upon the ability of the line to make a profit, or on the shippers' willingness to absorb losses incurred by the railroad in providing service.

PORTION OF THE MARIETTA BRANCH USRA LINE NO. 375/76/77

The Marietta Branch, formerly part of the Pennsylvania Railroad, extends from Marietta (Milepost 0.0) to Cambridge, (Milepost 58.8) a distance of 58.8 miles in Washington, Noble, and Guernsey Counties, Ohio. At Cambridge this line connects with the B&O Columbus to Pittsburgh line. At Pleasant City it connects with the B&O branch to Cumberland, Ohio. The B&O has trackage rights over the Cambridge to Pleasant City portion of this line and is currently operating on this track. The rest of the line was abandoned by the Penn Central. The northern extension of this line (Line 374) has also been abandoned.



1978 DISPOSITION

The portion of this line from Pleasant City (MP 48.9) to Cambridge (MP 56.5) is designated for subsidy with the B&O as carrier contingent upon the shipper's willingness to pay the non-Federal share of subsidy costs.

The entire line is designated for acquisition. It ranks number 1 in acquisition priority.

1977 DISPOSITION

The portion of the line from Pleasant City (MP 48.9) to Cambridge (MP 56.5) remains eligible for subsidy with the Chessie being the designated carrier. If federally assisted subsidized service is initiated on the line, the shippers will be required to bear 20 percent of the subsidy costs in order to be included in the subsidy program. This portion ranks number 12 in priority for subsidy.

The entire line is recommended to be fossil fuel rail banked for future rail purposes. It ranks number one in priority for acquisition.

STATUS REPORT

The portion of the line from MP 56.5 to MP 58.8 was deeded to the Chessie System by the Penn Central. Chessie has indicated it will buy this segment from the Penn Central Trustees.

The B&O has been serving the Pleasant City to Cambridge portion of this route without subsidy via a trackage rights agreement. Preliminary economic analysis performed by the Chessie indicates this portion is profitable. However, the track along the line does not presently meet FRA Class I Standards (10 mph speed limit). The Authority estimates that \$18,000 in accelerated maintenance will be necessary to meet Class I standards.

Shippers have indicated that they might desire entry into the subsidy program in order to obtain Federal assistance for track improvement and to help defray losses incurred in operation if they occur.

The Authority has begun to work to acquire the entire line. Title Searches and Appraisals are currently being performed as a prerequisite to purchase.

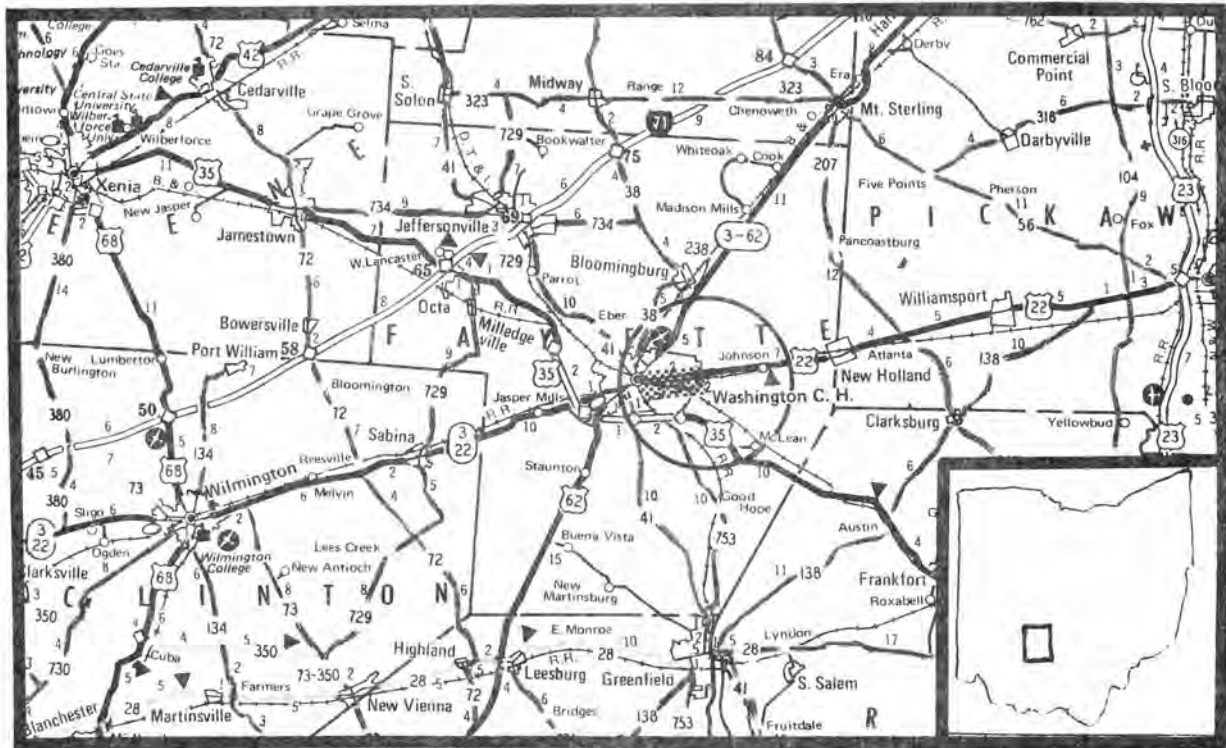
STRATEGY FOR THE FUTURE

The Authority will take the appropriate actions to initiate the subsidy program if the shippers decide they desire services. With Federal aid for track improvement the Authority feels the line will remain viable.

The acquisition of Line 375/76/77 will provide access to a high potential fossil fuel area and provides a link in a direct connection from the Ohio River to Lake Erie. The Authority will examine possible rail uses for this right-of-way including providing service under the subsidy program to shippers willing to pay the non-Federal share of costs.

PORTION OF THE MORROW
SECONDARY TRACK
USRA LINE NO. 497/98/98A
(OUT OF SERVICE)

This portion of the Morrow Secondary track extends 1.9 miles from Milepost 105.5 to Milepost 107.4 in Washington Court House and Fayette County, Ohio. At Washington Court House the line connects with B&O lines from Columbus to Cincinnati and from Dayton to Chillicothe. The eastern and western extensions of this line are abandoned.



1978 DISPOSITION

The line from MP 105.5 to MP 107.4 at Washington Court House is designated for subsidy contingent upon the shippers' willingness to pay the non-Federal share of costs. It ranks 2nd in subsidy priority.

This line is also designated for acquisition. It ranks 10th in acquisition priority.

1977 DISPOSITION

The portion of the line at Washington Court House (MP 105.5 to MP 107.4) designated for subsidy in the 1975 Ohio Branch Line Plan, is now eligible for subsidy. It ranks 7th in priority.

The portion of the line at Circleville (MP 81.1 to MP 81.4) was offered to the Norfolk and Western Railroad. They are presently operating over this track.

The portions of the line at Washington Court House from mile post 107.4 to mile post 108.7 and from mile post 108.7 to mile post 109.0 were offered to the Chessie System as was the portion of track from Wilmington (MP 128.3) to Clarksville (MP 139.1). Chessie is currently operating on all these tracks.

The remaining portions of this line are to be abandoned.

STATUS REPORT

The shippers along this line have continued to show interest in obtaining subsidized rail service. The 5 firms on the line estimate that between 250 and 600 carloads of freight could be generated annually.

The Chessie has indicated that it will provide service if somebody else would buy the track from the Penn-Central Trustees. The DT&I expressed an interest in serving Line 497/98/98a but could not obtain the trackage rights over about 500 ft. of Chessie track necessary to reach the line.

In order to institute service the Authority estimates that \$157,450 in accelerated maintenance will be necessary. Also the Authority estimates it would require \$54,000 to acquire the line.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The shippers on this line are currently trucking their products to rail heads to ship by train. This double handling of freight causes an estimated \$100,000 of extra freight charges. This direct financial loss plays an important part in the future planning of these firms. Four of the businesses are considering expansion at the Washington Court House site, but only if there is direct access to rail service. The expansion of these firms would result in an even greater volume of rail freight.

The 5 firms employ 500 people and provide a \$4 million payroll. This is a significant portion of the estimated 9,900 people employed and the \$76 million payroll for Fayette County.

If these businesses were to relocate out of the county due to insufficient rail service, the unemployment rate of Fayette County could easily increase from 7% to 11%.

STRATEGY FOR THE FUTURE

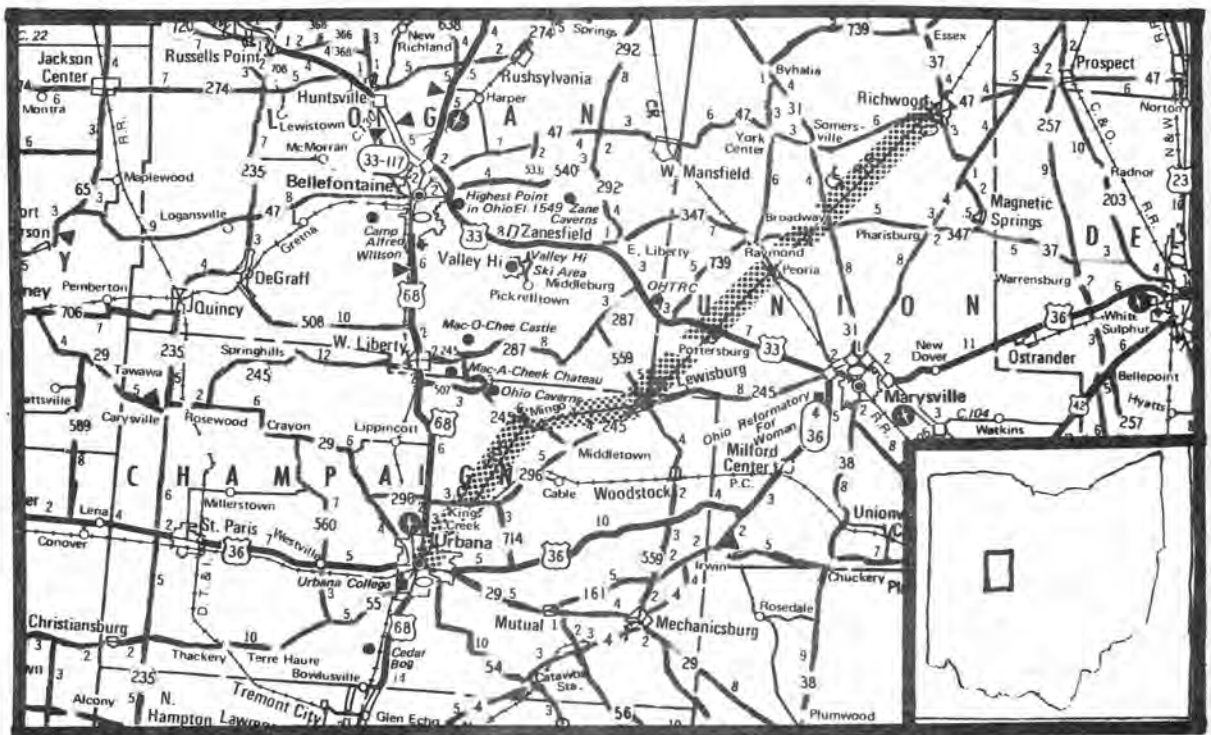
The Authority will continue to work to bring Line 497/98/98a into the subsidy program. It is believed that the freight generated on the line is sufficient for a viable operation if the track can be improved and acquired with Federal assistance.

The Authority is currently in the process of negotiating the price of acquiring the line with the Penn Central Trustees. The Penn Central offer of \$180,000 has already been rejected because it is well over the \$54,000 the Authority estimates as the line's true worth.

The local shippers and the City of Washington Court House are considering purchasing the line also. It is possible that they will eventually accomplish this by paying the non-Federal share of acquisition costs.

PORTION OF THE DAYTON
BRANCH
USRA LINE NO. 1264
(OUT OF SERVICE)

This portion of the Dayton Branch extends from Richwood (Milepost 319.75) to Urbana, Ohio (Milepost 352.1), a distance of 32.4 miles, in Union and Champaign Counties, Ohio. This line continues northeastward from Richwood to Marion (See Line 1263) and southwestward from Urbana. At Peoria the line intersects the Conrail Columbus to Toledo Mainline. At Urbana, the line intersects the Conrail Columbus to Indianapolis Mainline and the Conrail Bellefontaine to Springfield Mainline. Line 1264 is abandoned except for the portion from Peoria to Broadway which is owned by American Electric Power.



1978 DISPOSITION

The portion of this line from Peoria (MP 330.3) to U.S. Route 33 (MP 333.76) is designated for subsidy contingent upon the shippers willingness to pay the non-Federal share of subsidy costs.

The entire line except for the portion from Broadway (MP 328.5) to Peoria, (MP 330.3) which is owned by the American Electric Power Company, is designated for acquisition. It ranks 6th in acquisition priority. The portion of the line from Peoria to U.S. Route 33 will be acquired first to expedite the reinstitution of rail service.

1977 DISPOSITION

The American Electric Company purchased the portion of the line from Peoria (MP 330.0) to the Marysville substation (MP 328.5) on February 25, 1977.

The portion of the line from Peoria (MP 330.3) to just above U.S. Route 33 (MP 333.76) is available for subsidy with Conrail being the designated carrier. It has a subsidy priority of 2. This entire line is also being considered for acquisition and has a priority ranking of 6.

STATUS REPORT

The mileposts on this line have been changed since the 1977 "RailOhio". It was discovered that the last shipper on adjoining Line 1263 was located at milepost 319.75. Thus the northern terminus of Line 1264 (and the southern terminus of Line 1263) will be 319.75.

The American Electric Power Company bought the portion of Line 1264 from Broadway (MP 330.3) to Peoria (MP 328.5) in February 1977. Conrail has been serving this portion of the line when American Electric Power requests. American Electric Power will not, by itself, enter into the subsidy program but has indicated it might consider this possibility if other shippers are involved. Presently, there are no other shippers interested in subsidized service on the line.

In October of 1977, Honda Corporation decided to locate an assembly plant on Line Number 1264 approximately 3.5 miles south of Peoria. Conrail's mainline from Columbus to Toledo intersects Line 1264 at Peoria. In order to institute service, however, a connection must be built to connect the two lines. The line will also require rehabilitation up to FRA Class II Standards. The Authority is currently in the process of purchasing the land and track necessary to institute rail service.

To date, Honda has expressed no interest in participating in the subsidy program. The State of Ohio, through the Department of Economic and Community Development, is providing most of the funding for projects other than acquisition.

The Honda Corporation motorcycle assembly plant will become operational by 1980 but will require rail service as early as 1978 to aid in construction of the facility. Once production starts it is estimated that 1720 carloads would be generated annually,

producing enough revenue to make the line profitable.

Future Honda plans include expansion of the Ohio facility to include the assemblage of automobiles. It is projected that this additional plant would bring total carloads generated by both facilities to 7752 annually.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The economic impacts that will occur when the Honda facilities are built will be tremendous. Initially, between 300 and 500 new jobs will be created. Using the low estimate, these new jobs should stimulate the creation of 200 new, non-manufacturing jobs to serve the needs of the new plant, its workers, and families.

These 500 Honda associated jobs will annually generate an estimated \$5,126,650 in personal income. Of this amount, \$935,600 will be realized by Federal, state and local governments in the form of tax revenues; \$1,126,650 will be expended on new housing; \$317,850 in additional savings deposits will be made in local institutions; and the remainder, \$2,591,500, will enter the economy in the form of general retail sales expenditures. When Honda expands its operation as it plans to do, the economic benefits to the area and to the state will increase proportionately.

An already existing facility, the Transportation Research Center (TRC), will benefit from the re-institution of rail service. This state owned facility is situated next to the Honda site. Although it is an excellent facility, many potential users in private industry and government have found it difficult to transport abnormally large and heavy test equipment to and from TRC on public highways. Thus, rail service should facilitate increased usage of the TRC resulting in additional economic stimulus for the area.

STRATEGY FOR THE FUTURE

The Authority will continue to work to acquire the necessary property, build the necessary connections, and perform the necessary track improvement to provide rail service to the new Honda plant. The tremendous freight potential (over 7,000 carloads yearly) of this plant could be the catalyst for the development of rail service on other portions of the line. If enough shipper interest is shown, rail service on the entire Marion to Urbana line (Lines 1263 and 1264) could be restored.

APPENDIX VI

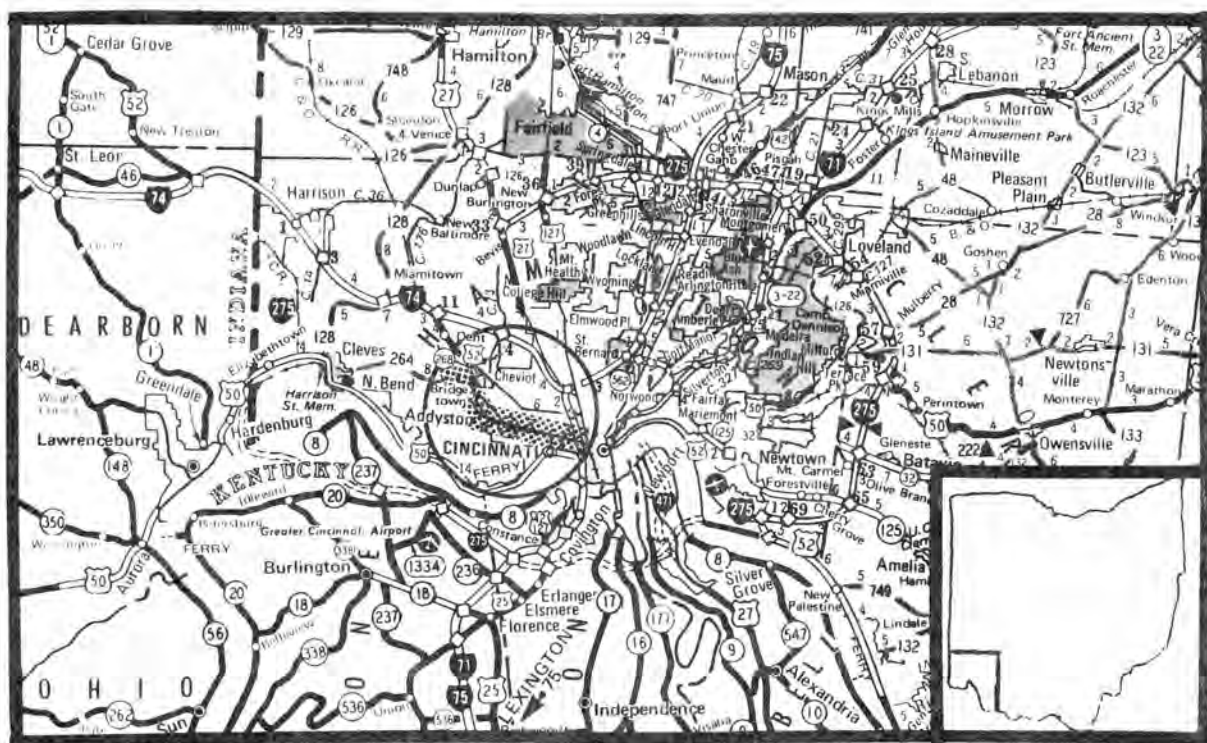
Abandoned Lines With No Definite Local Interest in Restoring Rail Service

Service on lines that have recently been abandoned through the Interstate Commerce Commission (ICC) abandonment process or that were abandoned in the Final Systems Plan can sometimes be re-instituted under the Subsidy Program. The owners of the lines, however, must be willing to lease the track (if it is still in place) to an operator; there must be a carrier willing to provide service; and the shippers must be willing to pay the non-Federal share of subsidy costs.

This appendix contains a brief analysis of lines abandoned in the last year but for which there was no interest expressed in implementing a subsidized operation within the 15 day period required by the ICC. Also, there is a list of lines abandoned in the Final Systems Plan. These lines would be considered for inclusion in the Subsidy Program if the proper criteria are met.

PORTION OF THE CHEVIOT SUBDIVISION AT CHEVIOT (CHESSIE)

This portion of the Cheviot Subdivision extends from Milepost 0.2 at Cheviot to Milepost 1.8 in Cincinnati, a distance of 1.6 miles in Hamilton County. This line connects with the B&O line to St. Louis, the B&O line to Toledo, and to the B&O line to Chillicothe, Ohio. This line has been abandoned to enable construction of a rail yard.



1978 DISPOSITION

This line was abandoned on January 31, 1978, without opposition from the Authority or any other sources.

1977 DISPOSITION

This 1.6 miles of track is designated for abandonment to allow construction of a new rail yard for the Chessie System.

STATUS REPORT

The Chesapeake and Ohio (C&O) petitioned the Interstate

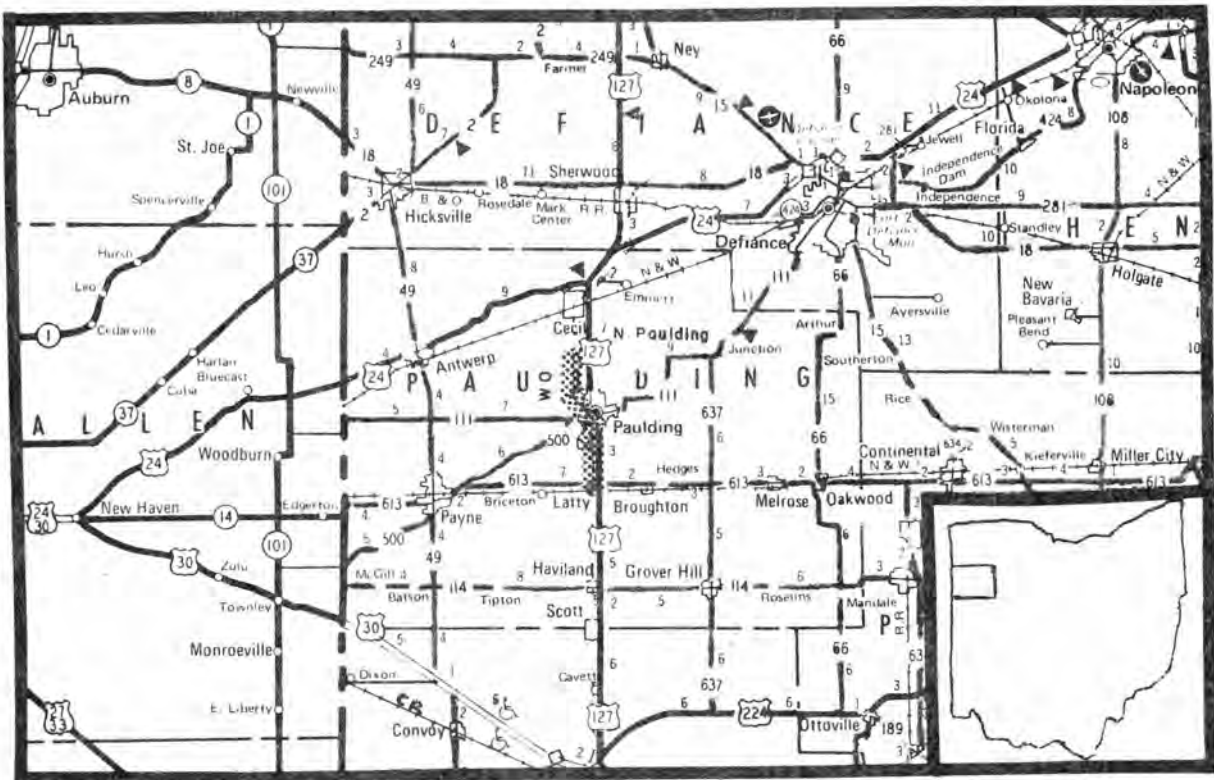
Commerce Commission (ICC) to abandon this line in October 1976. On January 31, 1978, the ICC granted a certificate of abandonment.

There was no protest to the abandonment as there were no shippers on the line and the C&O is using the right-of-way to build a new \$56 million rail yard. This yard will cut in half the time it takes to sort and assemble trains, improving transit time and thus improving service to shippers.

There was some overhead traffic on this line. It will be re-routed over the parallel B&O line to the south.

PORTION OF THE NORTHERN
BRANCH
USRA LINE NO. 531
(OUT OF SERVICE)

This portion of the Northern Branch, formerly part of the Penn Central R.R., extends from North Paulding (MP 80.5) to Latty, Ohio (MP 89.5), a distance of 9.0 miles in Paulding County. The N&W mainline to Fort Wayne, Indiana and Bellview, Ohio connects with the southern termini at Latty. There is abandoned trackage northward at North Paulding and southward at Latty.



1978 DISPOSITION

This line is not recommended for subsidy as the shippers are no longer willing to pay the non-Federal share of subsidy costs.

This line is not designated for acquisition.

1977 DISPOSITION

It is recommended that the Western Ohio Railroad Company serve

the line from North Paulding (MP 80.5) to Latty (MP 89.5) under the subsidy program for the period of this plan. After June 30, 1978 the shippers will be required to bear 20 percent of the subsidy cost in order to continue the subsidy program. This line presently ranks number 10 in priority.

The remaining portions of this line are to be abandoned. This line is designated for acquisition.

STATUS REPORT

Service on Line 531/31a/32 was terminated on June 30, 1978 because the shippers were no longer willing to pay the non-Federal share of subsidy costs. The line between North Paulding (MP 80.5) and Latty (MP 89.5) is to be abandoned.

Shippers on the line previously lost service from April through September, 1977, when first required to pay 10% of the subsidy cost. However, the proposal of a shortline, Western Ohio Railroad, was reasonable enough to reinstitute rail service. The estimated subsidy from Sept. 1977 to April 1, 1978 was \$56,530. In April of 1978, the 6 month operating agreement was then extended until July 1, 1978. This extension was to simplify the accounting of the subsidy costs, because on July 1 the non-Federal share increased from 10% to 20%.

The subsidy projection for the period July 1, 1978 to July 1, 1979 was estimated at \$156,490. It was this large increase in the subsidy that forced the shippers to cease rail service.

BENEFITS AND COSTS OF CONTINUED RAIL SERVICE

The shippers along the line determined that the advantages gained from continued rail service were outweighed by the subsidy cost.

The local transportation system will not be significantly affected. Using the 1977 projection of carloadings, 284 truck loads will replace the 90 train carloads shipped. This amounts to approximately one additional truck per day on local highways and State Routes 127, 613 and 500. The area can still be served by team tracks at Latty, which is less than nine miles from the present shippers.

As line 531/31a/32 is a short spur and offers no value as an alternate freight route, the overall Ohio Transportation system will not be affected by lost service. The Norfolk and Western will lose the traffic that the Western Ohio had transferred to them at Latty, but the small amount of carloadings will not cause any significant adverse effects.

STRATEGY FOR THE FUTURE

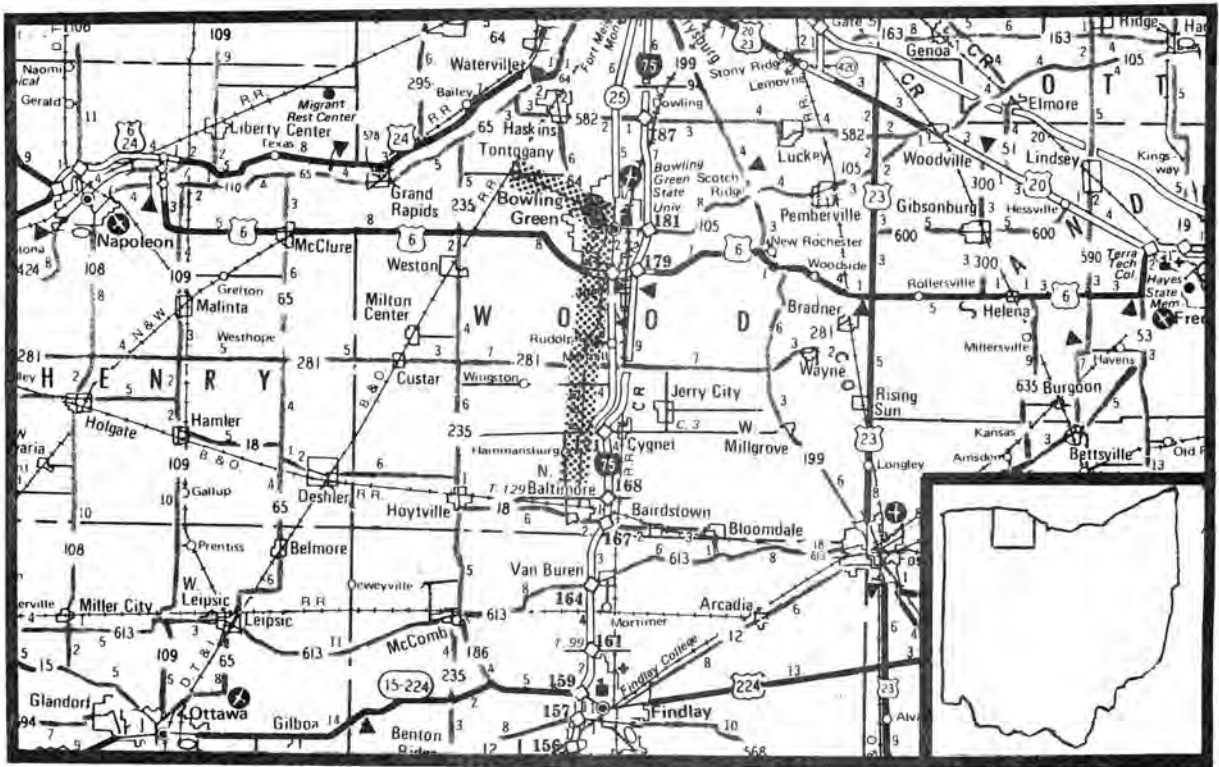
At this time the Authority will not consider line 531/31a/32 for acquisition due to the short length of this spur and the

proximity to other lines.

The Authority will continue to consider the line for subsidy, dependent upon the future desires expressed by the shippers.

PORTION OF THE BOWLING GREEN BRANCH TONTOGANY TO NORTH BALTIMORE (OUT OF SERVICE)

The Bowling Green Branch of the B&O extends southeasterly from Tontogany (Milepost 0.0) through Bowling Green (Milepost 5.4), and southward through Rudolph to North Baltimore (Milepost 19.2) in Wood County, Ohio. At Tontogany the line meets the B&O Toledo-to-Cincinnati line and at North Baltimore the B&O Pittsburgh-to-Chicago line.



1978 DISPOSITION

The ICC has ordered the Bowling Green Branch abandoned except for the one and one-half (1½) miles north of the D. S. Brown Company needed to serve Mid-Wood Inc. (the Mileposts have yet to be determined). The abandoned portion of the line will not be recommended for subsidy but will be studied for acquisition.

1977 DISPOSITION

In the event the Interstate Commerce Commission (ICC) grants a certificate of abandonment, the portions of this line that serve the shippers at Tontogany and North Baltimore would be recommended for subsidy contingent upon the shippers' willingness to pay the non-Federal share. These portions both rank 20th in subsidy priority. The line will also be considered for acquisition. It ranks 28th in acquisition priority.

STATUS REPORT

The Baltimore and Ohio Railroad filed an application to abandon the line October 20, 1976. Protests to the application were filed by interested parties which included Mid-Wood, Inc.. However, Mid-Wood's protest was not considered due to its non-compliance with the Commission's Rules of Practice. The B&O modified its application to continue service to another shipper and the proceeding was then treated as unopposed. Subsequently, the ICC served an order to abandon the line on October 31, 1977. On December 15, 1977, Mid-Wood filed a verified statement requesting that service to its facility be retained. On May 8, 1978, the ICC ordered the Bowling Green Branch abandoned except for the one and one-half miles north of D.S. Brown serving Mid-Wood, Inc. at North Baltimore. The B&O demonstrated that the line handled 93 cars of traffic in 1973, 70 in 1975, and 59 in 1976 and incurred deficits of \$60,833 in 1974, \$63,613 in 1975, and \$51,796 in 1976.

According to Chessie, track along the line is in poor condition. Thirty percent of the ties need to be replaced and the entire line needs resurfacing. Traveling speed over the line is currently limited to 10 MPH. Chessie has estimated that the line would require \$616,180 in rehabilitation.

The commodities and their carloads handled on this line are:

STCC	COMMODITY	1974		1975		6 MONTHS 1978	
		CARS	TONS	CARS	TONS	CARS	TONS
01	Farm Products	4	112	None	None	None	None
09	Fresh Fish or Other Marine Products	2	67	1	40	None	None
11	Coal	2	123	1	61	None	None
14	Nonmetallic Minerals; except fuels	3	120	4	160	2	80
20	Food or Kindred Products	10	268	14	365	1	30
24	Lumber or Wood Products; except Furniture	32	1462	19	807	13	645
25	Furniture or Fixtures	3	28	None	None	None	None
26	Pulp, Paper, or Allied Products	2	65	None	None	None	None
28	Chemicals or Allied Products	53	3107	50	3438	17	1166
29	Petroleum or Coal Products	8	282	5	176	3	99
32	Stone, Clay, or Glass Products	1	45	1	50	None	None
35	Machinery; Except Electrical	6	116	3	47	None	None
36	Electrical Machinery or Equipment; aao. Supplies	3	166	2	67	None	None
37	Transportation Equipment	4	54	1	9	None	None
		<u>133</u>	<u>6015</u>	<u>101</u>	<u>5220</u>	<u>36</u>	<u>2020</u>

BENEFITS AND COST OF CONTINUED RAIL SERVICE

The appellant of the decision, Mid-Wood, utilizes rail to obtain fertilizers from points in Canada and Florida. Because of the nature of the product and the distance involved, trucking is not a viable alternative to rail.

The state and local transportation system will not be adversely affected by abandonment. The North Baltimore area has easy access to State Route 18 which is a two lane highway and Interstate 75 which connects Toledo and Cincinnati. The discontinuance of rail service will increase traffic in the area by approximately 228 truck loads per year. This would result in an increase in air pollution of 526 pounds of carbon monoxide and 540 pounds of oxides of nitrogen. The ICC environmental threshold assessment survey found that no significant impact on the environment would result from the abandonment. Thus, no environmental impact statement was required.

Major carriers will be only slightly affected by abandonment of the line. The B&O will cut costs and Conrail may pick up some shippers in Bowling Green as a result of an abandonment.

STRATEGY FOR THE FUTURE

The portion of the line between Tontogany and Mid-Wood will be studied for acquisition.

Abandoned Lines With No Definite
Local Interest In Restoring Rail Service

Intrastate Lines

<u>USRA#</u>	<u>TERMINI</u>	<u>LENGTH</u>
365	North Benton-Alliance	4.4
367	Alliance-Mt. Union	1.3
368	Piney Fork-Dillonvale	5.1
370	Magnolia-Dover	13.5
373	Newcomerstown-Stone Creek	10.4
374	Newcomerstown-Cambridge (MP 58.9 - MP 83.3)	23.5
375/376/377	Marietta-Pleasant City	48.9
381	Collinwood-Fairhill Road	4.8
384	West 25th St.-Clark St.	1.7
387/388	Elyria-Bellevue (MP 209.4 - MP 248.3)	38.9
388a	Bellevue-Clyde	5.9
475	Miami Crossing at Columbus - east of GN	2.5
481/482	Luckey-Berwick (MP 15.8 - MP 34.3 & MP 35.1 - MP 46.2)	29.6
485	Berwick-Spore	16.7
487	Edison-Johnstown (MP 88.7 - MP 119.3)	30.6
487a	Johnstown-North of Granville	8.7
488	Granville-Heath	5.0
490	Glass Rock-Thurston	16.8
492	Fultonham-Crooksville	9.7
496/496a	Circleville-Bremen (MP 49.9 - MP 55.5 & MP 59.9 - MP 80.1)	25.8
496c	Crooksville-New Lexington	6.5
497/498/498a	Circleville-Morrow (MP 81.4 - MP 105.5, MP 107.7 - MP 108.8 & MP 139.1 - MP 148.9)	34.9
499	Scioto-Ostrander	3.8
502/503/504	Bellefontaine-St. Marys (MP 54.7 - MP 80.6 & MP 82.5 - MP 93.5)	36.9
505/506	Belle Center-Bellefontaine	8.1
507	Clyde-Green Springs	5.4
507a	Green Springs-Tiffin	8.5
508	Tiffin-Berwick	6.6
516	Roxanna-Waynesville (MP 63.4 - MP 68.9)	5.5
516a	Waynesville-Morrow	14.3
516b	Milford-Calre	5.4
516c	South Lebanon-Milford	17.8
516d	Morrow-South Lebanon	4.6
516e	Middletown Secondary Track at Middletown Jct.	2.6
517	Bradford-New Paris (MP 83.1 - MP 92.6 & MP 96.6 - MP 113.8)	26.7
526	Dayton-Pasadena	1.6
527/8	Centerville-Lytle (MP 11.0 - MP 16.0)	5.0

Intrastate Lines (con't)

<u>USRA#</u>	<u>TERMINI</u>	<u>LENGTH</u>
531/531a/532	Bryan-Van Wert (MP 60.0 - MP 84.0 & MP 89.5 - MP 104.5)	39.0
535	Rockford-Celina; Near Celina-Coldwater; St. Henry-Ansonia	21.9
549	Cold Springs-Troy	19.2
550	Hewitt-Savona	1.2
551	Troy-Arcanum (MP 26.9 - MP 45.8)	18.9
552	Arcanum-Savona	2.4
553	Hewitt-Glen Karn	7.2
558	Avondale-Eddleston Ave. (MP 54.3 - MP 54.6)	0.3
558b	South of Mason-North of Brecon	3.0
559	Middletown-Oxford Road	2.6
643	Fremont-Lindsey	3.7
643a	Clyde-Fremont (MP 256.7 - MP 257.7, MP 258.5 - MP 265.5 & MP 268.0 - MP 269.0)	9.0
702	Norwood-Cincinnati Union Terminal	10.7
706	At Heath	0.3
714	North Warren-Ashtabula (MP 81.1 - MP 124.3)	43.2
1258	Niles-Lisbon (MP 14.5 - MP 21.8)	7.3
1264	Richwood-Peoria; US Rt. 33 & Urbana	29.0

Interstate Lines

530	Hudson, Mich.-Bryan	11.8
554	Glen Karn-Hunter, Ind.	1.0

APPENDIX VII

Acquisition Data

APPENDIX VII
ACQUISITION PRIORITY LIST

<u>USRA LINE NO.</u>	<u>TERMINI</u>	<u>ENERGY ACCESS POINTS</u>	<u>ECONOMIC FACTOR POINTS</u>	<u>ALTERNATE RAIL USE POINTS</u>	<u>TOTAL</u>	<u>RANK</u>
375/76/77	Marietta-Cambridge	38	29	11	78	1
371	Minerva-Magnolia	32	34	10	76	2
373	Newcomerstown-Dover	30	25	13	68	3
374	Cambridge-Newcomerstown	25	14	11	50	4
370	Magnolia-Dover	25	11	13	49	5
1264	*Richwood-Urbana	0	45	3	48	6
525	Lebanon-Hageman	7	39	1	47	7
527/28	Hempstead-Centerville	0	42	2	44	8
536/37	Yellow Springs-Springfield	7	34	2	43	9
478	Howard-Holmesville	7	29	5	41	10
497/98/98a	At Washington Court House	0	37	4	41	10
535	*Celina-St. Henry	0	37	1	38	12
571a	Valley Junction-Harrison	0	35	1	36	13
714	North Warren-Ashtabula	0	29	6	35	15
502/3/4	At Wapakoneta	0	34	1	35	15
531/31a/32	*North Paulding-Latty	0	34	1	35	15
643	Lindsey-Genoa	0	29	4	33	17
1261	*Lima-Wren	0	29	3	32	18
1263	Marion-Richwood	0	30	1	31	19

* Denotes Lines With Changes From Last Year's Plan

<u>USRA LINE NO.</u>	<u>TERMINI</u>	<u>ENERGY ACCESS POINTS</u>	<u>ECONOMIC FACTOR POINTS</u>	<u>ALTERNATE RAIL USE POINTS</u>	<u>TOTAL</u>	<u>RANK</u>
1261	*Van Wert-Rockford	0	30	1	31	19
516	Spring Valley-Roxanna	0	26	4	30	21
477a	At Columbus	0	26	1	27	22
487	Mt. Gilead-Johnstown	3	22	1	26	23
492	Fultonham-Crooksville	7	11	5	23	24
496c	Crooksville-New Lexington	12	4	5	21	25
368	Piney Fork-Dillonvale	7	9	1	17	26

LINES PENDING ABANDONMENT**

--	Philo-Malta	10	35	2	47	--
--	Oldtown-Nelsonville	15	24	1	40	--
--	Oldtown-Pomeroy	25	11	3	39	--
--	Vulcan-Silica	3	30	1	34	--
--	Willard-Sandusky	0	29	3	32	--
--	Tontogany-North Baltimore	0	24	2	26	--
--	Pergo-Indiana Border	0	21	3	24	--
--	Wauseon-Michigan Border	0	21	1	22	--

** Lines Cannot Be Purchased Until They Are Abandoned

APPENDIX VII

PRIORITY OF ACQUISITION ANALYSIS

Segment _____

U.S.R.A. Line No. _____

Owner _____

From _____ To _____

Milepost: From _____ To _____ Miles _____

ENERGY ACCESS FACTORS

Assigned Points

Fossil Fuel Access (Total 35 Points)

a. U.S.R.A. priority rank (Select one) _____ ☐

Very High	25 points	_____
High	20 points	_____
Medium	15 points	_____
Low	5 points	_____
Minimal	2 points	_____

b. Service provided (Select one) _____ ☐

Direct connection to main line	10 points	_____
Connecting to branch line	5 points	_____
Connecting to an out of service line.	2 points	_____

Other Energy Access (Total 10 Points)

a. Access to power plant _____ ☐

Using fossil fuel	7 points	_____
Transformer station	3 points	_____

b. Access to Other _____ ☐

Major fossil fuel users	3 points	_____
-------------------------	----------	-------

ECONOMIC FACTORS

Rail Freight Potential (Total 25 Points)

a. Number of carloads per mile per year _____ ☐

70 or more	20 points	_____
50 to 69	15 points	_____
30 to 49	10 points	_____
Under 30	5 points	_____

Rail Freight Potential (cont.)

- b. Number of potential shippers within 5 miles _____ ☐
- | | | |
|------------|-----------|-------|
| 15 or more | 10 points | _____ |
| 10 to 14 | 8 points | _____ |
| 5 to 9 | 5 points | _____ |
| 1 to 4 | 2 points | _____ |
- c. Shippers committed to pay subsidy _____ ☐
- | | |
|----------|-------|
| 5 points | _____ |
|----------|-------|

Employment in Service Area (Total 10 Points)

- a. Number employed by previous shippers _____ ☐
- | | | |
|---------------|----------|-------|
| 500 and over | 5 points | _____ |
| 400 to 499 | 4 points | _____ |
| 300 to 399 | 3 points | _____ |
| Less than 299 | 2 points | _____ |
- b. Number employed by heavy type Industries within a 5 mile service area _____ ☐
- | | | |
|--------------|----------|-------|
| 500 and over | 5 points | _____ |
| 400 to 499 | 4 points | _____ |
| 300 to 399 | 3 points | _____ |
| 200 to 299 | 2 points | _____ |

Agricultural Production on Branch Line (Total 10 Points)

- a. Grain storage facilities 5 points _____ ☐
- b. Fertilizer and Farm machinery 5 points _____ ☐

ALTERNATE RAIL USES (Total 15 Points)

- Potential Alternate Freight Route _____ ☐
- | | | |
|-----------|----------|-------|
| Very High | 5 points | _____ |
| High | 4 points | _____ |
| Medium | 3 points | _____ |
| Low | 2 points | _____ |
| Minimal | 1 point | _____ |

- Potential Intermodal Connection _____ ☐
- | | | |
|-----------|----------|-------|
| Very High | 5 points | _____ |
| High | 4 points | _____ |
| Medium | 3 points | _____ |
| Low | 2 points | _____ |
| Minimal | 1 point | _____ |

- Potential Rail Passenger Route _____ ☐
- | | | |
|-----------|----------|-------|
| Very High | 5 points | _____ |
| High | 4 points | _____ |
| Medium | 3 points | _____ |
| Low | 2 points | _____ |
| Minimal | 1 point | _____ |

APPENDIX VIII
SUMMARY OF PROJECTS

CHART OF PROJECTS

ICC Category Number	USRA Line Number/ Carrier	Termini	Projected Sub- sidy Cost 4/1/78 to 3/31/79	Estimated Cost of Accelerated Main- tenance to FRA Class I/Year to be Performed	Budget for Acquisition
I	DT&I	Napolean-Wauseon	Not Applicable	None Expected	Not Applicable
I	C&O	Armitage-Athens	Not Applicable	None Expected	Not Applicable
I	B&O	At Newark	Not Applicable	None Expected	Not Applicable
I	B&O	S. Webster-Edmunds	Not Applicable	None Expected	Not Applicable
I	B&O	At Portsmouth	Not Applicable	None Expected	Not Applicable
I	B&O	Sandyville-Mineral City	Not Applicable	None Expected	Not Applicable
I	B&O	At Huff Run Junction	Not Applicable	None Expected	Not Applicable
I	B&O	At West Dayton	Not Applicable	None Expected	Not Applicable
I	N&W	Lake Jct.-S. Lorain	Not Applicable	None Expected	Not Applicable
I	N&W	Carey-Delphos	Not Applicable	None Expected	Not Applicable
I	CR	Lima-Harrod	Not Applicable	None Expected	Not Applicable
I	CR	Dayton-Lytle	Not Applicable	None Expected	Not Applicable
I	CR	Crooksville-N. Lex- ington	Not Applicable	None Expected	Not Applicable
I	N&W	Pergo-Edon	Not Applicable	None Expected	Not Applicable
I	Y&S	Negly-Smith Ferry	Not Applicable	None Expected	Not Applicable
II	C&O	Cincinnati-Fernald	Not Applicable	None Expected	Not Applicable
II	CR	Leetonia-Lisbon	**\$65,673	**115,200/1979-81	Not Applicable
II	CR	Marion-Harrod	Not Applicable	None Expected	Not Applicable
II	CR	Columbus-Howard	**\$135,418	None Expected	Not Applicable
II	CR	Erie Docks	Not Applicable	None Expected	Not Applicable
II	CR	Stillwater-Indiana	**\$233,104	None Expected	Not Applicable
II	P&LE	Near Youngstown	Not Applicable	None Expected	Not Applicable
III	B&O	Willard-Sandusky	**\$78,844	None Expected	No Funds Encumbered
III	C&O	Oldtown-Nelsonville	Not Recommended	None Expected	No Funds Encumbered
III	B&O	Philo-Malta	**\$98,175	**20,849/1979-81	No Funds Encumbered
III	C&O	Oldtown-Creola	Not Recommended	None Expected	No Funds Encumbered

*Lines subsidized this year will be subsidized until the end of the program if shippers pay the non-federal share.

**Contingent upon abandonment of line and shippers' willingness to pay the non-federal share of costs.

III	C&O	Dundas-Pomeroy	**Not Available	None Expected	No Funds Encumbered
III	TA&W	Vulcan-Silica	**\$41,243	None Expected	No Funds Encumbered
III	DT&I	Wauseon-Oak Shade	Not Recommended	None Expected	No Funds Encumbered
III	N&W	At Steubenville	Not Available	None Expected	Not Applicable
IV	371/CR	Minerva-Magnolia	*\$149,918	None Expected	\$330,000
IV	477a/CR	At Columbus	* 9,397	None Expected	No Funds Encumbered
IV	478/CR	Howard-Holmesville	*\$212,191	None Expected	\$1,062,000
IV	502/03/04/CR	At Wapakoneta	*\$ 6,114	None Expected	\$ 51,000
IV	516/CR	Spring Valley-Roxanna	*\$ 32,705	\$14,533/1978	No Funds Encumbered
IV	525/CR	Lebanon-Hageman	*\$ 42,236	\$135,000/1978	\$177,000
IV	527/28/CR	Hempstead-Centerville	*\$121,888	\$137,000/1978	\$177,000
IV	535/WO	At Celina/Coldwater- St. Henry	*\$150,730	None Expected	\$339,000
IV	536/37/CR	Yellow Springs- Springfield	*\$100,652	\$278,851/1978	\$354,000
IV	571a/CR	Valley Jct.-Harrison	*\$0	None Expected	No Funds Encumbered
IV	643/CR	Lindsey-Genoa	*\$ 46,779	None Expected	\$261,000
IV	1261/SE	Lima-Rockford-Wren	*\$284,620	\$153,510/1978	\$531,000 (Lima-Wren)
IV	1263/CR	Marion-Richwood	*\$ 13,897	None Expected	No Funds Encumbered
V	375/B&O	Pleasant City- Cambridge	Not Applicable	None Expected	(see 375/76/77)
Aband.	370/	Magnolia-Dover	Not Applicable	None Expected	\$405,000
Aband.	373/	Newcomerstown- Dover	Not Applicable	None Expected	\$546,000
Aband.	374/	Cambridge- Newcomerstown	Not Applicable	None Expected	\$546,000
Aband.	375/76/77/	Marietta-Cambridge	Not Applicable	None Expected	\$1,692,000
Aband.	497/98/98a/	At Washington Court House	***\$1	***\$157,450/1979-81	\$54,000
Aband.	1264/	Richwood-Urbana	Not Applicable	See line by line analysis	\$981,000

*Lines subsidized this year will be subsidized until the end of the program if shippers pay the non-federal share.

**Contingent upon abandonment of line and shippers' willingness to pay the non-federal share of costs.

***Contingent upon re-institution of service.

APPENDIX IX

Information Update on Selected
Branchlines

PORTION OF THE SANDUSKY BRANCH
WILLARD TO SANDUSKY
(SEE PAGE 123)

INFORMATION UPDATE

On September 27, 1978, the Notice of Abandonment was published in the Federal Register. On October 6, 1978, the Authority made an offer of intent to subsidize rail service to shippers in Prout, Ohio. This action will delay the issuance of a final Certificate of Abandonment for six months (until March 6, 1979) while the Authority negotiates necessary agreements to keep rail service to Prout.

In granting the abandonment of the line, the Interstate Commerce Commission stipulated that the Chessie must offer the portion of the line between Sandusky and Plum Brook (six miles south of Sandusky) for sale to Conrail. This segment serves most of the rail dependent shippers on the line. Chessie is currently serving this line under an ICC directed service order until it can reach a purchase agreement with the Conrail.

Unless the Authority can conclude a subsidy operation agreement the shippers in Prout will lose rail service. Initial contact with the Norfolk and Western to try to arrange subsidized service to Prout from a connection with the N&W mainline two miles away at Kimball was unsuccessful. The N&W does not desire to provide subsidized service on this line under the Rail Service Continuation Assistance Program.

However, Conrail has indicated it is willing to provide subsidized service as an extension of its new service to Plum Brook. The Authority has already obtained a written commitment from shippers to pay the non-Federal share of costs. It is now in the process of obtaining the relevant lease and operation costs to institute Conrail service.

PORTION OF THE ARMITAGE BRANCH
OLDTOWN TO NELSONVILLE
(SEE PAGE 127)

INFORMATION UPDATE

The Interstate Commerce Commission published notice of its final decision on this portion of the Armitage Branch in the Federal Register on August 3, 1978. The Commission decided that service should be continued on the portion of the line from Oldtown (Milepost 52.4) to Diamond (Milepost 58.6) in order to serve the shippers on the line. As there are no shippers between Diamond and Nelsonville (Milepost 62.9), it was decided that this portion would be abandoned. The final certificate of abandonment for this latter portion was served September 12, 1978.

As the ICC decision maintained service to all shippers on the line, the Authority will take no action with this line. However, the Authority will continue to monitor the line to insure that the fiscal posture of the line remains healthy. If the economic condition of the line declines, the Authority will initiate corrective actions to alleviate causes for a renewed attempt to abandon this line.

There is one potential adverse affect of the abandonment of the end of this line. The Hocking Valley Scenic Railroad operates out of Nelsonville. In order to service its rolling stock it must have a connection to other rail lines. The abandonment of the Diamond to Nelsonville section eliminates this connection.

PORTION OF THE OHIO AND
LITTLE KANAWHA BRANCH
PHILO TO RELIEF
(SEE PAGE 130.)

INFORMATION UPDATE

The protestants to the abandonment of the Philo to Relief line attempted to prevent the abandonment of the line by appealing to Federal Courts. On July 3, 1978, the Sixth Circuit of the United States Court of Appeals denied the protestants petition to force the ICC to keep the case open. The final notice of abandonment was published in the Federal Register on August 18, 1978. Subsequently, the Ohio Rail Transportation Authority filed an offer of financial assistance to permit continued operations between Philo and Malta.

By making this offer, the Authority has delayed the issuance of a Certificate of Abandonment until March 19, 1978. By this date, the Authority must work with shippers and the Chessie to arrive at an agreement to continue service under the Federal Rail Service Continuation Assistance Program. The Authority is currently involved in negotiations.

APPENDIX X

PUBLIC PARTICIPATION UPDATE

APPENDIX X

PUBLIC PARTICIPATION UPDATE

The Ohio Rail Transportation Authority has taken considerable studies in broadening the citizen involvement in "RailOhio" since the Preliminary Draft was released on August 1, 1978. In addition to an extensive dissemination of the rail plan for comment, the Authority has initiated an extensive "Citizen Involvement" program.

To insure that "RailOhio" would be available for all who wished to review it, over 300 copies of the plan were printed. These plans were distributed to the following:

- all County District Libraries
- all Metropolitan Planning Agencies
- all Regional Planning Units
- all Shipper Representatives
- all Ohio Railroads
- all ODOT Planning Units
- all DOT's of Bordering States
- any Citizen, Firm, or Organization requesting the Plan

Letters were also sent to each known shipper on subsidized lines and lines in ICC Categories I, II, or III, informing them that they could obtain a copy of the rail plan from their shipper representative or county library.

The number of responses received from this distribution was limited. The Authority addressed each comment individually.

In addition, an opportunity for a public hearing was afforded the citizens of Ohio. A legal notice was published in 47 key newspapers across the state. There were no requests that a hearing be held.

The Authority will continue to refine its public participation process in the future. New staff members working exclusively with "Public Involvement" have been added to the Authority. Programs are being developed that will more fully incorporate citizen input in all phases of rail planning.

APPENDIX XI

New Federal Legislation

APPENDIX XI

New Federal Legislation

On November 8, 1978 President Carter signed into law the "Local Rail Service Assistance Act of 1978". Listed below are the significant changes to the Federal Rail Service Continuation Assistance Program that have resulted from this new act.

- 1) Federal funds are available for rehabilitation, acquisition, and certain other rail projects prior to abandonment for lines carrying less than 3 million* gross tons of freight per year or in ICC Category III, (Pending Abandonment).
- 2) The level of funding for eligible branch line projects is 80% Federal monies, 20% local monies, except for subsidy payments in the last year of the program.
- 3) Lines currently in the Subsidy Program will continue to receive 80% Federal funding until June 30, 1980. From July 1, 1980 until June 30, 1981 the Federal share will be only 70%.
- 4) A new subsidy program is established for lines abandoned since February 5, 1976 that have not received prior Federal funding. These lines can be subsidized up to 3 years. For the first two years the lines will receive 80% Federal funding. In the third year the Federal share will drop to 70%.

The general direction of rail planning changes with these new provisions. For the first time Federal money is available to aid lines before they are abandoned.

The Authority will more fully document its activities under the new law in the 1979-80 "RailOhio".

*With approval by the FRA, lines carrying between 3 and 5 million gross tons per year can also receive assistance.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

Exhibit C

49 C.F.R. §§ 1150.21-1150.22 (1983)

§ 1143.7 Contents of the reply.

Replies and petitions to intervene shall include: (1) Written argument detailing the reasons the State's action was reasonable; and (2) Certification that a copy has been served on the petitioner's representative(s) (if any). Replies and petitions may also address any new evidence submitted by the carrier. Petitions to intervene shall also include a statement of good cause why an appearance was not entered in the State proceeding and why an appearance is appropriate in this proceeding.

§ 1143.8 Rebuttal by the carrier.

Rebuttals to reply statements shall be filed within 20 days of the filing date of the petition. Rebuttal to intervention petitions shall be filed within 10 days of the filing of the petitions.

PARTS 1144—1149—[RESERVED]

PARTS 1150—1169—LICENSING PROCEDURES

PARTS 1150—1159—RAIL LICENSING PROCEDURES

PART 1150—CERTIFICATE TO CONSTRUCT, ACQUIRE, OR OPERATE RAILROAD LINES

Subpart A—Applications Under 49 U.S.C. 10901

Sec.

- 1150.1 Introduction.
- 1150.2 Overview.
- 1150.3 Information about applicant(s).
- 1150.4 Information about the proposal.
- 1150.5 Operational data.
- 1150.6 Financial information.
- 1150.7 Environmental and energy data.
- 1150.8 Additional support.
- 1150.9 Notice.
- 1150.10 Procedures.

Subpart B—Designated Operator

- 1150.11 Introduction.
- 1150.12 Information about the designated operator.
- 1150.13 Relevant dates.
- 1150.14 Proposed service.
- 1150.15 Information about offeror.
- 1150.16 Procedures.

Sec.

Subpart C—Modified Certificate of Public Convenience and Necessity

- 1150.21 Scope of Rules.
- 1150.22 Exemptions and common carrier status.
- 1150.23 Modified certificate of public convenience and necessity.
- 1150.24 Termination of service.

AUTHORITY: 49 U.S.C. 10321 and 10505 and 5 U.S.C. 559.

SOURCE: 47 FR 8199, Feb. 25, 1982, unless otherwise noted. Redesignated at 47 FR 49581, Nov. 1982.

Subpart A—Applications Under 49 U.S.C. 10901

§ 1150.1 Introduction.

(a) *When an application is required.* This subpart governs applications under 49 U.S.C. 10901 for a certificate of public convenience and necessity authorizing the construction, acquisition or operation of railroad lines. Noncarriers require Commission approval under section 10901 to construct, acquire or operate a rail line in interstate commerce. Existing carriers require approval under section 10901 only to construct a new rail line or operate a line owned by a noncarrier, since acquisition by a carrier of an active rail line owned by a carrier is covered by 49 U.S.C. 11343. We have exempted from these requirements the acquisition by a State entity of a rail line that has been approved for abandonment, as well as operations over these lines. See Subpart C of this part. In addition, where appropriate, we have granted individual exemptions from these certification requirements. See 49 U.S.C. 10505.

(b) *Content of the application.* Applications filed under this subpart shall include the information set forth in §§ 1150.2 through 1150.9. The applicant must also comply with the Energy and Environmental Regulations, at 49 CFR Parts 1106 and 1105 (including consulting with the Commission's Energy and Environmental Branch at least 6 months prior to filing an application, to begin the scoping process to identify environmental issues and outline procedures

for analysis of this aspect of the proposal).

§ 1150.2 Overview.

(a) A brief narrative description of the proposal.

(b) The full name and address of applicant(s).

§ 1150.3 Information about applicant(s).

(a) The name, address, and phone number of the representative to receive correspondence concerning this application.

(b) Facts showing that applicant is either a common carrier by railroad or has been organized to implement the proposal for which approval is being sought.

(c) A statement indicating whether the rail line will be operated by applicant. If not, the operator which has been selected must join in the application, and provide all information required for an applicant. If the operator has not yet been selected, state who is being considered.

(d) A statement indicating whether applicant is affiliated by stock ownership or otherwise with any industry to be served by the line. If so, provide details about the nature and extent of the affiliation.

(e) Date and place of organization, applicable State statutes, and a brief description of the nature and objectives of the organization.

(f) If a corporation, submit:

(1) A list of officers, directors, and 10 principal stockholders of the corporation and their respective holdings. A statement whether any of these officers, directors or major shareholders control other regulated carriers. Also a list of entities, corporation(s) individual(s), or group(s) who control applicant, the extent of control, and whether any of them control other common carriers.

(2) As exhibit A, any resolution of the stockholders or directors authorizing the proposal.

(g) If a partnership or individual, submit the name and address of all general partners and their respective interests, and whether any of them control other carriers.

(h) If applicant is an entity other than as described in paragraphs (e) or

(f) of this section, submit name, title, and business address of principals or trustee, and whether the entity controls any other common carriers.

(i) If applicant is a trustee, receiver, assignee, or a personal representative of the real party in interest, details about the appointment (including supporting documents, such as the court order authorizing the appointment and the filing) and about the real party in interest.

(j) If applicant is an existing carrier, it may satisfy the informational requirements of paragraphs (f)–(i) of this section by making appropriate reference to the docket number of prior applications that have been filed within the previous three years in which the information has been submitted.

§ 1150.4 Information about the proposal.

(a) A description of the proposal and the significant terms and conditions, including consideration to be paid (monetary or otherwise). As exhibit B, copies of all relevant agreements.

(b) Details about the amount of traffic and a general description of commodities.

(c) The purposes of the proposal and an explanation of why the public convenience and necessity require or permit the proposal.

(d) As exhibit C, a map which clearly delineates the area to be served including origins, termini and stations, and cities, counties and States. The map should also delineate principal highways, rail routes and any possible interchange points with other railroads. If alternative routes are proposed for construction, the map should clearly indicate each route.

(e) A list of the counties and cities to be served under the proposal, and whether there is other rail service available to them. The names of the railroads with which the line would connect, and the proposed connecting points; the volume of traffic estimated to be interchanged; and a description of the principal terms of agreements with carriers covering operation, interchange of traffic, division of rates or trackage rights.

(f) The time schedule for consummation or completion of the proposal.

(g) If a new line is proposed for construction:

(1) The approximate area to be served by the line.

(2) The nature or type of existing and prospective industries (e.g., agriculture, manufacturing, mining, warehousing, forestry) in the area, with general information about the age, size, growth potential and projected rail use of these industries.

(3) Whether the construction will cross another rail line and the name of the railroad(s) owning the line(s) to be crossed. If the crossing will be accomplished with the permission of the railroad(s), include supporting agreements. If a Commission determination under 49 U.S.C. 10901(d)(1) will be sought, include such requests.

§ 1150.5 Operational data.

As exhibit D, an operating plan, including traffic projection studies; a schedule of the operations; information about the crews to be used and where employees will be obtained; the rolling stock requirements and where it will be obtained; information about the operating experience and record of the proposed operator unless it is an operating railroad; any significant change in patterns of service; any associated discontinuance or abandonments; and expected operating economies.

§ 1150.6 Financial information.

(a) The manner in which applicant proposes to finance construction or acquisition, the kind and amount of securities to be issued, the approximate terms of their sale and total fixed charges, the extent to which funds for financing are now available, and whether any of the securities issued would be underwritten by industries to be served by the proposed line. Explain how the fixed charges will be met.

(b) As exhibit E a recent balance sheet. As exhibit F, an income statement for the latest available calendar year prior to filing the application.

(c) A present value determination of the full costs of the proposal. If construction is proposed, the costs for

each year of such construction (in a short narrative or by chart).

(d) A statement of projected net income for 2 years, based upon traffic projections. Where construction is contemplated, the statement should represent the 2 years following completion of construction.

§ 1150.7 Environmental and energy data.

As exhibit H, information and data prepared under 49 CFR Part 1105, and the "Revision of the Nat'l. Guidelines Environmental Policy Act of 1969," 363 I.C.C. 653 (1980), and in accordance with "Implementation of the Energy Policy and Conservation Act of 1975," 49 CFR Part 1106.

§ 1150.8 Additional support.

Any additional facts or reasons to show that the public convenience and necessity require or permit approval of this application. The Commission may require additional information to be filed where appropriate.

§ 1150.9 Notice.

A summary of the proposal which will be used to provide notice under § 1150.10(f).

§ 1150.10 Procedures.

(a) *Waivers.* Prior to filing an application, prospective applicants may seek an advance waiver, either on a permanent or temporary basis, of required information which is unavailable or not necessary or useful in analysis of the proposal. However, if the information is clearly not applicable to the individual proposal, a waiver is not necessary and need not be sought. A petition must specify the sections for which waiver or clarification is sought and the reasons why it should be granted. No replies will be permitted. Parties may, upon an appropriate showing, demonstrate their need to examine data which have previously been waived. In such circumstances, the Commission only requires that it be produced under § 1150.8 above.

(b) *Filing procedures.* The original and five copies of the application and all documents shall be filed with the Secretary. A \$700 fee is required to file an application. (49 CFR 1002.2(d)(1).)

Copies of documents shall be furnished promptly to interested parties upon request. The application shall include a stamped self-addressed envelope to be used to notify applicant of the docket number. Additionally, if possible, telephonic communication of the docket number shall be made.

(c) *Signatures.* The original of the application shall be signed by applicants (if a partnership, all general partners must sign; and if a corporation, association, or other similar form of organization, the signature should be that of the executive officer having knowledge of the matters and designated for that purpose). Applications shall be made under oath and shall contain an appropriate certification (if a corporation, by its secretary) showing that the affiant is duly authorized to verify and file the application. Any persons controlling an applicant shall also sign the application.

(d) *Related applications.* Applicant shall file concurrently all directly related applications (e.g., to issue securities, control motor carriers, obtain access to terminal operations, acquire trackage rights). All such applications will be considered with the main application.

(e) *Service.* As soon as the docket number is obtained the applicant shall serve a conformed copy of the application by first-class mail upon the Governor (or Executive Officer), Public Service Commission, and Department of Transportation of each State in which any part of the properties involved in the proposed transaction is located. Within 2 weeks of filing, applicant shall submit to the Commission a copy of the certificate of service indicating that all persons so designated have been served a copy of the application.

(f) *Publication.* Within 2 weeks of filing, applicant shall have published the summary of the application (prepared under § 1150.9) in a newspaper of general circulation in each county in which the line is located. The notice should inform interested parties of the date by which they must advise the Commission of their interest in the proceeding. This date shall be calculated as the 35th day after the filing of the application which is neither a

Saturday, Sunday, or legal holiday in the District of Columbia. Applicant must file an affidavit of publication immediately after the publication has been completed. The Commission will, as soon as practicable, either publish the notice summary in the *FEDERAL REGISTER* or reject the application if it is incomplete.

(g) *Public participation.* Written comments (with five copies) must be filed within 35 days of the filing of the application. Comments must contain the basis for the party's position either in support or opposition. Applicant must be served with a copy of each comment. On the basis of the comments and the assessment by the Energy and Environmental Branch, the Commission will decide if a hearing is necessary. A hearing may be either oral or through receipt of written statements (modified procedure). (See 49 CFR 1112.1 *et seq.*) If there is no opposition to the application, additional evidence normally need not be filed, and a decision will be reached using the information in the application.

(h) *Replies to written comments.* Applicant's replies will be considered by the Commission provided they are filed and served within 5 days of the due date of the pleadings they address.

Subpart B—Designated Operators

§ 1150.11 Introduction.

A certificate of designated operator will be issued to an operator providing service pursuant to a rail service continuation agreement under section 304 of the Regional Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976. The designated operator (D-OP) may commence and terminate the service in accordance with the terms of the agreement. When service is terminated the D-OP must notify all shippers on the line. To obtain a D-OP certificate, the information in this subpart must be filed with the Commission. A copy of the certificate of designated operator shall be served on the Association of American Railroads.

§ 1150.12 Information about the designated operator.

(a) The name and address of the D-OP.

(b) If a new corporation or other new business entity, a copy of the certificate of incorporation or, if unincorporated, the facts and official organizational documents relating to the business entity.

(c) The names and addresses of all officers and directors, with a statement from each which indicates present affiliation, if any, with a railroad.

(d) Sufficient information to establish its financial responsibility for the proposed undertaking, unless the D-OP is a common carrier by railroad. The nature and extent of all liability insurance coverage, including insurance binder or policy number, and name of insurer.

§ 1150.13 Relevant dates.

The exact dates of the period of operation which have been agreed upon by the D-OP, the offeror of the rail service continuation payment, and the owner of the line to be operated, in their lease and operating agreements.

§ 1150.14 Proposed service.

(a) A copy of all agreements between the D-OP, the offeror of the rail service continuation payment, and the owner of the line to be operated.

(b) Any additional information which is necessary to provide the Commission with a description of:

(1) The line over which service is to be provided (e.g., U.S.R.A. Line); and

(2) All interline connections, including the names of the connecting railroads.

§ 1150.15 Information about offeror.

(a) The name and address of the offeror of the rail service continuation payment.

(b) Sufficient information to establish the financial responsibility of the offeror for the proposed undertaking, or if the offeror is a State or municipal corporation or authority, a statement that it has authority to perform the service or enter into the agreement for subsidy.

§ 1150.16 Procedures.

Upon receipt of this information, the matter will be docketed by the prefix initials "D-OP." Operators may begin operating immediately upon the filing of the necessary information (plus three copies). Although the designated operator will not be required to seek and obtain authority from the Commission either to commence or to terminate operations, the designated operator is a common carrier by railroad subject to all other applicable provisions of 49 U.S.C. Subtitle IV. However, we have exempted designated operators from some aspects of regulation. See "Exempting of Certain Designated Operators from section 11343, 361 ICC 379 (1979), as modified by No. 79-2457, John W. McGinness, Brotherhood of Locomotive Engineers and Railway Labor Executives' Association v. Interstate Commerce Commission and United States of America." (U.S.C.A. D.C. Cir., decided August 17, 1981).

Subpart C—Modified Certificate of Public Convenience and Necessity

§ 1150.21 Scope of rules.

These special rules apply to operations over abandoned rail lines, which have been acquired (through purchase or lease) by a State. The rail line must have fully abandoned, or approved for abandonment by the Commission or a bankruptcy court. As used in these rules, the term "State" includes States, political subdivisions of States, and all instrumentalities through which the State can act. An operator has the option of applying for a modified certificate of public convenience and necessity under this subpart or a common carrier certificate under Subpart A of this part. A copy of the modified certificate shall be served on the Association of American Railroads.

§ 1150.22 Exemptions and common carrier status.

The acquisition by a State of a fully abandoned line is not subject to the jurisdiction of the Interstate Commerce Commission. The acquisition by

a State of a line approved for abandonment and not yet fully abandoned is exempted from the Commission's jurisdiction. If the State intends to operate the line itself, it will be considered a common carrier. However, when a State acquires a rail line described under § 1150.21 and contracts with an operator to provide service over the line, only the operator incurs a common carrier obligation. The operators of these lines are exempted from 49 U.S.C. 10901 and 10903 which are the statutory requirements governing the start up and termination of operations. Operators exempted from these requirements must comply with the requirements of this part and must apply for a modified certificate of public convenience and necessity. The operator is a common carrier and incurs all benefits and responsibilities under 49 U.S.C. Subtitle IV; however, the State through its operational agreement or the operator of the line may determine certain preconditions, such as payment of a subsidy, which must be met by shippers to obtain service over the line. The operator must notify the shippers on the line of any preconditions. The modified certificate will authorize service to shippers who meet these preconditions and the operator will be required to provide complete common carrier service under this certificate only to those shippers. (See 363 ICC 132.)

§ 1150.23 Modified certificate of public convenience and necessity.

(a) The operator must file a notice with the Commission for a modified certificate of public convenience and necessity. Operations may commence immediately upon the filing; however, the Commission will review the information filed, and if complete, will issue a modified certificate notice.

(b) A notice for a modified certificate of public convenience and necessity shall include the following information:

(1) The name and address of the operator and, unless the operator is an existing rail carrier:

(i) Its articles of incorporation or, if it is unincorporated, the facts and organizational documents relating to its formation;

(ii) The names and addresses of all of its officers and directors and a statement indicating any present affiliation each may have with a rail carrier; and

(iii) Sufficient information to establish the financial responsibility of the operator.

(2) Information about the prior abandonment, including docket number, status and date of the first decision approving the abandonment.

(3) The exact dates of the period of operation which have been agreed upon by the operator and the State which owns the line (if there is any agreement, it should be provided);

(4) A description of the service to be performed including, where applicable, a description of:

(i) The line over which service is to be performed;

(ii) All interline connections including the names of the connecting railroads;

(iii) The nature and extent of all liability insurance coverage, including binder or policy number and name of insurer; and

(iv) Any preconditions which shippers must meet to receive service.

(5) The name and address of any subsidizers, and

(6) Sufficient information to establish the financial responsibility of any subsidizers (if the subsidizer is a State, the information should show that it has authority to enter into the agreement for subsidized operations).

(c) The service offered and the applicable rates, charges, and conditions must be described in tariffs published by the operator to the Commission's rules.

§ 1150.24 Termination of service.

The duration of the service may be determined in the contract between the State and the operator. An operator may not terminate service over a line unless it first provides 60 days' notice of its intent to terminate the service. The notice of intent must be: (a) Filed with the State and the Commission, and (b) mailed to all persons that have used the line within the 6 months preceding the date of the notice.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

Exhibit D

**1990 LETTER FROM FRA, ASSOCIATE ADMINISTRATOR FOR PASSENGER AND
FREIGHT SERVICES**



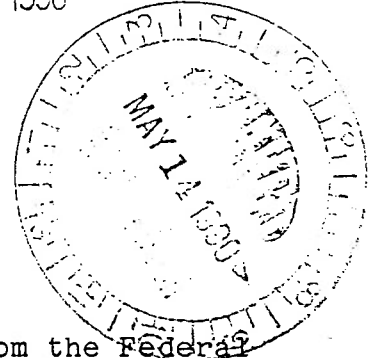
U.S. Department
of Transportation

**Federal Railroad
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

MAY 11 1990

Ms. Jolene M. Molitoris
Deputy Director
Division of Rail Transportation
Ohio Department of Transportation
Post Office Box 899
Columbus, OH 43216-0899



Dear Ms. Molitoris:

This is in response to your letter seeking from the Federal Railroad Administration (FRA) clarification of pay-back implications relative to rail right-of-way which the State of Ohio purchased under the Local Rail Service Assistance (LRSA) Program.

At the time the State purchased USRA Line No. 714 between Warren (M.P. 81.1) and Ashtabula (M.P. 124.2), all track material, except for numerous grade crossings and 3.5 continuous miles of rail in North Warren, had been removed by Penn Central. The corridor purchased by the State with LRSA funds was intended to be retained for future rail service. According to your letter, a public body is now proposing to acquire by lease the rail corridor for use as a hiking/biking trail. It is FRA's understanding that the body has been apprised of the continuing requirement to maintain the corridor's availability for future rail service and is agreeable to such a condition.

In order for FRA to approve the proposed use, the State must submit to FRA a draft agreement which details the provisions of the lease (including future rail service considerations), and indemnifies FRA against any claims arising from use of the corridor and any costs associated with its restoration when rail service is resumed. Alternatively, the State may at any time choose to repay FRA for its participation in the initial purchase of the right-of-way, thus eliminating FRA's interest. An appraisal would be required to determine the current fair market value of the property.

Should you have any questions, please contact the State Programs Division at 202/366-1677.

Sincerely,

ACTION BY JA

DUE DATE

X C'S AM/SA

ORIGINAL FILED Pending

James T. McQueen
James T. McQueen
Associate Administrator for
Passenger and Freight Services

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

Exhibit E

SUPPLEE ADVERSE POSSESSION AND TRESPASS COMPLAINT

MARYELLEN O'SHAUGHNESSY
CLERK OF THE FRANKLIN COUNTY COMMON PLEAS COURT, COLUMBUS, OHIO 43215
CIVIL DIVISION

CHARLES SUPPLEE
2672 STATION STREET
ROCK CREEK, OH 44084,

23CV-12-8741
CASE NUMBER

PLAINTIFF,
VS.

OHIO RAIL TRANSPORTATION AUTHORITY
LINCOLN LEVEQUE TOWER
50 W BROAD STREET 15TH FL
COLUMBUS, OH 43215,

DEFENDANT.

**** SUMMONS ****

12/06/23

TO THE FOLLOWING NAMED DEFENDANT:
OHIO RAIL DEVELOPMENT COMMISSION
1980 W BROAD STREET
MAIL STOP 3140
COLUMBUS, OH 43223

YOU HAVE BEEN NAMED DEFENDANT IN A COMPLAINT FILED IN FRANKLIN COUNTY
COURT OF COMMON PLEAS, FRANKLIN COUNTY HALL OF JUSTICE, COLUMBUS, OHIO,
BY: CHARLES SUPPLEE
2672 STATION STREET
ROCK CREEK, OH 44084,

PLAINTIFF(S).

A COPY OF THE COMPLAINT IS ATTACHED HERETO. THE NAME AND ADDRESS OF
THE PLAINTIFF'S ATTORNEY IS:

ARLEESHA S. WILSON
LAW OFFICE OF ARLEESHA W
P. O. BOX 608633
CLEVELAND, OH 44108

YOU ARE HEREBY SUMMONED AND REQUIRED TO SERVE UPON THE PLAINTIFF'S
ATTORNEY, OR UPON THE PLAINTIFF, IF HE HAS NO ATTORNEY OF RECORD, A COPY
OF AN ANSWER TO THE COMPLAINT WITHIN TWENTY-EIGHT DAYS AFTER THE SERVICE
OF THIS SUMMONS ON YOU, EXCLUSIVE OF THE DAY OF SERVICE. YOUR ANSWER
MUST BE FILED WITH THE COURT WITHIN THREE DAYS AFTER THE SERVICE OF A
COPY OF THE ANSWER ON THE PLAINTIFF'S ATTORNEY.

IF YOU FAIL TO APPEAR AND DEFEND, JUDGMENT BY DEFAULT WILL BE RENDERED
AGAINST YOU FOR THE RELIEF DEMANDED IN THE COMPLAINT.

MARYELLEN O'SHAUGHNESSY
CLERK OF THE COMMON PLEAS
FRANKLIN COUNTY, OHIO

BY: TAMMY SEELIG, DEPUTY CLERK

(CIV370-S03)

295

MARYELLEN O'SHAUGHNESSY
CLERK OF THE FRANKLIN COUNTY COMMON PLEAS COURT, COLUMBUS, OHIO 43215
CIVIL DIVISION

JUDGE C. AVENTI

CHARLES SUPPLEE,
ET. AL.,
PLAINTIFF,

VS.

OHIO RAIL TRANSPORTAION AUTHORITY
ET. AL.,
DEFENDANT.

23CV-12-8741

CASE NUMBER

CLERK'S ORIGINAL CASE SCHEDULE

LATEST TIME OF OCCURRENCE

CASE FILED

12/06/23

INITIAL DISCLOSURES OF THE PARTIES [CIV. R. 26(B) (3)]

01/31/24

DISCOVERY CONFERENCE OF COUNSEL AND UNREPRESENTED PARTIES
[CIV. R. 26(F)]

04/03/24

JOINT DISCOVERY PLAN TO BE FILED

14 DAYS AFTER DISCOVERY
CONFERENCE

CASE MANAGEMENT/PRETRIAL CONFERENCE WITH COURT

SET UPON REQUEST TO CHAMBERS

EXPERT WITNESS [CIV. R. 26(B) (7)]

DISCLOSE IDENTITY - PARTY WITH BURDEN

05/01/24

DISCLOSE IDENTITY - PARTY WITHOUT BURDEN

NO LATER THAN 30 DAYS AFTER
OPPOSING DISCLOSURE

EXPERT REPORT & CV DUE - PARTY WITH BURDEN

05/29/24

EXPERT REPORT & CV DUE - PARTY WITHOUT BURDEN

NO LATER THAN 45 DAYS AFTER
OPPOSING REPORTS

DISPOSITIVE MOTION DEADLINE

07/31/24

DISCOVERY CUTOFF DATE

08/28/24

FINAL PRETRIAL CONFERENCE

11/20/24 0900 AM

TRIAL ASSIGNMENT

12/17/24 0900 AM

MARYELLEN O'SHAUGHNESSY
CLERK OF THE FRANKLIN COUNTY COMMON PLEAS COURT, COLUMBUS, OHIO 43215
CIVIL DIVISION

JUDGE C. AVENI

CHARLES SUPPLEE,
ET. AL.,
PLAINTIFF,

VS.

OHIO RAIL TRANSPORTAION AUTHORITY
ET. AL.,
DEFENDANT.

23CV-12-8741

CASE NUMBER

CLERK'S ORIGINAL CASE SCHEDULE

NOTICE TO ALL PARTIES

Attorneys and unrepresented parties must become familiar with the 2020 amendments to the Ohio Rules of Civil Procedure and this court's Local Rules.

The Original Case Schedule is an important tool to assist the parties and the court in meeting case management guidelines in the Ohio Superintendence Rules, and otherwise achieving timely disposition of civil cases notwithstanding the priority given to criminal cases under Crim. R. 50.

Judicial Officers of this court may modify the Original Case Schedule following receipt of the parties' Joint Discovery Plan, or for good cause at any other point in the case. However, it is essential for attorneys and unrepresented parties to pursue their cases diligently from the outset. Deadlines set in the Rules and in this Original Case Schedule are normally binding, not merely aspirational.

BY ORDER OF THE COURT OF COMMON PLEAS,
FRANKLIN COUNTY, OHIO

MARYELLEN O'SHAUGHNESSY, CLERK

(CIV363-S10)

MARYELLEN O'SHAUGHNESSY

**FRANKLIN COUNTY CLERK OF COURTS
GENERAL DIVISION, COURT OF COMMON PLEAS**

**CASE TITLE: CHARLES SUPPLEE -VS- OHIO RAIL TRANSPORTAION CASE NUMBER: 23CV008741
AUTHORITY ET AL**

**TO THE CLERK OF COURTS, YOU ARE INSTRUCTED TO MAKE:
CERTIFIED MAIL**

**DOCUMENTS TO BE SERVED:
COMPLAINT**

PROPOSED DOCUMENTS TO BE SERVED:

**UPON:
ASHTABULA COUNTY METRO PARKS
91 NORTH CHESTNUT STREET
JEFFERSON, OH 44047**

**OHIO RAIL DEVELOPMENT COMMISION
1980 W BROAD STREET
MAIL STOP 3140
COLUMBUS, OH 43223**

**OHIO RAIL TRANSPORTAION AUTHORITY
LINCOLN LEVEQUE TOWER
50 W BROAD STREET 15TH FL
COLUMBUS, OH 43215**

JUVENILE CITATIONS ONLY:

HEARING TYPE:

___ Date already scheduled at : Courtroom:

**Electronically Requested by: ARLEESHA WILSON
Attorney for:**

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

CHARLES SUPPLEE
2672 Station Street
Rock Creek, Ohio 44084

Plaintiff,

vs.

**OHIO RAIL TRANSPORTATION
AUTHORITY**

Lincoln Leveque Tower
50 W Broad Street 15th Floor
Columbus, Ohio 43215

**OHIO RAIL DEVELOPMENT
COMMISION**

1980 W. Broad Street
Mail Stop #3140
Columbus, Ohio 43223

**ASHTABULA COUNTY METRO
PARKS**

91 North Chestnut Street
Jefferson, Ohio 44047

Defendants.

Case No.

JUDGE:

**COMPLAINT TO OBTAIN TITLE BY
ADVERSE POSSESSION**

Plaintiff Charles Supplee ("Plaintiff"), by and through counsel, hereby states the following
as his Complaint against Defendant:

RECITALS

1. Plaintiff Charles Supplee is a resident of Ashtabula County and has been for all relevant times.
2. Defendants own property that is the subject of this lawsuit and have been for the duration of
the subject period:

- a. Defendant Ohio Rail Transportation Authority owns parcel number 35-000-00-035-00,
3. All of the acts complained of have taken place in the County of Ashtabula, as well as the subject property is located in the same county. Venue is proper in this Court pursuant to Rule 3(B) of Ohio Rules of Civil Procedure.
4. Plaintiff is the owner of 2672 Station Street, Rock Creek, Ohio 44084, Ashtabula County and of 2660 Station Street, Rock Creek, Ohio 44084, Ashtabula County (parcel numbers 35-031-00-010-00 and 35-032-00-003-00) ("Plaintiff's Property"). See **Exhibit A**.
5. This complaint and its causes of action relate to two immediately adjacent parcels of real estate, which together make up the "Property":
 - a. Parcel Number 35-000-00-035-00, whose legal description is marked **Exhibit B**.
6. Both Plaintiffs Property and the Property are referenced on the site map, see **Exhibit C**.
7. Since 1996, Plaintiff has occupied the Property as if it were his own.
8. Since 1996, Plaintiff has openly used the lot, by storing his cars and other conspicuous items.
9. Further, Plaintiff has maintained the lot by cutting the grass and removing snow as necessary.
10. Plaintiff has also used the land adverse and exclusive to all other users.
11. On or about 1996, and at all times thereafter, Plaintiff displayed no trespassing signs on the lot, attempting to prohibit others' use of the lot.
12. As such, the lot has been openly, notoriously, and continuously utilized by Plaintiff in a manner that is adverse to Defendant's property rights in the lot.

COUNT ONE: ADVERSE POSSESSION

13. Plaintiff restates the Recitals in the preceding section of this Complaint.
14. Plaintiff has occupied the Property continuously since 1996 in a manner that was open, exclusive, notorious, hostile, and adverse.
15. Plaintiff has mowed the grass and removed snow from all three parcels for the past 25 years.
16. Plaintiff has stored motor vehicles on the property since 1996 with no past issues.
17. Plaintiff has improved the land by removing weight scales that were on the property along with other basic land clean up and trash removal.
18. The EPA, an agency that monitors the site has paid Plaintiff to mow trails that maintain the EPA's access to the well for testing purposes.
19. Defendant has erected a fence across the street and are in the process of attempting to erect a fence on Plaintiff's side. Plaintiff has openly contested this action.
20. Plaintiff is entitled to ownership and possession of the Property along with all rights inherent in the exclusive ownership under the doctrine of adverse possession.

TRESPASS

21. Plaintiff restates the above Recitals and Counts in the preceding sections of this Complaint.
22. Plaintiff has No Trespassing signs posted.
23. An individual did enter the property and was informed of Plaintiff's No Trespassing request.
24. The individual then asked for access and Plaintiff granted such access.
25. Defendants actions in entering upon the Subject Area constitutes a Trespass against Plaintiff.
26. Plaintiff has been deprived of the exclusive use and enjoyment of his land by Defendant's

trespass and thereby damaged, and will incur further damages until such time as possession of the Subject Area is returned to him.

WHEREFORE, Plaintiff moves this Court to:

- A. Enter judgment for Plaintiff as to Count One, providing title to the Property, quieted as against any right, title or claim of all Defendants;
- B. Enter judgment for Plaintiff as to Count Two, against all Defendants;
- C. Award Plaintiff costs expended herein; and
- D. Such other relief as the Court finds just and equitable.

Respectfully Submitted,



Arleesha Wilson, Esq. (0097351)
600 Superior Avenue E, Suite 1300
Cleveland, OH 44114
(216) 688-7112 (phone)
(216) 479-6839 (office)
(833) 938-2002 (fax)
justice@attorneyawilson.com

EXHIBIT A



EXHIBIT B

Legal Description

The following property situated in the City of Rock Creek, County of Ashtabula and State of Ohio:

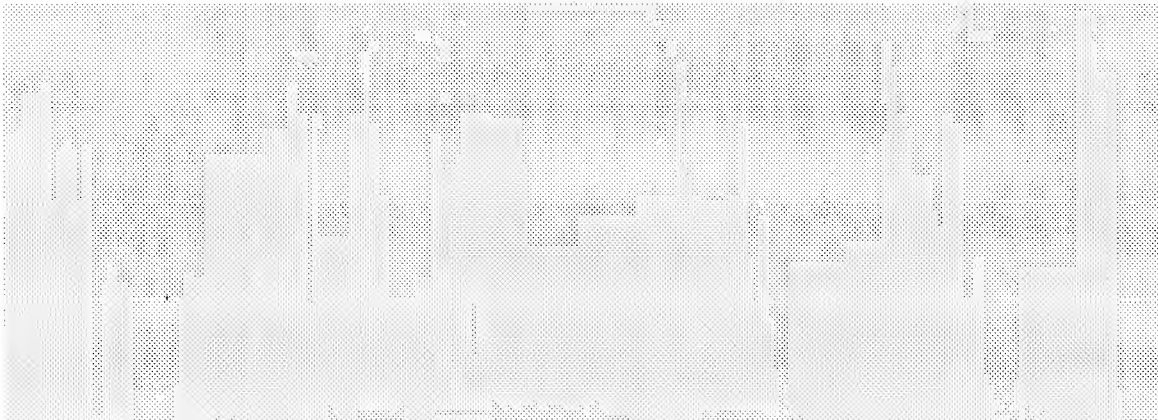
And known as being part of RR LOT 15.

Permanent Parcel Number: 35-00-000-0035-00

Address: 2660 Station Street, Rock Creek, Ohio 44084

EXHIBIT C

Ashtabula County 10/21/20, 9:19 PM



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

OHIO RAIL DEVELOPMENT COMMISSION – PETITION FOR DECLARATORY ORDER

Exhibit F

JUDGE CARL A. AVENI II'S OCTOBER 4, 2024 DECISION

**IN THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, OHIO
CIVIL DIVISION**

CHARLES SUPPLEE	:	
Plaintiff,	:	Case No. 23 CV 8741
v.	:	JUDGE CARL A. AVENI
OHIO RAIL DEVELOPMENT COMMISSION, ET AL.	:	
Defendant.	:	

**DECISION AND ENTRY GRANTING DEFENDANT OHIO RAIL DEVELOPMENT
COMMISSION’S MOTION FOR JUDGMENT ON THE PLEADINGS
FILED JULY 18, 2024
AND
DECISION AND ENTRY GRANTING DEFENDANT ASHTABULA COUNTY
METROPARKS’ MOTION FOR JUDGMENT ON THE PLEADINGS
FILED JULY 23, 2024**

I. Introduction

On December 6, 2023, Plaintiff Charles Supplee filed a Complaint against Defendants Ohio Rail Development Commission (“Rail Commission”) and Ashtabula County Metroparks (“Metroparks”). Plaintiff’s Complaint seeks relief related to his claim of adverse possession of certain parcels of property in Ashtabula County, Ohio, which Plaintiff alleges he has occupied and maintained since 1996. Plaintiff also brings a claim of trespass, contending that Defendants have interfered with his exclusive use and enjoyment of the land.

On July 18, 2024, Defendant Ohio Rail Development Commission filed a Motion for Judgment on the Pleadings, arguing that Plaintiff’s Complaint fails to state a claim upon which relief can be granted. On July 23, 2024, Defendant Ashtabula County Metroparks filed a similar Motion for Judgment on the Pleadings. Plaintiff filed a Memorandum in Opposition to both

Motions, and on August 5, 2024, Defendant Ohio Rail Development Commission filed a Reply. Plaintiff subsequently filed a Surreply on August 12, 2024¹. The Motions are now ripe for decision.

II. Standard of Review

A dismissal under Civ. R. 12(C) is appropriate “where a court (1) construes the material allegations in the complaint, with all reasonable inferences to be drawn therefrom, in favor of the nonmoving party as true, and (2) finds beyond doubt, that the plaintiff could prove no set of facts in support of his claim that would entitle him to relief.” *Hester v. Dwivedi*, 89 Ohio St.3d 575, 585-578, 2000-Ohio-230, 733 N.E.2d 116. “A motion for judgment on the pleadings is the same as a motion to dismiss filed after the pleadings are closed and raises only questions of law.” *Bowles v. Ohio Dept. of Transp.*, 10th Dist. Franklin No. 89AP-1426, 1990 Ohio App. LEXIS 2692 (June 28, 1990). “The pleadings must be construed liberally and in a light most favorable to the party against whom the motion is made, and every reasonable inference in favor of the party against whom the motion is made should be indulged.” *Id.*

III. Discussion

Plaintiff filed this action seeking to obtain title to a piece of land via adverse possession and claiming trespass against Defendants. Defendants argue that Plaintiff’s adverse possession claim is barred because the land is publicly owned by the state. Upon reviewing the pleadings and applicable law, the Court concludes that Defendants’ motion should be granted.

To be entitled to adverse possession, a party must show by clear and convincing evidence that they have possessed the disputed property openly, notoriously, continuously, exclusively, and adversely for a period of 21 years. *Grace v. Koch*, 81 Ohio St.3d 577, 579, 692 N.E.2d 1009 (1998), citing *Pennsylvania Rd. Co. v. Donovan* (1924), 111 Ohio St. 341, 349-50, 145 N.E. 479, 482.

¹ The Rail Commission seeks to strike this Surreply. However, taking into account the minimal impact of such a filing, the Court denies Defendants’ request to strike Plaintiff’s Surreply.

However, Ohio law also provides that adverse possession cannot be used to acquire state-owned land that is held for public purposes. In *Haynes v. Jones*, 91 Ohio St. 197, 200-201 (1915), the Supreme Court of Ohio held that state property is immune from adverse possession claims, and this principle has been reaffirmed in subsequent decisions. See *New 52 Project, Inc. v. Proctor, Dir., Ohio DOT*, 122 Ohio St.3d 1, 2009-Ohio-1766, 907 N.E.2d 305, ¶ 13 finding:

Not only will adverse possession not lie against the state, *Haynes v. Jones* (1915), 91 Ohio St. 197, 110 N.E. 469, 12 Ohio L. Rep. 451, syllabus, an action to quiet title will not lie against the state. *W. Park Shopping Ctr. v. Masheter* (1966), 6 Ohio St.2d 142, 35 O.O. 2d 216, 216 N.E.2d 761.

Here, Plaintiff has alleged that Defendants are public entities, specifically the Ohio Rail Transportation Authority, Ohio Rail Development Commission, and Ashtabula County Metro Parks (Compl. ¶ 2). The property at issue, identified as parcel number 35-000-00-035-00, is owned by these Defendants, which Plaintiff explicitly acknowledges in the complaint (Compl. ¶¶ 2, 5(a)). This property is subject to the protections afforded to public land under Ohio law. Plaintiff further alleges that the Ohio EPA has engaged in activities on the property, which is an indication of public use or oversight (Compl. ¶ 18). Given these facts, it is clear that the land in question is publicly owned and is not subject to adverse possession.

As established in *New 52 Project, Inc. v. Proctor*, *supra*, adverse possession claims cannot divest state or municipal entities of property that serves a public function.

Plaintiff relies on *Barret v. City of Wilmington*, 2016-Ohio-2776, for the proposition that land owned by the government may be subject to adverse possession when it is not used for public purposes. However, *Barret* is distinguishable from the present case in several critical ways. First, *Barret* involved a municipal corporation, while the property at issue here is owned by a state agency, the Railway Commission. Under Ohio law, adverse possession claims against municipal

land may be permitted in limited circumstances, but adverse possession against state-owned land is prohibited. See *Haynes v. Jones*, 91 Ohio St. 197 (1915) (holding that land belonging to the state is immune from adverse possession claims, regardless of how long the adverse occupation may have lasted.) Additionally, in *Barret*, the land in question was a street or highway that had been enclosed and continuously used by the adverse possessor for the statutory period. In contrast, Plaintiff here has not enclosed or fenced in the property, and the land is not a street or highway. Defendants argue that the requirement of enclosure is an “absolute necessity” under Ohio law, a point reiterated in *Barret*:

In the present case, appellant was required to satisfy the elements of R.C. 2305.05 to acquire the property through adverse possession. However, it is undisputed that appellant did not fully enclose the property with a fence as set forth in the statute. As held by numerous appellate districts throughout the state, "the statutory requirement of the erection of a fence is an absolute necessity under the law." *Anderson v. Alger*, 3d Dist. Hardin No. 6-98-10, 1999 Ohio 777, 1999 WL 378377, *4 (May 14, 1999); *Spencer v. Myers*, 9th Dist. Medina No. 2710-M, 1998 Ohio App. LEXIS 3190, 1998 WL 388997, *4 (July 8, 1998); *Rocco v. Fairview Park*, 8th Dist. Cuyahoga No. 72263, 1998 Ohio App. LEXIS 492, 1998 WL 57085, *4 (Feb. 12, 1998). See also *Misamore v. Wien*, 3d Dist. Hancock No. 5-80-20, 1980 Ohio App. LEXIS 11145, 1980 WL 352031 (Nov. 4 1980) (statutory requirements not met where only two sides of the disputed property were fenced); *Bryan v. Killgallon*, 6th Dist. Williams No. WMS-81-6, 1981 WL 5791 (Sept. 25, 1981) [**8] (property not completely enclosed by fence). Since the property was not fully enclosed by a fence, appellant cannot satisfy the elements of R.C. 2305.05 necessary to acquire ownership through adverse possession.

Barrett at ¶ 13. Therefore, the precedent set by *Barret* is inapposite to the facts of this case, and Plaintiff's adverse possession claim fails to meet the necessary elements of an adverse possession claim.

In addition to his adverse possession claim, Plaintiff asserted a claim of trespass, alleging that Defendants erected a fence on the property and entered the land without his permission

(Compl. ¶¶ 19, 23, 25). In Ohio, a trespass occurs when a person, without authority or privilege, unlawfully enters another's land. See *Vineyard Christian Fellowship of Columbus v. Anderson*, 2015-Ohio-5083, ¶ 38. However, because the property is publicly owned by state and municipal entities, Plaintiff cannot claim exclusive possession of the land. His allegations that he has used the property since 1996, posted "No Trespassing" signs, and granted temporary access to others (Compl. ¶¶ 7-11) do not alter the fact that Defendants, as public entities, have lawful authority to access and control the property. Therefore, as a matter of law, no trespass has occurred, as public authorities are entitled to enter and manage the land at issue.

Because Plaintiff can prove no set of facts that would entitle him to relief on either the adverse possession or trespass claims, Defendants' Motions for Judgment on the Pleadings are well-taken and therefore **GRANTED**, and Plaintiff's complaint is **DISMISSED WITH PREJUDICE**.

IT IS SO ORDERED.

Copy to all counsel via electronic counsel

Franklin County Court of Common Pleas

Date: 10-04-2024

Case Title: CHARLES SUPPLEE -VS- OHIO RAIL TRANSPORTAION
AUTHORITY ET AL

Case Number: 23CV008741

Type: ENTRY

It Is So Ordered.

A handwritten signature in black ink, appearing to read 'C. Aveni II', is written over a faint, circular official seal of the Franklin County Court of Common Pleas. The seal contains the text 'FRANKLIN COUNTY COURT OF COMMON PLEAS' and 'OHIO'.

/s/ Judge Carl A. Aveni II

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36822

**OHIO RAIL DEVELOPMENT COMMISSION –
PETITION FOR DECLARATORY ORDER**

EXHIBIT B

**Court of Appeals of Appeals of Ohio, Tenth Appellate District
December 17, 2024 Decision**

IN THE COURT OF APPEALS OF OHIO
TENTH APPELLATE DISTRICT

Charles Supplee, :
Plaintiff-Appellant, :
v. : No. 24AP-670
Ohio Rail Development : (REGULAR CALENDAR)
Commission et al., :
Defendants-Appellees. :

JOURNAL ENTRY

Appellee Ohio Rail Development Commission's December 5, 2024 motion to stay this appeal until the Surface Transportation Board has ruled on its petition for a declaratory order is granted. Within 30 days of the Surface Transportation Board issuing a ruling, appellant shall move to reactivate or dismiss this appeal.

/S/ JUDGE _____

cc: Clerk, Court of Appeals
Deputy Court Administrator
Court Assignment Commissioner

Tenth District Court of Appeals

Date: 12-17-2024
Case Title: CHARLES SUPPLEE -VS- OHIO RAIL TRANSPORTAION
AUTHORITY ET AL
Case Number: 24AP000670
Type: JOURNAL ENTRY

So Ordered

/s/ Judge Laurel Beatty Blunt